

*(Draft of May 15, 2013)*

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FIRST SUPPLEMENTAL INDENTURE

between

CITY OF RAPID CITY, SOUTH DAKOTA

and

THE FIRST NATIONAL BANK IN SIOUX FALLS,

as Trustee

Dated as of \_\_\_\_\_, 2013

Gross Receipts Revenue Refunding Bonds  
Series 2013

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(This Table of Contents is not a part of this First Supplemental Indenture and is only for convenience of reference.)

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE made and entered into as of \_\_\_\_\_ 1, 2013 (the "Indenture"), by and between the CITY OF RAPID CITY, SOUTH DAKOTA, a municipal corporation and political subdivision of the State of South Dakota (the "City"), and THE FIRST NATIONAL BANK IN SIOUX FALLS, a national banking association with its principal office located at Sioux Falls, South Dakota, as Trustee (the "Trustee").

WITNESSETH:

The City has authorized, executed and entered into an Indenture of Trust, dated as of August 1, 2008 (the "Original Indenture"), with the Trustee.

Pursuant to the provisions of the Original Indenture the City has previously authorized and executed, and the Trustee has authenticated and delivered, \$5,540,000 Gross Receipts Revenue Bonds, Series 2008 (the "Series 2008 Bonds"). To secure payment of all Bonds issued under the Original Indenture, the City has thereby pledged and assigned to the Trustee, the collection of Gross Receipts Tax (as defined in the Original Indenture).

The City now desires to effect a refunding of the callable maturities of the Series 2008 Bonds. To finance the refunding of the Series 2008 Bonds, together with the costs of issuance, will require the issuance, sale and delivery of an additional series of Bonds in the principal amount of \$\_\_\_\_\_, as hereinafter provided.

Under the provisions of Article 4 of the Original Indenture the City may issue Additional Bonds secured on a parity with the Outstanding Bonds and Additional Bonds issued under the Indenture on a parity therewith.

Under the provisions of Article 12 of the Original Indenture, the City and Trustee may enter into a supplemental indenture for the purpose of issuing Additional Bonds.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1-1. Definitions. In this First Supplemental Indenture, the terms defined in the Original Indenture shall have the same meaning when used herein unless the context or use thereof indicates another or different meaning or intent. In addition, the following terms shall have the following respective meanings:

First Supplemental Indenture: this First Supplemental Indenture between the City and the Trustee;

Indenture: the Original Indenture, as supplemented by this First Supplemental Indenture;

Series 2013 Bonds: the \$\_\_\_\_\_ Gross Receipts Tax Revenue Refunding Bonds, Series 2013, to be issued under this First Supplemental Indenture.

ARTICLE II

THE SERIES 2013 BONDS

Section 2-1. Form and Authorized Amount of Series 2013 Bonds. Pursuant to provisions of the Original Indenture allowing the issuance of Additional Bonds, an additional series of Bonds to be identified as the "Series 2013 Bonds" shall be issued in accordance with the provisions of this Article. The total principal amount of Series 2013 Bonds is hereby expressly limited to \$\_\_\_\_\_. The Series 2013 Bonds and the Trustee's certificate of authentication to be endorsed on the Series 2013 Bonds are to be in substantially the following form, with appropriate variations, omissions and insertions as permitted or required by the Indenture, to wit:

UNITED STATES OF AMERICA  
STATE OF SOUTH DAKOTA  
COUNTY OF PENNINGTON  
CITY OF RAPID CITY

GROSS RECEIPTS REVENUE REFUNDING BOND, SERIES 2013

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

Interest Rate                      Maturity Date                      Date of Original Issue                      CUSIP

June 1,20\_\_                      \_\_\_\_\_, 2013

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF RAPID CITY, in the County of Pennington and State of South Dakota (the "City"), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, but only in the manner and solely from the revenues and sources pledged pursuant to the Indenture described below and upon presentation and surrender hereof at the principal corporate trust office of the Trustee named below, the principal amount specified above on the maturity date specified above and to pay interest on said principal amount to the Record Date Owner hereof, as defined below, until the principal amount is paid or discharged. This Bond shall bear interest from the date of original issue hereof or from the most recent Interest Payment Date to which interest has been paid or provided for until the Maturity Date stated above at the rate specified above (calculated on the basis of a 360-day year of twelve 30-day months) semiannually on June 1 and December 1 each year (each, an "Interest Payment Date") commencing December 1, 2013. Interest is payable by check or draft mailed by The First National Bank in Sioux Falls, in Sioux Falls, South Dakota, or a successor designated under the Indenture described herein (the "Trustee"), as bond registrar, transfer agent and paying agent for the Bonds. Upon written request of a registered Owner of \$1,000,000 or more in aggregate principal amount of the Bonds of this series, principal and interest will be paid by wire transfer to an account of the registered Owner specified in such written request.

The "Record Date Owner" is the person in whose name this Bond is registered in the Bond Register maintained by the Trustee named below or its successor in trust (the "Registered Owner" or "Owner" hereof) either (i) at the close of business on the fifteenth (15th) day of the month (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date, or (ii) if the City shall be in default in payment of interest due on such Interest Payment Date, at the close of business on a date (the "Special Record Date") for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the City; notice of the Special Record Date shall be mailed not less than fifteen (15) days preceding the Special Record Date, to the Registered Owner at the close of business on the fifth (5th) day preceding the date of mailing. Interest shall be payable by check or draft mailed to the Registered Owner at his address as it appears on the Bond Register on the Record Date or the Special Record Date, as the case may be, except as otherwise provided in the Indenture. The principal of and interest and premium, if any, on this Bond are payable in lawful money of the United States of America.

This Bond is one of an issue (the "Series 2013 Bonds") in the aggregate principal amount of \$\_\_\_\_\_, issued in accordance with an Indenture of Trust, dated as of August 1, 2008, as supplemented by a First Supplemental Indenture, dated as of \_\_\_\_\_ 1, 2013 (as so supplemented, the "Indenture"), duly executed and delivered by the City to the Trustee, setting forth the terms upon which such gross receipts tax revenue bonds (the "Bonds") are issued. The Series 2013 Bonds are issued by the City for the purpose of providing funds to refund outstanding gross receipt tax revenue bonds of the City.

Pursuant to Chapter 10-52A-2 of the South Dakota Codified Laws (the "Act") and to Sections 3.16.040 of Chapter 3.16 of the Rapid City Municipal Code (the "Ordinance"), the City has levied a non-ad valorem tax (the "Gross Receipts Tax") on the sale, use, storage and consumption of items taxed, subject to certain exceptions. The Gross Receipts Taxes (as defined in the Indenture) are irrevocably pledged and appropriated to the payment of the Bonds, such

pledged taxes being referred to herein as the “Gross Receipts Taxes.” Payment of the Series 2013 Bonds is further secured by the funds held from time to time in other funds and accounts created by the Indenture, including a Reserve Fund which is required to be maintained from collections of Gross Receipts Taxes, in an amount equal to the lesser of (i) 10% of the proceeds of all series of Bonds then outstanding and secured by the Reserve Fund, (ii) 125% of the average Annual Debt Service on all series of Bonds then outstanding and secured by the Reserve Fund, or (iii) the maximum amount of principal and interest to become due in any subsequent year on all series of Bonds then outstanding and secured by the Reserve Fund.

Under the Indenture, the City may issue additional bonds (the “Additional Bonds”) equally and ratably secured by the lien against Gross Receipts Taxes provided for in the Indenture. The lien against Gross Receipts Taxes securing any series of Bonds may not be superior to the lien securing any other series of Bonds. Additional Bonds may not be issued pursuant to the Indenture on a parity lien basis unless (A) the collections of the Gross Receipts Taxes for each of the two full Fiscal Years preceding the year of issue of the Additional Bonds shall have been at least 150% of the maximum Annual Debt Service on all Bonds theretofore issued, (B) the collections of the Gross Receipts Taxes for the full Fiscal Year next preceding the year of issue of the Additional Bonds shall have been at least 150% of the maximum Annual Debt Service on all Bonds theretofore issued and the Additional Bonds proposed to be issued by a factor of 1.50, and (C) the projected collections of the Gross Receipts Taxes for each of the two full Fiscal Years next succeeding the year of issue of the Additional Bonds will, as shown by a certificate of the Finance Officer of the City, be equal to at least 150% of the maximum Annual Debt Service on all outstanding Bonds (including Additional Bonds proposed to be issued), taking into account certain increases or decreases in Gross Receipts Tax collections, all as more fully set forth in the Indenture.

Reference is hereby made to the Indenture, including all indentures supplemental thereto, for a description of the revenues encumbered and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights of the City, and the rights, duties and obligations of the Trustee and the Owners of the Bonds and the terms upon which the Bonds are issued and secured.

[Series 2013 Bonds maturing on June 1, 20\_\_ are each subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Trustee (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 on June 1, 20\_\_, and on any date thereafter, at a price equal to the principal amount thereof plus interest accrued to the date of redemption. The City will cause notice of the call for redemption to be published as required by law and, at least thirty days prior to the designated redemption date, will cause notice of the call thereof to be mailed by first class mail to the registered owner of any Bond to be redeemed at the owner’s address as it appears on the bond register maintained by the Trustee, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial

redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.]

[Series 2013 Bonds maturing on June 1 in the years \_\_\_\_\_ shall be redeemed at redemption prices equal to the principal amount to be redeemed, plus accrued interest, in installments, pursuant to a mandatory sinking fund schedule set forth in the Indenture.]

If under certain circumstances an Event of Default, as defined in the Indenture, shall occur, the principal of all the Bonds and all interest accrued thereon may, without prior notice to the Bondholders, be declared due and payable in the manner and with the effect provided in the Indenture.

This Series 2013 Bond and the issue of which it forms a part are issued pursuant to and in full compliance with the Constitution and laws of the State of South Dakota, and pursuant to resolutions and ordinances adopted and approved by the City, which resolutions authorized the execution and delivery of the Indenture, the use of proceeds of the Bonds, and the issuance of the Bonds as special, limited obligations payable solely from Gross Receipts Taxes and the funds and assets held pursuant to the Indenture. The Gross Receipts Taxes are expected to be sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and are to be paid to the Trustee for the account of the City and credited to the Bond Fund as a special trust fund account created by the City and have been and are hereby pledged for that purpose. The Bonds and the interest due thereon do not and shall never constitute a general indebtedness of the City within the meaning of any state constitutional or statutory provision and do not and shall not constitute or give rise to a pecuniary liability of the City (except to the extent of the Gross Receipts Tax), the State of South Dakota or any of its political subdivisions, or a charge against its general credit or taxing powers, or to the extent permitted by law, any pecuniary liability of any officer, employee or agent of the City.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

With the consent of the City and the Trustee, as appropriate, and to the extent permitted by and as provided in the Indenture, the terms and provisions of the Indenture, or of any instrument supplemental thereto, may be modified or altered with the consent of the Registered Owners of at least 51% in aggregate principal amount of the Bonds then Outstanding thereunder and in certain other circumstances, including the issuance of Additional Bonds, the City and Trustee may enter into instruments supplemental to the Indenture or any prior instrument supplemental thereto without the consent of or notice to the Owners of Bonds then Outstanding.

The Indenture also contains provisions permitting Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners of all Bonds, to waive compliance by the City with certain provisions of the Indenture and certain past defaults

under the Indenture and their consequences. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and on all future Registered Owners of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Bonds are issued in fully registered form without coupons in the denomination of \$5,000 or any whole multiple thereof. The Bonds are interchangeable for one or more Bonds in authorized denominations and of the same series, aggregate principal amount, interest rate and maturity date, upon surrender thereof by the Owner at the principal corporate trust office of the Trustee, in the manner and subject to the limitations provided in the Indenture. The City, the Trustee and any additional paying agents may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest (except as otherwise hereinabove provided with respect to the Record Date and Special Record Date) due hereon and for all other purposes, and the City, the Trustee and any additional paying agents shall not be affected by any notice to the contrary.

Subject to the limitations provided in the Indenture, this Bond is only transferable by the Registered Owner hereof upon surrender of this Bond for transfer at the principal corporate trust office of the Trustee, duly endorsed or accompanied by a written instrument or instruments of transfer in the form printed on this Bond or in another form satisfactory to the Trustee and executed and with guaranty of signature by the Registered Owner hereof or the Owner's attorney duly authorized in writing, containing written instructions as to the details of the transfer of the Bond. Thereupon the City shall execute (if necessary) and the Trustee shall authenticate and deliver, in exchange for this Bond, one or more new Bonds in the name of the transferee (but not registered in blank or to "bearer" or a 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.

No service charge shall be made to the Registered Owner for any registration, transfer or exchange hereinbefore referred to, but the Trustee may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, other than exchanges expressly provided in the Indenture to be made without charge to Bondholders.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.



IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner, as required by law, that the issuance of this Bond and the series of which it forms a part, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless the Certificate of Authentication hereon shall have been executed by a Responsible Agent of the Trustee.

IN WITNESS WHEREOF, the City of Rapid City, South Dakota, by its governing body, has caused this Bond to be executed in its name by the signatures of its Mayor and its Finance Officer, and countersigned by the signature of its City Attorney and to be authenticated by the manual signature of a Responsible Agent of the Trustee acting as authenticating agent.

CITY OF RAPID CITY, SOUTH DAKOTA

(Facsimile Signature- Finance Officer)

(Facsimile Signature- Mayor)

Countersigned: (Facsimile Signature-City Attorney)

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This Bond is one of the Bonds described in the within mentioned Indenture.

THE FIRST NATIONAL BANK IN  
SIOUX FALLS, Trustee

By \_\_\_\_\_  
Responsible Agent

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      UTMA      as Custodian for  
(Cust)      (Minor)

TEN ENT — as tenants by the entireties      under Uniform Transfers to Minors Act  
(State)

JT TEN —as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

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NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular without alteration or enlargement or any change whatsoever.

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE \_\_\_\_\_

SIGNATURE GUARANTEED: \_\_\_\_\_

Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guaranty program” as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[end of form of Bond]

Section 2-2. Issuance of Series 2013 Bonds. The Series 2013 Bonds shall be (a) designated Gross Receipts Tax Revenue Refunding Bonds, Series 2013, (b) initially dated as of \_\_\_\_\_, 2013, (c) in the denomination of \$5,000 or whole multiples thereof each, (d) numbered from R-1 upward, (e) mature on June 1 in the years and in the principal amounts, and bear interest from date of issue until paid or discharged as herein provided at the rates per annum set forth below:

<u>Maturity Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity Year</u>	<u>Amount</u>	<u>Rate</u>
2014	\$	%	2022		
2015			2023		
2016			2024		
2017			2025		
2018			2026		
2019			2027		
2020			2028		
2021					

The Series 2013 Bonds shall be subject to redemption at the time and prices set forth in Article Three hereof and in the manner provided in Article Three of the Indenture. The interest on each Series 2013 Bond shall be payable on December 1, 2013, and semiannually thereafter on each June 1 and December 1 until the Bonds are fully paid or discharged.

Section 2-3. Delivery of Series 2013 Bonds. Upon the delivery of this First Supplemental Indenture, the City shall deliver to the Trustee, and the Trustee shall authenticate, the Series 2013 Bonds and deliver them to the purchasers as directed by the City as hereinafter in this Section provided. Prior to the delivery by the Trustee of any of the Series 2013 Bonds there shall be filed with the Trustee:

1. A copy, duly certified by the Finance Officer, of the resolution adopted by the City Council on \_\_\_\_\_, 2013, authorizing the issuance of the Series 2013 Bonds and the execution and delivery of this First Supplemental Indenture.
2. An original executed counterpart of this First Supplemental Indenture.
3. A request and authorization to the Trustee on behalf of the City, signed by its Mayor, to authenticate and deliver the Series 2013 Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the City, of a sum specified in such request and authorization plus accrued interest thereon to the date of delivery. The proceeds of such payment shall be paid over to the Trustee and deposited and applied as shown in the request and authorization to the Trustee.
4. A written opinion by an attorney or firm of attorneys of recognized standing on the subject of municipal bonds, to the effect that the issuance of the Series 2013 Bonds and the execution thereof have been duly authorized, all conditions

precedent to the delivery thereof have been fulfilled, and that the exemption from federal income tax of the interest on the Series 2008 Bonds will not be affected by the issuance of the Series 2013 Bonds.

Section 2-4. Use of Proceeds. All of the proceeds received by the City upon sale and delivery of the Series 2013 Bonds to Dougherty & Company LLC, as purchaser thereof, shall be applied by the Trustee as follows:

(a) the sum of \$\_\_\_\_\_ shall be deposited in the Construction Fund and used to pay costs of issuance of the Series 2013 Bonds;

(b) the sum of \$\_\_\_\_\_ shall be deposited in the Bond Fund and applied to the payment of interest on the Series 2013 Bonds on December 1, 2013;

(c) the balance of the proceeds of the Series 2013 Bonds (\$\_\_\_\_\_) shall be deposited in an escrow account with the Trustee, as escrow agent, and applied to the payment of interest accruing to and including, and redemption of the callable maturities of the Series 2008 Bonds on, June 1, 2015.

Section 2-5. Securities Depository.

(a) For purposes of this Section 2-4, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Series 2013 Bond, the person in whose name such Series 2013 Bond is recorded as the beneficial owner of such Series 2013 Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2013 Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Series 2013 Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter previously executed by the City and the Trustee and now on file with DTC.

(b) The Series 2013 Bonds shall be initially issued as separately authenticated fully registered bonds, and one Series 2013 Bond shall be issued in the principal amount of each stated maturity of the Series 2013 Bonds. Upon initial issuance, the ownership of such Series 2013 Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Trustee and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2013 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2013 Bonds, giving any notice permitted or required to be given to registered owners of Series 2013 Bonds under this First Supplemental Indenture, registering the transfer of Series 2013 Bonds, and for all other purposes whatsoever; and neither the Trustee nor

the City shall be affected by any notice to the contrary. Neither the Trustee nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2013 Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Series 2013 Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2013 Bonds, with respect to any notice which is permitted or required to be given to owners of Series 2013 Bonds under this First Supplemental Indenture, or with respect to any consent given or other action taken by DTC as registered owner of the Series 2013 Bonds. So long as any Series 2013 Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall pay all principal of and interest on such Series 2013 Bond, and shall give all notices with respect to such Series 2013 Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Series 2013 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2013 Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2013 Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2013 Bond certificates, the City may notify DTC and the Trustee, whereupon DTC shall notify the Participants of the availability through DTC of Series 2013 Bond certificates. In such event, the Series 2013 Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the Series 2013 Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2013 Bonds will be transferable in accordance with paragraph (d) hereof.

(d) In the event that any transfer or exchange of Series 2013 Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Trustee of the Series 2013 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this First Supplemental Indenture. In the event Series 2013 Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2013 Bonds, or another securities depository as holder of all the Series 2013 Bonds, the provisions of this First Supplemental Indenture shall also apply to all matters relating thereto, including, without limitation, the printing of such certificates and the method of payment of principal of and interest on such certificates.

### ARTICLE III

#### REDEMPTION OF SERIES 2013 BONDS

Section 3-1. Redemption of Series 2013 Bonds. Series 2013 Bonds maturing in 20\_\_ shall be subject to redemption and prepayment at the option of the City, in whole or in part, in

such order of maturity dates as the City may select and within a maturity by lot as selected by the Trustee (or, if applicable, by the bond depository in accordance with its customary procedures) in whole multiples of \$5,000, on June 1, 20\_\_\_, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The Finance Officer shall cause notice of the call for redemption thereof to be published as and to the extent required by law, and at least thirty days prior to the designated redemption date shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Series 2013 Bonds to be redeemed at their addresses as they appear on the bond register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Series 2013 Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Series 2013 Bonds or portions of Series 2013 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2013 Bonds or portions of Series 2013 Bonds shall cease to bear interest. Upon partial redemption of any Series 2013 Bond, a new Series 2013 Bond or Series 2013 Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

#### ARTICLE IV

##### PARITY BONDS AND RESERVE FUND

Section 4-1. Parity Bonds. Pursuant to Article 4 of the Original Indenture, Additional Bonds may be issued and made payable from the Gross Receipts Taxes on a parity with the Outstanding Bonds, upon the conditions set forth therein. It is hereby found that the conditions set forth in Article 4 of the Original Indenture have been satisfied and the Series 2013 Bonds shall be payable from the Gross Receipts Taxes and secured by the Indenture equally and ratably with all other Bonds issued and outstanding under the Indenture.

Section 4-2. Reserve Fund. In the Original Indenture, a trust account was established with the Trustee and designated the "Reserve Fund." The Reserve Fund secures the payment of principal of and interest on the Outstanding Bonds and any Additional Bonds which may hereafter be issued and secured thereby. Amounts on hand in the Reserve Fund shall be invested by the Trustee only in Permitted Investments specified by the City. The balance in the Reserve Fund will be maintained at an amount equal to the lesser of (i) 10% of the proceeds of all Outstanding Bonds, including the Series 2013 Bonds, (ii) 125% of the average annual debt service on all Outstanding Bonds, including the Series 2013 Bonds, or (iii) the maximum amount of principal and interest to become due on all Outstanding Bonds, including the Series 2013 Bonds, in any subsequent year (the "Reserve Requirement"). On June 1, 2015, the balance in the Reserve Fund will be reduced to an amount equal to the Reserve Requirement calculated with regard to the Series 2013 Bonds, and any excess therein shall be transferred to the Bond Fund. In the event that Additional Bonds are to be secured by the Reserve Fund, the Reserve Requirement will be adjusted to reflect the Additional Bonds, and the Reserve Fund will be funded to the adjusted Reserve Requirement on the date of issue of such Additional Bonds. To the extent moneys are transferred from the Reserve Fund to the Bond Fund during any year, the City shall remit to the Trustee after the requirements of the Bond Fund have been satisfied for

the then current Bond Year, all collections of Gross Receipts Taxes in amounts sufficient to restore the balance in the Reserve Fund to an amount equal to the Reserve Requirement.

The value of investments in the Reserve Fund shall be determined on each June 1, and to the extent the aggregate of the market value of such investments, when added to the value of cash, if any, then held in the Reserve Fund is less than the Reserve Requirement, the City shall remit, from next available collections of Gross Receipts Taxes, to the Reserve Fund the amount of such deficiency.

On June 1 in each year, the City shall transfer any amount by which the balance in the Reserve Fund exceeds the Reserve Requirement to the Bond Fund, for payment, equally and ratably, of principal and interest on the Outstanding Bonds, including the Series 2013 Bonds, then due or to become due within thirteen months thereafter.

Moneys and investments in the Reserve Fund shall be used for no other purpose than to pay principal and interest on the Outstanding Bonds until such principal and interest shall have been paid in full. At the final maturity of any series of Bonds secured by the Reserve Fund, or upon redemption or defeasance of such series in whole, the Reserve Requirement shall be adjusted to reflect the payment of such series of Bonds, and the balance in the Reserve Fund in excess of the adjusted Reserve Requirement shall be applied, to the extent thereof, to payments of principal of and interest on such series of Bonds last coming due.

## ARTICLE V

### [AMENDMENT OF ORIGINAL INDENTURE]

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

Except insofar as herein expressly provided otherwise, all the provisions, terms and conditions of the Original Indenture shall be deemed to be incorporated in, and made a part of, this First Supplemental Indenture; and the Original Indenture as supplemented by this First Supplemental Indenture is in all respects ratified and confirmed; and the Original Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument.

IN WITNESS WHEREOF, the City of Rapid City, South Dakota, has caused this First Supplemental Indenture to be signed in its name and behalf by its Mayor and its official seal to be hereunto affixed and attested by its Finance Officer and to evidence its acceptance of the trusts hereby created, The First National Bank in Sioux Falls has caused this First Supplemental Indenture to be signed in its name and behalf by its duly authorized officer, as of the day first above written.

CITY OF RAPID CITY, SOUTH DAKOTA

By \_\_\_\_\_  
Mayor

(SEAL)

Attest: \_\_\_\_\_  
Finance Officer



THE FIRST NATIONAL BANK IN  
SIOUX FALLS, as Trustee

By \_\_\_\_\_  
Assistant Vice President

[Signature page to First Supplemental Indenture of Trust]