

CITY OF TEA

RESOLUTION NO. 10-03-03

Resolution authorizing the execution, terms, issuance, sale and payment of Sales Tax Revenue Bonds, in one or more series, in the aggregate principal amount of not to exceed One Million Five Hundred Dollars (\$1,500,000), plus costs of issuance and the cost funding reasonably required reserve, of the City of Tea of Lincoln County, South Dakota.

WHEREAS, the City of Tea is authorized by the provisions of SDCL §§10-52-2.10 to issue Sales Tax Revenue Bonds to fund capital improvements; and

WHEREAS, the City Council has determined and does hereby declare that is necessary and in the best interest of the City to issue Sales Tax Revenue Bonds for the purpose of providing funds to (i) construct and improve the Highway 111 Project; and (iii) pay the Costs of Issuance of the Bonds described herein.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEA OF LINCOLN COUNTY, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Bond Resolution, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means collectively SDCL Chapter 6-8B and Chapter 10-52, as amended.

"Authorized Officer of the City" means the Mayor and the Finance Officer, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the City then authorized to perform such act or discharge such duty.

"Bond Counsel" means Meierhenry Sargent LLP, a firm of attorneys recognized as having experience in matters relating to the issuance of state or local governmental obligations.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical certificates in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated certificates being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City or the Registration Agent, constitute the written record that identifies, and records the transfer of the beneficial "book-entry" interests in those Bonds.

"Bond Insurer" means a municipal bond insurance company which has the highest rating for the rating agencies.

"Bond Payment Date" means such dates as are set forth in the Bond Purchase Agreement.

"Bond Purchase Agreement" means the agreement between the City and the Purchaser for the purchase of the Bonds.

"Bond Resolution" means the within Resolution, duly adopted by the City Council on the date hereof, as it may be amended from time to time.

"Bondholder", "Holder" and "Registered Owner" means the registered owner of a Bond, including any nominee of a Depository.

"Bonds" mean not to exceed \$1,500,000 of Sales Tax Revenue Bonds, plus the costs of issuance and the cost of funding a reasonably required reserve, issued in one or more series dated the Closing Date, or such other designation or date as shall be determined by the City Council pursuant to Section 8.1 hereof, authorized and issued under the Bond Resolution.

"City" means the City of Tea, Lincoln County, South Dakota, an aldermanic form of municipality organized under the State of South Dakota.

"City Council" means the City Common Council of the City elected pursuant to the provisions of the SDCL Title 9.

"Closing Date" means the date the Bonds are exchanged for value.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

"Costs of Issuance" means all costs, fees, charges and expenses incurred in connection with the issuance of the Bonds, including costs for bond insurance and rating agency fees.

"Debt" means (1) indebtedness of the City for borrowed money or for the deferred purchase price of property or services, and expressly including the obligation to pay principal and interest on or with respect to revenue bonds, (2) the obligation of the City as lessee under leases which should be recorded as capital leases under generally accepted accounting principles, and (3) obligations of the City under direct or indirect guarantees in respect of, and obligations, contingent or otherwise, to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in subdivisions (1) and (2) above.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

"DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

"DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

"City Finance Officer" means the City Finance Officer of the City appointed pursuant to the provisions of South Dakota Codified Laws Title 9 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the City Council to perform the duties otherwise performed by the City Finance Officer, or his/her designee.

"Interest Payment Dates" means such date set forth in the Bond Purchase Agreement.

"Improvements" means the construction and improvement of the Highway 111 Project.

"Letter of Representation" means the Issuer Letter of Representations or Blanket Issuer Letter of Representations to DTC of the City.

"Minimum Reserve" means the lesser of (i) 10% of the original principal amount of, (ii) the maximum annual debt service on or, (iii) 125% of the average annual debt service on, all Outstanding Bonds having a parity lien on the Pledged Revenues, all Outstanding Bonds having a parity lien on the Pledged Revenues.

"Official Statement" and "Preliminary Official Statement" means that Official Statement and Preliminary Official Statement described in Section 8.2 hereof pertaining to the sale of the Bonds.

"Original Issue Discount or O.I.D." means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates.

"Original Issue Premium or O.I.P." means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates.

"Outstanding", "Bonds Outstanding", or "Outstanding Bonds" means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bonds paid or redeemed or otherwise canceled by the City at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the City for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registration Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the City is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VII of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

"Purchaser" means Dougherty and Company LLC, acting for and on behalf of itself and such securities dealers as it may designate.

"Mayor" means the Mayor elected pursuant to the provisions of SDCL § 9-8-1 or his or her designee acting on his or her behalf pursuant to the Charter.

"Pledged Revenues" means the one percent after the first one percent of Sales Tax.

"President" means the President of the City Council who may act for the Mayor in the absence of the Mayor.

"Purchase Agreement" means the Bond Purchase Agreement authorized pursuant to and described in Section 8.1 hereof by and between the City and the Purchaser.

"Rating Agency" means Moody's Investor Services, Standard and Poor's or Fitch Ratings Service.

"Record Date" means such dates set forth in the Bond Purchase Agreement.

"Registration Agent" means The First National Bank in Sioux Falls, Sioux Falls, South Dakota, or its successor or successors hereafter appointed in the manner provided in Article VI hereof.

"Resolution" means this Bond Resolution.

"Reasonably Require Reserve" means an amount, if required, which will comply with the Internal Revenue Regulations specifying the maximum amount in a reserve fund permitted to be invested without regard to investment yield.

"Sales Tax" means the municipal retail occupational sales and service tax upon the privilege of engaging in the business a tax measured by two (2) percent on the gross receipts of all persons engaged in the business with the jurisdiction of the city who are subject to the South Dakota Retail Occupational Sales and Service Tax, SDCL Ch. 10-45 and the excise tax on the privilege of use, storage and consumption within the jurisdiction of the City of tangible personal property or services at the same rate as the municipal sales and service tax upon all transactions or use, storage and consumption which are subject to South Dakota Use Tax Act, SDCL Ch. 10-46, imposed pursuant to the Ordinance 167 of the City of Tea , South Dakota.

"Schedule" means the principal and interest payment schedule for the Bonds.

Section 1.2. References to Resolution.

The words "hereof", "herein", "hereunder", and other words of similar import refer to this Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc.

References to Articles, Sections, and other subdivisions of this Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Bond Resolution as originally adopted.

Section 1.4. Headings.

The headings of this Bond Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II *FINDINGS*

Section 2.1

It is hereby found and determined by the City Council that all limitations upon the issuance of Bonds have been met and the Bonds are being authorized, issued and sold in accordance with the provisions of the Act.

ARTICLE III *AUTHORITY, PLEDGE, LEVY AND ACCOUNTS*

Section 3.1 Authority.

In order to fund the acquisition and construction of the Improvements there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Bond Resolution, and other applicable provisions of law, Sales Tax Revenue Bonds of the City in the aggregate principal amount as finalized by the Bond Purchase Agreement.

Section 3.2 Pledge of Sales Tax.

The one percent after the first one percent of Sales Tax shall be and is hereby irrevocably pledged to the prompt and full payment of the principal, premium and interest on each and all of said Bonds as such principal, premium and interest respectively become due.

Section 3.3. Collection of Taxes.

Pursuant to SDCL § 10-52-2.10, the City does hereby pledge, provide and agree that it will continue to impose and collect the Pledged Revenues and Sales Tax as the Bonds are outstanding. The governing body shall also pledge so much of the collections of the taxes as may

be necessary to pay the principal, premium and interest on the bonds and to maintain any debt service reserve established for the Bonds.

Section 3.4. Accounts.

(a) Special Revenue Fund. The Finance Officer has established and will maintain the Special Revenue Fund as a separate and special fund in the financial records of the City until all Bonds issued and made payable therefrom, and interest due thereon, have been duly paid or discharged. All collections of the Sales Tax shall be credited, as received, to the Special Revenue Fund. Within the Special Revenue Fund are various separate accounts to be maintained by the City.

(b) Construction Account. There is hereby created and established as an account of the Special Revenue Fund, a "Construction Account" There shall be credited to the Construction Account the proceeds from the sale of the Bonds remaining after (a) the deposit to the Reserve Account required by Section 3.05, and (b) payment of the (i) underwriter's discount, (ii) original issue discount and (iii) any other expenses of issuing the Bonds. All moneys credited to the Construction Account shall be applied solely to the payment of the costs of the Improvements. For the purposes of this Resolution, "costs of the Improvements" shall include costs of acquiring, constructing, and installing the Improvements including costs of labor, services, materials and supplies, financial, architectural, engineering, legal, accounting and other professional expenses relating to the Improvements, the costs of acquisition or properties, rights, easements, or other interest in properties, insurance premiums, and the costs of publishing, posting or mailing notices in connection with the Improvements. All sums derived from the investment of moneys in the Construction Account shall remain in and become part of such fund. Upon completion of the Improvements and when all costs of the Improvements have been paid, any balance remaining in the Construction Account shall be credited to the Principal and Interest Account hereinafter established.

(c) Principal and Interest Account. There is hereby created and established as an account of the Special Revenue Fund, a "Principal and Interest Account." Immediately upon delivery of the Bonds, there shall be credited to the Principal and Interest Account the amount of accrued interest received from the Purchaser. Commencing on the date specified in the Bond Purchase Agreement, there shall be withdrawn from the Special Revenue Fund at least monthly and credited to the Principal and Interest Account an amount which will equal at least one-sixth (1/6th) of the interest becoming due on the next succeeding payment date and one-twelfth (1/12th) of the principal becoming due on the next succeeding payment dates with respect to the Outstanding Bonds. In all events there shall be credited to the Principal and Interest Account amounts sufficient to pay the principal of and interest on the Outstanding Bonds as the same become due.

(d) Reserve Account. There is hereby created and established as an account of the Special Revenue Fund, a "Reserve Account." There shall be credited to the Reserve Account from the proceeds of the Bonds, an amount equal to the Minimum Reserve. Thereafter, in the event that the amount on deposit in the Reserve Account shall thereafter fall below the Minimum Reserve, additional deposits shall be made from the Pledged Revenues to the Reserve Account until the Minimum Reserve is again reached. Upon the issuance of any parity lien bonds, the Minimum Reserve established in this section shall be increased to an amount equal to the combined

maximum annual debt service on the Outstanding Bonds. The balance required shall be funded on the delivery date of the parity lien bonds. Moneys credited to the Reserve Account may be used only for the payment of principal of and interest on the Outstanding Bonds and shall be used only in the event that there are insufficient moneys in the Principal and Interest Account to meet such principal and interest payments promptly when due. The interest from any investment of the Reserve Account may be transferred from time to time to the Construction Account, provided that after completion of the Improvements such interest shall be transferred to the Principal and Interest Account. No transfer of investment income shall be made from the Reserve Account at any time when the balance therein is less than the Minimum Reserve. Such investments shall be subject to the limitations of South Dakota law.

(e) Subordinate Lien Bonds. After making the above required payments, any remaining Pledged Revenues may be used for the payment of the principal of and interest on any additional sales tax revenue bonds having a lien which is subordinate to the lien of the Outstanding Bonds, and for a reserve fund as additional security for the payment of such subordinate lien bonds.

(f) Other Expenditures. The remaining Pledged Revenues may be used for any legally authorized purpose.

ARTICLE IV

FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 4.1. Authorized Bonds.

The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000), plus costs of issuance and the cost of funding a reasonably required reserve.

Section 4.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered Bonds, without coupons, in any denomination. All Bonds issued under the Resolution shall be substantially in the form set forth in Exhibit A attached hereto, and by this reference incorporated herein as fully as though copied.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Finance Officer, and approved as to form and countersigned by a Resident Attorney by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bonds may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bonds, were the proper officers of the City to sign such Bonds, although on the date of the adoption by the City of this Resolution, such individuals may not have been such officers.

Section 4.3 Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall become due and payable and be subject to the terms and conditions as are set forth in the Bond Purchase Agreement.

(b) The Bonds shall be designated "Sales Tax Revenue Bonds, Series 2010," or such other designation as shall be determined by the City Council pursuant to Section 8.1 hereof. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on Interest Payment Dates. Interest on each Bond shall be paid by wire transfer, check or draft of the Paying Agent, payable in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the Record Date. The principal of the Bond shall be payable in lawful money of the United States of America at the principal office of the Paying Agent on the Bond Payment Date. Each Bond shall state that it is issued pursuant to the Act.

(c) The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the bond registration records maintained by the Registration Agent as of the close of business on the Record Date by wire transfer, check or draft mailed to such owners at their addresses shown on said bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

Section 4.4 Negotiability of Bonds.

All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 4.5 Registration, Transfer and Exchange of Bonds.

(a) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new bond or bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any bond during the period commencing on a Record Date and ending on the corresponding interest payment date of such bond, nor to transfer or exchange any bond after the publication of notice calling such bond for redemption has been made, nor to transfer or exchange any bond during the period

following the receipt of instructions from the City to call such bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bonds, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection or in the Bond Purchase Agreement, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the bond. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. Unless otherwise provided herein, a Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS BOND RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the

Beneficial Owners of the Bonds, the City may discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE CITY NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS BOND RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BONDS SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 4.6 Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any bond is mutilated, lost, stolen, or destroyed, the City may execute, and upon the request of an Authorized Officer of the City the Registration Agent shall authenticate and deliver, a new bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new bond is a replacement bond) as the mutilated, destroyed, lost, or stolen bond, in exchange for the mutilated bond or in substitution for the bond so destroyed, lost, or stolen. In every case of exchange or substitution, the bondholder shall furnish to the City and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject bond and the ownership thereof. Upon the issuance of any bond upon such exchange or substitution, the City and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the City and the Registration Agent. In the event any bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the City may, instead of issuing a bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated bond) if the Owner thereof shall pay all costs and expenses, including

attorneys fees, incurred by the City and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the City and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the City and the Registration Agent the mutilation, destruction, loss, or theft of such bond and of the ownership thereof.

(b) Every bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the City (whether or not the destroyed, lost, or stolen bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 4.7 Authentication.

The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Purchaser or as it may designate upon receipt by the City of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the bond form.

Section 4.8 Qualification for DTC.

The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 4.9 Bond Insurer. The Mayor and Finance Officer are authorized to enter into an agreement with a Bond Insurer as may be required under the Purchase Agreement. Any terms or conditions of the Bond Insurer shall be attached to this resolution and incorporated herein as if stated in full.

Section 4.10. Rating Agency. The Mayor and Finance Officer are authorized to enter into an agreement with a Rating Agency as may be required under the Purchase Agreement. Any terms

or conditions of the Rating Agency shall be attached to this resolution and incorporated herein as if stated in full.

ARTICLE V
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.1 Redemption.

(a) **Redemption.** The Bonds shall be redeemable as set forth in the Bond Purchase Agreement.

ARTICLE VI
REGISTRATION AGENT

Section 6.1. Appointment and Acceptance of Duties.

(a) The City hereby authorizes the City Finance Officer to appoint the Registration Agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the City, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The Mayor and the City Finance Officer, or either of them is hereby authorized to execute and the City Finance Officer is hereby authorized to attest such written agreement between the City and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 6.2. Permitted Acts and Functions.

The Registration Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registration Agent. The Registration Agent may act as a Purchaser or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the City.

Section 6.3. Resignation or Removal of the Registration Agent and Appointment of Successors.

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the City Finance Officer. The Registration Agent may be removed at any time by the City Finance Officer, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such

Registration Agent. Any successor Registration Agent shall be appointed by the City Finance Officer and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Forty Million Dollars (\$40,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign and deliver any monies and securities held by it as Registration Agent, and all books and records and other properties held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the City Finance Officer until such successor be appointed.

Section 6.4. Merger or Consolidation of Registration Agent.

Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the City Finance Officer shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 6.3 hereof.

ARTICLE VII ADDITIONAL BONDS

No additional debt shall be issued, be made payable from the Sales Tax or have a lien upon such revenues or the sales tax fund which is prior to or superior to the lien of the Bonds authorized herein. Nothing in this Resolution shall be construed in such manner as to prevent the issuance by the City of additional bonds payable from the Sales Tax and constituting a lien upon the Sales Tax equal to or on a parity with the lien of the Bonds authorized herein (such additional bonds being referred to herein as "Additional Bonds"), provided (i) the City is current in the payment of principal and interest on the Outstanding Bonds and is current in the accumulations required for the payment of principal and interest, (ii) the City is in compliance with the covenants herein contained, and (iii) the Sales Tax collected by the City in the last preceding fiscal years (as determined by the City) is sufficient to cover 1.25 times the maximum annual principal and interest requirements on the Outstanding Bonds, and the proposed parity lien bonds. Nothing herein shall prevent the City from issuing Bonds payable from the Sales Tax or having a lien thereon which is junior and subordinate to the lien of the Bonds authorized herein. If necessary to obtain bond insurance, the coverage requirements, together with any other changes, additions or amendments to this resolution necessary to satisfy the requirements of the bond insurer, shall be incorporated in an appendix to the Bond Purchase Agreement, and shall be deemed to be incorporated herein by reference.

ARTICLE VIII
SALE OF BONDS AND DEPOSIT OF PROCEEDS

Section 8.1. Sale of Bonds.

The Bonds shall be sold to the Purchaser at a price of not less than 98% of par less any Original Issue Discount on the Bonds plus accrued interest. The Mayor and the Finance Officer, or either of them, in consultation with the Purchaser, is authorized to make such changes in the structuring of the terms and sale of the Bonds as they shall deem necessary. In this regard, they, or either of them, in consultation with the Purchaser, are authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The form of the bond set forth in Exhibit A attached hereto shall be conformed to reflect any changes, if any, as hereinbefore mentioned. The Mayor and the City Finance Officer, or either of them, are hereby authorized to execute and the City Finance Officer is authorized to attest the Bond Purchase Agreement with the Purchaser providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in form and content acceptable to the Mayor and City Finance Officer, the execution thereof by either of them to constitute conclusive evidence thereof, and approved as to form and legality by the City's attorney; provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this Resolution, and is not inconsistent with the terms hereof. The Mayor and the City Finance Officer are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the Purchaser and to execute, publish, and deliver all Bonds and documents, including the Official Statement, and closing Bonds and documents, as they shall deem necessary in connection with the sale and delivery of the Bonds.

Section 8.2. Official Statement.

The Mayor, City Finance Officer and the Purchaser are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds to be filed with the City Finance Officer and open to public inspection and by this reference made a part hereof (the "Preliminary Official Statement"). After the Bonds have been sold, the Mayor and City Finance Officer shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and City Finance Officer shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold for delivery by the Purchaser to each potential investor requesting a copy of the Official Statement.

The Mayor and City Finance Officer are authorized, on behalf of the City, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official

Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the City except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 8.3. Disposition of Bond Proceeds.

The proceeds of the sale of the Bonds shall be deposited in the Sales Tax Fund. The cost shall include costs incident to the issuance and sale of the Bonds pursuant to SDCL 6-8B-20 and capitalized interest, if any.

Section 8.4. Tax Matters and Build America Bond Designation.

(a) The City covenants and agrees with the registered owners from time to time of the Bonds 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 on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the basic interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

(b) The Mayor and the City Finance Officer, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Purchaser thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

(c) The City shall file with the Secretary of the Treasury a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

(d) The City may designate any series of the bonds as "Build America Bonds (Direct Pay)" under Internal Revenue Code 54AA upon the conditions set forth herein. All requirements of IRC 54AA shall be met prior to closing. The Mayor and Finance Officer shall review prior to closing the issue price to determine that not more than a de minimis amount (determined under rules similar to the rules of section 1273(a)(3)) of premium over the stated principal amount of the bond exist on all maturities.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Failure to Present Bonds.

(a) Subject to the provisions of Section 4.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the City to such Owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bonds.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the City any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the City.

Section 9.2. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity or interest on or principal of any Bonds, or the date fixed for redemption of any Bonds, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 9.3. Miscellaneous Acts.

The appropriate officers of the City are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the City of the Bonds.

Section 9.4. Amendment.

The City Council is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 9.5. No Recourse Under Bond Resolution or on Bonds.

All stipulations, promises, agreements, and obligations of the City contained in the Resolution or any supplemental resolutions shall be deemed to be the stipulations, promises, agreements, and obligations of the City and not of any officer, director, or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any officer, director, or employee of the City or against any official or individual executing the Bonds.

Section 9.6. Partial Invalidity.

If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 9.7. Continuing Disclosure.

The City hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 9.8. Post Issuance Compliance. The City does hereby adopts Meierhenry Sargent LLP Post Issuance Compliance Manual as its post issuance compliance written procedures, together with the Build America Bond Supplement. The Finance Officer is directed to further refine the procedures to assume compliance.

Section 9.9. Conflicting Resolutions Repealed.

All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Said motion was seconded by Member Ortmeier and upon vote being taken the following voted AYE: Munson, Fowlds, Otten, Ortmeier and Weis; and the following voted NAY: None. Member Peterson was absent.

Dated this 1st day of March, 2010.

John M. Lawler,
Mayor

ATTEST:

Dawn R. Murphy
City Finance Officer

EXHIBIT A-(FORM OF BOND)
 UNITED STATES OF AMERICA
 STATE OF SOUTH DAKOTA
 CITY OF TEA
 LINCOLN COUNTY, SOUTH DAKOTA
 SALES TAX REVENUE BONDS SERIES 2010
 [RESERVED FOR BUILD AMERICA BOND DESIGNATION]

REGISTERED

REGISTERED

No. «No»			\$«AMOUNT» .00
<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Bond Date</u>	<u>CUSIP No.</u>
«INTEREST_RATE» %	«maturity»		«cusip»
Registered Owner:	Cede & Co.		
	55 Water Street, 1 st Floor.		
	New York, New York 10041		
	Tax ID #13-2555119		

Principal Amount: «Dollarlong» AND NO\100 DOLLARS

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE CERTIFICATE SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law.

(BOND INSURANCE LANGUAGE INSERTED HERE)

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the manual or facsimile signature of its Mayor of the City and to be countersigned by the manual or facsimile signature of its City Finance Officer all as of the Bond Date specified above.

ATTEST: City of Tea, South Dakota

City Finance Officer By:

COUNTERSIGNED: Mayor

Resident Attorney

CERTIFICATE OF AUTHENTICATION

This bond is a bond of the series designated therein and has been issued under the provisions of the within-mentioned Resolution and the date of its authentication is _____, 2010.

The First National Bank in Sioux Falls
 Bond Registrar and Paying Agent

By: _____
 Authorized Officer

KNOW ALL MEN BY THESE PRESENTS: That the City of Tea, South Dakota (the "City"), in Lincoln County, South Dakota, hereby acknowledges itself to owe and for value received promises to pay, to the Registered Owner mentioned above in lawful money of the United States of America, together with interest thereon from the Bond Date mentioned above at the Interest Rate mentioned above. The interest hereon is payable _____, _____, and semiannually thereafter on _____ and _____ in each year to maturity or earlier redemption by wire transfer, check or draft mailed to the Registered Owner at its address as it appears on the Bond registration books of the City maintained by The First National Bank in Sioux Falls, Sioux Falls, South Dakota, as Bond registrar and paying agent (the "Registrar"), on the close of business on _____ and _____ immediately preceding the interest payment date (the "Record Date"). The principal hereof due at maturity or upon redemption prior to maturity is payable at the office of Registrar upon presentation and surrender of this Bond at maturity or upon earlier redemption. The principal of, premium (if any) and interest on this Bond is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of Bonds limited in aggregate principal amount to a maximum of \$_____ (the "Bonds") all of like date and tenor except as to maturity, interest rates and privileges of redemption, the proceeds of this issue (Series 2010) will be used for the purpose of the construction and improvement of the Highway 111 Project, pursuant to a resolution duly and regularly adopted by the City (the "Bond Resolution"), and are subject to all the provisions and limitations of the Resolution and Chapters 10-52 and 6-8B, South Dakota Codified Laws, as amended. The City has pledged and agreed to collect, so long as the Bonds are outstanding, one percent after the first one percent of non-ad valorem tax (the "Sales Tax") in an amount sufficient to pay principal, premium and interest when due on the Bonds.

[Redemption Provisions]

[BUILD AMERICAN BOND PROVISIONS]

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Bond Registrar in Sioux Falls, South Dakota, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefore.

The City and the Bond Registrar may deem and treat the registered holder hereof as the absolute owner hereof and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

BOND OPINION

\$2,000,000
City of Tea
Lincoln County, South Dakota
Sales Tax Revenue Bonds Series 2010

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Tea (the "Issuer") of \$_____ Sales Tax Revenue Bonds Series 2010, dated _____, 2010, (the "Bonds"). We have examined such certified proceedings and other papers as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is duly created and validly existing as a body corporate and politic and public instrumentality of the State of South Dakota with the corporate power to adopt and perform the Resolution and issue the Bonds.

2. Resolution _____ has been duly adopted by the Issuer on _____, 2010 and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. The Resolution pledges the City's one percent after the first one percent non-ad valorem tax (the "Sales Tax") in an amount sufficient to pay principal, premium and interest when due on the Bonds.

4. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from City's Sales Tax.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations as defined for federal income tax purposes, such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The Bonds are exempt from all taxation as property by the State of South Dakota, its subdivisions and municipalities and bear interest not includible in the gross income of the recipient for purposes of computing any tax imposed by the provisions of South Dakota law. We express no further opinions regarding other South Dakota tax consequences arising with regard to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity and subject to regulatory requirements under the laws of the United States and of the State of South Dakota.

Meierhenry Sargent LLP

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS CERTIFICATE MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS CERTIFICATE MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY CERTIFICATE ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

(Form of Assignment)

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

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.
Dated:

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.