

JOINT SCHOOL DISTRICT NO. 272 (LAKELAND),
KOOTENAI AND BONNER COUNTIES,
STATE OF IDAHO

Resolution Authorizing the Issuance and Sale of
\$3,955,000 General Obligation Refunding Bonds, Series 2012

Adopted May 23, 2012

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RESOLUTION

A Resolution authorizing the issuance and confirming the sale of \$3,955,000 General Obligation Refunding Bonds, Series 2012, of Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho, and providing for related matters.

WHEREAS, Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho (the "District") previously issued its \$6,900,000 General Obligation School Bonds, Series 2003 (the "Series 2003 Bonds"), \$5,085,000 of which are outstanding as of the date hereof;

WHEREAS, pursuant to Section 33-1116, Idaho Code, the District has determined that the Series 2003 Bonds maturing on August 15, 2015, through August 15, 2023, inclusive, in the aggregate principal amount of \$4,030,000 (the "Refunded Bonds") can be refunded with profit and advantage to the District and without creating any additional indebtedness or liability, and therefore the District desires to authorize and issue its General Obligation Refunding Bonds, Series 2012 in the principal amount of \$3,955,000 (the "Series 2012 Bonds" or "Bonds"), the proceeds of which will be used to refund the Refunded Bonds and to pay the costs of issuance thereof;

WHEREAS, there has been presented to the Board of Trustees of the District (the "Board") a proposed form of Bond Purchase Agreement between the District and Seattle-Northwest Securities Corporation (the "Purchaser") contemplating the negotiated sale of the Series 2012 Bonds;

WHEREAS, pursuant to Section 57-215, Idaho Code, the District's Notice of Negotiated Private Bond Sale was published on May 18, 2012, in the Coeur d'Alene Press, a newspaper published in the District, and the District desires to sell the Bonds to the Purchaser pursuant to the Bond Purchase Agreement; and

WHEREAS, the Board desires to provide for the details of the Bonds and the payment thereof.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board as follows:

ARTICLE I DEFINITIONS

101. Definitions. As used in this Bond Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Act” means collectively chapter 11 of Title 33 and chapters 2, 5 and 9 of Title 57, Idaho Code, as amended.

“Board” means the Board of Trustees of the District.

“Bond Account” means the Bond Account established in Section 210 hereof.

“Bond Counsel” means Hawley Troxell Ennis & Hawley LLP, or another attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

“Bondholder” or “Holder” means the Registered Owner of any Bond as shown in the registration books of the District kept by the Bond Registrar for such purpose.

“Bond Purchase Agreement” means the agreement relating to the purchase and sale of the Bonds as described in Section 208.

“Bond Register” means the registration records of the District, maintained by the Paying Agent, on which shall appear the names and addresses of the Holders of the Series 2012 Bonds.

“Bond Registrar” means each Person appointed by the District as bond registrar and agent for the transfer, exchange and authentication of the Bonds. Pursuant to Section 206 hereof the initial Bond Registrar is Wells Fargo Bank, National Association.

“Bond Resolution” means this Resolution of the District adopted on May 23, 2012, authorizing the issuance and confirming the sale of the Bonds.

“Bonds” or “Series 2012 Bonds” means the \$3,955,000 General Obligation Refunding Bonds, Series 2012, authorized by this Bond Resolution.

“Business Day” means any day other than (i) a Saturday, Sunday or legal holiday, or (ii) a day on which the Paying Agent is authorized by law to close.

“Cede & Co.” means the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 401 hereof.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the Regulations promulgated thereunder.

“Cost of Issuance Fund” means the Cost of Issuance Fund established in Section 210 hereof.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“DTC Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“District” means Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho.

“Escrow Account” means the Escrow Account established in the Escrow Agreement.

“Escrow Agent” means Wells Fargo Bank, National Association, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement between the District and the Escrow Agent, as authorized in Section 212 hereof.

“Exchange Bond” means any Exchange Bond as defined in Section 209 hereof.

“Information Reporting Agreement” means the undertaking to be delivered by the District in compliance with SEC Rule 15c2-12.

“Investment Securities” means cash or any government obligation qualified under Section 57-504 of the Idaho Code, as it reads on the date hereof, limited however to direct noncallable obligations of the U.S. Government. Said Investment Securities may include either U.S. Treasury Securities-State and Local Government Series or open market securities.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds bonds as securities depository.

“Paying Agent” means each Person appointed by the District as paying agent with respect to the Bonds. Pursuant to Section 206 hereof the initial Paying Agent is Wells Fargo Bank, National Association.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

“Purchaser” means Seattle-Northwest Securities Corporation, Boise, Idaho, the initial purchaser of the Bonds from the District.

“Record Date” means (a) in the case of each interest payment date, the close of business on the fifteenth day preceding the interest payment date and if not a Business Day, the next preceding day that is a Business Day, and (b) in the case of redemption, if applicable, such record date as shall be specified by the Bond Registrar in the notice of redemption, provided that such record date shall be not less than 15 calendar days before the mailing of such notice of redemption.

“Redemption Date” has the meaning set forth in Section 213 of this Bond Resolution.

“Refunded Bonds” means Series 2003 Bonds in the principal amount of \$4,030,000 authorized to be refunded in this Resolution and maturing on August 15 of each year as follows:

<u>Maturity Date 8/15</u>	<u>Principal Amount \$</u>	<u>Interest Rate %</u>	<u>CUSIP No. 511798</u>
2015	380,000	4.000	BC3
2016	395,000	4.000	BD1
2017	410,000	4.000	BE9
2018	425,000	4.125	BF6
2019	445,000	4.250	BG4
2020	465,000	4.300	BH2
2021	480,000	4.400	BJ8
2022	505,000	4.500	BK5
2023	525,000	4.500	BL3

“Registered Owner” means the person(s) in whose name or names the Bonds shall be registered in the Bond Register maintained by the Paying Agent in accordance with the terms of the Bond Resolution.

“Regulations” means the treasury regulations promulgated under the Code and those provisions of the treasury regulations originally promulgated under Section 103 of the Internal Revenue Code of 1954, as amended, which remain in effect under the Code.

“Representations Letter” means the District’s Blanket Letter of Representations authorized under Section 402 of this Bond Resolution to be executed and filed with DTC.

“Rule 15c2-12” means Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“SEC” means the Securities and Exchange Commission.

“Securities Depository” means DTC, or any successor securities depository appointed pursuant to Article IV.

“Series 2003 Bonds” means the \$6,900,000 General Obligation School Bonds, Series 2003 of the District, dated December 15, 2003.

“Series 2003 Bonds Resolution” means the resolution of the District adopted on December 8, 2003, authorizing the Series 2003 Bonds.

“Series 2012 Bonds” or “Bonds” means the \$3,955,000 General Obligation Refunding Bonds, Series 2012, authorized by this Bond Resolution.

“Tax Certificate” means any agreement or certificate of the District which the District executes in order to establish and assure the tax-exempt status of interest received on the Bonds.

“United States” means the government of the United States of America.

“Written Certificate and Request” means an instrument in writing signed on behalf of the District by a duly authorized officer thereof.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms as used in this Bond Resolution refer to this Bond Resolution.

102. Authority for Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

ARTICLE II AUTHORIZATION, TERMS, SALE AND ISSUANCE OF BONDS, REFUNDING AND PAYING AGENT PROVISIONS

201. Authorization of Bonds, Principal Amount, Designation and Series. In accordance with and subject to the terms, conditions and limitations established by the Act and in this Bond Resolution, a series of general obligation refunding bonds of the District is hereby authorized to be issued. Such series of Bonds shall be designated “General Obligation Refunding Bonds, Series 2012” and issued in the principal amount of \$3,955,000. The Bonds shall be issued in fully registered form only, without coupons.

202. Purpose. The Bonds are hereby authorized to be issued for the purpose of providing funds with which to redeem the Refunded Bonds and to pay the costs of the Bonds.

203. Issue Date. The Bonds shall be dated as of the date of their delivery.

204. Bond Details, Amortization Plan.

(a) The Bonds shall be issued in the form of serial bonds maturing on the dates and in the amounts as indicated below. The Bonds bear interest at the rates indicated below (calculated on the basis of a year of 360 days and twelve 30-day months) from the date of their delivery, payable August 15, 2012, and semiannually thereafter on February 15 and August 15 in each year until their respective dates of maturity or prior redemption:

<u>Due</u> <u>August 15</u>	<u>Principal</u> <u>Amount \$</u>	<u>Interest</u> <u>Rate%</u>
2015	390,000	3.00
2016	400,000	3.00
2017	415,000	3.00
2018	425,000	3.00
2019	440,000	3.00
2020	455,000	3.00
2021	460,000	3.00
2022	480,000	3.00
2023	490,000	3.00

(b) Accrual of Interest. Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless it is registered and authenticated as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is registered and authenticated prior to the first interest payment date, in which event it shall bear interest from its date, or unless, as shown by the records of the Bond Registrar, interest on the Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full. The Bond Registrar shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of the Bond Registrar's certificate of authentication on each Bond. To the extent permitted by law, the Bonds shall bear interest on overdue principal at the aforesaid respective rates.

205. Denominations and Numbers. The Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$5,000, or any integral multiple thereof, not exceeding the amount of each maturity. The Bonds shall be numbered from one (1) upward in order of issuance with the prefix "R" preceding each number.

206. Paying Agent and Bond Registrar. Wells Fargo Bank, National Association is hereby appointed the Paying Agent and Bond Registrar for the Bonds. The District may remove any Paying Agent and any Bond Registrar, and any successor thereto, and appoint a successor or successors thereto. Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the District a written acceptance thereof. The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, of the Bonds shall be payable when due to the Holder of each Bond at the designated corporate trust office of the Paying Agent. Payment of interest on each Bond shall be made to the Person which, as of the Record Date, is the Holder of the Bond and shall be made by check or draft mailed to the Person which, as of the Record Date, is the Holder of the Bond, at the address of such Holder as it appears on the registration books of the District

kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to the Record Date.

207. Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

208. Sale of Bonds. The Bonds authorized to be issued herein are hereby sold to the Purchaser on the terms and conditions set forth in the Bond Purchase Agreement at an aggregate purchase price equal to \$4,317,514.25, representing the par amount of the Bonds, plus premium of \$394,154.25, less underwriter's discount of \$31,640.00. To evidence the acceptance of the Bond Purchase Agreement, the Chairman or Vice Chairman is hereby authorized to execute and deliver the Bond Purchase Agreement in the form presented at this meeting.

The pricing details of the Bonds are as follows:

<u>Maturity</u> <u>August 15</u> <u>Year</u>	<u>Amount</u> <u>Maturing \$</u>	<u>Rate%</u>	<u>Yield%</u>	<u>Price%</u>
2015	390,000	3.00	0.600	107.568
2016	400,000	3.00	0.700	109.477
2017	415,000	3.00	0.930	110.461
2018	425,000	3.00	1.170	110.893
2019	440,000	3.00	1.380	111.049
2020	455,000	3.00	1.580	110.865
2021	460,000	3.00	1.780	110.297
2022	480,000	3.00	1.940	109.755
2023	490,000	3.00	2.080	109.139

The Chairman of the Board of Trustees and the Clerk of the Board are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

The final Official Statement of the District for the sale of the Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Superintendent and/or Chairman of the Board of Trustees of the District shall approve, is hereby authorized, and the Superintendent and/or Chairman of the Board of Trustees shall sign such final Official Statement and deliver such final Official Statement to the Purchaser for distribution to prospective purchasers of the Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated May 16, 2012 (the "Preliminary Official Statement"), by the Purchaser and the actions of the District, including the certification by the Chairman and/or the Superintendent of the District as to the "deemed

finality” of the Preliminary Official Statement pursuant to SEC Rule 15c2-12 in connection with the offering of the Bonds are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of SEC Rule 15c2-12, the Purchaser has provided in the Bond Purchase Agreement that it is a condition to delivery of the Bonds that the District and the Paying Agent shall have executed and delivered the Information Reporting Agreement. The Information Reporting Agreement is hereby ratified and approved in all respects and the Chairman or Vice Chairman is hereby authorized to execute and deliver the Information Reporting Agreement. Such Information Reporting Agreement shall constitute the District’s undertaking for compliance with Rule 15c2-12.

209. Execution of Bonds. The Bonds shall be executed on behalf of the District by the Chairman or Vice Chairman of the Board and countersigned by the Clerk of the Board (such signatures being either manual or by facsimile), and the corporate seal of the District, if any, shall be impressed or printed thereon. The certificate of the Treasurer of the Board attached to the Bonds shall be signed by the manual or facsimile signature of the Treasurer of the Board, with the seal of the District impressed or printed thereon. The said officials and each of them are hereby authorized and instructed to execute the Bonds accordingly and the use of facsimile signatures of said Chairman or Vice Chairman, Clerk and Treasurer and facsimile of the seal of the District on the Bonds are hereby authorized, approved and adopted as the authorized and authentic execution, countersigning and sealing, as applicable, of the Bonds by said officials. The Bonds shall then be delivered to the Bond Registrar for manual authentication by it. Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Bond Resolution and that the Holder thereof is entitled to the benefits of this Bond Resolution. The certificate of authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be authenticated by the same Bond Registrar, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

The Chairman or Vice Chairman and Clerk of the Board are authorized to execute, countersign and seal from time to time, if applicable, in the manner described above, Bonds (the “Exchange Bonds”) to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article III hereof. At the time of the execution, countersigning and sealing of the Exchange Bonds by the District, the payee, maturity date, and interest rate shall be in blank. All Exchange Bonds shall be in the denomination of \$5,000. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, maturity date and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds, and to complete, authenticate and deliver the Exchange Bonds, for the purpose of effecting transfers

and exchanges of Bonds; provided that any Exchange Bonds authenticated and delivered by the Bond Registrar shall bear the same series, maturity date and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer, and shall bear the name of such payee as the Bondholder requesting an exchange or transfer shall designate; and provided further that upon the delivery of any Exchange Bonds by the Bond Registrar, a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturities and interest rates shall be cancelled. The execution, countersigning and sealing, if applicable, by the District and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, maturity date and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to authenticate and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

210. Establishment of Accounts and Funds.

A. The following accounts and funds on the accounting records of the District are hereby created with respect to the Bonds:

- (1) Bond Account, to be held by the District;
- (2) Cost of Issuance Fund, to be held by the Escrow Agent, if funded by the District at the time of delivery of the Bonds pursuant to Section 214 hereof; and
- (3) Rebate Fund, to be held by the District.

B. There shall be deposited into the Bond Account (i) taxes collected pursuant to Section 501 hereof, (ii) funds from the State of Idaho pursuant to Idaho Code Section 33-906, and (iii) such other funds as the District shall designate as irrevocably available to pay principal and interest on the Bonds. The District shall make disbursements from the Bond Account in accordance with Sections 404 and 501 hereof. For purposes of investment of funds in the Bond Account, the District may consider funds in the Bond Account not expected to be used to pay principal and interest on the Bonds to be held for the purpose of paying principal and interest on other bonds issued or to be issued by the District or to be used for any lawful purpose of the District. Moneys in the Bond Account may be invested in any investments permitted under the laws of the State of Idaho.

C. There shall be deposited into and disbursed from the Costs of Issuance Fund the moneys referred to in Section 211(b) hereof. On or after July 16, 2012, any moneys remaining in the Costs of Issuance Fund shall be transferred to the Bond Account.

D. There shall be deposited into and disbursed from the Rebate Fund the sums required under the Code.

211. Delivery of Bonds; Application of Proceeds. The Treasurer of the District is hereby instructed to make delivery of the Bonds to the Purchaser under the DTC Fast Automated Securities Transfer System and to receive payment therefor in accordance with the terms of the Bond Purchase Agreement and to deposit the proceeds of sale as follows:

(a) as directed by a Written Certificate and Request of the District, the proceeds of sale of the Bonds in the amount of \$4,277,569.21 shall be transferred to the Escrow Agent for purposes of refunding the Refunded Bonds, as described in Sections 212 and 213 hereof;

(b) a portion of the proceeds of sale of the Bonds shall either be deposited in the Cost of Issuance Fund to be used as described in Sections 210.A(2) and 214, or shall be paid directly by the Purchaser to pay costs of issuance, all as shall be directed by a Written Certificate and Request of the District.

212. Approval of Escrow Agreement; Deposits into Escrow Account.

(a) The Escrow Agreement, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Chairman or Vice Chairman of the Board shall approve, is hereby authorized, and the Chairman or Vice Chairman shall sign such Escrow Agreement, which signature shall evidence such approval. The Chairman and the Clerk are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Escrow Agreement and to carry the same into effect.

(b) As directed by a Written Certificate and Request pursuant to Section 211(a), a portion of the proceeds of the sale of the Bonds shall be used to make a cash deposit and invested or reinvested in Investment Securities for deposit into the Escrow Account established under the Escrow Agreement to defease the Refunded Bonds, in accordance with the provisions of the Escrow Agreement.

213. Redemption of Refunded Bonds, Pledge, etc. of Escrow Account.

(a) The Refunded Bonds are hereby irrevocably called for redemption on August 15, 2013 (the "Redemption Date"). Notice of such redemption of the Refunded Bonds shall be given as provided in the Series 2003 Bonds Resolution and in accordance with the Act. Such Refunded Bonds are being redeemed at a redemption price consisting of par plus accrued interest to the Redemption Date.

(b) Moneys in the Escrow Account shall be invested in Investment Securities as permitted by Section 57-504, Idaho Code, and pursuant to the Escrow Agreement. It is hereby found and determined by the District that, pursuant to Section 57-504, Idaho Code, moneys in

the Escrow Account will be sufficient to pay, when due, pursuant to stated maturity or call for redemption on the Redemption Dates, the principal, interest and premium, if any, due and to become due on the Refunded Bonds, and provision in the Escrow Agreement has been made for the refunding of the Refunded Bonds.

(c) Any moneys remaining in the Escrow Account and not needed for refunding of the Refunded Bonds shall be applied to pay any costs of issuance of the Bonds that remain unpaid, if any, and any moneys remaining thereafter shall be transferred to the District for deposit into the Bond Account.

214. Cost of Issuance Fund. There is hereby established in the hands of the Escrow Agent a separate account designated as the "Cost of Issuance Fund." At the time of the delivery of the Bonds, the District may deposit into the Cost of Issuance Fund such amount as shall be shown in a Written Certificate and Request filed with the Escrow Agent at the time of delivery of the Bonds. The Written Certificate and Request contemplated by Section 211(b) so filed shall itemize those costs of issuance to be paid from the Cost of Issuance Fund, if any, and those costs of issuance to be paid by the Purchaser in accordance with the terms of the Bond Purchase Agreement and the Written Certificate and Request. Moneys in the Cost of Issuance Fund shall be used for the payment of costs of issuance of the Bonds or, pending payment of costs, invested pursuant to the Escrow Agreement. Any moneys remaining in the Cost of Issuance Fund shall be transferred promptly by the Escrow Agent to the District for deposit into the Bond Account.

215. Defeasance.

(a) If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders the principal of or redemption price, if applicable, and interest due or to become due on the Bonds, if applicable, at the times and in the manner stipulated therein and in this Resolution, or such Bonds shall have been deemed to have been paid, then the levy of taxes provided in Section 501 hereof and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the District to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the District of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section. All outstanding Bonds shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, if applicable, the District shall have given irrevocable instructions to mail to the Bondholders of such Bonds, notice of redemption of such Bonds on said date;

(ii) there shall have been deposited in escrow with a bank, trust company or suitable depository (the "Defeasance Agent") either (a) moneys in an amount which shall be sufficient, or (b) Defeasance Securities (defined below) (including any Defeasance Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Defeasance Agent at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest on said Bonds taxable under the Code. In the case of a deposit under clause (b) above, the District will provide to the Defeasance Agent a verification as to the sufficiency of the Defeasance Securities to pay when due the principal or redemption price, as applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof; and

(iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the District shall have given irrevocable instructions to mail, first class postage prepaid, a notice to the Bondholders that the deposit required by (ii) above has been made with the Defeasance Agent and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price as applicable, and interest due or to become due, if applicable, on said Bonds.

(c) Neither Defeasance Securities nor moneys deposited with the Defeasance Agent pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, as applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, free and clear of any trust, lien or pledge. For the purposes of this section, "Defeasance Securities" shall include the following:

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (ii) below), or

(ii) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

Bonds, the principal of and interest on and redemption premium, if any, which shall have been provided for in the manner set forth in Subsection (b) shall be deemed not to be outstanding under the Resolution or under applicable provisions of the law of the State of Idaho, including without limitation, the Act and in particular Section 33-1103 of the Act.

216. Further Authority. The Chairman, the Vice Chairman, the Clerk and the Treasurer of the Board, and other officers of the District are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Bonds, the redemption of the Refunded Bonds, and the fulfillment of the covenants and obligations of the District contained herein, in the Escrow Agreement and any Tax Certificate.

217. Bond Levy Subsidy. The District covenants to apply for and take all reasonable actions necessary to continue to be eligible to receive payments from the State of Idaho under Idaho Code, Sections 33-906 and 33-906A, or any successor provision.

218. Idaho State Bond Guaranty.

(a) Payment of the principal of and interest on the Bonds when due is guaranteed by the sales tax collected by the State of Idaho pursuant to the provisions of the Idaho School Bond Guaranty Act, Title 33, chapter 53, Idaho Code (the "Sales Tax Guaranty Act"). In addition, payment of the principal of and interest on the Bonds when due is guaranteed by the school district bond credit enhancement program under Title 57, chapter 7, Idaho Code (the "Credit Enhancement Program") (the Sales Tax Guaranty Act and Credit Enhancement Program hereinafter sometimes referred to collectively as the "Bond Guaranty Programs").

(b) In accordance with the requirements of the Bond Guaranty Programs, the District shall transfer moneys from the Bond Account sufficient for the scheduled debt service payment on the Bonds to the Paying Agent at least fifteen (15) days before each principal or interest payment date for the Bonds, and if the District is unable to transfer the scheduled debt service payment to the Paying Agent fifteen (15) days before the payment date, the District shall immediately notify the Paying Agent and the Treasurer of the State of Idaho (the "State Treasurer").

(c) The District will use its best effort to cause the Paying Agent to comply with the requirements imposed on the Paying Agent by the Bond Guaranty Programs, including requiring in any paying agent agreement that the Paying Agent notify the State Treasurer in writing at least ten (10) days before the scheduled debt service payment date in the event the District has not transferred sufficient funds as required in (b) above.

(d) The District shall reimburse all moneys drawn by the State Treasurer on its behalf and shall pay interest to the State on all moneys paid by the State as provided in the Bond Guaranty Programs.

(e) The District covenants to comply with the notification, recordkeeping, financial disclosure and other requirements of the Bond Guaranty Programs.

219. Designation as "Qualified Tax-Exempt Obligations". The District hereby designates the Bonds as "Qualified Tax-Exempt Obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code. The District hereby certifies that the Bonds are the only bonds or similar obligations of the District for which a designation as "Qualified Tax-Exempt Obligations" has been made for the current calendar year.

ARTICLE III TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

301. Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 303 hereof, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The District, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Bond or Bonds in an authorized denomination (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) and of the same series, designation, maturity and interest rate duly executed by the District, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond, if applicable. If Exchange Bonds are prepared in connection with transfers outside the book-entry registration system as provided in Section 209, the foregoing provisions of this Section 301 shall apply to such transfers or exchanges. Then and thereafter, Exchange Bonds shall be in the denomination of \$5,000 only, and shall bear numbers as provided in Section 205 hereof. All Bonds issued after the first numbering of Bonds in \$5,000 denominations pursuant to this Article III shall thereafter continue to bear the same number, which shall be used on all newly issued Bonds issued for purposes of all subsequent transfers and exchanges.

302. Exchange of Bonds. Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond, if applicable.

303. Bond Registration Books. This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act of Idaho, chapter 9 of Title 57, Idaho Code. The Bond Registrar shall keep or cause to be kept, at its designated corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

304. List of Bondholder. The Bond Registrar shall maintain a list of the names and addresses of the Holders of all Bonds and upon any transfer shall add the name and address of the new Holder and eliminate the name and address of the transferor Holder.

305. Duties of Bond Registrar. If requested by the Bond Registrar, the Chairman and Clerk of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent, and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds, as applicable;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption, if applicable, or submitted for exchange or transfer;

(e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed;

(f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds; and

(g) to comply with all applicable provisions of the Representations Letter, as called for in Section 402 hereof.

ARTICLE IV
BOOK-ENTRY SYSTEM; LIMITED OBLIGATION
OF DISTRICT; REPRESENTATIONS LETTER

401. Book-Entry Only System. The Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities set forth in Section 204 hereof. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC. Except as provided in Section 403 hereof, all of the outstanding Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, the District, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Bonds with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, if applicable, or (iii) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of or interest on the Bonds. The District, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the Bondholder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided in Section 206 hereof, and all such payments shall be valid and effective to satisfy and discharge fully the District's obligations with respect to payment of principal of and interest on the Bonds, to the extent of the sum or sums so paid. No Person other than a Bondholder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the District to make payments of principal and interest pursuant to this Bond Resolution. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Bond Resolution shall refer to such new nominee of DTC, and, upon receipt of such a notice, the District promptly shall deliver a copy of the same to the Bond Registrar and the Paying Agent.

402. Representations Letter. The Representations Letter in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Chairman

of the Board shall approve, is hereby authorized, and the Chairman shall execute such Representations Letter and cause the same to be filed with DTC. In the written acceptance of the Paying Agent and Bond Registrar referred to in Section 206 hereof, such Paying Agent and Bond Registrar, respectively, shall agree to take all action necessary for all representations of the District in the Representations Letter with respect to the Paying Agent and Bond Registrar, respectively, to be complied with at all times. The District's Representations Letter is for the purpose of effectuating the Book-Entry-Only system and shall not be deemed to amend, supersede or supplement the terms of this Resolution, which terms are intended to be complete without reference to the Representations Letter.

In the event of any conflict between the terms of the Representations Letter and the terms of this Resolution, the terms of this Resolution shall control. DTC may exercise the rights of a Bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

403. Transfers Outside Book-Entry System. In the event that (a) the District determines that DTC is incapable of discharging or is unwilling to discharge its responsibilities described herein and in the Representations Letter, (b) DTC determines to discontinue providing its service as securities depository with respect to the Bonds at any time as provided in the Representations Letter or (c) the District determines that it is in the best interests of the Bondholders, as the beneficial owners of the Bonds, that they be able to obtain certificated Bonds and an alternative book-entry system is not available or is not selected as provided in the succeeding sentence, the District shall notify DTC and direct DTC to notify the Participants of the availability through DTC of Bond certificates, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the District or such depository's agent or designee, and, if the District does not select such alternate universal book-entry system, the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of Article III hereof.

404. Payments to Cede & Co. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representations Letter.

ARTICLE V COVENANTS AND UNDERTAKINGS

501. Levy of Taxes. The District covenants and agrees that to pay principal of and interest on the Bonds falling due to and including August 15, 2023, the District shall levy and

cause to be levied annually at the time when and in the manner in which other general taxes of the District are levied, upon all the taxable property within the limits of the District, in addition to all other authorized taxes and assessments, a tax or assessment in the amount specified by Idaho Code Sections 33-802 and 33-802A, and sufficient to meet the payments of principal and interest on the Bonds as the same mature, and such taxes shall be levied, assessed, certified, extended and collected by their proper officers at the times, other taxes are levied, assessed, certified, extended and collected in, for and by the District and by the officers thereof, all as fixed by law, until the principal and interest of all Bonds and interest thereon shall be fully paid.

Principal of or interest on the Bonds falling due at any time when the proceeds of said tax levy may not be available shall be paid from other funds of the District and shall be reimbursed from the proceeds of said taxes when said taxes shall have been collected. Said taxes in each of the years shall be and are hereby certified to the Boards of County Commissioners of Kootenai and Bonner Counties, Idaho, as being taxes necessary to be levied on all of the taxable property in the District for the purpose of paying the principal of and the interest on the Bonds as the same become due. When collected, said taxes shall be placed into the Bond Account and shall be used for no other purpose than for the payment of the principal of and the interest on the Bonds as the same become due, so long as any of the Bonds remain outstanding and unpaid, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of the Bonds from any other funds in its hands and available for that purpose or to prevent the District from levying any further or additional taxes which may be necessary to pay fully the interest on or the principal of the Bonds.

The full faith and credit and all taxable property in the District are hereby pledged for the prompt payment of the principal of and the interest on the Bonds as the same become due, and, to that end, the tax levies herein provided shall be in full force and effect and remain so forever until the indebtedness hereby incurred, principal and interest, shall have been fully paid, satisfied and discharged, except as hereinbefore provided. Any collection fees or charges made in connection with the payment of the Bonds and interest thereon are to be paid by the District.

502. Bonds in Registered Form. The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in or converted into bearer or coupon form.

503. Arbitrage Covenant; Covenant to Maintain Tax Exemption.

(a) The Chairman, Clerk and Treasurer of the Board and other appropriate officials of the District each are hereby authorized and directed to execute from time to time such Tax Certificates as shall be necessary to establish that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised, and to establish that interest on the Bonds is not and will not become includable in gross income under the Code and applicable regulations. The District covenants and certifies to and

for the benefit of the Bondholders that no use will be made of the proceeds of the issue and sale of the Bonds, or any funds or accounts of the District which may be deemed to be proceeds of the Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated,) which use, if it had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the District obligates itself to comply throughout the term of the Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

(b) The District further covenants and agrees to and for the benefit of the Bondholders that the District (i) will not take any action that would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the Bondholders as provided in Section 103 of the Code, (ii) will not omit to take or cause to be taken, in timely manner, any action which would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the Bondholders as provided in Section 103 of the Code, and (iii) without limiting the generality of the foregoing, (a) will not take any action which would cause the Bonds, or any Bond, to be a "private activity bond" within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (b) will not omit to take or cause to be taken, in timely manner, an action which would cause the Bonds, or any Bond, to be a "private activity bond" or to fail to meet any applicable requirement of Section 149 of the Code. The Chairman or Vice Chairman of the Board, Superintendent or financial officer of the District, or such other appropriate officials of the District each are hereby authorized and directed to execute from time to time such Tax Certificate as shall be necessary to establish that the Bonds are not and will not become "private activity bonds," that all applicable requirements of Section 149 of the Code are and will be met, and that the covenant of the District contained in this Section 503(b) will be complied with.

(c) The District covenants and certifies to and for the benefit of the Bondholders that: (i) the District will at all times comply with the provisions of any Tax Certificate; (ii) the District will at all times comply with the rebate requirements contained in Section 148(f) of the Code, to the extent applicable; and (iii) no bonds or other evidences of indebtedness of the District have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Bonds and ending 15 days following the date of delivery of and payment for the Bonds.

(d) The Tax Certificate, in form acceptable to Bond Counsel, with such insertions and changes therein as shall be approved by the Chairman or Vice Chairman of the Board and the Superintendent or financial officer of the District or such other appropriate officials of the District, is hereby authorized and approved. Such approval of said Chairman or Vice Chairman of the Board and Superintendent or financial officer of the District shall be conclusively established by their execution of the Tax Certificate in its final form.

The District hereby covenants to adopt, make, execute and enter into (and to take such actions, if any, as may be necessary to enable it to do so) any resolution or Tax Certificate

necessary to comply with any changes in law or regulations in order to preserve the exclusion of interest on the Bonds from gross income of the Bondholders thereof for purposes of the federal income tax to the extent that it may lawfully do so. The District further covenants to (a) impose such limitations on the investment or use of moneys or investment related to the Bonds, (b) make such payments to the United States Treasury, (c) maintain such records, (d) perform such calculations and (e) perform such other acts as may be necessary to preserve the exclusion of interest on the Bonds from gross income of the Bondholders thereof for purposes of the federal income tax and which it lawfully may do.

Pursuant to these covenants, the District obligates itself to comply with the requirements of Section 103 of the Code and the regulations proposed or promulgated thereunder throughout the term of the issue of the Bonds.

504. Approval of Plan and Form of Bonds. It is hereby found, determined and declared that in the judgment of the Board of Trustees the departure from the plan and form of bonds as provided for in chapter 11 of Title 33, Idaho Code, as set forth in the Bond Resolution, will result to the benefit and advantage of the District, and therefore pursuant to the provisions of Section 33-1107, Idaho Code, the Bonds shall be sold and delivered to the Purchaser with the annual maturity amounts and dates of payments and bearing interest at the rates herein affixed, upon the payment of the agreed purchase price, after the plan and form thereof shall have been approved by the State Superintendent of Public Instruction. The Clerk of the Board is hereby directed to submit a copy of this Resolution to the State Superintendent of Public Instruction, together with a request that such Superintendent approve the plan and form of bond herein contained, all as provided in Section 33-1107, Idaho Code.

ARTICLE VI FORM OF BONDS

601. Form of Bonds. Each fully registered Bond shall be in substantially the following form, with any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:

Registered

Registered

[FORM OF BOND]

UNITED STATES OF AMERICA

STATE OF IDAHO

Number _____

\$ _____

JOINT SCHOOL DISTRICT NO. 272 (LAKELAND),
KOOTENAI AND BONNER COUNTIES, STATE OF IDAHO
GENERAL OBLIGATION REFUNDING BOND, SERIES 2012

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NO.
_____ %	_____	06/07/12	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho ("District"), acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the registered owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the "Dated Date"), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the basis of a year of 360 days and twelve 30-day months) identified above (the "Interest Rate"), payable on August 15, 2012, and thereafter in each year on February 15 and August 15 until payment in full of said Principal Amount, except as the provisions set forth in the hereinafter mentioned Bond Resolution with respect to redemption prior to maturity may become applicable hereto. To the extent permitted by law, this Bond shall bear interest on overdue principal at the Interest Rate. Principal of, and premium, if any, of this Bond shall be payable at the designated corporate trust office of Wells Fargo Bank, National Association, the Paying Agent of the District, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; and payment of the semiannual interest hereon shall be made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record as of the close of business on the fifteenth day preceding the interest payment date and if not a business day of the Paying Agent, the next preceding day that is a business day of the Paying Agent, at the address of such registered owner as it appears on the registration books kept by the hereinafter defined Bond Registrar, or at such other address as is

furnished in writing by such registered owner to the Bond Registrar as provided in the hereinafter defined Bond Resolution.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Idaho and pursuant to the provisions of chapter 11 of Title 33 and chapters 2, 5 and 9 of Title 57, Idaho Code, and all acts of the Legislature of the State of Idaho amendatory thereof and supplementary thereof (collectively, the "Act"). It is hereby expressly certified and recited that all acts and conditions requisite and precedent to the validity of this issue have been properly done and performed in regular and due time, form and manner, as required by law; that the total outstanding indebtedness of the District, including the whole of this issue, does not exceed any constitutional or statutory debt limit; that the full faith and credit of Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho, are hereby pledged for the due and punctual payment of the principal hereof and interest hereon; and that provision has been made in the statutory manner for the levy and collection of taxes sufficient to pay the interest on this Bond as the same becomes due, and for the payment of the principal hereof at the date of the maturity of this Bond.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

This Bond is one of the General Obligation Refunding Bonds, Series 2012, of the District (the "Bonds") limited to the aggregate principal amount of \$3,955,000, dated as of the Dated Date, issued under and by virtue of the Act, and under and pursuant to a resolution of the District adopted on May 23, 2012 (the "Bond Resolution"), for the purpose of providing funds to refund certain outstanding bonds of the District. Wells Fargo Bank, National Association, is the initial bond registrar and paying agent of the District with respect to the Bonds. Said bond registrar and paying agent, together with any successor bond registrar or paying agent, respectively, is referred to herein as the "Bond Registrar" and the "Paying Agent."

** The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").**

Unless this Bond is presented by an authorized representative of 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.

[This Bond is transferable, as provided in the Bond Resolution, only upon the books of the District kept for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar,

duly executed by the registered owner or such duly authorized attorney, and thereupon the District shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The District, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the District, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.]

[The Bonds are issuable solely in the form of registered Bonds without coupons in the denomination of \$5,000, or any integral multiple of \$5,000.]

The Bonds are not subject to call and redemption prior to maturity.

Payment of the principal of and interest on the Bonds when due is guaranteed by the sales tax collected by the State of Idaho under the provisions of the Idaho School Bond Guaranty Act, Title 33, chapter 53, Idaho Code, and the school district bond credit enhancement program under Title 57, chapter 7, Idaho Code (collectively, the "Bond Guaranty Programs"). The State of Idaho pledges to and agrees with the holders of the Bonds that the State will not alter, impair, or limit the rights vested by the Bond Guaranty Programs with respect to the Bonds until the Bonds, together with interest, are fully paid and discharged.

The District has designated the Bonds as "Qualified Tax Exempt Obligations" for the purpose and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended and supplemented.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Bond Resolution.

IN WITNESS WHEREOF, Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho, by its duly constituted, legally qualified and acting Board of Trustees, has caused this Bond to be signed by the Chairman or Vice Chairman of the Board, countersigned by the Clerk thereof (the signatures of said Chairman or Vice Chairman and Clerk being manual or by facsimile) and has caused its seal to be impressed hereon, as of the Dated Date identified above.

[Manual or Facsimile Signature]
Chairman, Board of Trustees

Countersigned:

 [Manual or Facsimile Signature]
Clerk, Board of Trustees

[SEAL]

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2012, of Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho.

Wells Fargo Bank, National Association, Bond
Registrar

By: [Manual or Facsimile Signature]
Authorized Officer

Date of registration
and authentication: _____

Bond Registrar and Paying Agent:
Wells Fargo Bank, National Association

[The remainder of this page has been left blank intentionally.]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: _____

Address: _____

Tax Identification No.: _____

the within Bond and hereby irrevocably constitutes and appoints _____

_____ of _____

to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

CERTIFICATE OF TREASURER OF BOARD OF TRUSTEES

STATE OF IDAHO)
) ss.
County of Kootenai)

I, the undersigned, the duly constituted, legally qualified and acting Treasurer of the Board of Trustees of Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho, hereby certify that the within Bond has been registered and recorded in my office pursuant to the provisions of chapter 9, Title 57, Idaho Code, and all acts amendatory thereof and supplementary thereto.

WITNESS my hand and the seal of said District this 7th day of June, 2012.

[Manual or Facsimile Signature]

Treasurer, Board of Trustees

[SEAL]

Included when Bonds registered with DTC.

[Bracketed text deleted when Bonds DTC registered.]

[End of Bond Form]

ARTICLE VII
MISCELLANEOUS

701. Ratification. All proceedings, resolutions and actions of the Board, the District, and their officers, agents and employees taken in connection with the authorization, sale and issuance of the Bonds are hereby in all respects ratified, confirmed and approved.

702. Severability. It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Bond Resolution.

703. Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

[The remainder of this page has been left blank intentionally.]

704. Captions. The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

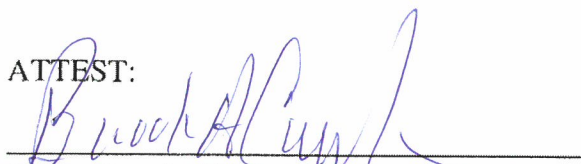
705. Effective Date. This Bond Resolution shall take effect immediately.

PASSED AND APPROVED this 23rd day of May, 2012.

JOINT SCHOOL DISTRICT NO. 272
(LAKELAND), KOOTENAI AND BONNER
COUNTIES, STATE OF IDAHO


Chairman, Board of Trustees

ATTEST:


Clerk, Board of Trustees

[SEAL]

(Other business not pertinent to the above appears in the minutes of the meeting.)

JOINT SCHOOL DISTRICT NO. 272
(LAKELAND), KOOTENAI AND BONNER
COUNTIES, STATE OF IDAHO

By Larry R. Brown
Chairman

(SEAL)

ATTEST:

By

Bruce H. A.
Clerk

RESOLUTION

WHEREAS, in connection with the issuance and sale, from time to time, by Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho (the "District") of tax-exempt bonds ("Bonds"), the District desires to comply with applicable post-issuance requirements of the Internal Revenue Code Section 148 (the "Code") to preserve the tax-exempt status of such Bonds;

WHEREAS, the District desires to adopt written procedures to monitor the arbitrage, yield restriction, and rebate requirements of the Code in the form of the Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds (the "Post-Issuance Compliance Procedures") presented to the Board of Trustees of the District (the "Board") and to designate the official of the District responsible for all related matters and procedures to ensure the District complies with the Post-Issuance Compliance Procedures and the Code.

NOW, THEREFORE, be it resolved by the Board as follows:

RESOLVED, the Post-Issuance Compliance Procedures policy in the form presented to the Board is hereby approved;

FURTHER RESOLVED, the Director of Business and Operations of the District is hereby appointed the "Administrator" responsible for the District's compliance with the Post-Issuance Compliance Procedures and maintenance of the District's records applicable to tax-exempt bonds; and

FURTHER RESOLVED, the Administrator is instructed to retain a copy of the Post-Issuance Compliance Procedures in the District's records.

