RESOLUTION 2012-088
A RESOLUTION AUTHORIZING DEFEASANCE AND CALL OF CERTAIN OUTSTANDING SALES TAX REVENUE BONDS OF THE CITY

BE IT RESOLVED by the City Council of the City of Rapid City, South Dakota (the "City"), as follows:

Section 1. The City has heretofore issued its Sales Tax Revenue Bonds, Series 2005, dated as of August 15, 2005, in the original aggregate principal amount of $16,270,000 (the "Series 2005 Bonds"), $6,830,000 of which remain outstanding.

Section 2. The City has determined that it is in the best interests of the City to defease and call the Series 2005 Bonds for redemption and that it has or will have sufficient funds available to be deposited in an escrow account, which funds when invested in direct obligations of the United States will produce revenues sufficient to pay the maturing principal of and interest on the Series 2005 Bonds to and including December 1, 2013 (the "Redemption Date"), and to redeem all remaining Series 2005 Bonds on the Redemption Date.

Section 3. The Series 2005 Bonds are subject to prepayment upon notice of call for redemption thereof mailed not less than 30 days before the Redemption Date to the bank at which principal and interest are payable and to the owner of each bond. The Finance Officer is authorized and directed to cause The First National Bank in Sioux Falls, in Sioux Falls, South Dakota, as paying agent for the Series 2005 Bonds, to mail such notice in the form to be attached to the Escrow Agreement (as hereinafter defined).

Section 4. The Finance Officer is further authorized and directed, on a date selected by her, but not earlier than January 1, 2013, to deposit funds of the City in the amount necessary to defease the Series 2005 Bonds, in escrow with The First National Bank in Sioux Falls (the "Escrow Agent"). The Escrow Agent shall invest the funds so deposited in direct obligations of the United States maturing on such dates and bearing interest as such rates as are required to provide funds sufficient, with cash retained in the escrow account, to make the above-described payments. The Mayor and Finance Officer are hereby authorized to enter into an escrow agreement (the "Escrow Agreement") with the Escrow Agent establishing the terms and conditions for the escrow account.

Section 5. No further action shall be required of this Council to complete the defeasance of the Bonds.

Dated this _____ day of _____, 2012.

(SEAL)

_____
Mayor

ATTEST:

_____
Finance Officer

Adopted: _____, 2012.

Published: _____, 2012.

Effective Date: _____, 2012.