

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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MEMBERS PRESENT:      Beaudry  
   Bjerklie  
   Bruns  
   A. Larson  
   B. Larson  
   C. Larson  
   Rantala

ALSO PRESENT:          Rick  
   Johnson  
   Cox

The **regular / special** meeting of the Board of Education of Independent School District No. 2142, St. Louis County Schools, was held at ISD # 2142 District Office on Thursday, **February 4, 2010**, at 5:00 p.m.

Pledge of Allegiance.

Motion by Bruns and seconded by Rantala to **approve the agenda.**

Yes- A. Larson, Beaudry, B. Larson, Bruns, C. Larson, Bjerklie, Rantala  
Against- None

Superintendent Rick reported the following: 1.) The Superintendent reported on the 2<sup>nd</sup> stage in which the Northeast Service Coop. has moved into. It will provide a 43 million grant for a Northeast Fiber Project. The project would have a positive affect for the district as well as the community; 2.) The District-wide Spelling Bee took place at the District Office today. Congratulations to all the participants. The winners of this year's Spelling Bee were: First place-Gage Koskovich, Cook School; second place-Laura Salmala, Cook School; third place Makenzie Sokoloski, Orr School and fourth place-Carley Wills; Babbitt-Embarrass School. First through third place will advance to the regional Spelling Bee in Duluth.

Motion by Beaudry and seconded by C. Larson to **approve the consent agenda:** January 11, 2010 Reorganizational / Regular School Board Meeting Minutes.

Yes- A. Larson, Beaudry, B. Larson, Bruns, C. Larson, Bjerklie, Rantala  
Against- None

Motion by C. Larson and seconded by Beaudry to **recognize Walker, Giroux & Hahne, Ltd. for the school district's audit for the fiscal year ending June 30, 2010 and that the district will retain Walker, Giroux & Hahne, Ltd. for a period of three (3) years.**

Yes- A. Larson, Beaudry, B. Larson, Bruns, C. Larson, Bjerklie, Rantala  
Against- None

Motion by Bjerklie and seconded by A. Larson to **grant permission to the Superintendent to sell the 1997 Chevrolet Suburban that is no longer in use.**

Yes- A. Larson, Beaudry, B. Larson, Bruns, C. Larson, Bjerklie, Rantala  
Against- None

Marshall Helmberger of Tower spoke and urged the board to split the bond sale for the South and North.

Joel Sutter and Kristan Hanson of Ehlers gave a report to the board on the \$25,915,000 General Obligation School Building Bonds, Series 2010B and the \$52,885,000 Taxable General Obligation School Building Bonds, Series 2010C (Build American Bonds). Mr. Sutter distributed a written report to the board and explained the details.

Discussion followed.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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CERTIFICATION OF MINUTES RELATING  
TO  
\$25,915,000 GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2010B

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 2142 (ST. LOUIS COUNTY)  
VIRGINIA, MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A special meeting held on February 4, 2010, at 5:00 o'clock p.m., in the District.

MEMBERS PRESENT: Bob Larson, Tom Beaudry, Gary Rantala, Darrell Bjerklie,  
Zelda Bruns, Andrew Larson, Chet Larson

MEMBERS ABSENT: None

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION AWARDING THE SALE, DETERMINING  
THE FORM AND DETAILS, AUTHORIZING  
THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING  
FOR THE PAYMENT OF \$25,915,000 GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2010B**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of February, 2010.

\_\_\_\_\_  
School District Clerk

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD OF  
INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)  
STATE OF MINNESOTA

HELD: FEBRUARY 4, 2010

Pursuant to due call and notice thereof, a special meeting of the School Board of Independent School District No. 2142, State of Minnesota, was duly held on February 4, 2010, at 5:00 o'clock p.m.

It was reported that 8 proposals for the purchase of the \$25,915,000 General Obligation School Building Bonds, Series 2010B of the District had been received prior to 10:00 o'clock a.m., Central Time,

pursuant to the Terms of Proposal contained in the Official Statement; that the proposals had been opened, read and tabulated; and that the best proposal of each proposal maker was determined to be as follows:

SEE ATTACHED

Member Bjerklie introduced the following resolution and moved its adoption:

**RESOLUTION AWARDING THE SALE, DETERMINING  
THE FORM AND DETAILS, AUTHORIZING  
THE EXECUTION, DELIVERY AND REGISTRATION, AND PROVIDING  
FOR THE PAYMENT OF \$25,915,000 GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2010B**

BE IT RESOLVED by the School Board of Independent School District No. 2142, State of Minnesota, as follows:

**Section 1. Authorization and Sale.**

**1.01 Authorization.** At a meeting held January 11, 2010, this Board determined to sell and issue general obligation bonds of Independent School District No. 2142 (the "Issuer" or the "District") in the total aggregate principal amount of \$25,915,000 (the "Bonds"), which were authorized by the voters of the District at the special election held December 8, 2009, for the acquisition and betterment of school sites and facilities. In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the individual maturity values of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities.

**1.02 Sale.** The Board, having been advised by Ehlers & Associates, Inc., its independent financial advisor, has determined that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended. The Board has publicly received and considered all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, which are hereby ratified and confirmed in all respects and are incorporated herein by reference as though fully specified in this paragraph. The most favorable of such proposals is ascertained to be that of Banc of America Merrill Lynch (the "Purchaser") to purchase the Bonds at a price of \$26,162,108.19, plus interest accrued to settlement, and upon the further terms and conditions set forth in the Terms of Proposal contained in the Official Statement and this resolution. Said proposal is hereby accepted and the sale of the Bonds is hereby awarded to said Purchaser.

**1.03 Execution of Documents; Return of Good Faith Deposits.** The Chair and Clerk are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser. The Treasurer is directed to retain the good faith deposit of the Purchaser pending delivery of the Bonds and payment therefor, and the good faith deposits of other proposal makers shall forthwith be returned to them.

**1.04 Compliance with Law.** All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bonds having been done, having happened and having been performed in regular and due form, time and manner as required by law, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

**1.05 Minnesota School District Credit Enhancement Program.** (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Finance and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section.

**Section 2. Bond Terms.**

**2.01 Designation; Registration; Denomination; Maturities.** The \$25,915,000 aggregate principal amount of general obligation bonds sold on this date shall be designated General Obligation School Building Bonds, Series 2010B, shall be dated February 25, 2010, as the date of original issue, and shall be issued forthwith on or after such date using a global book-entry system. The Bonds shall be issued as fully registered bonds and shall be numbered R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below, and shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid or duly called for mandatory redemption, if herein provided, at the rates per annum set forth below opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2011	\$3,250,000	1.50%	2015	\$3,265,000	2.00%
2012	2,910,000	1.50%	2016	3,330,000	2.25%
2013	3,055,000	1.50%	2017	3,410,000	2.25%
2014	3,210,000	1.75%	2018	3,485,000	3.00%

In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the individual maturity values of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The amounts specified above are hereby adopted and approved as so adjusted.

These maturities, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

**2.02 Interest Payments.** Interest shall be payable semiannually on each February 1 and August 1 to maturity (each an "Interest Payment Date"), commencing August 1, 2010. Interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the MSRB. Interest will be payable in the manner set forth in the form of Global Certificate or Replacement Bond and Paragraph 4.06 of this resolution.

**2.03 Use of Global Book-Entry System.**

(a) **Description of System.** In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the Issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the depository, and other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

**(b) Designation of Depository; Approval of Blanket Issuer Letter of Representations.**

Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT C, if such a letter of representations has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the Issuer. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

**(c) Global Certificates.** Upon their original issuance, the Bonds will be issued in the form of a single Global Certificate for each maturity which shall represent the aggregate principal amount of the Bonds due on a particular maturity date (the "Global Certificates"). The Global Certificates will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificates will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Bonds will receive certificates representing their respective interests in the Bonds except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of \$5,000, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Bond Registrar as paying agent, and in turn by the Bond Registrar to the Depository or its nominee as registered owner of the Global Certificates. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificates.

**(d) Immobilization of Global Certificates by the Depository.** Pursuant to the request of the Purchaser to the Depository, immediately upon the original delivery of the Bonds the Purchaser will deposit the Global Certificates representing all of the Bonds with the Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Depository, shall be registered in the name of the Depository or its nominee and shall be held immobilized from circulation at the offices of the Depository on behalf of the Purchaser and subsequent Bondholders. The Depository or its nominee will be the sole Holder of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Depository holds the Global Certificates immobilized from circulation, except as provided below in clause (e) of this Paragraph 2.03.

**(e) Transfer or Exchange of Global Certificates; Substitute Depository; Replacement Bonds.**

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(i) Upon exchange of a Global Certificate after a partial redemption, if authorized in Paragraph 2.04 of this resolution;

(ii) To any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to subclause (iii) of this clause (e); provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) To a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) of this clause (e); or

(iv) In the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Paragraph 4.04 of this resolution.

In the event of the designation of a Substitute Depository as authorized by this clause (e), the Bond Registrar, upon presentation of the Global Certificates, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this resolution. The Blanket Issuer Letter of Representations shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

**2.04 Redemption. (a) Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

### **Section 3. Form of Bonds.**

The Bonds to be issued hereunder shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided herein.

**3.01 Global Certificates.** The Global Certificates to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the Register of Partial Payments, the form of Assignment, and the registration information thereon, shall be in substantially the form set forth in EXHIBIT A hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph, and may be typewritten rather than printed.

**3.02 Replacement Bonds.** If the Issuer has notified Holders that Replacement Bonds have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Bond thereafter transferred or exchanged (including an exchange to reflect the partial mandatory redemption of a Global Certificate not previously exchanged for Replacement Bonds), the Bond Registrar shall deliver a bond in the form of a Replacement Bond rather than a Global Certificate, but the Holder of a Global Certificate shall not otherwise be required to exchange the Global Certificate for one or more Replacement Bonds since the Issuer recognizes that some Holders may prefer the convenience of the Depository's registered ownership of the Bonds even though the entire issue is no longer required to be in global book-entry form. The Replacement Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form set forth in EXHIBIT B hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph.

### **Section 4. Execution; Delivery; Registration.**

**4.01 Appointment of Registrar.** Bond Trust Services Corporation in Roseville, Minnesota, is appointed to act as the bond registrar and transfer agent (the "Bond Registrar") and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract the Issuer and the Bond Registrar shall execute which is consistent herewith and which the chair and clerk are hereby authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holder) of the Bonds in the manner set forth in the form of Global Certificate or Replacement Bond, as applicable, and Paragraph 4.06 of this resolution. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

**4.02 Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bonds as permitted by law.

**4.03 Authentication; Date of Registration.** No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Bond, substantially in the form set forth in the form of Global Certificate or Replacement Bond, shall have been duly executed by the manual signature of an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds (Global Certificates) to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue; and the executed Certificate of Authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

**4.04 Transfer or Exchange.** The Issuer will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged as herein provided.

A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the Global Certificate. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

At the option of the Holder of a Replacement Bond, Replacement Bonds may be exchanged for Replacement Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Replacement Bonds are so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver the Replacement Bonds which the Holder making the exchange is entitled to receive. Global Certificates may not be exchanged for Global Certificates of smaller denominations.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered owner's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

Transfers shall also be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates.

**4.05 Mutilated, Lost, Stolen or Destroyed Bonds.** In case any Bond shall become mutilated or be lost, stolen or destroyed, the Bond Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Bond Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Bond Registrar shall be named as obligees. All Bonds so surrendered to the Bond Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured, it shall not be necessary to issue a new Bond prior to payment.

**4.06 Interest Payments; Record Dates.** Interest on any Global Certificate shall be paid as provided in the first paragraph thereof and interest on any Replacement Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the Issuer maintained by the Bond Registrar and in each case at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**4.07 Persons Deemed Owners.** The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Paragraph 4.06 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

**4.08 Delivery.** The Bonds when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

## **Section 5. Debt Redemption Fund and Tax Levies.**

**5.01 Debt Redemption Fund.** The Bonds and the interest thereon shall be payable from the Debt Redemption Fund of the Issuer, which shall be maintained by the Treasurer separate and apart from all other funds of the Issuer so long as any Bonds issued hereunder may be outstanding and unpaid. Money in the Debt Redemption Fund shall be used for no purpose other than payment of principal and interest on obligations of the Issuer, including Bonds issued pursuant to this resolution. If any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Redemption Fund to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer, and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bonds. The proceeds of all taxes levied pursuant to this resolution, any amount in excess of \$25,915,000 received from the Purchaser of the Bonds, and all moneys received for or appropriated to the payment of the Bonds and interest thereon shall be paid into the Debt Redemption Fund.

**5.02 Pledge of Full Faith and Credit; Tax Levies.** For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to provide the moneys for the payment thereof required by Minnesota Statutes, Section 475.61, there is hereby levied upon all of the taxable property in the Issuer a direct annual ad valorem tax which shall be spread upon the tax rolls, as a part of other general taxes of the Issuer, for collection in the years and in the amounts as specified on the levy computation sheet attached hereto as EXHIBIT D and incorporated herein by reference as though fully specified in this paragraph. The tax levies provided in this paragraph are such that, if collected in full they, together with estimated collections of other revenues pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amounts needed to meet when due the principal and interest payments on the Bonds.

Said tax levies shall be irrevocable as long as any of said Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

**5.03 Investment Restrictions.** No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Fund or Debt Redemption Fund (or any other District account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

**5.04 Construction Fund.** The proceeds of the bonds not appropriated to the Debt Redemption Fund as provided in Paragraph 5.01 shall be credited to the Issuer's Construction Fund and be used to pay costs incurred in the acquisition and betterment of the school sites and facilities authorized by the electors.

**Section 6. Exemption from Rebate Requirements.**

**6.01 Declaration of Exemption.** For purposes of compliance with the requirements of Section 148(f)(4)(C) of the Code, the Board hereby determines and declares that:

- (a) The Issuer is a governmental unit with general taxing powers;
- (b) The Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) Ninety-five percent of the net proceeds of the Bonds are to be used for the local government purposes of the Issuer; and
- (d) The Issuer will expend the Bond proceeds in such a manner and at such times as necessary to qualify for an exemption from the rebate requirements of the Code pursuant to Section 148(f)(4)(C) of the Code, as amended.
- (e) The Issuer reserves the right to treat the acquisition expenditures and the construction expenditures or portions thereof as separate issues for purposes of Section 148(f)(4)(C) of the Code. If it does so, it shall specify the expenditure limitations for each issue in greater detail in the arbitrage certification executed by the Chair and Clerk.

In order to account for the expenditure of the proceeds of the Bonds, all proceeds credited to the Construction Fund shall be maintained in one or more separate Construction Fund bookkeeping accounts in the financial records of the Issuer. All proceeds of the Bonds shall be expended from said accounts prior to any other moneys of the Issuer on hand and legally available for said expenditures. The books and accounts of the Issuer shall be maintained in such a manner as to demonstrate compliance with the expenditure requirements of Section 148(f)(4)(C) of the Code, as amended.

**6.02 Payment of Rebate.** Notwithstanding the intention of the Issuer to expend the Bond proceeds to meet the expenditure requirements of Section 148(f)(4)(C) of the Code, as amended, if the Issuer fails to meet the expenditure requirements specified in that amended provision, the Issuer agrees to make such calculations and to make such rebate payments to the United States as and when required by said Section 148 and the regulations promulgated thereunder. In construing this Section 6, all terms used herein shall have the meanings provided in Section 148 of the Code and the regulations promulgated thereunder.

**6.03 Opinion of Counsel.** Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Paragraph 5.03 hereof may be deemed inapplicable and of no force or effect if an opinion of Counsel is rendered to the Issuer by nationally recognized bond counsel to the effect that the failure to impose such requirement will not adversely effect the tax-exempt status of interest on the Bonds.

**Section 7. Certifications, Designations, Defeasance, Arbitrage, Reporting.**

**7.01 Filing of Resolution; County Auditor Certificate.** The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that the tax required by law for the payment of said Bonds has been levied, and that said Bonds have been entered upon the County Auditor's Bond Register.

**7.02 Defeasance.** When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with the Bond Registrar, for the purpose of paying all principal and interest due on such Bonds to maturity, or if prepayable, to an earlier date on which they may be called for redemption, a sum of cash or securities of the types described in Minnesota Statutes, Section 475.67, as amended, in such aggregate amount, bearing interest at such rates and maturing or callable at the Issuer's option on such dates as shall be required to provide funds sufficient for this purpose.

**7.03 Nondesignation as Qualified Tax-exempt Obligations.** The Board finds that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer during the calendar year 2010 will exceed \$30,000,000. Thus, the Bonds of this issue are NOT designated as "Qualified Tax-exempt Obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**7.04 Authentication of Transcript.** The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bonds, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of said Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

**7.05 Covenant to Continue Tax Exemption.** The Issuer covenants and agrees with the Holders from time to time of the Bonds herein authorized, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the United States Internal Revenue Code, the regulations promulgated thereunder, or any other applicable federal tax law or regulation; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to ensure that such interest will not become subject to taxation under the Internal Revenue Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing or as hereafter amended or proposed.

**7.06 Arbitrage Certification.** The Chair and School District Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

**7.07 Official Statement.** The Official Statement relating to the Bonds, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is hereby ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof.

**7.08 Information Reporting.** For purposes of compliance with the provisions of Section 149(e) of the Code, the Issuer shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement concerning the Bond issue which meets the requirements of Section 149(e) (2).

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**7.09 Payment of Issuance Expenses.** The District authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to U.S. Trust Company, Minneapolis, Minnesota, on the closing date for further distribution as directed by the District's financial advisor, Ehlers & Associates, Inc.

**7.10 Continuing Disclosure.** The Chair and the School District Clerk are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the Holders of the Bonds and shall constitute the written undertaking required by the Rule to provide or cause to be provided to the MSRB, in an electronic format through the use of the Electronic Municipal Market Access system ("EMMA"), the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

The motion for the adoption of the foregoing resolution was duly seconded by Member C. Larson.

Before the vote, Member Bruns commented that Ehlers has been very successful at selling the bonds however, there is still a question about the Northern site and she would like the bonds to be sold separately.

Discussion followed.

And upon vote being taken thereon, the following voted in favor thereof:

B. Larson, Beaudry, Rantala, Bjerklie, C. Larson

and the following voted against the same:

Bruns, A. Larson

whereupon said resolution was declared duly passed and adopted.

**EXHIBIT A**

**(FORM OF GLOBAL CERTIFICATE)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
ST. LOUIS AND KOOSKICUNG COUNTIES  
INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)

R- \$ \_\_\_\_\_

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2010B

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
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FEBRUARY 25, 2010

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**KNOW ALL PERSONS BY THESE PRESENTS** that Independent School District No. 2142, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Virginia, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above or on the Certificate of Registration attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is subject to mandatory redemption as stated below, on a date prior thereto on which it shall have been duly called for mandatory redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing August 1, 2010, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer; provided, however, that upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion be paid without presentation of this Bond, and may make a notation on the panel provided herein of such redemption, stating the amount so redeemed, or may return the Bond to the Bond Registrar in exchange for a new Bond in the proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$25,915,000. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to finance the acquisition and betterment of school sites and facilities, and all are issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on December 8, 2009, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

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**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Denominations; Exchange; Resolution.** The Bonds are issuable originally only as Global Certificates in the denomination of the entire principal amount of the issue maturing on a single date. Global Certificates are not exchangeable for fully registered Bonds of smaller denominations except in the event of a partial redemption as above provided or in exchange for Replacement Bonds if then available. Replacement Bonds, if made available as provided below, are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Replacement Bonds.** Replacement Bonds may be issued by the Issuer in the event that (a) Depository Trust Company ("DTC") of New York, New York (the "Depository") shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described in the Resolution might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds. The Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders.

**Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have NOT been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

outstanding on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 2142 (St. Louis County), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:  
February 25, 2010

Registrable by:  
BOND TRUST SERVICES CORPORATION  
ROSEVILLE, MINNESOTA

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION  
This Bond is one of

Payable at:  
BOND TRUST SERVICES CORPORATION  
ROSEVILLE,  
MINNESOTA

the Bonds described  
in the within mentioned  
Resolution.

INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)  
VIRGINIA, MINNESOTA

BOND TRUST SERVICES CORPORATION  
Bond Registrar

/s/ (Facsimile)  
Chair

By \_\_\_\_\_  
Authorized Signature

/s/ (Facsimile)  
Clerk

**CERTIFICATE OF REGISTRATION**

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
February 25, 2010	Cede & Co. P.O. Box 222 Bowling Green Station New York, NY 10274	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**REGISTER OF PARTIAL PAYMENTS**

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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The principal amount of the attached Bond has been mandatorily redeemed and prepaid on the dates and in the amounts noted below:

<u>Date</u>	<u>Amount</u>	<u>Signature of Bondholder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If a notation is made on this register, such notation has the effect stated in the attached Bond. Partial payments do not require the presentation of the attached Bond to the Bond Registrar, and a Holder could fail to note the partial payment here.

**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

---

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common
UTMA-	_____	CUSTODIAN _____
	(Cust)	(Minor)
	Under Uniform Transfers to Minors Act	
	_____	
	(State)	

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

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

\_\_\_\_\_  
the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)

Please insert Social Security or other Tax Identification Number of Transferee.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**EXHIBIT B**

**(FORM OF REPLACEMENT BOND)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
ST. LOUIS AND KOCHICING COUNTIES  
INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)

R- \_\_\_\_\_ \$ \_\_\_\_\_

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2010B

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
		FEBRUARY 25, 2010	

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

**KNOW ALL PERSONS BY THESE PRESENTS** that Independent School District No. 2142, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Virginia, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is subject to mandatory redemption as stated below, on a date prior thereto on which it shall have been duly called for mandatory redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing August 1, 2010, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.**

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 2142 (St. Louis County), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and the Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:  
February 25, 2010

Registrable by:  
BOND TRUST SERVICES  
CORPORATION  
ROSEVILLE, MINNESOTA

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION  
This Bond is one of

Payable at:  
BOND TRUST SERVICES CORPORATION  
ROSEVILLE,  
MINNESOTA

the Bonds described  
in the within mentioned  
Resolution.

INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)  
VIRGINIA, MINNESOTA

BOND TRUST SERVICES CORPORATION  
Bond Registrar

/s/ (Facsimile) \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Authorized Signature

/s/ (Facsimile) \_\_\_\_\_  
Clerk

**ON REVERSE OF BOND**

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$25,915,000. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to finance the acquisition and betterment of school sites and facilities, and all are issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on December 8, 2009, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have NOT been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**Denominations; Exchange; Resolution.** The Bonds are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Transfer.** This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

---

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common
UTMA-	_____	CUSTODIAN _____
	(Cust)	(Minor)

Under Uniform Transfers to Minors Act

\_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

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

\_\_\_\_\_  
\_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint  
\_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration  
thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if the Bond is held by joint account.)

Please insert Social Security or other Tax Identification Number of Transferee.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**Exhibit C**

**The Depository Trust Company**  
A subsidiary of The Depository Trust & Clearing Corporation

**BLANKET ISSUER LETTER OF REPRESENTATIONS**

[To be completed by Issuer]

**ISD** \_\_\_\_\_

**#2142 ST. LOUIS COUNTY SCHOOL DISTRICT**

**NOVEMBER 14, 2005**

(Date)

**[For Municipal Issues:**

Underwriting Department-Eligibility: 50th Floor]

**[For Corporate Issues:**

General Counsel's Office: 49th Floor]

**The Depository Trust Company**  
55 Water Street  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the Securities) that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

**Note:**

Schedule A contains statements that DTC believes accurately

describe DTC, the method of effecting book-entry transfers

of securities distributed through DTC, and

certain related matters.

Very truly yours,

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: \_\_\_\_\_ 

*The Depository Trust &  
Clearing Corporation*

By:   
(Authorized Officer's Signature)

**MR. CHARLES RICK, SUPERINTENDENT**

(Print Name)

**1701 NORTH 9<sup>TH</sup> AVENUE**

(Street Address)

**VIRGINIA, MN (ST. LOUIS) 55792**

(City) (State) (County)

**(218) 749-8130**

(Phone Number)

**crick@isd2142.k12.mn.us**

(E-mail Address)

**EXHIBIT D**

**LEVY COMPUTATION SHEET**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
2009	2010	\$
2010	2011	
2011	2012	
2012	2013	
2013	2014	

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

---

2014	2015
2015	2016
2016	2017

STATE OF MINNESOTA )  
 )  
 COUNTY OF ST. LOUIS )

**COUNTY AUDITOR'S CERTIFICATE AS  
 TO TAX LEVY AND BOND REGISTRATION**

I, the undersigned, being the duly qualified and acting County Auditor of St. Louis County, Minnesota, hereby certify that there has been filed in my office a certified copy of a resolution of the School Board of Independent School District No. 2142 (St. Louis County), setting forth the form, details and security of an issue of \$25,915,000 General Obligation School Building Bonds, Series 2010B of the District dated February 25, 2010 as the date of original issue, and levying taxes for the payment of principal of and interest on said Bonds.

I further certify that said bond issue has been entered on my Bond Register and that the tax required by law for payment of said bonds has been levied and filed as required by Minnesota Statutes, Sections 475.61 and 475.63.

WITNESS my hand and official seal this \_\_\_\_\_ day of February, 2010.

---

County Auditor

(SEAL)

STATE OF MINNESOTA )  
 )  
 COUNTY OF KOOCHICHING )

**COUNTY AUDITOR'S CERTIFICATE AS  
 TO TAX LEVY AND BOND REGISTRATION**

I, the undersigned, being the duly qualified and acting County Auditor of Koochiching County, Minnesota, hereby certify that there has been filed in my office a certified copy of a resolution of the School Board of Independent School District No. 2142 (St. Louis County), setting forth the form, details and security of an issue of \$25,915,000 General Obligation School Building Bonds, Series 2010B of the District dated February 25, 2010 as the date of original issue, and levying taxes for the payment of principal of and interest on said Bonds.

I further certify that said bond issue has been entered on my Bond Register and that the tax required by law for payment of said bonds has been levied and filed as required by Minnesota Statutes, Sections 475.61 and 475.63.

WITNESS my hand and official seal this \_\_\_\_\_ day of February, 2010.

---

County Auditor

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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(SEAL)

CERTIFICATION OF MINUTES RELATING  
TO  
\$52,885,000 TAXABLE GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2010C  
(BUILD AMERICA BONDS-DIRECT PAY)

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 2142 (ST. LOUIS COUNTY)  
VIRGINIA, MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A special meeting held on February 4, 2010, at 5:00 o'clock p.m., in the District.

MEMBERS PRESENT: Bob Larson, Tom Beaudry, Gary Rantala, Darrell Bjerklie,  
Zelda Bruns, Andrew Larson, Chet Larson

MEMBERS ABSENT: None

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION AWARDING THE SALE, DETERMINING  
THE FORM AND DETAILS, AUTHORIZING  
THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING  
FOR THE PAYMENT OF \$52,885,000 TAXABLE GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2010C  
(BUILD AMERICA BONDS-DIRECT PAY)**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of February, 2010.

\_\_\_\_\_  
School District Clerk

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD OF  
INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)  
STATE OF MINNESOTA

HELD: FEBRUARY 4, 2010

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

Pursuant to due call and notice thereof, a special meeting of the School Board of Independent School District No. 2142, State of Minnesota, was duly held on February 4, 2010, at 5:00 o'clock p.m.

It was reported that 3 proposals for the purchase of the \$52,885,000 Taxable General Obligation School Building Bonds, Series 2010C (Build America Bonds-Direct Pay) of the District had been received prior to 10:00 o'clock a.m., Central Time, pursuant to the Terms of Proposal contained in the Official Statement; that the proposals had been opened, read and tabulated; and that the best proposal of each proposal maker was determined to be as follows:

SEE ATTACHED

Member Beaudry introduced the following resolution and moved its adoption:

**RESOLUTION AWARDING THE SALE, DETERMINING  
THE FORM AND DETAILS, AUTHORIZING  
THE EXECUTION, DELIVERY AND REGISTRATION, AND PROVIDING  
FOR THE PAYMENT OF \$52,885,000 TAXABLE GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2010C  
(BUILD AMERICA BONDS-DIRECT PAY)**

BE IT RESOLVED by the School Board of Independent School District No. 2142, State of Minnesota, as follows:

**Section 1. Authorization and Sale.**

**1.01 Authorization.** At a meeting held January 11, 2010, this Board determined to sell and issue taxable general obligation bonds of Independent School District No. 2142 (the "Issuer" or the "District") in the total aggregate principal amount of \$52,885,000 (the "Bonds"), which were authorized by the voters of the District at the special election held December 8, 2009, for the acquisition and betterment of school sites and facilities. In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the individual maturity values of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities.

**1.02 Sale.** The Board, having been advised by Ehlers & Associates, Inc., its independent financial advisor, has determined that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended. The Board has publicly received and considered all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, which are hereby ratified and confirmed in all respects and are incorporated herein by reference as though fully specified in this paragraph. The most favorable of such proposals is ascertained to be that of Morgan Keegan & Co., Inc. (the "Purchaser") to purchase the Bonds at a price of \$52,897,382.43, plus interest accrued to settlement, and upon the further terms and conditions set forth in the Terms of Proposal contained in the Official Statement and this resolution. Said proposal is hereby accepted and the sale of the Bonds is hereby awarded to said Purchaser.

**1.03 Execution of Documents; Return of Good Faith Deposits.** The Chair and Clerk are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser. The Treasurer is directed to retain the good faith deposit of the Purchaser pending delivery of the Bonds and payment therefor, and the good faith deposits of other proposal makers shall forthwith be returned to them.

**1.04 Compliance with Law.** All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bonds having been done, having happened and having been performed in regular and due form, time and manner as required by law, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

**1.05 Minnesota School District Credit Enhancement Program.** (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Finance and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section.

**1.06 Designation of Bonds as Build America Bonds and Qualified Bonds; Findings.** (a) The District makes the following elections and designations:

(i) The District hereby makes an irrevocable election to have Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code") apply to the Bonds in order to designate the Bonds as Build America Bonds pursuant to Section 54AA(d)(1)(C) of the Code and hereby makes said designation.

(ii) The District hereby makes an irrevocable election to have Section 54AA(g) of the Code apply to the Bonds in order to designate the Bonds as "qualified bonds" pursuant to Sections 54AA(g)(2)(B) and hereby makes said designation.

(b) **Findings; Covenants and Representations.** The District makes the following findings, covenants and representations in support of said designations of the Bonds as Build America Bonds and as qualified bonds:

(i) The Bonds are issued after February 17, 2009 and before January 1, 2011;

(ii) But for said elections specified above, the interest on the Bonds would be excludable from gross income for federal income tax purposes;

(iii) The Bonds are not private activity Bonds;

(iv) No more than two percent (2%) of the proceeds of the Bonds will be used to pay costs of issuance of the Bonds;

(v) The issue price of the Bonds does not have more than a *de minimus* amount of premium over the stated principal amount of the Bonds as determined under rules similar to regulations promulgated under Section 1273(a)(3) of the Code; and

(vi) One hundred percent (100%) of the available project proceeds of the Bonds as defined in Section 54AA of the Code, there being no reasonably required reserve therefor, are to be used for capital expenditures, as defined in Treasury Regulation 1.150-1(b), which are not working capital expenditures.

## **Section 2. Bond Terms.**

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**2.01 Designation; Registration; Denomination; Maturities.** The \$52,885,000 aggregate principal amount of general obligation bonds sold on this date shall be designated Taxable General Obligation School Building Bonds, Series 2010C (Build America Bonds-Direct Pay), shall be dated February 25, 2010, as the date of original issue, and shall be issued forthwith on or after such date using a global book-entry system. The Bonds shall be issued as fully registered bonds and shall be numbered R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below, and shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid or duly called for redemption at the rates per annum set forth below opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2019	\$3,640,000	4.55%	2025	\$4,435,000	5.25%
2020	3,755,000	4.65%	2026	4,595,000	5.125%
2021	3,875,000	4.80%	2027	4,765,000	5.25%
2022	4,000,000	4.90%	2028	4,945,000	5.375%
2023	4,135,000	5.00%	2029	5,130,000	5.45%
2024	4,280,000	5.25%	2030	5,330,000	5.55%

In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the individual maturity values of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The amounts specified above are hereby adopted and approved as so adjusted.

These maturities, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

**2.02 Interest Payments.** Interest shall be payable semiannually on each February 1 and August 1 to maturity (each an "Interest Payment Date"), commencing August 10, 2010. Interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the MSRB. Interest will be payable in the manner set forth in the form of Global Certificate or Replacement Bond and Paragraph 4.06 of this resolution.

**2.03 Use of Global Book-Entry System.**

(a) **Description of System.** In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the Issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the depository, and other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

(b) **Designation of Depository; Approval of Blanket Issuer Letter of Representations.** Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT C, if such a letter of representations

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the Issuer. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

**(c) Global Certificates.** Upon their original issuance, the Bonds will be issued in the form of a single Global Certificate for each maturity which shall represent the aggregate principal amount of the Bonds due on a particular maturity date (the "Global Certificates"). The Global Certificates will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificates will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Bonds will receive certificates representing their respective interests in the Bonds except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of \$5,000, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Bond Registrar as paying agent, and in turn by the Bond Registrar to the Depository or its nominee as registered owner of the Global Certificates. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificates.

**(d) Immobilization of Global Certificates by the Depository.** Pursuant to the request of the Purchaser to the Depository, immediately upon the original delivery of the Bonds the Purchaser will deposit the Global Certificates representing all of the Bonds with the Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Depository, shall be registered in the name of the Depository or its nominee and shall be held immobilized from circulation at the offices of the Depository on behalf of the Purchaser and subsequent Bondholders. The Depository or its nominee will be the sole Holder of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Depository holds the Global Certificates immobilized from circulation, except as provided below in clause (e) of this Paragraph 2.03.

**(e) Transfer or Exchange of Global Certificates; Substitute Depository; Replacement Bonds.**

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(i) Upon exchange of a Global Certificate after a partial redemption, if authorized in Paragraph 2.04 of this resolution;

(ii) To any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to subclause (iii) of this clause (e); provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) To a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) of this clause (e); or

(iv) In the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein

might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Paragraph 4.04 of this resolution.

In the event of the designation of a Substitute Depository as authorized by this clause (e), the Bond Registrar, upon presentation of the Global Certificates, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this resolution. The Blanket Issuer Letter of Representations shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

**2.04 Redemption. (a) Optional Redemption.** The Issuer may elect on February 1, 2020, and on any date thereafter, to prepay Bonds due on or after February 1, 2021, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**(b) Extraordinary Optional Redemption.** At the option of the Issuer, the Bonds are subject to extraordinary optional redemption on any date, in whole or in part, at a redemption price of par plus accrued interest, if an Extraordinary Event occurs. As used herein, an "Extraordinary Event" will have occurred if either (a) Section 54AA or 6431 of the Code is repealed, amended or modified in a manner which results in a reduction or the elimination of the 35% interest rate subsidy payment in the form of a refundable credit to the Issuer by the United States Department of the Treasury or (b) the United States Department of the Treasury fails to make such an interest rate subsidy payment to which the Issuer is entitled and such failure is not caused by any action or inaction by the Issuer. The redemption date shall be a date designated by the Issuer for which timely notice of redemption can be given. This provision shall be applicable to bonds issued prior to the date of such elimination or reduction, including the Bonds.

**(c) Redemption of Global Certificates.** Upon a partial redemption in the aggregate principal amount of a Global Certificate which results in the stated amount thereof being reduced, the Holder may in its discretion make a notation of such redemption on the panel provided on the Global Certificate stating the amount so redeemed, or may return the Global Certificate to the Bond Registrar in exchange for a new Global Certificate authenticated by the Bond Registrar, in proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Global Certificate outstanding, unless the Bond Registrar has signed the appropriate column of the panel.

**(d) Redemption of Replacement Bonds.** To effect a partial redemption of Replacement Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Replacement Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Replacement Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Replacement Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Replacement Bonds to be redeemed. The Replacement Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Replacement Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 of principal amount for each number assigned to it and so selected. If a Replacement Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Replacement Bond, without service charge, a new Replacement Bond or Bonds of the same series having the

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Replacement Bond so surrendered.

(e) **Notice of Redemption of Global Certificates and Replacement Bonds.** The Bond Registrar shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Registrar of a request of the Issuer. The request shall be in written form. The request shall specify the principal amount of Bonds to be called for redemption, the redemption date and the redemption price.

Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder. If and when the Issuer shall call any of the Bonds for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the Issuer of its intention to redeem and pay such Bonds at the office of the Bond Registrar. The Notice of Redemption shall be given by first class mail, postage prepaid, mailed not more than sixty (60) and not less than thirty (30) days prior to the redemption date, to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. For the purpose of giving notice of the redemption of Global Certificates, the Holder of the Global Certificates shall be the Depository or its nominee. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used. All notices of redemption shall state:

- (i) The redemption date;
- (ii) The redemption price;
- (iii) If less than all outstanding Bonds are to be redeemed, the identification (and, if the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) That on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and
- (v) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar).

### **Section 3. Form of Bonds.**

The Bonds to be issued hereunder shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided herein.

**3.01 Global Certificates.** The Global Certificates to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the Register of Partial Payments, the form of Assignment, and the registration information thereon, shall be in substantially the form set forth in EXHIBIT A hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph, and may be typewritten rather than printed.

**3.02 Replacement Bonds.** If the Issuer has notified Holders that Replacement Bonds have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Bond thereafter transferred or exchanged (including an exchange to reflect the partial prepayment of a Global Certificate not previously exchanged for Replacement Bonds), the Bond Registrar shall deliver a bond in the form of a Replacement Bond rather than a Global Certificate, but the Holder of a Global Certificate shall not otherwise be required to exchange the Global Certificate for one or more Replacement Bonds since the Issuer recognizes that some Holders may prefer the convenience of the Depository's registered ownership of the Bonds even though the entire issue is no longer required to be in global book-entry form. The Replacement Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form set forth in EXHIBIT B hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph.

### **Section 4. Execution; Delivery; Registration.**

**4.01 Appointment of Registrar.** Bond Trust Services Corporation in Roseville, Minnesota, is appointed to act as the bond registrar and transfer agent (the "Bond Registrar") and shall do so until a

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

successor Bond Registrar is duly appointed, all pursuant to a contract the Issuer and the Bond Registrar shall execute which is consistent herewith and which the chair and clerk are hereby authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holder) of the Bonds in the manner set forth in the form of Global Certificate or Replacement Bond, as applicable, and Paragraph 4.06 of this resolution. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

**4.02 Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bonds as permitted by law.

**4.03 Authentication; Date of Registration.** No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Bond, substantially in the form set forth in the form of Global Certificate or Replacement Bond, shall have been duly executed by the manual signature of an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds (Global Certificates) to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue; and the executed Certificate of Authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

**4.04 Transfer or Exchange.** The Issuer will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged as herein provided.

A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the Global Certificate. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

At the option of the Holder of a Replacement Bond, Replacement Bonds may be exchanged for Replacement Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Replacement Bonds are so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver the Replacement Bonds which the Holder making the exchange is entitled to receive. Global Certificates may not be exchanged for Global Certificates of smaller denominations.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered owner's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

Transfers shall also be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates.

**4.05 Mutilated, Lost, Stolen or Destroyed Bonds.** In case any Bond shall become mutilated or be lost, stolen or destroyed, the Bond Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Bond Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Bond Registrar shall be named as obligees. All Bonds so surrendered to the Bond Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured, it shall not be necessary to issue a new Bond prior to payment.

**4.06 Interest Payments; Record Dates.** Interest on any Global Certificate shall be paid as provided in the first paragraph thereof and interest on any Replacement Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the Issuer maintained by the Bond Registrar and in each case at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**4.07 Persons Deemed Owners.** The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Paragraph 4.06 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

**4.08 Delivery.** The Bonds when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

## **Section 5. Debt Redemption Fund and Tax Levies.**

**5.01 Debt Redemption Fund.** The Bonds and the interest thereon shall be payable from the Debt Redemption Fund of the Issuer, which shall be maintained by the Treasurer separate and apart from all other funds of the Issuer so long as any Bonds issued hereunder may be outstanding and unpaid. Money in the Debt Redemption Fund shall be used for no purpose other than payment of principal and interest on obligations of the Issuer, including Bonds issued pursuant to this resolution. If any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Redemption Fund to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer, and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bonds. The proceeds of all taxes levied pursuant to this resolution, any amount in excess of \$52,885,000 received from the Purchaser of the Bonds, and all moneys received for or appropriated to the payment of the Bonds and interest thereon shall be paid into the Debt Redemption Fund. All moneys received from the Department of Treasury as direct interest subsidy payments in the form of refundable credits pursuant to Section 6431 of the Code are appropriated to the payment of the Bonds and interest thereon and shall be paid into the Debt Redemption Fund.

**5.02 Pledge of Full Faith and Credit; Tax Levies.** For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to provide the moneys for the payment thereof required by Minnesota Statutes, Section 475.61, there is hereby levied upon all of the taxable property in the Issuer a direct annual ad valorem tax which shall be spread upon the tax rolls, as a part of other general taxes of the Issuer, for collection in the years and in the amounts as specified on the levy computation sheet attached hereto as EXHIBIT D and incorporated herein by reference as though fully specified in this paragraph. The tax levies provided in this paragraph are such that, if collected in full they, together with estimated collections of other revenues pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amounts needed to meet when due the principal and interest payments on the Bonds.

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Said tax levies shall be irrevocable as long as any of said Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

**5.03 Intentionally Omitted.**

**5.04 Construction Fund.** The proceeds of the bonds not appropriated to the Debt Redemption Fund as provided in Paragraph 5.01 shall be credited to the Issuer's Construction Fund and be used to pay costs incurred in the acquisition and betterment of the school sites and facilities authorized by the electors.

**Section 6. Exemption from Rebate Requirements.**

**6.01 Declaration of Exemption.** For purposes of compliance with the requirements of Section 148(f)(4)(C) of the Code, the Board hereby determines and declares that:

- (a) The Issuer is a governmental unit with general taxing powers;
- (b) The Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) Ninety-five percent of the net proceeds of the Bonds are to be used for the local government purposes of the Issuer; and
- (d) The Issuer will expend the Bond proceeds in such a manner and at such times as necessary to qualify for an exemption from the rebate requirements of the Code pursuant to Section 148(f)(4)(C) of the Code, as amended.
- (e) The Issuer reserves the right to treat the acquisition expenditures and the construction expenditures or portions thereof as separate issues for purposes of Section 148(f)(4)(C) of the Code. If it does so, it shall specify the expenditure limitations for each issue in greater detail in the arbitrage certification executed by the Chair and Clerk.

In order to account for the expenditure of the proceeds of the Bonds, all proceeds credited to the Construction Fund shall be maintained in one or more separate Construction Fund bookkeeping accounts in the financial records of the Issuer. All proceeds of the Bonds shall be expended from said accounts prior to any other moneys of the Issuer on hand and legally available for said expenditures. The books and accounts of the Issuer shall be maintained in such a manner as to demonstrate compliance with the expenditure requirements of Section 148(f)(4)(C) of the Code, as amended.

**6.02 Payment of Rebate.** Notwithstanding the intention of the Issuer to expend the Bond proceeds to meet the expenditure requirements of Section 148(f)(4)(C) of the Code, as amended, if the Issuer fails to meet the expenditure requirements specified in that amended provision, the Issuer agrees to make such calculations and to make such rebate payments to the United States as and when required by said Section 148 and the regulations promulgated thereunder. In construing this Section 6, all terms used herein shall have the meanings provided in Section 148 of the Code and the regulations promulgated thereunder.

**6.03 Opinion of Counsel.** Notwithstanding any other provision of this Section 6, any requirement imposed hereunder may be deemed inapplicable and of no force or effect if an opinion of Counsel is rendered to the Issuer by nationally recognized bond counsel to the effect that the failure to impose such requirement will not adversely effect the tax-exempt status of interest on the Bonds.

**Section 7. Certifications, Designations, Defeasance, Arbitrage, Reporting.**

**7.01 Filing of Resolution; County Auditor Certificate.** The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that the tax required by law for the payment of said Bonds has been levied, and that said Bonds have been entered upon the County Auditor's Bond Register.

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**7.02 Defeasance.** When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with the Bond Registrar, for the purpose of paying all principal and interest due on such Bonds to maturity, or if prepayable, to an earlier date on which they may be called for redemption, a sum of cash or securities of the types described in Minnesota Statutes, Section 475.67, as amended, in such aggregate amount, bearing interest at such rates and maturing or callable at the Issuer's option on such dates as shall be required to provide funds sufficient for this purpose.

**7.03 Nondesignation as Qualified Tax-exempt Obligations.** In that the Bonds are to be issued as fully taxable obligations for federal income tax purposes, the Bonds of this issue are not designated as "Qualified Tax-exempt Obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**7.04 Authentication of Transcript.** The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bonds, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of said Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

**7.05 Covenant to Maintain Status as Build America Bonds.** The Issuer covenants and agrees with the Holders from time to time of the Bonds herein authorized, that it shall comply with all requirements under the Code necessary to establish and maintain the status of the Bonds as Build America Bonds and as qualified bonds, including requirements relating to the exclusion from gross income of the interest on the Bonds but for their election as Build America Bonds, and including, without limitation, requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds and rebate requirements if the Bonds do not meet the exemption from rebate provisions specified in Section 6 hereof.

**7.06 Refundable Credit.** Section 54AA(g) of the Code authorizes Build America Bonds-Direct Payment that meet the definition of "qualified bonds" to receive a direct payment of an interest rate subsidy in the form of a refundable credit under Section 6431 of the Code. Section 6431(a) of the Code provides that the Issuer shall be allowed a credit with respect to each interest payment under such Bond which shall be payable as a direct payment by the Secretary of the Treasury. Section 6431(b) of the Code provides that the Department of the Treasury shall pay (contemporaneously with each interest payment on the Bond) to the Issuer of the Bond (or to any person who makes interest payments on behalf of the Issuer) thirty-five percent (35%) of the interest payable under such Bond on such Interest Payment Date. The amount of refundable credit that the Issuer may claim is determined by multiplying the interest payment (for interest accrued after the date of settlement) that is payable by the Issuer on an Interest Payment Date by thirty-five percent (35%). If the Bonds are issued with original issue discount, the discount is not treated as interest when calculating the refundable tax credit payable to the District. Under Section 6402 of the Code, the amount of the refundable credit to be paid as a direct payment may be subject to offset for federal tax liabilities of the District or other liabilities of the District to any federal agency.

**7.07 Arbitrage Certification.** The Chair and School District Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

**7.08 Official Statement.** The Official Statement relating to the Bonds, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is hereby ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

**7.09 Information Reporting.** For purposes of compliance with the provisions of Section 149(e) of the Code, the Issuer shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement concerning the Bond issue which meets the requirements of Section 149(e) (2). The Issuer shall timely file Form 8038-CP returns with respect to each interest payment on the Bonds in order to receive the direct payments of the interest subsidy in the form of a refundable tax credit. The due date for filing a Form 8038-CP shall be not earlier than ninety (90) days before the applicable Interest Payment Date and not later than forty-five (45) days before the applicable Interest Payment Date.

**7.10 Continuing Disclosure.** The Chair and the School District Clerk are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the Holders of the Bonds and shall constitute the written undertaking required by the Rule to provide or cause to be provided to the MSRB, in an electronic format through the use of the Electronic Municipal Market Access system ("EMMA"), the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

The motion for the adoption of the foregoing resolution was duly seconded by Member C. Larson.

Before the vote, Member A. Larson had a question on the bonds which was addressed by Joel Sutter.

Discussion followed.

and upon vote being taken thereon, the following voted in favor thereof:

B. Larson, Beaudry, Rantala, Bjerklie, C. Larson

and the following voted against the same:

Bruns, A. Larson

whereupon said resolution was declared duly passed and adopted.

**EXHIBIT A  
(FORM OF GLOBAL CERTIFICATE)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
ST. LOUIS AND KOOSKICUNG COUNTIES  
INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)

R- \$ \_\_\_\_\_

TAXABLE GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2010C  
(BUILD AMERICA BONDS-DIRECT PAY)

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATE OF</u> <u>ORIGINAL ISSUE</u>	<u>CUSIP</u>
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FEBRUARY 25, 2010

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

**KNOW ALL PERSONS BY THESE PRESENTS** that Independent School District No. 2142, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Virginia, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

pay to the registered owner specified above or on the Certificate of Registration attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is redeemable as stated below, on a date prior thereto on which it shall have been duly called for redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing August 10, 2010, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer; provided, however, that upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion be paid without presentation of this Bond, and may make a notation on the panel provided herein of such redemption, stating the amount so redeemed, or may return the Bond to the Bond Registrar in exchange for a new Bond in the proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Optional Redemption.** The Issuer may elect on February 1, 2020, and on any date thereafter, to prepay Bonds due on or after February 1, 2021, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, Bonds shall be prepaid in \$5,000 increments of principal. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**Extraordinary Optional Redemption.** At the option of the Issuer, the Bonds are subject to extraordinary optional redemption on any date, in whole or in part, at a redemption price of par plus accrued interest, if an Extraordinary Event occurs. As used herein, an "Extraordinary Event" will have occurred if either (a) Section 54AA or 6431 of the Code is repealed, amended or modified in a manner which results in a reduction or the elimination of the 35% interest rate subsidy payment in the form of a refundable credit to the Issuer by the United States Department of the Treasury or (b) the United States Department of the Treasury fails to make such an interest rate subsidy payment to which the Issuer is entitled and such failure is not caused by any action or inaction by the Issuer. The redemption date shall be a date designated by the Issuer for which timely notice of redemption can be given. This provision shall be applicable to bonds issued prior to the date of such elimination or reduction, including the Bonds.

**Notice of Redemption.** Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds. For this purpose, the Depository shall be the "Holder" as to Bonds registered in the name of the Depository or its nominee. In the event any of the Bonds are called for redemption, written notice thereof will be given by first class mail, postage prepaid, mailed not more than sixty (60) and not less than thirty (30) days prior to the redemption date to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used.

**Replacement or Notation of Bonds after Partial Redemption.** Upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion make a notation on the panel provided herein of such redemption, stating the amount so redeemed. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Otherwise, the Holder may surrender this Bond to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of this Bond, without service charge, a new Bond of the same Issue having the same stated maturity and interest rate and of the authorized denomination in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$52,885,000. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to finance the acquisition and betterment of school sites and facilities, and all are issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on December 8, 2009, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Denominations; Exchange; Resolution.** The Bonds are issuable originally only as Global Certificates in the denomination of the entire principal amount of the issue maturing on a single date. Global Certificates are not exchangeable for fully registered Bonds of smaller denominations except in the event of a partial redemption as above provided or in exchange for Replacement Bonds if then available. Replacement Bonds, if made available as provided below, are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Replacement Bonds.** Replacement Bonds may be issued by the Issuer in the event that (a) Depository Trust Company ("DTC") of New York, New York (the "Depository") shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described in the Resolution might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds. The Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders.

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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**Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have NOT been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**Taxable Interest.** Interest on the Bonds is includable in gross income for federal income tax purposes.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 2142 (St. Louis County), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:

February 25, 2010

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION  
This Bond is one of

the Bonds described  
in the within mentioned  
Resolution.

Registrable by:

BOND TRUST SERVICES CORPORATION  
ROSEVILLE, MINNESOTA

Payable at:

BOND TRUST SERVICES CORPORATION  
ROSEVILLE,  
MINNESOTA

INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

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VIRGINIA, MINNESOTA

BOND TRUST SERVICES CORPORATION  
Bond Registrar

/s/ (Facsimile)  
Chair

By \_\_\_\_\_  
Authorized Signature

/s/ (Facsimile)  
Clerk

**CERTIFICATE OF REGISTRATION**

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
February 25, 2010	Cede & Co. P.O. Box 222 Bowling Green Station New York, NY 10274	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)

Please insert Social Security or other Tax Identification Number of Transferee.

**EXHIBIT B**

**(FORM OF REPLACEMENT BOND)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
ST. LOUIS AND KOCHICING COUNTIES  
INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)

R- \_\_\_\_\_ \$ \_\_\_\_\_

TAXABLE GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2010C  
(BUILD AMERICA BONDS-DIRECT PAY)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
		FEBRUARY 25, 2010	

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

**KNOW ALL PERSONS BY THESE PRESENTS** that Independent School District No. 2142, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Virginia, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is redeemable as stated below, on a date prior thereto on which it shall have been duly called for redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing August 10, 2010, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.**

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 2142 (St. Louis County), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and the Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:  
\_\_\_\_\_

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION  
This Bond is one of  
the Bonds described  
in the within mentioned  
Resolution.

BOND TRUST SERVICES CORPORATION  
Bond Registrar

By: \_\_\_\_\_  
Authorized Signature

Registrable by:  
BOND TRUST SERVICES CORPORATION  
ROSEVILLE, MINNESOTA

Payable at:  
BOND TRUST SERVICES CORPORATION  
ROSEVILLE, MINNESOTA

INDEPENDENT SCHOOL DISTRICT NO. 2142  
(ST. LOUIS COUNTY)  
VIRGINIA, MINNESOTA

/s/ (Facsimile) \_\_\_\_\_  
Chair

/s/ (Facsimile) \_\_\_\_\_  
Clerk

**ON REVERSE OF BOND**

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$52,885,000. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to finance the acquisition and betterment of school sites and facilities, and all are issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on December 8, 2009, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Optional Redemption.** The Issuer may elect on February 1, 2020, and on any date thereafter, to prepay Bonds due on or after February 1, 2021, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, Bonds shall be prepaid in \$5,000 increments of principal. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date. Published notice of redemption shall, in each case, be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each Registered Holder of the Bonds.

To effect a partial redemption of the Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed.

The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

**Extraordinary Optional Redemption.** At the option of the Issuer, the Bonds are subject to extraordinary optional redemption on any date, in whole or in part, at a redemption price of par plus accrued interest, if an Extraordinary Event occurs. As used herein, an "Extraordinary Event" will have occurred if either (a) Section 54AA or 6431 of the Code is repealed, amended or modified in a manner which results in a reduction or the elimination of the 35% interest rate subsidy payment in the form of a refundable credit to the

Issuer by the United States Department of the Treasury or (b) the United States Department of the Treasury fails to make such an interest rate subsidy payment to which the Issuer is entitled and such failure is not caused by any action or inaction by the Issuer. The redemption date shall be a date designated by the Issuer for which timely notice of redemption can be given. This provision shall be applicable to bonds issued prior to the date of such elimination or reduction, including the Bonds.

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**Taxable Interest.** Interest on the Bonds is includable in gross income for federal income tax purposes.

**Denominations; Exchange; Resolution.** The Bonds are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Transfer.** This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

---

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common
UTMA-	_____	CUSTODIAN _____
	(Cust)	(Minor)
	Under Uniform Transfers to Minors Act	
	_____	
	(State)	

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

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

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

\_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)

Please insert Social Security or other Tax Identification Number of Transferee.

\_\_\_\_\_

**Exhibit C**

**The Depository Trust Company**  
A subsidiary of The Depository Trust & Clearing Corporation

**BLANKET ISSUER LETTER OF REPRESENTATIONS**

[To be completed by Issuer]

ISD \_\_\_\_\_

#2142 ST. LOUIS COUNTY SCHOOL DISTRICT

NOVEMBER 14, 2005

\_\_\_\_\_  
(Date)

[For Municipal Issues:

Underwriting Department-Eligibility: 50th Floor]

[For Corporate Issues:

General Counsel's Office: 49th Floor]

**The Depository Trust Company**  
55 Water Street  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the Securities) that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately

describe DTC, the method of effecting book-entry transfers

of securities distributed through DTC, and

certain related matters.

Very truly yours,

Received and Accepted:  
THE DEPOSITORY TRUST COMPANY

THE REGULAR / SPECIAL MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON THURSDAY, FEBRUARY 4, 2010.

By: \_\_\_\_\_



Clearing Corporation

By: Charles Rick  
(Authorized Officer's Signature)

**MR. CHARLES RICK, SUPERINTENDENT**

(Print Name)

**1701 NORTH 9<sup>TH</sup> AVENUE**

(Street Address)

**VIRGINIA, MN (ST. LOUIS) 55792**

(City) (State) (County)

**(218) 749-8130**

(Phone Number)

**crick@isd2142.k12.mn.us**

(E-mail Address)

**EXHIBIT D**

**LEVY COMPUTATION SHEET**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
2009	2010	\$
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	
2016	2017	
2017	2018	
2018	2019	
2019	2020	
2020	2021	
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2026	2027	
2027	2028	
2028	2029	

STATE OF MINNESOTA )  
 )  
 COUNTY OF ST. LOUIS )

**COUNTY AUDITOR'S CERTIFICATE AS  
 TO TAX LEVY AND BOND REGISTRATION**

I, the undersigned, being the duly qualified and acting County Auditor of St. Louis County, Minnesota, hereby certify that there has been filed in my office a certified copy of a resolution of the School Board of Independent School District No. 2142 (St. Louis County), setting forth the form, details and security of an issue of \$52,885,000 Taxable General Obligation School Building Bonds, Series 2010C (Build America Bonds-Direct Pay) of the District dated February 25, 2010 as the date of original issue, and levying taxes for the payment of principal of and interest on said Bonds.



Against- None

Motion by Bruns and seconded by Beaudry to **rescind the board action of August 24, 2009, to hire Bret Wardas as a van driver, bargaining unit, not to exceed 4 hours per day for the position, effective September 8, 2009**, with terms and conditions of employment in accord with master agreement between IUSD # 2142 and Operating Engineers #70.

Yes- A. Larson, Beaudry, B. Larson, Bruns, C. Larson, Bjerklie, Rantala  
Against- None

Motion by Bruns and seconded by Rantala to **recall Bret Wardas as a bus driver, bargaining unit, not to exceed full time equivalency for the position, 5 days per week, effective September 8, 2009**, with terms and conditions of employment in accord with master agreement between ISD # 2142 and Operating Engineers #70.

Yes- A. Larson, Beaudry, B. Larson, Bruns, C. Larson, Bjerklie, Rantala  
Against- None

Motion by Bruns and seconded by A. Larson to **propose the delay of the start of construction on the new North building and the remodel of the Tower-Soudan School until the spring of 2011.**

Comments from visitors on the subject:

Russ Hyppa of Cook was a spokesperson for the Cook citizens group and spoke to delay the start.  
Lori Udovich of Orr spoke in support of the district moving forward.  
Sara Matuszak of Cotton commented in support of the district moving forward.  
Greg Burckhardt of Cook appealed to the board to reconsider moving forward.  
Christina Hujanen of Tower was opposed to the plan.  
Nancy Larson of Tower was opposed to the plan.  
Dick Larson of Tower was opposed to the plan.  
Darcie Novak of Cherry asked the board to move forward with the plan.  
Tracy Sauter of Cherry asked to comment at the end of the meeting.  
Jim Saranpaa of Orr supported keeping the three (3) Northern school.  
Dave Glowski of Orr expressed that the public has received false information and was opposed to the plan.  
Troy Swanson of Tower concerned about the Tower School and was opposed to plan.  
Kirsten Reichel of Cook spoke in opposition to the plan.  
Kathleen McQuillan of Cook was opposed to the plan.  
Dalton Straw of Cook left the meeting and did not speak.  
Delayne Johnson of Cook left the meeting and did not speak.  
Mark Carlson of Cotton was opposed to the plan and the board.  
Carlye Olson of AlBrook was in support of the district moving forward.  
Christine Mackai of Babbitt was in support of the district moving forward.  
Dennis Udovich of Greaney asked the board to slow down and was in opposition.  
Barry Polish of Greaney was opposed to the plan moving forward.  
Harold Johnston of Cook asked the board to delay the start.  
Mike Picek of Cook asked to pass and did not comment.  
Tim Kotzian of Tower spoke to the board in opposition.  
Joel Astleford of Orr asked to pass and did not comment.  
Carrie Carstens from Cook and teacher for the district explained that the students want this plan to move forward. She spoke in favor of the plan.  
Stephen Abrahamson of Tower was opposed to the plan.  
Corrine Hill of Tower asked to pass and did not comment.

Comments from the board on the subject:

Board Member Bruns spoke at great length about the plan. Ms. Bruns said that in the beginning she was in favor, but now she has questions about the plan and the number of students. Ms. Bruns indicated that she is in opposition of the plan moving forward in the North.

Board Member Bjerklie commented that the plan was approved for the entire district. Mr. Bjerklie asked that the motion be amended to read as follows:

Board Member Bjerklie **introduced the following amended resolution: With the approval of this delay for the North, the District Administration must bring back a proposal with at least \$1 million dollars in cuts from the operating budget for the areas that are being delayed to make up for the lost savings due to this delay, so the district is not prevented from implementing all improvements of the plan in other areas of the district since this is a district plan, not a plan for parts of the district.**

Board Member Rantala seconded the motion for the amended resolution.

Board Member A. Larson indicated that he has not supported the plan from the beginning. Mr. A. Larson said that this plan could destroy the district and that the board needs to look at the numbers.

Board Member Bruns predicted that the district will be gone if this is passed.

Board Member Bjerklie **withdrew the amended resolution.**

Board Member Rantala withdrew his support of the amended resolution.

Board Member Rantala indicated that it surprises him how hearing improves when we hear something we don't agree with. Mr. Rantala said that he will make a decision in the best interest of the district.

Board Member Beaudry said that he does not want to get into the political game. After 18 months of this he will continue to do the right thing. After three (3) failed referendums the city officials failed to do anything and the board is now legally bound by the vote to move forward.

Board Chair B. Larson explained that we are one district and the Superintendent takes care of many communities. A few years ago our revenues were down and it took 2 to 4 years to come up with this plan. The board thinks that our kids deserve better.

Board Member C. Larson said that he was here on the board in 1974 when the district was formed. Mr. C. Larson spoke briefly about the history of the district and the smaller schools that became apart of St. Louis County Schools.

A roll call vote was then taken for the proposed delay of the start of construction on the new North building and the remodel of the Tower-Soudan School until the spring of 2011:

**Voted in favor of the delay: Bruns, A. Larson**

**Voted against the delay: Beaudry, Bjerklie, B. Larson, C. Larson, Rantala.**

**The motion did not pass.**

Comments from the board:

Member Rantala said that these are trying times and everyone will not be happy. He indicated that Embarrass lost its school in 1971. Mr. Rantala asked for bitterness to be set aside.

Member Bjerklie thanked everyone for come.

Member C. Larson recalled when Meadowlands was closed and the residents were bitter, but this time they voted for this.

Board Chair explained that we are one district.

Comments from the public:

Tracy Sauter told the board that people voted democratically and the plan that was voted on was approved.

The meeting was adjourned at 8:15 p.m.

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Chairperson

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Clerk