

**Extract of Minutes of Meeting of the
Common Council of the City of Rapid City, South Dakota**

Pursuant to due call and notice thereof, a regular meeting of the Common Council of the City of Rapid City, South Dakota was duly held at City Hall in said City on the ____ day of _____, 2003, at _____ p.m.

The following Council members were present:

and the following were absent:

* * *

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The Mayor stated that this was the time and place fixed for a public hearing on a proposal made by Behavior Management Systems, Inc., a South Dakota nonprofit corporation (the “Borrower”), pursuant to South Dakota Codified Laws, Chapter 1-24, as amended (the “Joint Powers Act”), as provided in a Joint Powers Agreement to be entered into between the City of Spearfish and the City of Rapid City, and pursuant to South Dakota Codified Laws, Chapter 9-54, as amended (the “Act”), that the City of Spearfish issue its revenue bond (the Bond”) to provide financing for a project (the “Project”) being undertaken by the Borrower. Portions of the Project are located in the City of Rapid City and are described generally, as follows: (a) the acquisition and construction of a building addition approximately 14,000 square feet in size and related improvements with respect to an existing building (which existing building is approximately 14,000 square feet in size) located at 350 Elk Street, Rapid City, South Dakota; and (b) the refinancing of existing indebtedness of the Borrower incurred in connection with the acquisition and construction of the Borrower’s existing facilities located at the following

addresses: (1) 515 North First Street, Rapid City, South Dakota (an approximately 16,000 square foot facility); (2) 111 North Street, Rapid City, South Dakota (an approximately 14,000 square foot facility); and (3) 121 North Street, Rapid City, South Dakota (an approximately 7,000 square foot facility) (all collectively referred to as the “Rapid City Project”). The Finance Officer presented an affidavit showing publication of the notice of public hearing at least 14 days prior to the date fixed for the public hearing, in a newspaper of general circulation in the City of Rapid City. The affidavit was examined, found to be satisfactory and ordered placed on file with the Finance Officer.

The Mayor then opened the meeting for the public hearing on the proposal of the Borrower that the City of Spearfish issue the Bond to provide financing, in part, for the Rapid City Project, all pursuant to a Joint Powers Agreement. The purpose of the hearing was explained, the Rapid City Project and the proposed issuance of the Bond were described, and all persons present who desired to do so were afforded an opportunity to express their views with respect to the proposal that the City of Spearfish issue the Bond to finance the Project, in response to which the following persons either appeared, were recognized and made statements, or filed written comments with the Finance Officer before the date set for the hearing, summaries of which appear opposite their respective names:

Name of Speaker

Summary of Views

The Finance Officer [reported that no written comments had been] [read a summary of the written comments]* filed in his office before the date of the hearing.

After all persons who wished to do so had stated or filed their views on the proposal, the Mayor declared the public hearing to be closed.

*Strike inappropriate language

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Member _____ introduced the following resolution and moved its adoption:

Resolution No. _____

RESOLUTION GIVING HOST APPROVAL TO RAPID CITY
PROJECT BEING UNDERTAKEN BY BEHAVIOR
MANAGEMENT SYSTEMS, INC. AND ISSUANCE OF
REVENUE BOND BY CITY OF SPEARFISH TO PROVIDE
FINANCING THEREFOR, PURSUANT TO JOINT POWERS
AGREEMENT

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Resolution No. _____

**RESOLUTION GIVING HOST APPROVAL TO RAPID CITY
PROJECT BEING UNDERTAKEN BY BEHAVIOR
MANAGEMENT SYSTEMS, INC. AND ISSUANCE OF
REVENUE BOND BY CITY OF SPEARFISH TO PROVIDE
FINANCING THEREFOR, PURSUANT TO JOINT POWERS
AGREEMENT**

WHEREAS, Behavior Management Systems, Inc., a South Dakota nonprofit corporation (the “Borrower”), desires to finance and refinance the acquisition, construction, improvement, rehabilitation, equipping and furnishing of various facilities of the Borrower, including one or more facilities located in Rapid City, South Dakota (as specifically described below, such facilities are referred to as the “Rapid City Project”), and including such facilities located in other cities or jurisdictions as are further described below (all collectively referred to as the “Project”); and

WHEREAS, the Project consists of the following: (a) the acquisition and construction of a new building to be approximately 4,000 square feet in size and related improvements to be located at 623 Dahl Road, Spearfish, South Dakota, together with equipment and furnishings therefor; (b) the acquisition and construction of a building addition approximately 14,000 square feet in size and related improvements with respect to an existing building (which existing building is approximately 14,000 square feet in size) located at 350 Elk Street, Rapid City, South Dakota; and (c) the refinancing of existing indebtedness of the Corporation incurred in connection with the acquisition and construction of the Corporation’s existing facilities located at the following addresses: (1) 515 North First Street, Rapid City, South Dakota (an approximately 16,000 square foot facility); (2) 111 North Street, Rapid City, South Dakota (an approximately 14,000 square foot facility); and (3) 121 North Street, Rapid City, South Dakota (an approximately 7,000 square foot facility) (all collectively referred to as the “Project”); and

WHEREAS, the Borrower has proposed that the City of Spearfish, South Dakota (sometimes referred to as the “Issuer”), issue its tax exempt revenue bond in the principal amount of \$3,000,000 (the “Bond”) to finance the Project, pursuant to South Dakota Codified Laws, Chapter 9-54, as amended (the “Revenue Bond Act”), and South Dakota Codified Laws, Chapter 1-24, as amended (the “Joint Powers Act”) (the Revenue Bond Act and the Joint Powers Act together referred to as the “Acts”); and

WHEREAS, in connection with the issuance of the Bond, it is proposed that a Joint Powers Agreement be entered into by and between the Issuer and the City of Rapid City (sometimes referred to as the “Joint Powers Participant” and, together with the Issuer, referred to as the “Joint Powers Participants”), and a copy of the proposed form of the Joint Powers Agreement has been placed on file with the City in the offices of the Finance Officer, and has been presented to the governing body of the City in connection with the adoption of this Resolution; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), requires that each governmental unit in which facilities to be financed by the Bond are located must approve the issuance of the Bond following a public hearing; and

WHEREAS, a public hearing on this matter was held by the governing body of the City on the date hereof; and

WHEREAS, the Bond are payable solely from revenues of the Borrower, will not be a general or moral obligation of the City of Rapid City or of the Issuer or of any other political subdivision of the State of South Dakota, but will be payable solely from revenues of the Borrower, to the extent and in the manner provided in the Acts and the documents executed in connection with the issuance of the Bond;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Rapid City, South Dakota, as follows:

1. The City of Rapid City hereby gives host approval, required under Section 147(f) of the Internal Revenue Code, to the issuance of the Bond and, in connection therewith, hereby approves the Rapid City Project.

2. In no event shall the Bond ever be payable from or charged upon any funds of the City of Rapid City; the City of Rapid City is not subject to any liability thereon; no owners of the Bond shall ever have the right to compel the exercise of the taxing power of the City of Rapid City to pay any principal of the Bond or the interest thereon, nor to enforce payment thereof against any property of the City of Rapid City; the Bond shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City of Rapid City; and the Bond does not constitute an indebtedness of the City of Rapid City within the meaning of any constitutional, statutory, or charter limitation.

3. The Joint Powers Agreement is hereby approved in substantially the form now on file in the offices of the City, together with such modifications thereto as may be approved by the officers executing the Joint Powers Agreement, which approval shall be conclusively evidenced by the execution thereof; and the Mayor and Finance Officer or other officers of the City are authorized to execute the same in the name of and on behalf of the City. In the event of the disability or the resignation or other absence of the Mayor or Finance Officer of the City, such other officers of the City who may act in their behalf shall without further act or authorization of the City do all things and execute all instruments and documents required to be done or to be executed by such absent or disabled officials. The approval hereby given to the Joint Powers Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the officers of the City authorized herein to execute the Joint Powers Agreement, such approval to be conclusively evidenced by the execution thereof.

Adopted by the Common Council of the City of Rapid City, South Dakota this ____ day
of _____, 2003.

Mayor

ATTEST:

Finance Officer

STATE OF SOUTH DAKOTA)
)
COUNTY OF PENNINGTON)

I, the undersigned, being the duly qualified and acting Finance Officer of the City of Rapid City, South Dakota, do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Common Council of said City duly called and held on the date therein indicated, insofar as such minutes relate to a resolution giving host approval to the issuance of revenue bonds and authorizing execution of a Joint Powers Agreement, all in connection with a Project being undertaken by Behavior Management Systems, Inc., a South Dakota nonprofit corporation.

WITNESS My hand this ____ day of _____, 2003.

Finance Officer