

CITY OF RAPID CITY, SOUTH DAKOTA,

Issuer

AND

THE FIRST NATIONAL BANK IN SIOUX FALLS,
Trustee

INDENTURE OF TRUST

Dated as of December 1, 2014

This instrument drafted by:

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interest represented thereby or for replacement pursuant to Section 2-8 or transfer pursuant to Section 2-11, such Bond shall be canceled and destroyed by Trustee.

Section 2-14. Securities Depository.

(a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Holder” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such 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 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 Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Series 2014 Bonds will be registered initially in the name of Capital One Public Funding, LLC and will be evidenced by one physical bond delivered to and held by Capital One Public Funding, LLC. ~~The and at no time shall the Series 2014 Bonds may be transferred to the book entry system described hereinafter, or Bonds may be issued pursuant to the book entry system described hereinafter, at the direction of the Original Purchaser of such series of Bonds. be held in book entry form or system. At no time shall the following subsections (c), (d) and (e) of this Section 2-14 apply to the Series 2014 Bonds.~~

(c) During any period when a series of Bonds is held in the book entry system, such Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such 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 Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of 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 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 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 Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, ~~with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds,~~ or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, 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 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated 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 Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(d) In the event the City determines that it is in the best interest of the Beneficial Holders that they be able to obtain Bonds in the form of bond certificates, the City may notify DTC and the Trustee, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the 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 Bonds will be transferable in accordance with paragraph (d) hereof.

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

ARTICLE THREE

THE SERIES 2014 BONDS

Section 3-1. Denominations, Maturities and Interest. The Parking Revenue Refunding Bonds, Series 2014, to be issued hereunder, in the aggregate principal amount of \$_____, shall be issued in fully registered form only, in the denomination of \$250,000 and integral multiples of \$1,000 in excess thereof, shall mature on June 1, 20____ and shall bear interest from _____, 2014 to their Stated Maturities or Redemption Dates at the rate of _____%.

The Series 2014 Bonds shall be issuable only in fully registered form, and the ownership of the Series 2014 Bonds shall be transferred only on the books of the City at the principal office of the Trustee. Interest on the Series 2014 Bonds shall be payable on June 1 and December 1 in each year, commencing June 1, 2015, to the owners of record of the Series 2014 Bonds as such appear on the Bond Register as of the Record Date. Interest on the Series 2014 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months. The principal of and premium, if any, on the Series 2014 Bonds shall be payable by the Trustee by wire transfer in immediately available funds. Interest on the Series 2014 Bonds which is payable, and is punctually paid on any Interest Payment Date shall be paid by wire transfer in immediately available funds to the Persons in whose name the Series 2014 Bonds are registered as of the close of business on the Record Date for such Interest Payment Date at the address of such Holders as they appear on the Bond Register. The Series 2014 Bonds shall be in substantially the form of Exhibit A hereto.

Section 3-2. Dating of Series 2014 Bonds. Each Series 2014 Bond shall be dated, as originally issued, as of _____, 2014. Upon the original delivery of the Series 2014 Bonds or upon the delivery of a Series 2014 Bond upon an exchange or transfer pursuant to Article 2, the Trustee shall date each Series 2014 Bond so delivered as of the date of its authentication.

Section 3-3. Redemption.

(a) Optional Redemption of Series 2014 Bonds. The Series 2014 Bonds maturing on or after June 1, 2017 shall each be subject to redemption and prepayment at the request of the City to the Trustee on June 1, 2016, and on any date thereafter, in whole, ~~in inverse order of maturities as the City may select, and within a maturity in \$5,000 principal amounts selected by the Trustee by lot or other manner deemed fair~~, at the following Redemption Prices (equal to the principal amount of each such Series 2014 Bond to be redeemed) plus interest accrued thereon to the Redemption Date:

Redemption date	Redemption Price
From June 1, 2016 through May 31, 2021	101%
June 1, 2021 and thereafter	100

(b) Mandatory Sinking Fund Redemption. Series 2014 Bonds are term bonds (the “Term Bonds”), and as such are subject to mandatory redemption, and will be redeemed pursuant to a mandatory sinking fund redemption, at a redemption price equal to their principal amount plus accrued interest to the date of redemption, on the dates shown below (each such date being a “Sinking Fund Payment Date”) and in an amount (a “Mandatory Sinking Fund Payment”) equal to the following principal amounts:

Sinking Fund Payment Date	Principal Amount
(Maturity)	

or if less than such amount of Series 2014 Bonds is outstanding on any such Sinking Fund Payment Date, an amount equal to the aggregate principal amount of all Bonds then outstanding.

The Trustee shall select and call for redemption from the Term Bonds the amounts shown above, and the Term Bonds selected by the Trustee shall become due and payable on such date.

(c) Notice of Redemption. Notice of redemption, stating the amount, the serial numbers, the interest rates and the Stated Maturities of the Series 2014 Bonds or portions thereof called for redemption pursuant to paragraph (a) hereof, will be mailed, by first-class mail, to the Holder of each Series 2014 Bond to be redeemed at such Person’s address shown in the Bond Register, not less than thirty (30) days before the Redemption Date, provided that any defect in or failure to give such mailed notice shall not affect the validity of proceedings for the redemption of any Series 2014 Bond not affected thereby. Notice of the redemption of any Series 2014 Bond having been mailed as herein provided, and funds sufficient for its payment with accrued interest having been deposited with the Trustee on or before the Redemption Date, interest on such Series 2014 Bond shall cease on said date, and the Holder shall have no further rights with respect thereto or under the Indenture except to receive the Redemption Price so deposited.

~~(d) Method of Redemption. Series 2014 Bonds in a denomination larger than \$5,000 may be redeemed in part in any integral multiple of \$5,000. The owner of any Series 2014 Bond redeemed in part shall receive, upon surrender of such Series 2014 Bond to the Trustee, one or more new Series 2014 Bonds in authorized denominations equal in principal amount to the unredeemed portion of the Bond so surrendered.~~

Section 3-4. Execution and Delivery. The Series 2014 Bonds shall be forthwith prepared for execution under the direction of the Finance Officer, at the expense of the City, and shall be executed on behalf of the City by the signatures of the Mayor and Finance Officer, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. When the Series 2014 Bonds have been fully executed and authenticated, they shall be delivered by the

Section 5-12. Books and Records. The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the Parking System as a part thereof, the gross revenues derived from the operation of the Parking System, and the segregation and application of the gross revenues in accordance with this Indenture, in such reasonable detail as may be determined by the City in accordance with generally accepted accounting practice and principles. It will cause such books to be maintained on the basis of a fiscal year commencing January 1 and ending December 31, or such other period as this Council may determine, and to be audited annually.

Section 5-13. Cost of Insurance and Accounting. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the parking fees, charges and rentals, with respect to the Parking System, shall be payable from the Operating Account.

Section 5-14. Handling of Funds. The employees of the City, under the direction and control of the City Finance Officer, shall keep books of accounts, issue statements and collect bills for the rates, charges and rentals for the services and facilities provided by the Parking System and for other money currently receivable on account thereof. All money collected with respect to the Parking System shall be deposited daily with the Finance Officer. In the event of default on the part of the City in the payment of principal of, premium, if any, or interest on any Bond promptly as each falls due, or in the keeping of any covenants herein contained, and if such default shall continue for a period of ninety days, the Council will appoint a special superintendent for the Parking System, with the power and responsibility to operate the Parking System for the City, and to recommend to the Council such revisions of the rates, charges and operating policies as may be necessary to comply with this Indenture, and to assure that the Net Revenues will be sufficient to pay all principal of, premium, if any, and interest on Bonds, and the superintendent shall in all things so operate the Parking System as to comply fully with all the requirements and provisions of this Indenture. The right of the registered owners of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of a default as herein outlined, such registered owner or owners shall have the right to proceed at law or in equity to require the performance of the covenants herein contained, in any form of action which shall to them seem appropriate.

Section 5-15. Rules and Regulations. The rules and regulations for operation and use of the Parking System shall be as provided in the existing ordinances and resolutions of the City, and any ordinances and resolutions subsequently adopted amendatory thereof or supplemental thereto.

Section 5-16. Rates and Charges. The City through the Council will maintain, revise, charge and collect rates and charges for services furnished and made available by the Parking System, according to schedules such that the gross revenues derived therefrom will be sufficient, when combined with other available funds, to pay when due all expenses of the operation and maintenance of the Parking System, and all principal of, premium, if any, and interest on the Bonds and other amounts due hereunder, to provide for the establishment and maintenance of adequate reserves therefor, and to provide an allowance adequate for recurring renewals and replacements of the Parking System, and to fulfill the terms of all other agreements with owners

of the Bonds. Such charges shall at all times be sufficient to produce Net Revenues for each fiscal year at least equal to 120% of the principal of and interest on the Bonds coming due in such fiscal year.

Section 5-17. Parking System Fund.

(a) A fund to be designated as the Parking System Fund (the “Fund”) is established and shall be maintained as a separate and special bookkeeping account on the official books of the City until all Bonds have been fully paid, or the City’s obligation with reference to such Bonds has been discharged as provided herein. All revenues appropriated for purposes of the Parking System are appropriated to the Fund and shall be deposited into the Fund. All gross revenues derived from the operation of the Parking System are irrevocably pledged and appropriated and shall be credited to and deposited in the Fund as received. As described herein, the City shall impose parking rates, fees and charges for the use of the Parking System and shall aggregate the gross revenues derived from such parking rates, fees and charges and the Parking System, together with the expenses of operation and maintenance of the Parking System and shall account for them as provided in this Indenture. Such gross revenues shall include all gross income and receipts from parking rates, fees, charges and rentals imposed for the use of the Parking System as now constituted and of all replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the Parking System and all income received from the investment of such gross revenues. The Fund shall be subdivided into separate funds and accounts as designated and described in this Section 5-17, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in the Fund shall be apportioned monthly or as soon as possible after the first day of each month, commencing the first calendar month following the delivery of the Bond, which apportionment is hereinafter referred to as the “monthly apportionment.”

(b) The Operating Account is hereby established as a separate account within the Fund. On each monthly apportionment there shall first be set aside and credited to the Operating Account, as a first charge on the gross revenues of the Parking System, such amount as may be required over and above the balance then held in the Operating Account to pay the reasonable and necessary operating expenses of the Parking System which are then due and payable, or are to be paid prior to the next monthly apportionment. The term “operating expenses” shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the Parking System, calculated in accordance with generally accepted accounting principles for municipal enterprise funds, and shall include, without limitation, administrative expenses of the City relating solely to the Parking System, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with generally accepted accounting principles. Such operating expenses shall not include debt service or any allowance for depreciation or renewals, enlargements or replacements of capital

assets of the Parking System, including engineering costs in anticipation thereof and shall not include any portion of the salaries or wages paid to any officer or employee of the City, except such portion as shall represent reasonable compensation for the performance of duties necessary to the operation of the Parking System, nor any amount properly payable from any other account of the Fund. Moneys in the Operating Account shall be used solely for the payment of current operation expenses of the Parking System.

(c) The Replacement and Depreciation Account is hereby established as a separate account within the Fund. There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Account such portion of the Net Revenues, in excess of the current requirements of the Bond Fund and the Reserve Fund (which portion of the Net Revenues is referred to herein as Surplus Net Revenues), as the Council shall determine to be required for the accumulation of a reasonable reserve for renewal of worn out, obsolete or damaged properties and equipment of the Parking System, which reserve shall be accumulated and maintained in an amount not less than 10% of the Operating Expenses for the preceding Fiscal Year. Moneys in this account shall be used only for the purposes above stated or, if so directed by the Council, to redeem Bonds which are prepayable according to their terms, to pay principal, premium, if any, or interest when due thereon as required hereunder, or to pay the cost of improvements to the Parking System; provided, that in the event that the City shall hereafter issue bonds for the purpose of financing the construction and installation of additional improvements or additions to the Parking System, but which additional bonds cannot, upon the terms and conditions provided herein, be payable from the Bond Fund, Surplus Net Revenues from time to time received may be segregated and paid into one or more separate and additional accounts from the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.

ARTICLE SIX

TRUST FUNDS

Section 6-1. Trust Funds Pledged and Assigned to the Trustee.~~(a)~~ The proceeds of the Bonds and all payments, revenues, receipts and income receivable by the City as Net Revenues of the Parking System and required to be deposited hereunder and all other amounts pledged and assigned by this Indenture to the Trustee, together with the balance of the Trust Estate, are to be paid to the Trustee and, subject to the provisions of Section 8-4, deposited by it in the Funds described in this Article Six and held in trust for the purposes set forth herein, and shall not be subject to any lien, levy, garnishment or attachment by any creditor of the City. The Trustee shall at all times maintain accurate records of deposits into such funds and the sources and timing of such deposits. Each and all of the Bonds shall be equally and ratably secured by and payable out of the Net Revenues of the Parking System without preference or priority of any one Bond over any other by reason of serial number or otherwise; provided, that if at any time the Net Revenues of the Parking System are insufficient to pay principal, premium, if any, and interest then due on all Bonds, any and all moneys then on hand shall be first used to pay the interest accrued and premium, if any, due on all outstanding Bonds, and the balance shall be

applied toward payment of the maturing principal of Bonds in order of their maturities, the earliest maturing Bonds to be paid first, and pro-rata in payment of Bonds maturing on the same date.

~~(b) A fund to be designated as the Parking System Fund (the “Fund”) is established and shall be maintained as a separate and special bookkeeping account on the official books of the City until all Bonds have been fully paid, or the City’s obligation with reference to such Bonds has been discharged as provided herein. All revenues appropriated for purposes of the Parking System are appropriated to the Fund and shall be deposited into the Fund. All gross revenues derived from the operation of the Parking System are irrevocably pledged and appropriated and shall be credited to the Fund as received. As described herein, the City shall impose parking rates, fees and charges for the use of the Parking System and shall aggregate the gross revenues derived from such parking rates, fees and charges and the Parking System, together with the expenses of operation and maintenance of the Parking System and shall account for them as provided in this Indenture. Such gross revenues shall include all gross income and receipts from parking rates, fees, charges and rentals imposed for the use of the Parking System as now constituted and of all replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the Parking System and all income received from the investment of such gross revenues. The Fund shall be subdivided into separate funds and accounts as designated and described in this Article VI, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in the Fund shall be apportioned monthly or as soon as possible after the first day of each month, commencing the first calendar month following the delivery of the Bond, which apportionment is hereinafter referred to as the “monthly apportionment.”~~

~~(c) The Operating Account is hereby established as a separate account within the Fund. On each monthly apportionment there shall first be set aside and credited to the Operating Account, as a first charge on the gross revenues of the Parking System, such amount as may be required over and above the balance then held in the Operating Account to pay the reasonable and necessary operating expenses of the Parking System which are then due and payable, or are to be paid prior to the next monthly apportionment. The term “operating expenses” shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the Parking System, calculated in accordance with generally accepted accounting principles for municipal enterprise funds, and shall include, without limitation, administrative expenses of the City relating solely to the Parking System, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with generally accepted accounting principles. Such operating expenses shall not include debt service or any allowance for depreciation or renewals, enlargements or replacements of capital assets of the Parking System, including engineering costs in anticipation thereof and shall not include any portion of the salaries or wages paid to any officer or employee of the City, except such portion as shall represent reasonable compensation for the performance~~

~~of duties necessary to the operation of the Parking System, nor any amount properly payable from any other account of the Fund. Moneys in the Operating Account shall be used solely for the payment of current operation expenses of the Parking System.~~

~~(d) The Replacement and Depreciation Account is hereby established as a separate account within the Fund. There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Account such portion of the Net Revenues, in excess of the current requirements of the Bond Fund and the Reserve Fund (which portion of the Net Revenues is referred to herein as Surplus Net Revenues), as the Council shall determine to be required for the accumulation of a reasonable reserve for renewal of worn out, obsolete or damaged properties and equipment of the Parking System, which reserve shall be accumulated and maintained in an amount not less than 10% of the Operating Expenses for the preceding Fiscal Year. Moneys in this account shall be used only for the purposes above stated or, if so directed by the Council, to redeem Bonds which are prepayable according to their terms, to pay principal, premium or interest when due thereon as required hereunder, or to pay the cost of improvements to the Parking System; provided, that in the event that the City shall hereafter issue bonds for the purpose of financing the construction and installation of additional improvements or additions to the Parking System, but which additional bonds cannot, upon the terms and conditions provided herein, be payable from the Bond Fund, Surplus Net Revenues from time to time received may be segregated and paid into one or more separate and additional accounts from the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.~~

Construction Fund. The Construction Fund is established as a trust account under the Indenture. The Construction Fund shall be used only to pay as incurred and allowed costs which under generally accepted accounting principles for municipal enterprise funds are capital costs of such future acquisitions, reconstructions, improvements, betterments or extensions of the Parking System as may be authorized in accordance with law; including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, interest accruing on Bonds during the first year following the date of their delivery, if and to the extent that the Bond Fund is not sufficient for payment of such interest, reimbursement of advances made from other City funds, and all other expenses incurred in connection with the construction and financing of any such undertaking. To the Construction Fund shall be credited as received all proceeds of Bonds, except amounts appropriated to the Bond Fund and the Reserve Fund under the Indenture, all other funds appropriated by the City for the improvement of the Parking System, and all insurance proceeds received from any claim with respect to the Parking System.

Section 6-3. Bond Fund.

(1) There is hereby created the Parking Revenue Bond Fund, also referred to herein as the “Bond Fund.” Upon delivery of the Series 2014 Bonds, the Trustee shall credit to the Bond Fund from the proceeds of the Series 2014 Bonds, the sum specified in Section 3-5. The City

shall provide, on each monthly apportionment date, and the Trustee shall ~~also~~ credit to and deposit in the Bond Fund, Net Revenues of the Parking System in an amount equal to one-sixth of the interest due and payable on the next Interest Payment Date on all Bonds then Outstanding, any premium due or to become due on the Bonds and one twelfth of the principal, if any, due and payable, whether by reason of Stated Maturity or otherwise, on any Principal Payment Date within the next succeeding twelve months on all Outstanding Bonds, or such greater amount as is necessary to provide for all interest, premium, if any, and principal due with respect to the Outstanding Bonds. Money from time to time held in the Bond Fund shall be disbursed only to meet payments of principal of, premium, if any, and interest on the Bonds as such payments become due, provided that on any date when the balance then on hand in the Bond Fund and the balance then on hand in the Reserve Fund allocable to a series of Bonds are sufficient with other money available for the purpose to pay or discharge all of the Bonds and the premium, if any, and interest accrued thereon in full, and the balance thereafter on hand in the Reserve Fund will be at least equal to the Reserve Requirement for all Bonds not to be discharged, it may be used for that purpose. If any payment of principal, premium, if any, or interest becomes due when money in the Bond Fund is insufficient therefor, an amount equal to such deficiency shall be transferred to the Bond Fund from the Reserve Fund.

(2) Moneys in the Bond Fund shall be used and withdrawn by the Trustee solely to pay the interest on Bonds as they become due and payable, including accrued interest on any Bonds redeemed before maturity pursuant to this Indenture and including interest accruing on any Bond after its Maturity Date, if not then paid or redeemed, and, to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate borne by the Bonds; to pay the principal amount of the Bonds at their respective stated maturities; to redeem and prepay Bonds in accordance with Article Three and to pay any penalty or premium due thereon and to discharge all Outstanding Bonds as provided in Article Eight.

(3) Any moneys escrowed to discharge Bonds under Article Eight shall be deemed to be held in a subaccount of the Bond Fund and available solely to pay the debt service on the Bonds so discharged.

Section 6-4. Reserve Fund. There is hereby created the Parking Revenue Bond Debt Service Reserve Fund, also referred to herein as the "Reserve Fund." Upon delivery of the Series 2014 Bonds, the City shall credit to the Reserve Fund from the proceeds of the Series 2014 Bonds, the sum specified in Section 3-5. If on any Interest Payment Date the balance in the Reserve Fund is less than the Reserve Requirement, from the next Net Revenues of the Parking System received after the required deposits to the Bond Fund have been made, there shall be credited to the Reserve Fund an amount sufficient to restore the balance on hand in the Reserve Fund to the Reserve Requirement. The Trustee shall notify the City and the Original Purchaser each time that the balance in the Reserve Fund falls below the Reserve Requirement and shall also notify the City and the Original Purchaser when the balance therein has been restored to the Reserve Requirement.

If on any Interest Payment Date, Principal Payment Date or Redemption Date the balance on hand in the Bond Fund is less than the sum required to pay all principal, premium, if any, and

interest then due and payable on the Bonds, the City forthwith shall transfer from the Reserve Fund to the Bond Fund an amount equal to such deficiency.

If the City issues any Additional Bonds, the City shall provide for increasing the balance in the Reserve Fund to the updated Reserve Requirement, calculated after giving effect to the issuance of such Additional Bonds, simultaneously with the issuance of the Additional Bonds.

Money in the Reserve Fund shall be used only to pay when due principal of, premium, if any, and interest on Bonds when the balance on hand in the Bond Fund is insufficient therefor.

If on any Interest Payment Date, any Principal Payment Date or any Redemption Date, the balance in the Reserve Fund exceeds the Reserve Requirement, the Trustee shall transfer such excess to the Bond Fund.

Section 6-5. Deposit of Funds with Paying Agent.

(1) The Trustee shall transfer and remit sums from the Bond Fund to the Paying Agent in advance of each interest and principal due date and redemption date, from the balance then on hand in the Bond Fund, sufficient to pay all principal, interest and redemption premiums, if any, then due on Bonds. The Paying Agent shall hold in trust for the Holders of such Bonds all sums so transferred to it until paid to such Holders or otherwise disposed of as herein provided.

(2) Interest on each Bond including accrued interest to the date of deposit and interest, to the extent permitted by law, on overdue installments of interest at the rate borne by such Bond, (a) shall cease on its maturity date, or on any prior date on which it shall have been duly called for redemption as herein provided, provided that funds sufficient for the payment thereof with accrued interest and any redemption premium have been deposited with the Paying Agent on or before the maturity date or redemption date, as the case may be, and in the case of redemption, that the requirements of Article Three have been complied with, or (b) shall cease on any date after maturity or redemption on which such deposit has been made, and the Holder shall have no further rights with respect to the Bonds or under this Indenture except to receive the payment so deposited.

(3) If any Bond is not presented for payment when due and funds sufficient to pay such Bond shall have been paid to the Trustee (or other Paying Agent, if any): (i) all liability of the City for payment of such Bond shall forthwith cease, (ii) such Bond shall forthwith cease to be entitled to any lien, benefit or security under this Indenture and the Holder of such Bond shall forthwith have no rights in respect thereof except to receive payment thereof, and (iii) the Trustee (or other Paying Agent, if any) shall hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond. Any moneys still held by the Trustee (or other Paying Agent, if any) after four years and eleven months from the date on which the Bond with respect to such amount was paid to the Trustee (or other Paying Agent, if any), shall, if and to the extent permitted by law, be paid by the Trustee (or other Paying Agent, if any) to the City and shall be discharged from the trust and all liability of the Paying Agent or the Trustee with respect to such trust money shall cease; and the Bondholders shall thereafter be entitled to look only to the City for payment, and the City shall not be liable for any interest thereon.

ARTICLE NINE

DEFAULT PROVISIONS AND REMEDIES

Section 9-1. Events of Default. Subject to the provisions of Section 9-10, any of the following events is hereby defined as and declared to be and to constitute an Event of Default (whatever the reason for such an Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) If default shall be made in the due and punctual payment of any interest on any Outstanding Bond hereby secured; or

(2) If default shall be made in the due and punctual payment of the principal of or premium, if any, on any Outstanding Bond hereby secured, whether at the Stated Maturity thereof or at the date fixed for redemption thereof, or upon the maturity thereof by declaration, plus redemption premium, if any; or

(3) If default shall be made in the due and punctual payment of any other moneys required to be paid to the Trustee under the provisions hereof and such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default, shall have been given by the Trustee to the City or to the City and the Trustee by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of ~~the~~ [a series of Bonds](#) then Outstanding ~~Bonds~~; or

(4) If default shall be made in the performance or observance of any other of the covenants, agreements or conditions on the part of the City contained in this Indenture or in the Bonds, and such default shall have continued for a period of thirty (30) days after written notice thereof given in the manner provided in clause (3) above.

Section 9-2. Acceleration. Upon the occurrence of an Event of Default, the Trustee may by notice in writing delivered to the City, declare the principal of all of the then Unpaid Bonds and premium, if any, and the interest accrued thereon immediately due and payable, and such principal and premium, if any, and interest shall thereupon become and be immediately due and payable at the place of payment provided in the Bonds, anything in this Indenture or in the Bonds to the contrary notwithstanding. The Trustee shall give notice of acceleration to Bondholders in the same manner as notice of redemption is given under Section 3-5 (except as to the timing thereof) stating the accelerated date upon which the Bonds are due and payable, provided that the Trustee shall not be required to delay the effective date of acceleration until such notice is given.

Section 9-3. Remedies.

(1) Subject to the provisions of Section 9-2, upon the occurrence of an Event of Default, the Trustee may proceed to pursue any available remedy by suit at law or in equity to

Section 9-8. Rights and Remedies of Holders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or any remedy hereunder or thereunder or for the appointment of a receiver, unless: (i) a default thereunder shall have become an Event of Default and the Holders of twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereunder granted or to institute such action, suit or proceeding in its own name; (ii) such Holders shall have offered to indemnify the Trustee as provided in Section 10-1; and (iii) the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time the remedies hereunder granted, or to institute such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right thereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds then Outstanding, provided, however, that nothing herein shall be construed to preclude any Bondholder from enforcing, or impair the right of any Bondholder to enforce, the payment by the Trustee of principal of, and interest and premium, if any, on any Bond of such Bondholder at or after its date of maturity, if and to the extent that such payment is required to be made to such Bondholder by the Trustee from available funds in accordance with the terms hereof. In the event of default in any such payment, any court having jurisdiction of the action may appoint a receiver to administer the Fund and to collect and segregate and apply the Net Revenues of the Parking System and other revenues pledged thereto as provided by the Bond Ordinance, this Indenture and the Act.

Section 9-9. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry and possession or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the City and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9-10. Waiver of an Event of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity or principal, and shall do so upon written request of the Holders of (1) fifty-one percent (51%) in aggregate principal amount of all the Bonds then Outstanding with respect to which default in the payment of principal, premium, if any, and interest, or any of them, exists, or (2) fifty-one percent (51%) in aggregate principal amount of all the Bonds then Outstanding in the case of any other Event of Default, provided, however, that there shall not be waived (A) any Event of Default in the payment of the principal of or premium, if any, on any Outstanding Bonds on the redemption date or at the date of maturity specified therein or (B) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver

ARTICLE ELEVEN

SUPPLEMENTAL INDENTURES

Section 11-1. Supplemental Indentures Not Requiring Consent of Bondholders. The City and the Trustee may, from time to time and at any time, without the consent of, or notice to, any of the Holders, but with the written consent of Capital One Public Funding, LLC, to the extent such entity holds ~~the~~any Series 2014 Bonds, and when so required by this Indenture shall, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof (which supplemental indenture or indentures shall thereafter form a part hereof), so as to thereby (1) permit the issuance of Additional Bonds to the extent permitted by Article Four; (2) cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture, (3) grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Trustee, (4) more precisely identify the Trust Estate, or any other property which may become a part of the Trust Estate, (5) subject to the lien and pledge of this Indenture additional revenues, properties or collateral, (6) evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee and/or Paying Agent hereunder, (7) modify, eliminate and/or add to the provisions of this Indenture to such extent as shall be necessary to prevent any interest on the Bonds from becoming taxable under the Federal income tax laws or to effect the qualification of this Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding however the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939, (8) make any other change which is required by any provision of this Indenture, or (9) make any other change which in the judgment of the Trustee is necessary or desirable and will not materially prejudice any non-consenting Holder of a Bond.

Section 11-2. Supplemental Indentures Requiring Consent of Holders. Exclusive of supplemental indentures covered by Section 11-1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Trustee, upon receipt of an instrument evidencing the consent to the below mentioned supplemental indenture by the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the then Outstanding Bonds, shall join with the City in the execution of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture, provided, however, that nothing herein contained shall permit or be construed as permitting (1) an extension of the maturity of the principal or of the interest on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as may be otherwise expressly provided herein, or (4) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (5) modifying any of the provisions of this Section without the

(B) At any meeting such Bondholder or proxy shall be entitled to one vote for each \$5,000 (or \$250,000 in the case of the Series 2014 Bonds) of principal amount of Outstanding Bonds owned or represented by him or her, provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not Outstanding and ruled by the chairperson of the meeting to be not Outstanding. The chairperson of the meeting shall have no right to vote, except as a Bondholder or proxy.

(C) At any meeting of Bondholders, the presence of persons owning or representing Bonds in an aggregate principal amount sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondholders duly called pursuant to this Section may be adjourned from time to time by vote of the Holders (or proxies for the Holders) of a majority of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

(6) The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballots on which shall be subscribed the signatures of the Bondholders or of their proxies and the number or numbers of the Bonds Outstanding held or represented by them. The permanent chairperson of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting. The original reports of the inspectors of votes on any vote by ballot taken at such meeting, and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published or mailed as provided in this Section shall be attached to such record. Each copy shall be signed and verified by the affidavits of the permanent chairperson and secretary of the meeting and one such copy shall be delivered to the City and another to the Trustee to be preserved by the Trustee, which copy shall have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

(7) At any time prior to the preparation of the record of the meeting in accordance with the terms of this Section for delivery to the Trustee evidencing the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any Holder of a Bond the number of which is included in the Bonds, the Holders of which have consented to such action, may, by filing written notice with the Trustee at its principal corporate trust office and upon proof of holding as provided in Section 12-1 of this Indenture, revoke such consent so far as it concerns such Bond. Except as aforesaid, any such consent given by the Holder of any Bond shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Bond and of any Bond issued in exchange therefor, upon transfer thereof, or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the City, the Trustee and the Holders of all the Bonds.

THE FIRST NATIONAL BANK IN SIOUX
FALLS, as Trustee

By _____
Its _____

[Signature page to Indenture of Trust dated December 1, 2014]

EXHIBIT A

[Form of Series 2014 Bonds]

UNITED STATES OF AMERICA
STATE OF SOUTH DAKOTA
COUNTY OF PENNINGTON

CITY OF RAPID CITY
PARKING REVENUE REFUNDING BOND
SERIES 2014

No. R-1

\$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
_____ %	June 1,	_____, 2014

<u>CUSIP</u>

REGISTERED HOLDER: CAPITAL ONE PUBLIC FUNDING, LLC

PRINCIPAL AMOUNT: _____ MILLION _____ THOUSAND DOLLARS

THE CITY OF RAPID CITY (the "City"), a municipal corporation and political subdivision of the State of South Dakota, acknowledges itself to be specially indebted and hereby promises to pay to the registered holder identified above or registered assigns, solely from the Net Revenues derived from the operation by the City of the Parking System which has been pledged and appropriated for the payment hereof as stated herein, the principal amount specified above on the Maturity Date specified above, or, if this Bond is redeemable as stated below, on an earlier date on which it shall have been duly called for redemption, upon presentation and surrender hereof at the principal corporate trust office of The First National Bank in Sioux Falls, Sioux Falls, South Dakota, or a successor designated under the Indenture described herein (the "Trustee"), with interest thereon, from the Date of Original Issue specified above or from such later date to which interest has been paid or duly provided for until the principal amount hereof is paid or until this Bond, if redeemable, has been duly called for redemption, at the annual interest rate specified above. Notwithstanding anything herein or in the Indenture to the contrary, payment of principal of or interest on this Bond shall not require presentation or surrender of this Bond until the final stated maturity thereof for the final payment in full thereof. Interest is payable semiannually on June 1 and December 1 in each year, commencing June 1, 2015, to the registered holder of this Bond as such appears of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the month preceding the month in which such interest payment date occurs. Interest is payable by wire transfer in immediately available funds by the Trustee, as bond registrar, transfer agent and paying agent for the Series 2014 Bonds. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

~~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 Registrar 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.~~

This Bond is one of a duly authorized issue of Bonds of the City designated as “Parking Revenue Bonds” (collectively, the “Bonds”), issued and to be issued in one or more series from time to time under, pursuant to and all equally and ratably secured by, Ordinance No. 6020 adopted by the City Council on December 1, 2014 (the “Bond Ordinance”) and an Indenture of Trust, dated as of December 1, 2014 (as amended or supplemented from time to time in accordance with its terms, the “Indenture”), duly executed and delivered by the City to the Trustee, setting forth the terms upon which such Bonds are issued. Reference is hereby made to the Indenture, copies of which are on file with the City, for a description of the nature and extent of the security, the conditions under which Additional Bonds may be issued on a parity with the Series 2014 Bonds, the conditions under which the Indenture may be amended and the rights of the Holders of the Bonds, and the definition of capitalized terms used herein. This Bond is one of the series specified in its title, issued in the aggregate principal amount of \$_____ (the “Series 2014 Bonds”) by the City for the purpose of refinancing a portion of the costs of improvements to the municipal parking system (the “Parking System”), thereby assisting activities in the public interest and for the public welfare of the City.

The Series 2014 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of South Dakota, particularly Chapter 9-51 and, to the extent applicable, Chapter 6-8B, South Dakota Codified Laws, as amended, and pursuant to the Indenture. The Series 2014 Bonds are payable solely, equally and ratably from the Net Revenues derived from the operation of the Parking System and from other revenues from time to time appropriated to the payment of the Series 2014 Bonds by the City pursuant to the Indenture and the Bond Ordinance.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY AND THE CITY’S GENERAL CREDIT AND TAXING POWERS ARE NOT PLEDGED TO THE PAYMENT OF THE BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.
~~THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS.~~

The Series 2014 Bonds maturing on or after June 1, 2017 shall each be subject to redemption and prepayment at the request of the City to the Trustee on June 1, 2016, and on any date thereafter, in whole, in inverse order of maturities as the City may select, at the following Redemption Prices (equal to the principal amount of each such Series 2014 Bond to be redeemed) plus interest accrued thereon to the Redemption Date:

<u>Redemption date</u>	<u>Redemption Price</u>
From June 1, 2016 through May 31, 2021	101%

:

{The Series 2014 Bonds are term bonds and are each subject to mandatory sinking fund redemption on June 1 in each of the years and in the amounts set forth in the Indenture.}

Notice of optional redemption will be mailed by first-class mail, not less than 30 days before the date fixed for redemption, to the Trustee and to the registered owner of each Series 2014 Bond to be redeemed, provided that any defect in or failure to give such mailed notice shall not affect the validity of proceedings for the redemption of any Series 2014 Bond not affected thereby. Series 2014 Bonds in a denomination greater than \$5,000 may be redeemed in part, in integral multiples of \$5,000. ~~Upon partial redemption of any Series 2014 Bond, a new Series 2014 Bond or Bonds will be delivered to the registered owner without charge, representing the unredeemed principal amount outstanding.~~

As provided in the Indenture and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Trustee, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Series 2014 Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Series 2014 Bond or Bonds to be issued in the name of the transferee or registered holder, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and the general laws of the State of South Dakota and ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Series 2014 Bond a valid and binding special obligation of the City in accordance with its terms have been done, do exist, have happened and have been performed in regular and due time, form and manner as so required; that the City will undertake and complete the refinancing as expeditiously as practicable; that the City, in and by the Bond Ordinance and the Indenture, has validly made and entered into covenants and agreements with and for the benefit of the owners from time to time of all Bonds issued thereunder; and that all provisions for the security of the owners of the Bonds as set forth in the Indenture and the Bond Ordinance will be punctually and faithfully performed as therein stipulated; that the issuance of the Series 2014 Bonds does not cause either the special or the general indebtedness of the City to exceed any constitutional or statutory limitation.