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NEW ISSUE / BANK QUALIFIED

RATED: Moody's "\_\_\_"

*In the opinion of Meierhenry Sargent LLP, Bond Counsel, according to federal laws, regulations, rulings and decisions in effect on the date of issuance of the Series 2020 Certificates, the interest to be paid on the Series 2020 Certificates is not includable in gross income for federal income tax purposes except under certain conditions. Interest paid on Series 2020 Certificates is not an item of tax preference includable for purposes of computing the alternative minimum tax applicable to all taxpayers, including individuals, under the Internal Revenue Code of 1986 (the "Code"), however, interest paid on the Series 2020 Certificates is includable for purposes of computing certain other taxes imposed on corporations and individuals. For purposes of acquisition by banks and other financial institutions, the County will designate the Series 2020 Certificates as "qualified tax -exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. Interest on the Series 2020 Certificates is includable in gross income for South Dakota income tax purposes when the owner is a financial institution as defined in South Dakota Codified Laws, Chapter 10-43. See "TAX MATTERS", herein.*

OFFICIAL STATEMENT

\$7,260,000\*

CERTIFICATES OF PARTICIPATION, SERIES 2020  
(LIMITED TAX GENERAL OBLIGATION)

EVIDENCING PROPORTIONATE INTERESTS OF THE OWNERS  
OF THE CERTIFICATES OF PARTICIPATION IN LEASE-PURCHASE AGREEMENT  
BETWEEN  
FIRST BANK & TRUST  
AND  
BROOKINGS COUNTY, SOUTH DAKOTA

Dated: Date of Issuance

Due: December 1, as shown on inside cover

The Certificates of Participation, Series 2020, (the "Series 2020 Certificates") are being issued by Brookings County, South Dakota (the "County") to finance (i) the acquisition, remodeling, expansion, construction or equipping of the county Jail Renovation and Improvement Project (collectively, the "Jail Renovation and Improvement Project"); and (ii) payment of costs of issuance of the Series 2020 Certificates. The Series 2020 Certificates represent proportionate interests in lease payments (the "Lease Payments") to be made under the Lease-Purchase Agreement dated as of July 18, 2012 and as amended and supplemented by the First Amendment to Lease-Purchase Agreement, dated as of November 1, 2020 (collectively, the "Lease"), pursuant to which the County, as lessee, is leasing certain land and facilities from First Bank & Trust, Brookings, SD (the "Trustee"), as lessor. The Series 2020 Certificates are issued pursuant to a Declaration of Trust, dated as of July 18, 2012, as amended by a First Supplemental Trust Agreement dated as of November 1, 2020 (as so amended, the "Trust Agreement") by the Trustee, and joined in by the County.

**THE COUNTY'S OBLIGATION TO MAKE THE LEASE PAYMENTS UNDER THE LEASE IS A NONCANCELLABLE OBLIGATION OF THE COUNTY, AND IS NOT SUBJECT TO ANY ANNUAL TERMINATION RIGHT OF THE COUNTY. THE OBLIGATION OF THE COUNTY TO MAKE LEASE PAYMENTS UNDER THE LEASE IS A LIMITED TAX GENERAL OBLIGATION OF THE COUNTY AND ANY AD VALOREM TAXES LEVIED THEREON ARE SUBJECT TO THE COUNTY'S STATUTORY LEVY LIMITS.**

The Series 2020 Certificates are issuable in fully registered form and will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020 Certificates. Purchases of beneficial ownership interests in the Series 2020 Certificates will be made in book-entry form only, in principal amounts of \$5,000 or whole multiples thereof. Beneficial owners of the Series 2020 Certificates will not receive certificates evidencing their ownership interests in the Series 2020 Certificates. So long as DTC or its nominee is the registered owner of the Series 2020 Certificates, payments of principal, redemption price and interest will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to beneficial owners is the responsibility of the DTC participants.

Interest due with respect to the Series 2020 Certificates is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021.

The Series 2020 Certificates will be subject to redemption prior to maturity as described under "THE CERTIFICATES OF PARTICIPATION - Redemption" herein.

The Series 2020 Certificates are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to validity and exclusion of interest from gross income by Meierhenry Sargent LLP, as Bond Counsel, and certain other conditions. It is expected that delivery of the Series 2020 Certificates in definitive form will be made on or about November \_\_, 2020, against payment therefor. The Underwriter expects, but is not required, to engage in secondary market trading in the Series 2020 Certificates, subject to applicable securities laws. For information with respect to the Underwriter see "UNDERWRITING", herein.



\* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

## MATURITY SCHEDULE\*

| <u>Maturity</u> | <u>Principal<br/>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>CUSIP®</u> |
|-----------------|-----------------------------|--------------------------|--------------|---------------|
| 12/01/2021      | \$ 320,000                  |                          |              |               |
| 12/01/2022      | 355,000                     |                          |              |               |
| 12/01/2023      | 370,000                     |                          |              |               |
| 12/01/2024      | 380,000                     |                          |              |               |
| 12/01/2025      | 390,000                     |                          |              |               |
| 12/01/2026      | 400,000                     |                          |              |               |
| 12/01/2027      | 415,000                     |                          |              |               |
| 12/01/2028      | 425,000                     |                          |              |               |
| 12/01/2029      | 430,000                     |                          |              |               |
| 12/01/2030      | 440,000                     |                          |              |               |
| 12/01/2031      | 450,000                     |                          |              |               |
| 12/01/2032      | 460,000                     |                          |              |               |
| 12/01/2033      | 465,000                     |                          |              |               |
| 12/01/2034      | 475,000                     |                          |              |               |
| 12/01/2035      | 485,000                     |                          |              |               |
| 12/01/2036      | 495,000                     |                          |              |               |
| 12/01/2037      | 505,000                     |                          |              |               |

\* Preliminary, subject to change.

® CUSIP is a registered trademark of the American Bankers Association. The CUSIP numbers are provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. These numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the County nor the Underwriter takes any responsibility for the accuracy of such CUSIP Numbers.

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**\$7,260,000\***  
**CERTIFICATES OF PARTICIPATION, SERIES 2020**  
**(LIMITED TAX GENERAL OBLIGATION)**  
EVIDENCING PROPORTIONATE INTERESTS OF THE OWNERS  
OF THE CERTIFICATES OF PARTICIPATION IN LEASE-PURCHASE AGREEMENT  
BETWEEN  
**FIRST BANK & TRUST**  
and  
**BROOKINGS COUNTY, SOUTH DAKOTA**

**Brookings County  
County Commission**

| <u>Name</u>    | <u>Title</u>     |
|----------------|------------------|
| Mike Bartley   | Chairperson      |
| Larry Jensen   | Vice Chairperson |
| Ryan Krogman   | Commissioner     |
| Angela Boersma | Commissioner     |
| Lee Ann Pierce | Commissioner     |

State's Attorney  
Dan Nelson  
520 3rd St., Suite 330  
Brookings, SD 57006

Bond Counsel  
Meierhenry Sargent LLP  
315 S. Phillips Avenue  
Sioux Falls, SD 57104

Trustee  
First Bank & Trust  
520 6<sup>th</sup> Street  
Brookings, SD 57006

Underwriter  
Colliers Securities LLC  
110 South Phillips Avenue, Suite 203  
Sioux Falls, SD 57104

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\*Preliminary, subject to change

This Official Statement does not constitute an offer to sell the Series 2020 Certificates in any state or other jurisdiction to any person whom it is unlawful to make such offer in such state or jurisdiction. No dealer, salesman, or any person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Series 2020 Certificates, and if given or made, such information or representation must not be relied upon.

The information set forth herein has been obtained from the County, DTC, and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the County or anyone acting on its behalf. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Series 2020 Certificates shall, except as specifically stated herein, create any implication that there has been no change in the affairs of the County since the date of this Official Statement.

Any CUSIP numbers for the Series 2020 Certificates included in this Official Statement are provided for the convenience of the owners and prospective investors. The County is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Series 2020 Certificates or as set forth in this Official Statement.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION OF THE CONTRARY IS A CRIMINAL OFFENSE.

THE SERIES 2020 CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(A)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2020 CERTIFICATES UNDER THE SECURITIES OR BLUE SKY LAWS OF THE JURISDICTIONS IN WHICH THEY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER JURISDICTIONS SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2020 CERTIFICATES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT**

**\$7,260,000\***

**CERTIFICATES OF PARTICIPATION, SERIES 2020  
(LIMITED TAX GENERAL OBLIGATION)  
EVIDENCING PROPORTIONATE INTERESTS OF THE OWNERS  
OF THE CERTIFICATES OF PARTICIPATION IN LEASE-PURCHASE AGREEMENT  
BETWEEN  
FIRST BANK & TRUST  
AND  
BROOKINGS COUNTY, SOUTH DAKOTA**

**INTRODUCTION**

This Official Statement, which includes the cover pages and appendices hereto, contains information regarding the \$7,260,000\* Certificates of Participation, Series 2020 (the "Series 2020 Certificates"). The Series 2020 Certificates and the Series 2012 Certificates represent the undivided ownership interest of the Owner thereof in and to a Lease-Purchase Agreement dated as of July 18, 2012, as amended by a First Amended and Restated Lease dated as of November 1, 2020 (as so amended, the "Lease"), between First Bank & Trust, Brookings, South Dakota (the "Trustee") and Brookings County, South Dakota (the "County") and the right to receive certain revenue thereunder, including, without limitation, the Lease Payments due thereunder, at the times, in the manner and from the sources specified therein. Terms used with capital letters but undefined herein, shall have the meanings given them in the Lease or in the Trust Agreement. The proceeds of the Series 2020 Certificates will be used to finance the acquisition, remodeling, expansion, construction or equipping of the county Jail Renovation and Improvement Project (the "Facilities"). See "PLAN OF FINANCING".

The Trustee has issued the Series 2020 Certificates pursuant to the Trust Agreement dated as of July 18, 2012, as amended by a First Supplemental Trust Agreement dated as of November 1, 2020 (as so amended, the "Trust Agreement") by the Trustee and joined in by the County. The Trustee's interest in the Lease and in the Facilities, including the right to receive Lease Payments, has been assigned to the trust created by the Trust Agreement for the benefit of the Owners of the Series 2020 Certificates. Pursuant to the Lease, the County will remit its Lease Payments directly to the Trustee. The Lease Term and Payments are payable by the County as described in "LEASE – Lease Term and Payments."

Pursuant to the Ground Lease Agreement, dated as of July 18, 2012 and First Supplemental Ground Lease Agreement, dated as of November 1, 2020 (the "Ground Lease"), the Trustee leased the Land from the County for a term ending on December 1, 2037 with automatic 10 year extensions in the event that the Series 2020 Certificates have not been paid. See "THE GROUND LEASE" herein

Pursuant to the First Amendment to the Lease-Purchase Agreement, dated as of November 1, 2020 (the "First Amendment to Lease"), by and between the Trustee as lessor and the County as lessee, the Trustee will (i) Certificates of Participation, Series 2020 (the "Series 2020 Certificates") in the lease payments to be made by the County under the Lease and (ii) receive, hold and invest the proceeds of the sale of the Series 2020 Certificates and deposit in the Construction Account such proceeds to construct and equip the Jail Renovation and Improvement Project. Pursuant to the Lease-Purchase Agreement, dated as of July 18, 2012 (the "Original Lease"), the Trustee issued the Series 2012 Certificates to finance the renovation of the county courthouse, by and between the Trustee as lessor and the County as lessee. The Original Lease as amended and supplemented by the First Amendment to Lease is collectively referred to herein as the "Lease." See "LEASE" herein.

Summaries and descriptions of the County, the Series 2020 Certificates, the Lease, the Trust Agreement, the Ground Lease and certain other documents are included in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute or instrument. Descriptions of the Trust Agreement, the Lease and the Series 2020 Certificates are also qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the

\*Preliminary, subject to change

rights and security provided therein and the effect of the exercise of the police power by any entity with jurisdiction. Copies of the Trust Agreement and the Lease may be obtained in reasonable quantities during the initial offering period by contacting the County or the Underwriter at their respective addresses set forth at the front of this Official Statement.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Series 2020 Certificates. The statements of the County herein are not to be construed as statements by any official, officer or employee of the County.

**PLAN OF FINANCING**

Proceeds of the Series 2020 Certificates will be used to complete the acquisition, remodeling, expansion, construction or equipping of the county Jail Renovation and Improvement Project (collectively, the “Jail Renovation and Improvement Project”).

**SOURCES AND USES OF FUNDS**

The estimated sources for and application of funds are as follows:

|  |                 |
|--|-----------------|
| <u>Sources</u>   |                 |
| Proceeds of the Series 2020 Certificates                 | \$ 7,260,000    |
| Reoffering Premium                                       |                 |
| Accrued Interest   |                 |
| Total Sources  | <u>\$ _____</u> |
| <br><u>Uses</u>  |                 |
| Project Costs  | \$ _____        |
| Costs of Issuance (including the Underwriter’s Discount) |                 |
| Debt Service Account                                     |                 |
| Total Uses   | <u>\$ _____</u> |

**THE CERTIFICATES OF PARTICIPATION**

**General**

The Series 2020 Certificates will be authenticated and issued by the Trustee pursuant to the Trust Agreement. The Series 2020 Certificates will be initially dated as of November \_\_, 2020 and will mature as shown on the inside cover page hereof. Interest on the Series 2020 Certificates is payable on each June 1 and December 1, commencing June 1, 2021. The Series 2020 Certificates are issuable in denominations of \$5,000. Each Certificate evidences the Owner’s right to receive distributions of a portion of the Lease Payments payable by the County pursuant to the Lease.

Principal with respect to the Series 2020 Certificates shall be payable at the corporate trust office of the Trustee in Sioux Falls, South Dakota. Interest with respect to the Series 2020 Certificates shall be payable by check or draft of the Trustee mailed on the Interest Payment Date to the owner of record as of the 15th day (whether or not a Business Day) of the month immediately preceding the Interest Payment Date, at the address shown on the Register required to be maintained by the Trustee.

Series 2020 Certificates may be transferred or exchanged upon surrender at the principal corporate trust office of the Trustee, in the manner provided in the Trust Agreement.

**Redemption**

Optional Redemption. The Series 2020 Certificates maturing on and after December 1, 20\_\_, are subject to redemption on and after December 1, 20\_\_, in whole on any date or in part on any date, at a price equal to the principal amount thereof to be redeemed, plus interest accrued to the date of redemption.

[Mandatory Sinking Fund Redemption. The Series 2020 Certificates maturing on December 1, \_\_\_\_\_ (the “Term Certificates”), are subject to mandatory redemption, and will be redeemed pursuant to a mandatory sinking fund redemption schedule at a redemption price equal to the principal amount plus accrued interest to the date of redemption, on December 1 of each of the years and amounts set forth below:

|   |   |
|---|---|
| Term Certificate Maturing in December 1, 20__ | Term Certificate Maturing in December 1, 20__ |
| Year  | Year  |
| Sinking Fund Amount                           | Sinking Fund Amount                           |
| \$  | \$  |
| (maturity)                                    | (maturity)                                    |

or if less than such amount of Series 2020 Certificates is outstanding on any such sinking fund payment date, an amount equal to the aggregate principal amount of all Series 2020 Certificates then outstanding.]

Proceeds to the payment of the Purchase Price when the Facilities are destroyed by fire or other casualty, or title to or the temporary use of the Facilities is taken under the exercise of the power of eminent domain.

Notice of Redemption. The Trustee shall give the Owners of the Series 2020 Certificates to be redeemed notice of the redemption of their Series 2020 Certificates. Such notice shall specify: (a) the Series 2020 Certificates to be redeemed; (b) the date of redemption; and (c) the place or places where the redemption will be made. Such notice shall further state that on the specified redemption date interest on the Series 2020 Certificates to be redeemed shall cease to accrue and be payable.

Notice of such redemption shall be given not less than 30 days prior to the redemption date by mailing first class, postage prepaid, copies thereof to the Owners whose Series 2020 Certificates are to be redeemed. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any Certificate not affected by such failure or defect.

**Additional Certificates**

(a) Additional Certificates may be issued under and be equally and ratably secured by the Trust Agreement relating to a particular series of Certificates on a parity with the Series 2020 Certificates issued under such related Trust Agreement and any other Additional Certificates Outstanding, at any time and from time to time, for any of the following purposes.

(1) To provide funds to pay all or any part of the costs of completing the Project to which the Trust Agreement relates.

(2) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project to which the Trust Agreement relates in the event of damage, destruction or condemnation thereto or thereof, but only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to the applicable Lease.

(3) To provide funds to pay all or any part of the costs of acquisition, construction, furnishing and equipping of additions to the Facilities to which the Trust Agreement relates.

(4) To provide funds for refunding all or any portion of the Series 2020 Certificates of any series issued under a Trust Agreement then Outstanding, including the payment of any premium thereon and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

(b) Before any Additional Certificates shall be issued under a related Trust Agreement, the County shall

adopt a resolution (i) authorizing or approving the issuance of such Additional Certificates; (ii) authorizing or approving the execution of a Supplemental Trust Agreement for the purpose of issuing such Additional Certificates and fixing the amount and terms thereof and describing the Certificates to be refunded; and if required, (iii) authorizing the execution of an amendment to the applicable Lease to provide for Lease Payments at least sufficient to pay amounts representing principal, premium, if any, and interest with respect to the Certificates then to be Outstanding (including the Additional Certificates to be issued) as the same become due.

(c) Except as to any difference in date, maturity, interest rate or redemption provisions, such Additional Certificates shall be on a parity with and shall be entitled to the same benefit and security of the related Trust Agreement as the Certificates and any other Additional Certificates Outstanding after the issuance of such Additional Certificates.

(d) Such Additional Certificates shall be executed substantially in the form and manner set forth in the related Trust Agreement, upon filing with the Trustee of the following:

(1) An original or certified copy of the resolution adopted by the County Board authorizing or approving the issuance of such Additional Certificates and the execution of such Supplemental Trust Agreement.

(2) An original executed counterpart of the Supplemental Trust Agreement providing for the issuance of such Additional Certificates.

(3) An original executed counterpart of the amendment to the related Lease, if required, which amendment shall clearly establish that the County has agreed that the Additional Certificates shall constitute Certificates for the purpose of computing the required Lease Payments.

(4) A request and authorization to the Trustee, on behalf of the County, executed by an Authorized County Representative, to execute the Additional Certificates and to deliver them to the Original Purchaser therein identified upon payment of the purchase price thereof to the Trustee.

(5) An opinion of counsel nationally recognized in the area of municipal finance to the effect that the issuance of such Additional Certificates will not result in amounts representing interest payable with respect to any Certificates then Outstanding (including such Additional Certificates) becoming includable in gross income for federal income tax purposes.

(6) In the case of Additional Certificates being issued to refund Outstanding Certificates, such additional document as shall be reasonably required by the Trustee to evidence that provision has been duly made in accordance with the provisions of the particular Trust Agreement for the payment of all of the certificates to be refunded.

(7) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of such Additional Certificates.

(e) Except as described above, no obligations payable from the sources pledged for payment or security of the Series 2020 Certificates, shall be issued on a parity with the Series 2020 Certificates, but obligations subordinate to the Series 2020 Certificates, may be issued upon the express written direction of the County.

#### **[Original Issue Premium**

The Series 2020 Certificates maturing in the years \_\_\_\_ through \_\_\_\_, inclusive, are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bond holders who acquire Series 2020 Certificates at a premium must, from time to time, reduce their federal and state tax bases for the Series 2020 Certificates for purposes of determining gain or loss on the sale or payment of such Series 2020 Certificates. Premium generally is amortized for federal and state income and franchise tax purposes on the basis of a Certificate holder's constant yield to maturity or to certain call dates with semiannual compounding. Certificate holders who acquire Series 2020 Certificates at a premium might recognize taxable gain upon sale of the Series 2020 Certificates, even if such Series 2020 Certificates are sold for an amount equal to or

less than their original cost. Amortized premium is not deductible for federal or state income tax purposes. Certificate holders who acquire Series 2020 Certificates at a premium should consult their tax advisors concerning the calculation of certificate premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling Series 2020 Certificates acquired at a premium. ]

#### **[Original Issue Discount**

Certain maturities of the Series 2020 Certificates (the “Discount Certificates”) are being sold at a discount from the principal amount payable on such Series 2020 Certificates at maturity. The difference between the price at which a substantial amount of the Discount Certificates is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Code. The amount of original issue discount that accrues to a holder of a Discount Certificate under Section 1288 of the Code is excluded from gross income for federal income tax purposes to the same extent that stated interest on such Discount Certificate would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Certificate under Section 1288 is added to the owner’s tax basis in determining gain or loss upon disposition of such Discount Certificate (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under Section 1288 pursuant to a constant yield method that reflects semiannual compounding on days that are determined by reference to the maturity date of the Discount Certificate. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Certificate (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Certificate, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Certificate the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Certificate is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is to be apportioned in equal amounts among the days in such accrual period.

If a Discount Certificate is purchased for a cost that exceeds the sum of (1) the Issue Price, plus (2) accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Discount Certificate.

No opinion is expressed as to state and local income tax treatment of original issue discount. It is possible under certain state and local income tax laws that original issue discount on a Discount Certificate may be taxable in the year of accrual, and may be deemed to accrue differently than under federal law. Holders of Discount Certificates should consult their tax advisors for advice with respect to the state and local tax consequences of owning Discount Certificates.

**The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership of the Discount Certificates. Prospective purchasers or holders of Discount Certificates should consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Discount Certificates, including without limitation the calculations of alternative minimum tax, environmental tax or foreign branch profits tax liability for corporations.]**

#### **Book-Entry Only System**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2020 Certificates. The Series 2020 Certificates will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2020 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code,

and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over two million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organization. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2020 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2020 Certificates, except in the event that use of the book-entry system for the Series 2020 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2020 Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other DTC name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Certificates; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Certificates, such as redemptions, tenders, defaults and proposed amendments to the Certificate documents. For example, Beneficial Owners of Series 2020 Certificates may wish to ascertain that the nominee holding the Series 2020 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect Series 2020 Certificates unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price and interest payments on the Series 2020 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds or corresponding detail information from the County or the Registrar, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price (if applicable) and interest to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Certificates at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, the certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

#### **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

***A PROSPECTIVE PURCHASER OF THE SERIES 2020 CERTIFICATES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE SERIES 2020 CERTIFICATES WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE SERIES 2020 CERTIFICATES. PROSPECTIVE PURCHASERS OF THE SERIES 2020 CERTIFICATES SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE COUNTY OR THE UNDERWRITER. PROSPECTIVE INVESTORS ARE ENCOURAGED TO REVIEW CURRENT EMMA FILINGS FOR THE COUNTY AT [HTTP://WWW.EMMA.MSRB.ORG/](http://www.emma.msr.org/).***

#### **Debt Service Source**

The Series 2020 Certificates shall be limited general obligations of the County payable as to both principal and interest from a pledge of ad valorem taxes received by the County from a property tax levy sufficient to pay the debt services of the Series 2020 Certificates. While the future ability of the County to meet its obligations under the Bond Resolution is based upon assumptions and business judgments which the County believes are reasonable and appropriate, they are subject to conditions which may change in the future to an extent that presently cannot be determined. Thus, no assurance can be given that tax payers will pay their taxes when due, nor that the taxable value of real property will be sufficient to produce tax revenues in amounts sufficient to pay the principal of and interest on the Series 2020 Certificates as they become due.

#### **Legal Matters**

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Series 2020 Certificates. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the County or the taxing authority of the County.

### **Limitations on Remedies Available to Owners of Series 2020 Certificates**

The enforceability of the rights and remedies of the owners of Series 2020 Certificates, and the obligations incurred by the County in issuing the Series 2020 Certificates, could be subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of South Dakota and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Series 2020 Certificates to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

### **Taxation of Interest on the Series 2020 Certificates**

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 2020 Certificates is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 2020 Certificates includable in gross income for federal income tax purposes.

The County has covenanted in the authorizing Resolution and in other documents and certificates to be delivered in connection with the issuance of the Series 2020 Certificates to comply with the provisions of the Code, including those which require the County to take or omit to take certain actions after the issuance of the Series 2020 Certificates. Because the existence and continuation of the excludability of the interest on the Series 2020 Certificates depends upon events occurring after the date of issuance of the Series 2020 Certificates, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the County with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 2020 Certificates in the event of noncompliance with such provisions. The failure of the County to comply with the provisions described above may cause the interest on the Series 2020 Certificates to become includable in gross income as of the date of issuance.

### **Proposed Legislation**

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status of municipal certificates. The likelihood of adoption of such legislative proposal relating to tax-exempt certificates cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt certificates (including the Series 2020 Certificates). Prospective purchasers of the Series 2020 Certificates should consult their own tax advisors regarding the impact of any such change in law.

### **[Premium on Series 2020 Certificates**

The initial offering prices of certain maturities of the Series 2020 Certificates that are subject to optional redemption are in excess of the respective principal amounts thereof. Any person who purchases a Certificate in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Series 2020 Certificates are subject to redemption at par under the various circumstances described under "Redemption – Optional Redemption." Also see, "THE CERTIFICATES OF PARTICIPATION - Original Issue Premium" herein]

### **No Additional Interest or Mandatory Redemption upon Event of Taxability**

The Resolution does not provide for the payment of additional interest or penalty on the Series 2020 Certificates or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Resolution does not provide for the payment of any additional interest or penalty on the Series 2020 Certificates if the interest thereon becomes subject to income taxation by the State.

### **Suitability of Investment**

The tax exempt feature of the Series 2020 Certificates is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 2020 Certificates are an appropriate investment.

### **Market for the Series 2020 Certificates**

**Bond Rating.** The Series 2020 Certificates have been assigned the financial rating set forth in the section hereof entitled "RATING." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Series 2020 Certificates.

**Secondary Market.** There is no assurance that a secondary market will develop for the purchase and sale of the Series 2020 Certificates. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Series 2020 Certificates as a result of financial condition or market position of broker dealers, prevailing market conditions, lack of adequate current financial information about the County, or a material adverse change in the financial condition of the County, whether or not the Series 2020 Certificates are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

## **SOURCE AND SECURITY FOR PAYMENTS**

### **Lease Payments**

The payment of principal and interest on the Series 2020 Certificates is payable from Lease Payments payable by the County under the Lease. The Lease Payments are due from the County on the 25<sup>th</sup> day of each May and November, and the Lease Payments commence on the 25<sup>th</sup> day of May 2021. The schedule of Lease Payments corresponds to the debt service on the Series 2020 Certificates.

Neither the Lease or the Ground Lease is subject to termination by the County except upon payment or prepayment of the Lease Payments, and the County's obligation to make Lease Payments is absolute and unconditional. The County has covenanted to include in its annual budget for each fiscal year during the term of the Lease moneys sufficient to pay and for the purpose of paying the Lease Payments, and to levy a tax pursuant to SDCL Section 7-25-1 and Article XIII Section 5 in an amount sufficient and for the purpose of paying such Lease Payments when due, taking into consideration the percentage of collection, and to take all other actions necessary to provide moneys for the payment of the Lease Payments under the Lease as amended or supplemented, from sources of the County lawfully available for such purposes. The County shall file with the County Auditor a schedule of the principal and interest components of the Lease. The current limitations on the County's Ability to levy taxes to pay the Lease Payments and other amounts payable under each Lease are discussed below.

### **Levy**

The tax levy for general purposes by a county in the State cannot exceed twelve dollars (\$12.00) per thousand of taxable valuation. In addition to the tax levy for general purposes, the County may levy up to \$0.90 per thousand dollars of taxable valuation for County buildings. The County levy subject to the general purpose collectable in 2020 is \$3.939 per thousand dollars of taxable valuation and for county building is \$0.100. According

to the South Dakota Department of Revenue, the Lease debt service will be paid by a bond redemption levy. The County estimates that the levy for maximum Lease debt service payments including any Parity Certificates in any year during the term of the Lease would not exceed a levy of \$0.213 per thousand dollars of taxable valuation based on 2019 tax year valuations used for taxes being collected in 2020.

### **Levy Limitations**

The tax levy for general purposes by a county in the State cannot exceed twelve dollars (\$12.00) per thousand dollars of taxable valuation. In addition to the tax levy for general purposes, a South Dakota county may levy up to \$0.90 per thousand dollars of taxable valuation for county buildings. South Dakota Codified Laws, Section 10-13-35 provides that the total amount of revenue derived from property taxes for county purposes may increase over the prior year's revenues by the smaller of three percent or the CPI inflation index and increases in revenues from additions, improvements or changes in the use of real property are permitted, as well as increased revenues resulting from annexations, reorganizations and certain other limited circumstances. Section 10-13-35 also provides that a county may increase its revenues above the revenue limitation to pay principal, interest, and redemption charges on any bonds, which were subject to a referendum and the Series 2020 Certificates qualify for this increase of revenues by the County.

### **LEASE**

The following is a summary of certain provisions of the Lease. This summary does not purport to be complete, and reference is made to the full text of the Lease for a complete recital of its terms.

### **Lease Term and Payments**

The Lease extends until December 1, 2037. Lease Payments will continue semiannually until the last Lease Payment is made under the Lease on December 1, 2037.

The Lease shall terminate upon the earliest of the following events:

(a) the County elects to exercise its option to deposit with the Trustee cash or securities sufficient to pay or prepay all unpaid Lease Payments when they are due.

(b) The County elects to exercise its option to prepay all of the Lease Payments under the Lease.

### **Acquisition and Construction of Facilities**

The Lease provides that the County, as agent for the Trustee, shall provide for the acquisition and construction of the Facilities to be financed by the Series 2020 Certificates.

### **Consummation of Purchase**

The Trustee's interest in the Land and Facilities will be transferred, conveyed and assigned to the County and the Lease will terminate: (a) upon payment in full of all Lease Payments due thereunder and all other sums required to be paid thereunder; or (b) prior to the end of the term, upon deposit by the County with a bank or trust company of cash and securities issued or guaranteed by the United States sufficient to pay all remaining Lease Payments, when due and payable.

### **Covenants of the County**

The County represents, covenants and warrants that: (a) the County is authorized under the Constitution and laws of the State of South Dakota to enter into the Lease and the transactions contemplated therein, and to perform all of its obligations thereunder; (b) the officers of the County executing the Lease have been duly authorized to execute and deliver the Lease and (c) the Facilities will be used during the term of the Lease primarily to carry out the governmental or proprietary purposes of the County and its departments, agencies, institutions, instrumentalities and political subdivisions.

**Title to the Land and Facilities; Security**

A leasehold interest in the Land and title to the Facilities will be held by the Trustee during the term of the Lease, unless the County pays or prepays all Lease Payments due under the Lease or discharges its obligation to make the Lease Payments pursuant to the Lease, at which time the Trustee will terminate its interest in the Ground Lease and convey title to the Facilities to the County.

**Maintenance and Repair**

The County agrees that at all times during the term of the Lease, the County will, at the County's sole cost and expense, maintain, preserve and keep the Land and Facilities, or part and parcel thereof, in good repair, working order and condition and that the County will from time to time make or cause to be made all necessary and proper repairs, replacements and improvements necessary to keep the Land and the Facilities in such condition.

**Restrictions on Assignment and Conveyance**

The Lease, the Land and Facilities may not be sold, leased, pledged, assigned or otherwise encumbered by the County for any reason.

**Taxes**

The County shall pay all property and excise taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Land and Facilities or any part thereof or the Lease Payments, and which become due during the term of the Lease with respect thereto; and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Land and Facilities; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of the Lease as and when the same become due. The County shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate or other similar tax payable by the Trustee, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon property.

**Insurance**

The County shall cause adequate casualty, public liability and such property damage insurance in specified amounts (with respect to the property insurance, if commercially available and customarily carried by other municipal facilities of the same character as the Facilities) in an amount not less than the full insurable value of the Facilities to be carried and maintained with respect to the Land and Facilities and to protect the Trustee from liability in all events.

**Indemnification Covenants**

As between the Trustee and the County, the County assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the County, the Trustee or of third parties, and whether such property damage be to the County or the Trustee's property or the property of others, which is proximately caused by the negligent conduct of the County, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Land and Facilities by the County, its officers, employees, agents and lessees. The County assumes responsibility for and agrees to reimburse the Trustee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Trustee or its officers or employees that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part on the foregoing, to the maximum extent permitted by law.

## **Events of Default and Remedies**

The occurrence of one or more of the following events shall constitute an Event of Default under the Lease: (a) failure by the County to pay any Lease Payment or other payment required to be paid under the Lease at the time specified therein; (b) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than the failure to timely pay any Lease Payment or other required payment, for a period of 45 days after written notice to the County by the Trustee, specifying such failure and requesting that it be remedied, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee has agreed not to withhold unreasonably its consent to an extension of such time if corrective action is instituted by the County within any applicable period and diligently pursued until the default is corrected; or (c) the occurrence of an Act of Bankruptcy.

Upon the occurrence of any Event of Default specified in the Lease, any or all of the following remedies are provided: (a) without terminating the Lease, and subject to the rights of any entity subleasing all or any portion of the Land and Facilities which is not in default under a sublease complying with the Lease, re-enter and take possession of the Land and Facilities and exclude the County and any sublessee in default from using it until the default is cured; or (b) take whatever action at law or in equity may appear necessary or desirable to (i) collect the Lease Payments then due or as they become due, or (ii) enforce performance and observance of any obligation, agreement or covenant of the County under the Lease or the Resolution.

## **Damage, Destruction and Condemnation; Use of Insurance Proceeds**

If, while the Lease is in effect, (a) the Facilities, or any portion thereof, are destroyed (in whole or in part) or damaged by fire or other casualty or, (b) title to, or the temporary use of, the Land and Facilities (or any part thereof) or the estate of the County or the Trustee in the Land and Facilities, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body, or any person, firm or corporation acting under governmental authority, the County will cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification or improvement of the Land and Facilities or prepay Lease Payments.

If the net proceeds of insurance or a condemnation award are insufficient to pay in full the cost of any repair, restoration, modification or improvement to the Land and Facilities, the County either (a) shall complete the work and pay any costs in excess of the amount of the net proceeds of insurance or a condemnation award, or (b) may apply the net proceeds to prepayment of Lease Payments.

## **TRUST AGREEMENT**

The following is a summary of certain provisions of the Trust Agreement. This summary does not purport to be complete, and reference is made to the full text of the Trust Agreement for a complete recital of its terms.

### **General**

The Trust Agreement is executed by the Trustee and joined in by the County. The purpose of the Trust Agreement is to provide for the authentication, issuance, payment and redemption of the Series 2020 Certificates and to provide for the creation of the Trust Fund for the purposes hereinafter described.

### **The Series 2020 Certificates**

The Trustee is authorized to issue, authenticate and deliver the Series 2020 Certificates. The Series 2020 Certificates will be issued in the form provided in the Trust Agreement and shall evidence the ownership interest of the Owners of the Series 2020 Certificates in and to the Lease and the Lease Payments to be paid by the County to the Trustee pursuant to the Lease and the Trust Agreement, and all revenues derived from the Lease, any money made available for distribution to the Owners of the Series 2020 Certificates from the subsequent sale, leasing or other disposition of the Land and Facilities as a result of an event of default, and any other moneys required to be paid to the Trustee for the Owners of Series 2020 Certificates.

## **Funds**

The Trust Agreement creates a fund known as the Trust Fund. All moneys and investments held by the Trustee under the Trust Agreement are held for the benefit of the present and future Owners of the Series 2020 Certificates and shall be expended only as provided in the Trust Agreement. Within the Trust Fund, there are created a Lease Payment Account, a Redemption Account, Reserve Account and a Construction Account.

### **Lease Payment Account**

Into the Lease Payment Account shall be deposited any transfer from the Construction Account, all interest or income received by the Trustee with respect to the Lease or the Land and Facilities including the semiannual Lease Payments to be made by the County. On each Certificate Payment Date the Trustee shall withdraw from the Lease Payment Account an amount equal to the principal and interest due on the Series 2020 Certificates on such Certificate Payment Date.

### **Redemption Account**

The Trustee shall deposit into the Redemption Account all moneys paid to it by the County pursuant to any of the County's prepayment options, Net Proceeds of any insurance or condemnation award not applied to the repair of the Facilities and, in the event of termination of the Lease as a result of an event of default under the Lease or upon Non-appropriation, all net proceeds received from the sale or other disposition of the Land and Facilities. Also, in the event of termination of the Lease as a result of an event of default or Non-appropriation, the Trustee shall transfer to the Redemption Account all moneys on hand in the Lease Payment Account not required to pay principal and interest due or past due on the Series 2020 Certificates.

Moneys deposited in the Redemption Account shall be used to pay maturing principal and interest on the Series 2020 Certificates in inverse order of maturity date. All moneys on hand in the Redemption Account which will not be used for the payment of Series 2020 Certificates within 30 days after the date of deposit of such funds, shall be invested at a yield not exceeding the yield on the Lease, computed in accordance with Section 148 of the Code and regulations promulgated thereunder. However, such funds may be invested at a higher yield if the County obtains and delivers to the Trustee an opinion of an attorney or firm of attorneys nationally recognized as bond counsel stating that the investment of such moneys may be made without restriction as to yield or subject to another yield limitation.

### **Construction Account**

All of the net proceeds of the Series 2020 Certificates other than the amounts deposited in the Reserve Account and the Lease Payment Account shall be deposited in the Construction Account. The Trustee shall make disbursements from the Construction Account from time to time, upon receipt of a disbursement request by the County, in payment or reimbursement of the costs of constructing the Facilities and to pay costs of issuance of the Series 2020 Certificates.

Upon completion of all phases of construction, any balance in the Construction Account shall be transferred to the Lease Payment Account.

### **Rights of Trustee**

In carrying out its duties and exercising its powers under the Lease, the Trustee shall exercise that degree of care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own business affairs.

The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Series 2020 Certificates, for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease, or for the actions or representations of any other party to the Trust Agreement or the Lease. The Trustee shall have no obligation or liability to any of the other parties or the Owners of the Series 2020 Certificates with respect to the Trust Agreement itself or the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement or the

Agreement, but shall be responsible solely for the performance of the duties expressly imposed upon it hereunder, subject to the limitations described below. The recitals of facts, covenants and agreements contained herein and in the Series 2020 Certificates shall be taken as statements, covenants and agreements of the Lessee, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of the Trust Agreement or of the Series 2020 Certificates, and shall incur no responsibility with respect thereto, other than in connection with the duties or obligations in the Trust Agreement or in the Series 2020 Certificates assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties under the Agreement, except for its own gross negligence, bad faith or willful misconduct. The Trustee shall not be responsible for the sufficiency of the Agreement or of the assignment made by it of rights to receive moneys pursuant to the Agreement, or the value of or title to the Facilities. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it under the terms of and in accordance with the Trust Agreement, except where such loss arises out of the Trustee's willful misconduct or gross negligence.

The Trustee shall be protected and shall incur no obligation or liability with respect to the payment of Lease Payments by the County or the performance by the County of any of its obligations under the Lease. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee.

The Trust Agreement does not require that the Trustee expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Trust Agreement, or in the exercise of any of its right or powers thereunder. The Trustee shall not be individually liable for any payments to be made under any Certificates, the Trust Agreement or the Lease. The Trustee shall be under no obligation to institute or to take any immediate action, or to enter any appearance or in any way defend any suit in which it may be made defendant, take any steps in the enforcement of any rights and powers under the Trust Agreement until it shall be indemnified to its satisfaction for any and all costs, expenses, outlays and counsel fees and any other reasonable disbursements and against all liabilities. The Trustee shall be compensated by the County and such compensation shall not be paid from the Lease Payments or any other revenues received pursuant to the Lease or funds held by the Trustee except with respect to amounts expended in connection with the exercise of remedies upon the occurrence of any event of default.

The Trustee may resign, and thereby become discharged from its obligations under the Trust Agreement, by notice in writing given to the Owners of the Series 2020 Certificates. The Trustee may be removed at any time by instrument in writing executed by the Owners of not less than a majority of the aggregate principal amount of the Series 2020 Certificates or by agreement between the County and the Trustee. If at any time the position of Trustee shall become vacant, a majority of the Registered Owners shall appoint a Trustee to fill such vacancy.

#### **Events of Default**

Upon the occurrence of an event of default by the County under the Lease, and in each and every such case during the continuance of such event of default, the Trustee, or, pursuant to the Trust Agreement, the owners of not less than a majority in aggregate principal amount of Series 2020 Certificates at the time outstanding shall be entitled, upon notice in writing to the County and the Trustee, to enforce the rights and exercise the remedies provided to the Trustee in the Lease, as appropriate.

#### **THE GROUND LEASE**

The following is a summary of certain provisions of the Ground Lease. This summary does not purport to be complete, and reference is made to the full text of the Ground Lease for a complete recital of their terms.

The County, pursuant to the Ground Lease, has leased the Land to the Trustee for terms commencing on November 1, 2020 and ending on December 1, 2037 (with automatic 10 year extensions in the event that the Series 2020 Certificates have not been paid), for the purpose of (i) constructing the Facilities on the Land, (ii) maintaining the Facilities, (iii) access, ingress, and egress to the Facilities, and (iv) other purposes as set forth therein.

## RATING

Moody's Investors Service, Inc. has assigned a rating of “\_\_\_” to the Series 2020 Certificates. Any explanation of the significance of the ratings may be obtained from Moody's Investors Service, 99 Church Street, New York, New York 10007, telephone: (212) 553-0300. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be lowered, suspended, or withdrawn entirely by the rating agency, if in its judgment, circumstances so warrant. Any such downward change in or suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2020 Certificates.

## CONTINUING DISCLOSURE

Participating underwriters in the primary offering of the Series 2020 Certificates are required to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the County will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Series 2020 Certificates, in the Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix D to this Official Statement. These Certificates are the County's first bond offering; therefore, the County has not previously entered into any continuing disclosure undertakings.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Certificates or the Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Series 2020 Certificates in the secondary market. Thus, a failure on the part of the County to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Series 2020 Certificates and their market price.

All instances, if any, where the County has failed to comply with any written undertakings may be found on the Municipal Securities Rulemaking Board's internet web site <http://emma.msrb.org> and are included herein by specific reference as if stated in full. **All prospective purchasers should review <http://emma.msrb.org> for past County compliance.**

## TAX MATTERS

In the opinion of Meierhenry Sargent LLP, Bond Counsel, under federal and State of South Dakota laws, regulations, rulings and decisions in effect on the date of the issuance of the Series 2020 Certificates interest on the Series 2020 Certificates is not includable in gross income for federal income tax purposes. Interest on the Series 2020 Certificates is includable in gross income for South Dakota income tax purposes when the owner is a financial institution as defined in South Dakota Codified Laws, Chapter 10-43.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes continuing requirements that must be met after the issuance of the Series 2020 Certificates in order for interest thereon to be and remain not includable in gross income for purposes of federal income taxation. Noncompliance with such requirements may cause the interest on the Series 2020 Certificates to be includable in gross income for purposes of federal income taxation, either prospectively or retroactive to the date of issuance of the Series 2020 Certificates. These requirements include, but are not limited to, provisions requiring that certain investment earnings must be rebated on a periodic basis to the Treasury Department of the United States.

Interest on the Series 2020 Certificates is not an item of tax preference which is included in “alternative minimum taxable income” for purposes of the federal alternative minimum tax applicable to all taxpayers, including individuals, under Section 55 of the Code, but such interest is includable in adjusted current earnings for purposes of determining the “alternative minimum taxable income” of corporations. Interest on the Series 2020 Certificates may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code and is includable in net investment income of foreign insurance companies for purposes of Section 842(b) of the Code. Interest on the Series 2020 Certificates may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits.

The Series 2020 Certificates have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and financial institutions described in Section 265(b)(5) of the Code may treat the Series 2020 Certificates for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986. Noncompliance with certain continuing requirements of the Code referred to above, however, may cause the Series 2020 Certificates to lose their status as “qualified tax-exempt obligations” retroactive to their date of issuance.

For individuals who are or may become recipients of social security benefits (including railroad retirement benefits), interest on the Series 2020 Certificates is includable in computing “modified adjusted gross income” for purposes of determining the amount of social security benefits, if any, that is required to be included in gross income under Section 86 of the Code.

In the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as “losses incurred” under Section 832(b)(5) of the Code is reduced by an amount equal to fifteen percent of the interest on the Series 2020 Certificates that is received or accrued during the taxable year.

The foregoing discussion of the collateral federal tax consequences which may arise from the receipt of interest on the Series 2020 Certificates is not intended to be comprehensive. All prospective purchasers of the Series 2020 Certificates should consult their tax advisors as to the tax consequences of, purchasing or holding the Series 2020 Certificates.

#### **UNDERWRITING**

The Underwriter will purchase the aggregate principal amount of the Series 2020 Certificates upon their original issuance and delivery at a purchase price of \$ \_\_\_\_\_, plus accrued interest to the date of delivery and closing. The Underwriter will purchase all of the Series 2020 Certificates offered hereby if any of the Series 2020 Certificates are purchased. The initial public offering prices set forth on the inside cover page hereof may be changed from time to time by the Underwriter. The Series 2020 Certificates may be offered and sold to dealers, and dealers acquiring Series 2020 Certificates for their own account, or an account managed by them at prices lower than public offering prices.

#### **LITIGATION AND CLAIMS**

The County knows of no threatened or pending litigation affecting the validity of the Series 2020 Certificates or the right, power and authority of the County to enter into the Lease Agreement or the ability of the County to meet its financial obligations. The County has never defaulted in the payment of principal or interest on any debt obligation.

#### **ENFORCEABILITY OF OBLIGATIONS**

On the closing date for delivery of the Series 2020 Certificates to the Underwriter thereof, Meierhenry Sargent LLP, Sioux Falls, South Dakota, Bond Counsel, will deliver their opinion dated the date of such delivery that the Series 2020 Certificates, the Lease, the Ground Lease and the Trust Agreement are valid and legally binding agreements, enforceable in accordance with their terms, respectively, qualified only to the extent that the enforceability of the Series 2020 Certificates, the Trust Agreement, the Ground Lease and the Lease may be limited by laws affecting remedies and by bankruptcy or insolvency or other laws affecting creditors’ rights generally.

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto.

#### **MISCELLANEOUS**

Any statements made in this Official Statement, including Appendix A, involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Trust Agreement, the Lease, the Ground Lease, and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

The foregoing does not purport to be comprehensive or definitive and all references to any document herein are qualified in their entirety by reference to each such document. All references to the Series 2020 Certificates are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. Copies of these documents are available for inspection during the period of the offering at the offices of the Underwriter in Sioux Falls, South Dakota and thereafter at the principal corporate trust office of the Trustee. The Underwriter makes no representations or warranties as to the accuracy or completeness of the information in any of the Appendices.

**APPENDIX A  
APPENDIX A –  
THE COUNTY  
GENERAL INFORMATION**

Brookings County is located in the eastern center of South Dakota. The city of Brookings is the county seat. Brookings County was organized in 1871 and is governed by a Board of County Commissioners consisting of five members.

Total land area of the County is approximately 805 square miles. The 2010 population census was 31,999. The current 2019 population estimate is 35,077.

**Employees & Pension Plans**

Brookings County currently employs approximately 120 part-time and full-time persons. Employees of the County are covered by the South Dakota Retirement System administered by the State of South Dakota. The employees are separated into two categories: Class A (all employees other than judicial and public safety), who are required by State statute to contribute 6% of their gross salary and Class B (sheriff's deputies and adult and juvenile corrections officers), who are required to contribute 8% of their gross salaries. The County is required to match all employee contributions. Such contributions and credited interest are 100 percent vested and may be withdrawn upon termination of employment. The County's total cost of the plan for the year ended December 31, 2018 was \$284,992.31. Brookings County is not unionized; therefore they are not represented by any bargaining units and there are no employee contracts.

**Governmental Organization and Services**

The County is governed by a five member board of Commissioners, all of whom are elected by district to overlapping four year terms of office. The current county board consists of the following individuals:

| <u>Name</u>    | <u>Title</u>     | <u>Expiration of Term</u> |
|----------------|------------------|---------------------------|
| Mike Bartley   | Chairperson      | December 2020             |
| Larry Jensen   | Vice Chairperson | December 2022             |
| Angela Boersma | Commissioner     | December 2022             |
| Ryan Krogman   | Commissioner     | December 2020             |
| Lee Ann Pierce | Commissioner     | December 2022             |

Other officers of the County are as follows:

| <u>Name</u>     | <u>Title</u>             |
|-----------------|--------------------------|
| Dan Nelson      | State's Attorney         |
| Vicki Buseth    | Finance Officer          |
| Beverly Chapman | Register of Deeds        |
| Jacob Brehmer   | Director of Equalization |
| Martin Stanwick | Sheriff                  |

**Valuations**

The County Director of Equalization compiles an assessed value of all real property subject to taxation each year. The Assessment date for property is January 1, however, all property is to be assessed at its full and true market value as of the November 1 immediately preceding the assessment year. For example, the 2020 assessment for taxes payable in 2021 is the assessed value as of November 1, 2019. South Dakota Codified Laws, Section 10-13-37, provides that property taxes shall be levied on valuations where the median level of assessment represents eight-five percent of the market value as determined by the State Department of Revenue. The value so determined is referred to in this Official Statement as the "taxable value."

A levy of "dollars per thousand" is applied to the taxable value, in order to satisfy the budgets of each taxing entity.

**Discretionary Property Tax Reduction and Tax Increment**

State law provides for a tax break for new and/or improved commercial and industrial businesses. A discretionary property tax reduction formula is applied to construction completed by the assessment date of November 1. Each taxing entity has the option of implementing this formula to promote new businesses; the tax break is for five years. The percentage applied to the assessed value is determined by the taxing entity.

In addition to the discretionary property tax reduction formula described above, municipalities and counties may also create tax increment districts. At the time an increment district is certified, there is an assessed value within its boundary. This valuation is the base value and the county can collect taxes only on the amount of the base value. The additional valuation has the same levy applied but the dollars collected are segregated to pay costs of public improvements within the increment district, including the retirement of tax incremental revenue bonds. There are eleven increment districts in the County. The taxable property included in these tax increment districts has a 2019 assessed valuation of approximately \$77,585,279.

**Historical Taxable Value of Real Property**

| <u>Year</u> | <u>Taxable Value</u> |
|-------------|----------------------|
| 2019        | \$ 3,171,375,493     |
| 2018        | 3,094,245,013        |
| 2017        | 2,981,159,449        |
| 2016        | 2,848,678,854        |
| 2015        | 2,628,362,163        |
| 2014        | 2,407,889,990        |

Source: Brookings County Finance Office

**County Levies**

|                    | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Fund Levy  | 3.939       | 3.888       | 3.895       | 3.971       | 4.195       | 4.397       |
| Building Fund Levy | 0.100       | 0.099       | 0.099       | 0.101       | 0.107       | 0.112       |

Source: Brookings County Finance Officer

**General Fund Taxes Collected**

| <u>Year</u> | <u>Amount of Levy</u> | <u>Taxes Collected*</u> | <u>Percent Collected</u> |
|-------------|-----------------------|-------------------------|--------------------------|
| 2019        | 13307113              | 7571787                 | 56.9%                    |
| 2018        | 12838046              | 12811174                | 99.8                     |
| 2017        | 12407907              | 12392276                | 99.9                     |
| 2016        | 11599843              | 11581644                | 99.8                     |
| 2015        | 11307235              | 11289376                | 99.8                     |
| 2014        | 10856983              | 10837817                | 99.8                     |

Source: Brookings County Finance Officer

\* Collected as of June 30, 2020.

**Indirect Debt Payable from Ad valorem Taxes**

| <u>Municipalities</u>         | <u>Debt Outstanding</u> | <u>Percentage<br/>Applicable to County</u> | <u>Debt Applicable<br/>to County</u> |
|-------------------------------|-------------------------|--|--------------------------------------|
| Arlington                     | None                    | 100.00%                                    | \$ 0                                 |
| Aurora                        | None                    | 100.00                                     | 0                                    |
| Brookings                     | None                    | 100.00                                     | 0                                    |
| Bruce                         | None                    | 100.00                                     | 0                                    |
| Bushnell                      | None                    | 100.00                                     | 0                                    |
| Elkton                        | None                    | 100.00                                     | 0                                    |
| Sinai                         | None                    | 100.00                                     | 0                                    |
| Volga                         | None                    | 100.00                                     | 0                                    |
| White                         | None                    | 100.00                                     | 0                                    |
| <br><u>School Districts</u>   |                         |  |                                      |
| Arlington School District     | \$ 820,000              | 40.8%                                      | \$ 334,560.00                        |
| Brookings School District     | 39,000,000              | 98.0                                       | 38,220,000.00                        |
| Deubrook Area School District | 960,000                 | 65.7                                       | 630,720.00                           |
| Elkton School District        | 4,492,749               | 94.2                                       | 4,232,169.56                         |
| Estelline School District     | 0                       | 19.6                                       | 0.00                                 |
| Sioux Valley School District  | 7,088,684               | 98.9                                       | \$ 7,010,708.48                      |

**Debt Limit**

The total indebtedness of the County may not exceed 5% of the actual assessed value of the property within the County.

|   |                  |
|---|------------------|
| 2020 Assessed Valuation                         | \$ 3,580,237,222 |
|   | x .05            |
| Maximum   | \$ 179,011,861   |
| Less: Debt Outstanding                          | 1,232,587        |
| Less: Principal portion of these lease payments | 7,260,000        |
| Available Margin                                | \$ 170,519,274   |

**Debt Ratio**

|  | <u>Amount</u> | <u>Per<br/>Capita<sup>(1)</sup></u> | <u>Percentage of<br/>Assessed Value</u> |
|--|---------------|-------------------------------------|---|
| Direct Debt General Obligation Debt (including the Certificates) | \$ 8,492,587  | \$ 242.11                           | 0.24%                                   |
| Indirect Debt Payable from Ad Valorem Taxes                      | 50,428,158    | 1,437.64                            | 1.41                                    |
| Total Direct and Indirect Debt                                   | \$ 58,920,745 | \$ 1,679.75                         | 1.65%                                   |

(1) Based on 2019 estimated population of 35,077.

## Ten Largest Taxpayers

| <u>Taxpayer</u>                | <u>2019<br/>Taxable Valuation</u> | <u>Percent of Total</u> |
|--------------------------------|-----------------------------------|-------------------------|
| Daktronics Inc                 | \$ 30,784,800                     | 0.97%                   |
| Bel Brands USA Inc             | 20,256,900                        | 0.64                    |
| Moriarty, Paul E Living Trust  | 19,898,400                        | 0.63                    |
| Soybean Processors LLC         | 18,677,900                        | 0.59                    |
| Red Willow Hutter Brethren Inc | 17,773,900                        | 0.56                    |
| Valero Renewable Fuels Co LLC  | 17,148,200                        | 0.54                    |
| Minnesota Mining & Manufac Co  | 15,468,500                        | 0.49                    |
| Innovation Village LLC         | 15,171,200                        | 0.48                    |
| Southland Apartments LLC       | 14,219,100                        | 0.45                    |
| Rolland Hutterian Brethren Inc | 11,880,500                        | 0.37                    |

Source: Brookings County Finance Office

## Population

|                       | <u>1980</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2019 (est)</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------------|
| Brookings County      | 24,332      | 25,207      | 28,220      | 31,999      | 35,077            |
| State of South Dakota | 690,768     | 696,004     | 754,844     | 816,166     | 884,659           |

Following are population figures for incorporated municipalities in Brookings County:

|           | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2019 (est)*</u> |
|-----------|-------------|-------------|-------------|--------------------|
| Arlington | 919         | 994         | 914         | 859                |
| Aurora    | 619         | 519         | 538         | 834                |
| Brookings | 16,384      | 18,803      | 22,139      | 24,415             |
| Bruce     | 248         | 272         | 204         | 205                |
| Bushnell  | 81          | 75          | 65          | 65                 |
| Elkton    | 602         | 673         | 732         | 726                |
| Sinai     | 125         | 128         | 119         | 124                |
| Volga     | 1,322       | 1,448       | 1,778       | 2,028              |
| White     | 536         | 536         | 486         | 489                |

Source: US Census Bureau

## Labor Statistics

| <u>Year</u> | <u>Average Annual Civilian Labor Force</u> |  | <u>Unemployment Rate</u> |                     |
|-------------|--|--|--------------------------|---------------------|
|             | <u>Brookings County</u>                    |  | <u>Brookings County</u>  | <u>South Dakota</u> |
| 2019        | 19,138                                     |  | 3.3%                     | 3.3%                |
| 2018        | 19,050                                     |  | 2.9                      | 3.1                 |
| 2017        | 18,826                                     |  | 3.0                      | 3.2                 |
| 2016        | 18,886                                     |  | 2.7                      | 3.0                 |
| 2015        | 18,549                                     |  | 2.9                      | 3.1                 |
| 2014        | 18,143                                     |  | 3.2                      | 3.4                 |

Source: South Dakota Department of Labor

## Major Employers

| <u>Employer</u>               | <u>Product/Business</u> | <u>Number of Employees</u> |
|-------------------------------|-------------------------|----------------------------|
| South Dakota State University | Education               | 3,973                      |
| Daktronics                    | Manufacturing           | 1,329                      |
| 3M                            | Manufacturing           | 1,156                      |
| Walmart                       | Retail                  | 538                        |
| Brookings Health System       | Medical/Health          | 496                        |
| Brookings School District     | Education               | 492                        |
| Hy-Vee Food Store             | Grocery Store           | 450                        |
| Larson Manufacturing          | Manufacturing           | 448                        |
| Aramark                       | Food Service            | 384                        |
| Swiftel Center                | Entertainment           | 355                        |
| Twin City Fan                 | Manufacturing           | 352                        |

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Source: Brookings Economic Development Corporation

## Financial Statements

The County is required by South Dakota law to be audited every other year. Attached hereto as APPENDIX B are the County's audited financial statements for the year ended December 31, 2018.

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**APPENDIX B**

**APPENDIX B –  
AUDITED FINANCIAL STATEMENTS FOR 2018**

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**APPENDIX C**

**APPENDIX C –  
FORM OF BOND COUNSEL OPINION**

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**APPENDIX D**

**APPENDIX D –  
CONTINUING DISCLOSURE CERTIFICATE**