

2010 Legal and Public Notices

State will be returned to the office of Stockwell Engineers immediately after the State provides notice that bidder will not be awarded a contract, or thirty (30) days after the bid opening for the project, which ever occurs first;

C. Any copies of the Plans and Specifications made by the bidder will be destroyed immediately after the State provides notice that bidder will not be awarded a contract, or thirty (30) days after the bid opening for the project, which ever occurs first;

D. If bidder does not submit a bid, bidder will fulfill the requirements of B and C above on or before the date of the bid opening;

E. The Plans and Specifications are to be used only with respect to this project and are not to be used for any other project or purposes other than preparing a bid for this project;

F. The Plans and Specifications will not be disseminated to any person or entity for purposes other than obtaining pricing information without the express written approval of the state;

G. All information contained in the Plans and Specifications is confidential; and

H. Should the bidder disseminate the Plans and Specifications to an individual or entity for purposes of obtaining pricing information, the bidder will require that individual or entity to adhere to the terms set forth herein. The bidder, however, assumes no liability for the misuse of the Plans and Specifications by such third party or such third party's failure to comply with the provisions contained herein.

Should bidder be awarded a contract for construction of the project, bidder does not need to return or destroy Plans and Specifications until after completion of the project.

Each bid in excess of \$50,000.00 must be accompanied by a certified check, cashier's check or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank or a 10% bid bond issued by a surety authorized to do business in the State of South Dakota and made payable to the Board of Regents of the State of South Dakota.

The Board of Regents reserves the right to reject any or all bids and to waive any irregularities therein.

KRISTI HONEYWELL, P.E.
State Engineer

Office of the State Engineer
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Published: March 30, 2012

The University of South Dakota is accepting sealed bids for USD Patterson Hall Building Electrical Service Upgrade until 2:30 P.M., April 11, 2012. Sealed bids must be delivered to the University of South Dakota, Purchasing Office, 209 Sagle Hall, 414 East Clark St., Vermillion SD. Copies of the bid solicitation and specifications are available from Purchasing Office at USD, contact Kyra Blatchford at 605-677-5667 or by email at kyra.blatchford@usd.edu. The University reserves the right to reject any and all bids.

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Published: March 30 & April 6, 2012.

Notice of Annual Meeting

The Annual Meeting of the Turner, Lincoln, Clay (TLC) Water Project District will be held in the Automatic Irrigation building at 1111 Railway in Centerville on Tuesday April 3rd, 2012 at 7:00 p.m.

At that time, four (4) positions on the board of Directors shall be elected for three (3) year terms. The following Director's term expires on April 3rd, 2012. David Smit, Dave Bobzien, Gary Andersen, LeRoy Larson

Nominating petitions may be obtained from the TLC office via mail at 1111 Railway in Centerville, SD 57014 or by calling 563-2423 and requesting one to be sent. Petitions may be filed at the District office no later than 5:00 p.m on March 30, 2012.

All business properly concerning the District will be conducted at the Annual Meeting.

Gary Andersen, Chairman
TLC Water Project District
Published three times at the total approximate cost of \$31.46

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Published: March 16, 23 & 30, 2012

NOTICE TO BIDDERS

Notice is hereby given that the Governing Body of the City of Vermillion, South Dakota will meet at the City Hall meeting room of said City on the **11th day of April 2012, at 2:00 p.m.** at which time bids and proposals will be received, publicly opened and read at that time. The bids will be acted upon by the City Council at City Hall on the 16th day of April, 2012, at 7:00 p.m. The equipment required is as follows:

One New Closed Door Horizontal Baler & Conveyor

Copies of the specifications may be obtained from the City of Vermillion Engineering Department, 25 Center Street, Vermillion, South Dakota, 57069.

Bid security is required according to state law and the bid specifications.

Payment for the services herein provided will be in cash.

The City of Vermillion reserves the right to reject any or all bids and to waive any irregularities therein.

Dated at Vermillion, South Dakota this 20th day of March, 2012.

By _____
Jason Anderson, Assistant City Engineer
Publish twice at the total approximate cost of \$28.06

Estimated publishing cost per published copy \$0.301
Published: March 30 & April 6, 2012

2010 Legal and Public Notices

Unapproved Minutes Council Special Session March 19, 2012 Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, March 19, 2012 at 12:00 noon in the City Hall large conference room.

1. Roll Call

Present: Davies, Grayson, Meins, Osborne, Ward, Zimmerman, Mayor Powell
Absent: French, Willson

2. Educational Session - Draft of the Five Year Capital Improvement Plan - John Prescott

John Prescott, City Manager, stated that the goal of the Capital Improvement Plan is to obtain City Council input on upcoming projects well in advance of the budget preparation. He reviewed the process used to develop the Capital Improvement Plan for 2013-2016. John noted that the plan did not include funding sources and the amounts for future years may need adjustment as the project advances and costs are refined. He stated that the department heads assisted with the preparation of their respective capital plans and were present to answer questions. John reviewed the draft Capital Improvement Plan, department by department, with the City Council and answered questions on the draft plan.

Alderman Davies was excused from the meeting at 12:39 p.m.

3. Briefing on the March 19, 2012 City Council Regular Meeting Agenda

Council reviewed items on the agenda with City staff. No action was taken.

4. Adjourn 089-12

Alderman Zimmerman moved to adjourn the Council special session at 12:50 p.m. Alderman Meins seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 19th day of March, 2012.

THE GOVERNING BODY OF THE CITY OF VERMILLION, SOUTH DAKOTA

BY _____
John E (Jack) Powell, Mayor
ATTEST:
BY _____

Michael D. Carlson, Finance Officer

Unapproved Minutes City Council Regular Session March 19, 2012 Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on March 19, 2012 at 7:00 p.m. by President Osborne.

1. Roll Call

Present: Davies, French, Meins, Osborne, Ward, Willson, Zimmerman
Absent: Grayson, Mayor Powell

2. Pledge of Allegiance

3. Minutes

A. March 5, 2012 Special Session; March 5, 2012 Regular Session

090-12

Alderman Ward moved approval of the March 5, 2012 special session minutes and the March 5, 2012 regular session minutes. Alderman French seconded the motion. Motion carried 7 to 0. President Osborne declared the motion adopted.

4. Adoption of Agenda 091-12

Alderman Davies moved approval of the agenda with the change of the bid opening date on Item 12B from April 4th to April 11th. Alderman Zimmerman seconded the motion. Motion carried 7 to 0. President Osborne declared the motion adopted.

5. Visitors to be Heard

A. Proclamation of Appreciation for Duane Schilling

Alderman Meins read the Proclamation of Appreciation for Duane Schilling recognizing his retirement on March 23, 2012 after 40 years of employment with the City. President Osborne presented Duane with the proclamation. Duane thanked the City Council for the proclamation.

6. Public Hearings

A. First Reading of Ordinance No. 1274 - Amendment to the Cottage Place Planned Development District

Jose Dominguez, City Engineer, reported on the location of the Cottage Place Planned Development District noting that the amendment is to increase the size to include a lot adjoining Cottage Avenue and adjusting the district areas. The proposed change will increase the area for residential while diminishing the space for commercial development. Jose stated that the Planning Commission recommended approval of the amendment to the Cottage Place Planned Development District.

Jose reported that a resident who lives north of Tract 3 along Cottage Avenue was concerned that his residence could be surrounded by commercial and was also concerned that an access off of Cottage Avenue would increase traffic.

Discussion followed questioning the commercial uses allowed in Tract 2 & 3, noting that extended hour commercial uses would require approval as a conditional use.

Lance Wheatherly with Banner & Associates reported that the intended use of Tract 3 would be multi-family. Lance answered questions of the City Council on the proposed development.

092-12

President Osborne read the title to the above mentioned Ordinance and Alderman Zimmerman moved adoption of the following Resolution:

BE IT RESOLVED that the minutes of this meeting shall show that the title to proposed Ordinance No. 1274 - Amendment to the Cottage Place Planned Development District of the City of Vermillion, South Dakota has been read and the Ordinance has been considered for the first time in its present form and content at this meeting being a regularly called meeting of the Governing Body of the City on this 19th day of March, 2012 at the Council Chambers in City Hall in the manner prescribed by SDCL 9-19-7 as amended.

The motion was seconded by

2010 Legal and Public Notices

Alderman Willson. After discussion, the question of adoption of the Resolution was put to a roll call vote of the Governing Body was as follows: Davies-N, French-Y, Meins-Y, Osborne-Y, Ward-N, Willson-Y, Zimmerman-Y. Motion carried 5 to 2. President Osborne declared the motion adopted.

7. Old Business - None

8. New Business

A. Resolution to allow for the reselling of water and sanitary sewer service at the Plum Vista Mobile Home Park and agreement

Jason Anderson, Assistant City Engineer, reported that the owner of Plum Vista Mobile Home Park at 447 N. Plum Street has requested to resell water/sewer services to their mobile home tenants. The City Ordinance requires City Council approval for the resale of utility service. Jason stated that, if approved, City staff would meet with Mrs. Waddell to review the rates to determine that they are not higher than the City rate. Discussion followed.

093-12

After reading the same once, Alderman Ward moved adoption of the following:

RESOLUTION AUTHORIZING THE RESALE OF UTILITY SERVICES

WHEREAS, City ordinance provides that utility customers shall not resell or share with others any utility services furnished by the City unless authorized by the City Council; and;

WHEREAS, Connie Waddell, owner of Plum Vista Mobile Home Park at 447 N. Plum Street, in an attempt to fairly distribute the utility costs from the City to the Mobile Village, has requested the ability to resell water and wastewater services to the individual tenants; and;

WHEREAS, Plum Vista Mobile Home Park requests the ability to bill the individual tenants for water and wastewater service; and;

WHEREAS, Plum Vista Mobile Home Park understands that, as owner, they are responsible for furnishing and maintaining meters along with the resale utility billing.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, that Connie Waddell, owner of Plum Vista Mobile Home Park is authorized to resell water and wastewater services to individual tenants at 447 N. Plum Street at a rate that is not in excess of the City utility fees.

Dated at Vermillion, South Dakota this 19th day of March, 2012.

THE GOVERNING BODY OF THE CITY OF VERMILLION, SOUTH DAKOTA

BY _____
Kent Osborne, President
ATTEST:
BY _____

Michael D Carlson, Finance Officer

The motion was seconded by Alderman French. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 7 members voted in favor of and 0 members voted in opposition to the Resolution. President Osborne declared that the Resolution was adopted.

B. Resolution to enter into a lease-purchase agreement for a plotter/scanner/copier

Jose Dominguez, City Engineer, reported that the City currently owns a plotter and a large scale copier. The existing plotter that was purchased in 2009 will accept a copier/scanner attachment. The 1991 copier is at the end of its life and the cost of the copier/scanner attachment for the current plotter is \$8,000. A new plotter/copier/scanner is \$9001 which can be lease purchased at 0% interest for three years and after the trade in of the 2009 plotter will have a net cost of \$7,066. Jose recommended approval of the zero interest lease purchase resolution with Canon for the plotter/copier/scanner with the trade in of the existing plotter. Discussion followed with Jose answering questions on the equipment.

094-12

After reading the same once, Alderman Ward moved adoption of the following:

RESOLUTION TO ENTER INTO LEASE-PURCHASE AGREEMENT

WHEREAS, The City of Vermillion, South Dakota (the "City"), existing as a municipal corporation of the State of South Dakota (the "State"), is authorized by the laws of the State to purchase, acquire and lease personal property for the benefit of the City and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, in order to acquire such equipment, the City proposes to enter into a lease-purchase transaction pursuant to certain documents from Canon Financial Services, Inc., the form of which has been reviewed by the City Attorney and presented to the governing body of the City at this meeting;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, that the form, terms and provisions of the Agreement, and all other schedules and exhibits attached thereto, are hereby approved in substantially the form presented at this meeting, with such insertions, omissions and changes as shall be approved by counsel of the City or other members of the governing body of the City executing the same, the execution of such documents being conclusive evidence of such approval; and the Mayor, or any other officer of the City, who shall have the power to execute contracts on its behalf are hereby authorized and directed to execute, acknowledge, countersign and deliver the Agreement and all exhibits attached thereto, and the Finance Officer of the City is hereby authorized to attest to the foregoing and affix the seal of the City to such documents; and

NOW, THEREFORE, BE IT RESOLVED, that the officers and employees of the City shall take all actions necessary, or reasonably required by the parties to the Agreement, to carry out, give effect to and consummate the

2010 Legal and Public Notices

transactions contemplated thereby and to take all actions necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that nothing contained in this Resolution, the Agreement, or any other instrument shall be construed with respect to the City as incurring a pecuniary liability or charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contained in the Resolution, the Agreement, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing power, except to the extent the payments payable under the Agreement are special limited obligations of the City as provided in the Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that City Manager, John Prescott, is authorized to execute the Agreement on behalf of the City.

Dated at Vermillion, South Dakota this 19th day of March, 2012.

THE GOVERNING BODY OF THE CITY OF VERMILLION, SOUTH DAKOTA

BY _____
Kent Osborne, President
ATTEST:
BY _____

Michael D Carlson, Finance Officer

The motion was seconded by Alderman French. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 7 members voted in favor of and 0 members voted in opposition to the Resolution. President Osborne declared that the Resolution was adopted.

D. Resolution approving certain drinking water facility improvements, giving approval to the issuance and sale of a revenue bond for water tower construction

Mike Carlson, Finance Officer, reported that the previous resolution adjusted the water rates and prepaid the 1999 SRF loan so that the funding will be in place for the water tower State Revolving Fund (SRF) loan. This resolution is to approve the water tower improvement and the issuance of the SRF revenue bond in the amount of \$1,532,000 with 10% principal forgiveness to be repaid over 20 years at 2.25% interest. This resolution was prepared by bond counsel and has been reviewed by the City Attorney. Discussion followed.

096-12
After reading the same once, Alderman Willson moved adoption of the following:

RESOLUTION GIVING APPROVAL TO CERTAIN DRINKING WATER

FACILITIES IMPROVEMENTS GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; APPROVING THE FORM OF THE LOAN AGREEMENT AND THE REVENUE BOND AND PLEDGING CERTAIN REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND; AND

CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR OPERATION OF THE SYSTEM AND RETIREMENT OF THE REVENUE BOND

WHEREAS, one of the purposes of SDCL Chapter 9-40 (the "Act"), as found and determined by the Legislature, is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of any system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes; and any system for the collection, treatment and disposal of sewage and other domestic, commercial and industrial wastes; or any system for the control of floods and drainage; or any combination thereof, together with extensions, additions, and necessary appurtenances; and

WHEREAS, a municipality is authorized to issue revenue bonds to fund improvements, extensions and additions to its drinking water system by SDCL 9-40-6 and is authorized to pledge the net income or revenues from the system to secure such bonds; and

WHEREAS, the City of Vermillion, South Dakota (the "City") currently operates a water distribution system to supply municipal, industrial and domestic water to its inhabitants and has determined that improvements to the drinking water facilities are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its drinking water system; and

WHEREAS, the City has determined to issue its revenue bonds to finance the improvements to its system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes (the "System") and has applied to the South Dakota Conservancy District (the "District") for a State Revolving Fund Loan to finance the improvements (the "Loan");

NOW, THEREFORE, BE IT RESOLVED, by the City as follows:

1. Declaration of Necessity and Determination of Facilities Financed. The City desires, and hereby determines, it is necessary to construct improvements to its drinking water facilities within its System, as described in Exhibit A hereto (the "Project"). Because of the functional interdependence of the various portions of the System, the fact that the System may not lawfully operate unless it complies with State and federal laws, including SDCL Chapter 34A-3A, and the natural safe Drinking Water Act, and the nature of the improvements financed,

2010 Legal and Public Notices

The City hereby determines that the Project will substantially benefit the entire System and all of its users within the meaning of SDCL 9-40-15 and SDCL 9-40-17. Therefore, the City hereby determines that for the purposes of the Act, including, in particular, SDCL 9-40-17, the net income or revenues of the entire System, as extended, added to, or improved by the Project shall be deemed to be the net income or revenues available to be pledged to the payment of the bonds issued hereunder.

2. Approval of Loan. The City hereby determines to finance up to \$1,532,000 of the costs of the Project through the issuance of utility revenue bonds (the "Revenue Bond"), and other funds secured by the City.

3. Approval of Loan Agreement. The execution and delivery of the Revenue Obligation Loan Agreement (the "Loan Agreement"), the form of which has been submitted to this Council, between the City as Borrower and the District, is hereby, in all respects, authorized, approved and confirmed, and the Mayor and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content attached hereto, with such changes as the Attorney for the City deems appropriate and approves, for and on behalf of the City. The Mayor and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the City set forth in or required by the Loan Agreement. The Loan Agreement herein referred to, and made a part of this Resolution, is on file in the office of the Finance Officer and is available for inspection by any interested party.

4. Approval of Revenue Bond. The issuance of a revenue bond in a principal amount not to exceed \$1,532,000, as determined, according to the Loan Agreement in the form and content set forth in Exhibit B attached to the form of Loan Agreement (the "Revenue Bond") shall be, and the same is, in all respects, hereby authorized, approved, and confirmed and the Mayor, Finance Officer, and other appropriate officials shall be and are hereby authorized and directed to execute and seal the Revenue Bond and deliver the Revenue Bond to the District, for and on behalf of the City, upon receipt of the purchase price, and to use the proceeds thereof in the manner set forth in the Loan Agreement. The Mayor and Finance Officer are hereby authorized to approve the final terms of the Revenue Bond and their execution and delivery thereof shall evidence that approval. The Revenue Bond shall be issued under the authority of SDCL Chapter 9-40 and SDCL Chapter 6-8B, and the provisions of the Act are hereby expressly incorporated herein as provided in SDCL 9-40-19.

5. Paying Agent/Registrar. The Revenue Bond shall be payable at the office of The First National Bank of Sioux Falls, Sioux Falls, South Dakota, hereby designated as paying agent and registrar.

6. Bond Counsel. Dorsey & Whitney, LLP, are hereby retained as Bond Counsel with respect to the Revenue Bond.

7. System Fund Accounts. For the purpose of application and proper allocation of the income of the System and to secure the payment of principal of and interest on the Revenue Bond, the following funds shall be used solely for the following respective purposes until payment in full of the principal of and interest on the Revenue Bond:

(a) **System Revenue Account.** There shall be deposited in the System Revenue Account, as received, the entire gross revenues derived from the operation of the System collected pursuant to the Ordinances of the City (the "Rate Ordinance") including future improvements, enlargements, extensions and repairs thereto (the "Gross Revenues"). Moneys from the System Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

(b) **Operation and Maintenance Account.** There shall be established a General Operation and Maintenance Account. Out of the remaining revenues of the System Revenue Account, after application described in (c) and (d) below, there shall be set aside each month into the General Operation and Maintenance Account, a sum sufficient to provide for the payment of the next month's current expenses of administration and operation of the remainder of the System and such current expenses for the maintenance thereof as may be necessary to preserve the remainder of such System in good repair and working order. The term "current expenses" shall be construed to include all reasonable and necessary costs of operating, repairing, maintaining and insuring the System, including, without limitation salaries, supplies and rent, but shall exclude the General Depreciation Account and 2012 System Debt Service Account.

(c) **System Debt Service Account.** Out of the revenues in the System Revenue Account, there shall be set aside no later than the last day of each month into the fund designated 2012 System Debt Service Account, a sum sufficient to provide for the payment as the same become due of the next maturing principal and interest on the Revenue Bond and any reserve determined by the City's governing body to be necessary. The amount set aside monthly shall be not less than one-third (1/3) of the total principal, interest, and other amounts payable on the following January 1, April 1, July 1, or October 1 and, if there shall be any deficiency in the amount previously set aside, then the amount of such deficiency shall be added to the current requirement.

(d) **Depreciation Account.** There shall be established a General Depreciation Account. Out of the revenues of the System Revenue Account there shall be set aside each month, into the General Depreciation Account, an amount determined by the City Commission to be a proper and adequate amount for repair and depreciation of the System.

(e) **Surplus Account.** There shall be established the General Surplus Account. Revenues remaining in the System

2010 Legal and Public Notices

Revenue Account, at the end of any fiscal year, after all periodic transfers have been made therefrom as above required, shall be deemed to be surplus and shall be credited to the General Surplus Account. If, at any time, there shall exist any default in making any periodic transfer to the 2012 System Debt Service Account, the City Commission shall authorize the Finance Officer to rectify such default, so far as possible, by the transfer of money from the General Surplus Account. If any such default shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above. Monies in the General Surplus Account, from time to time, may be transferred into one or more of the foregoing funds.

No disbursements shall be made from the System Revenue Account except to the special funds and accounts as above provided.

8. Pledge of Revenues. The Revenue Bond, together with the interest thereon, shall not constitute a charge against the City's general credit or taxing power, but shall be a limited obligation of the City payable solely out of the 2012 System Debt Service Account, which payments, revenues and receipts are hereby and in the Loan Agreement pledged and assigned for the equal and ratable payments of the Revenue Bond and shall be used for no other purpose than to pay the principal of and interest on the Revenue Bond, except as may be otherwise expressly authorized in the Loan Agreement (including in the purpose of securing Additional Bonds issued as permitted by the terms thereof). The City covenants and agrees to charge rates for all services from the System or establish special charges or surcharges which will be sufficient to provide for the payments upon the Revenue Bond issued hereunder as and when the same become due, and as may be necessary to provide for the operation and maintenance and repairs of the System, and depreciation, and the Rate Ordinance shall be revised from time to time so as to produce these amounts. The City hereby reserves the right to determine, on a periodic basis, the appropriate allocation of operation and maintenance expenses, depreciation, repair and reserves associated with the facilities financed with the Revenue Bond, provided that such determination of allocable operation and maintenance expenses shall in no event abrogate, abridge or otherwise contravene the covenant of the City set forth in this Section 8 or any other covenant or agreement in the Loan Agreement.

9. Additional Bonds. As permitted by SDCL 9-40-9, Additional Bonds payable from revenues and income of the System may be issued, as permitted in the Loan Agreement, and no provision of this Resolution shall have the effect of restricting the issuance of, or impairing the first lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Revenue Bond pursuant to the Loan Agreement.

10. General Covenants.
(a) The City hereby covenants and agrees, with the District and other owners of the Revenue Bond, that it will punctually perform all duties with reference to the Project, the System and the Revenue Bond required by the constitution and laws of the State of South Dakota and by this Resolution.

(b) The City agrees and covenants that it will promptly construct the improvements included in the Project.

(c) The City covenants and agrees that pursuant to SDCL 9-40-28 and SDCL 9-40-29, the lawful holders of the Revenue Bond shall have a statutory mortgage lien upon the System and the extensions, additions and improvements thereto acquired pursuant to the Act, until the payment in full of the principal, interest, and Administrative Surcharge on the Revenue Bond, and the City agrees not sell or otherwise dispose of the System, the Project, or any substantial part thereof, except as provided in the Loan Agreement and shall not establish, authorize or grant a franchise for the operation of any other utility supplying like products or services in competition therewith, or permit any person, firm or corporation to compete with it in the distribution of water for municipal, industrial, and domestic purposes within the City.

(d) The City covenants and agrees with the District, and other owners of the Revenue Bond, that it will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as any portion of the Revenue Bond remains outstanding; that it will maintain insurance on the System for the benefit of the holders of the Revenue Bond in an amount which