

**INTERGOVERNMENTAL CONTRACT
FOR THE
SOUTH DAKOTA TOWNS AND TOWNSHIPS BOND ALLIANCE**

This Contract is made and entered into by the undersigned who, upon execution of the Contract, will become contractually bound with all other signatories.

WHEREAS, the Acts of the State of South Dakota authorizes and/or permits various Governmental Authorities to contract; and

WHEREAS, the undersigned desires, along with other such entities, to form or join a local government risk pool to be known as South Dakota Towns and Townships Bond Alliance; and

WHEREAS, the undersigned executes this document for the purposes of joining, by virtue of an intergovernmental contract, the local government risk pool known as South Dakota Towns and Townships Bond Alliance;

NOW, THEREFORE, the undersigned executes this Agreement in consideration for other Governmental Authorities executing this Agreement for the purpose of joining a local government risk pool known as South Dakota Towns and Townships Bond Alliance. The undersigned agrees to abide by the terms and conditions of this Contract and all actions taken pursuant to this Contract. In consideration of the mutual covenants of all signatories to this Intergovernmental Contract, it is agreed as follows:

ARTICLE I – NAME

The Pool created by this Contract shall be known as the South Dakota Towns and Townships Bond Alliance.

The signatories hereto, together with future signatories, establish a contractual local government risk pool for the purpose of effectuating this Agreement; which Pool shall have a perpetual duration and shall continue until terminated pursuant to the terms and conditions of the Agreement.

ARTICLE II – PURPOSE

The purpose of this Agreement is to enter into an Intergovernmental Contract to form a local government risk pool, to provide for joint or cooperative action by Members relative to their financial and administrative resources for the purpose of providing risk management services and risk sharing facilities to the Members and to the Members' employees, and to defend and protect, in accordance with this Agreement, any Member of the Alliance against liability as defined under the Pool and in the Member's Bond Certificate. This Contract and the activities hereunder shall not constitute doing an insurance business, nor the formation of a separate legal entity. Nothing contained herein is intended or should be construed to create an entity of any kind. This Agreement is intended to create a contractual relationship and agreement between the signatories.

This Agreement shall constitute a contract among those Governmental Authorities which shall now or at any time enter into this Agreement and become Members of the Alliance.

The liability of each Member is limited to the amount of financial contributions required to be made to the Alliance pursuant to this Agreement except in the event of termination of the Alliance as described in ARTICLE XIII or in the event of a deficit in the Operating and Cumulative Reserve Funds as provided in ARTICLE IX.

This Agreement shall not inure to the benefit of third parties nor does any party hereto waive such sovereign or governmental immunity as may be available to it individually.

In no event shall a Member be responsible, jointly or severally, for the liabilities of any other Member, except in the event of termination of the Alliance as described in ARTICLE XIII or in the event of a deficit in the Operating and Cumulative Reserve Funds as provided in ARTICLE IX.

ARTICLE III – DEFINITIONS

In the interpretation of this Agreement, the following definitions shall apply unless the context requires another interpretation:

1. Acts -- "Acts shall mean such Acts of the State of South Dakota, pursuant to which this Contract is executed, as the same may be amended from time to time.
2. Administrator -- "Administrator shall mean South Dakota Association of Towns and Townships, or any successor with whom South Dakota Towns and Townships Bond Alliance enters an Administration Agreement.
3. Agreement -- "Agreement" shall mean this Intergovernmental Contract for South Dakota Towns and Townships Bond Alliance and all of the counterparts subsequently executed.
4. Alliance -- "Alliance" shall be the sum of all the contracts or contractual obligations of the Members and not a separate legal entity.
5. Annual Operating Contribution -- "Annual Operating Contribution" shall mean those amounts necessary to fund the expenses of the Alliance.
6. Basis Rate -- "Basis Rate" shall mean that amount annually promulgated by the Administrator deemed necessary to provide the Scope of Coverage afforded to a Member for the period of one year corresponding to the Risk Sharing Certificate effective date with due consideration to the Member's individual characteristics.
7. Operating Fund -- "Operating Fund" shall mean those amounts allocated to and designated as "Net Assets-Unrestricted" in the Alliance's financial statements, as a result of increasing such amounts by the Annual Operating Contribution and investment income and subtracting the expenses of the Alliance. Such amounts shall exclude the

Cumulative Reserve Fund Contribution and payments made by the Alliance to return the Cumulative Reserve Fund Contribution to each Member.

8. Board – “Board” shall mean the Board of Directors of South Dakota Towns and Townships Bond Alliance.
9. Contract (s) - ”Contract(s)” shall mean this Agreement and all of its counterparts.
10. Cumulative Reserve – “Cumulative Reserve Fund” shall mean those amounts paid by Members pursuant to Articles IX and X and designated as “Net Assets-Restricted” in the Alliance’s financial statements.
11. Cumulative Reserve – “Cumulative Reserve Fund Contribution” shall mean those amounts paid by Members and allocated to fund the Cumulative Reserve Fund.
12. Governmental Authority – “Governmental Authority” shall mean a public agency or any joint power agreement or separate entities consisting entirely of public agencies as defined in the Act.
13. Member – “Member” shall mean a Governmental Authority participating in South Dakota Towns and Townships Bond Alliance by executing this Agreement.
14. Member’s Contribution – “Member’s Contribution” shall mean all amounts paid by Members and allocated to the Operating Fund or Cumulative Reserve Fund.
15. Pool – “Pool” shall mean the cumulative funds collected under this Contract and the contractual activities conducted hereunder, also sometimes referred to as the Alliance. The Pool shall not be deemed to be a separate legal entity but merely the sum of all Members’ funds and contractual duties, benefits and obligations.
16. Risk Sharing Certificate – “Risk Sharing Certificate” shall mean that document provided a Member evidencing the scope, nature, term and limits of participation in the Alliance.
17. Scope of Coverage – “Scope of Coverage” shall mean the coverage, limits and deductibles as defined in this agreement and subsequent amendments thereto.
18. Claims Administrator – “Claims Administrator” shall mean South Dakota Association of Towns and Townships, or any successor with whom South Dakota Towns and Townships Bond Alliance enters a contract for claims services.

ARTICLE IV – MEMBERSHIP

Contractual membership of the Alliance shall consist of Governmental Authorities who have entered into this Agreement or its counterpart by and through an individual duly authorized to execute this Agreement and who have agreed to make the Member’s Contributions pursuant to the further provisions hereof. Members agree to the admission of future Members and acknowledge that they shall have no right to object to the addition of such Members provided they are admitted in accordance with the terms hereof. This Agreement shall be automatically renewed unless the provisions for withdrawal or termination are applied.

Each Member shall appoint an individual and an alternate to represent the Member with the Alliance. That individual or alternate shall act as a liaison between the Member and the Alliance for purposes of relating risk, reduction and loss control information, and any other information or instructions concerning the obligations of the Member imposed by this Agreement and the rules and regulations established hereunder. The individual or alternate shall cast on behalf of the Member any vote which the Member is required or permitted to cast.

The obligations of Members of the Alliance shall be as follows:

1. To promptly report to the Alliance or designated Claims Administrator any incident which could result in a claim being made by or against the Member within the Scope of Coverage.
2. To cooperate with and institute to the degree possible all loss prevention procedures established by the Board or the Administrator pursuant to this Agreement.
3. To provide to the Alliance such information as needed for rating purposes, including but not limited to, an audit prepared by the Member’s staff or a certified public accountant of all revenues and expenditures for any fiscal year of the Member requested by the Alliance.
4. To provide representatives of the Alliance access to all records, including financial records and/or properties of the Member, provided the Alliance or the Administrator determines the information or access is necessary.
5. To cooperate with the Alliance’s attorneys, Claims Administrator, the Administrator and any employee, officer or independent contractor relating to the purpose and powers of the Alliance.
6. To allow attorneys and others employed by the Alliance to represent the Member in investigation, settlement, and all levels of litigation arising out of any claim made against the Member within the Scope of Coverage furnished by the Alliance.
7. To pay when due all annual contributions or other contributions, due or required, pursuant to this Agreement.

ARTICLE V – BOARD OF DIRECTORS

1. Administration of the Contract (s). The administration of this Contract (s) and management of the Alliance shall be governed by a Board of Directors of at least seven (7) members, and not more than nine (9) members.
2. Qualifications of Members of the Board. Members of the Board shall be as follows: Four (4) of the Board Members shall be the current elected President, Vice President, Secretary and Treasurer of the South Dakota Association of Towns and Townships, with at least three (3) members to be elected by the Members, all of whom are either current or are elected or appointed officials of an Alliance Member.
3. Eligibility and Vacancies. Should the number of members of the Board become reduced due to disqualification, death, incompetence, resignation, or other cause, the remaining members of the Board shall appoint a person or persons to fill such vacancy or vacancies so that the Board shall be

maintained numerically, or in the case that the current President, Vice President, Secretary or Treasurer of the South Dakota Association of Towns and Townships becomes disqualified, then their replacement shall so serve. Any member of the Board may resign by sending notice of his resignation to the Chairman of the Board and the Administrator.

4. First Board. The First Board shall be made up of the current President, Vice President, Secretary and Treasurer of the South Dakota Association of Towns and Townships; thereafter the President shall appoint at least three (3) individuals to serve as the remainder of the first Board until the first regular election.
5. Term of Members of the Board. The Board, until changed by action of the Members, shall have seven (7) Members. The First Board shall have four (4) members who, as indicated in paragraph 2 above, shall be the current President, Vice President, Secretary and Treasurer of the South Dakota Association of Towns and Townships and their term on the Alliance Board shall coincide with their term of office of the South Dakota Association of Towns and Townships. The remaining three (3) Members of the First Board shall be appointed for respective terms of one (1), two (2) and three (3) year(s). Starting with the election in the year 2007, and annually thereafter, an election for the Board shall be held annually; that such election shall be at the same time and in conjunction with the annual meeting of the South Dakota Association of Towns and Townships. At the first election of the Board in December 2007, one of the Members so elected shall be elected for a term of one (1) year; one (1) Member shall be elected for a term of two (2) years; and one (1) Member shall be elected for a term of three (3) years. A Member shall take office on January 1st after election to the office. Thereafter all Board Members shall be elected for a three (3) year term. A Board of Directors Member may be removed for just cause by a majority vote of the Board of Directors. In the event that the Board is expanded, the initial term for Members of the expanded Board shall, insofar as possible, be staggered so as to allow approximately one-third (1/3) of the Board to be elected in successive years. The Board shall nominate candidates for the terms to be filled. There shall be no prohibition on election to successive terms, and election shall be by a majority of those voting.
6. Meetings of the Board. The Board shall hold its annual meeting in conjunction with the annual meeting of the South Dakota Association of Towns and Townships. The Board shall meet at such other times as called by the Chairman.
7. Executive Committee. The Board shall, from time to time, elect an Executive Committee of no more than three (3) of its Members. Membership of the Executive Committee may be changed at any time by a majority of the Board. The Executive Committee shall inform and direct the Administrator on Board policy and shall exercise powers for and on behalf of the Board as it deems necessary for the prudent operation and management of the Alliance, until matters requiring Board action are considered at the next Board meeting.
8. Members of the Board Compensation. The Members of the Board shall be entitled to reimbursement of actual expenses incurred in the pursuit of Alliance business and such other reasonable and lawful compensation as may be awarded from time to time by a majority vote of the Board.
9. Officers. By majority vote, the Board, at its annual meeting, held in conjunction with the annual meeting of the South Dakota Association of Towns and Townships, shall select from the Members of the Board a President, Vice President, Secretary and Treasurer.
10. Any Member of the Board who shall have two (2) unexcused absences from the meetings of the Board, in any one calendar year, may be replaced by the Board.

ARTICLE VI – POWERS AND DUTIES

The Board shall be permitted and the undersigned authorizes it to perform and carry out, or delegate to others to perform and carry out, on behalf of the undersigned, each and every act necessary, convenient or desirable to, and for carrying out the purpose of this Contract and the Alliance, including but not limited to:

1. Administer the Alliance, receive Member's Contributions (contractual obligations) to the Alliance, and settle and pay claims and losses on behalf of its Members;
2. Make and enter into contracts to conduct and operate the Alliance, including the execution of an Administration Agreement;
3. Employ agents and employees on behalf of the undersigned;
4. Incur liabilities and charges against the common funds of the Alliance, but no charge, liability or obligation so incurred shall be the charge, liability or obligation of any individual party to this Agreement;
5. Sue or be sued in the Member's name or collective names, and defend such claims;
6. Acquire or dispose of personal property;
7. Advise Members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information;
8. Purchase for the Members, reinsurance and/or excess insurance and/or enter into such excess risk sharing pools as may be available and deemed desirable for the protection of the Members and/or the Alliance itself;
9. Invest, on behalf of the Members, Alliance funds in securities and investments in a prudent and lawful manner;
10. Promulgate procedures and regulations for the general administration of this Contract (s), including but not limited to, the procedures for applying for bonding coverage and reasonable requirements to assess the advisability of bonding any Alliance Member;
11. Take such action as is necessary to terminate the participation/contract of any Member that fails to comply with the reasonable requirements of the Board concerning contractual obligations;
12. Provide surety and/or fidelity bonds, as may be available, for Members of the board, and all persons charged with the custody or investment of Alliance monies.

ARTICLE VII – ADMINISTRATOR

By contract with the Administrator, the Board may hire and delegate to said Administrator such of its contractual powers and duties (set forth in ARTICLE VI above) as the Board shall deem advisable and all signatories hereto hereby ratify and endorse the Administrative Agreement by and between the Alliance (executed by the Board) and the Administrator under which those duties and powers are delegated to the Administrator. The undersigned further acknowledges that in the event the Administrative Agreement has been executed prior to the execution of this Intergovernmental Contract, the undersigned ratifies and adopts the Administrative Agreement.

The Board shall receive, at least annually, a report from the Administrator. The nature and details of the report shall be established by the Board.

**ARTICLE VIII – LIABILITY OF THE BOARD OF DIRECTORS
ADMINISTRATIVE, SUBCONTRACTORS OR EMPLOYEES**

The members of the Board of Directors of the Alliance and the Administrator, its directors, officers, employees and subcontractors shall:

1. Use reasonable and ordinary care in the exercise of their duties hereunder;
2. Be afforded all of the privileges and immunities that may attach generally to governmental officers;
3. Not be liable for, and be held harmless and defended by the undersigned and from Alliance funds, for any act of negligence, any mistake of judgment or any other action, made, taken or omitted in good faith;
4. Not be liable for any loss incurred through investment of funds or failure to invest such funds.

The Administrator of the Alliance, with the approval of the Board, may purchase, subject to availability and cost, insurance providing coverage for Members of the Board, Officers and the Administrator.

The undersigned shall and the funds of the Alliance shall be used to hold harmless and defend any Member of the Board, Officer, Administrator or its employees (including its officers) or its subcontractors for any act or omission taken or omitted in good faith by the Board, or by the Administrator, its employees (including its officers) or its subcontractors relating to or arising out of the conduct of Alliance business. The hold harmless and indemnity provisions of the undersigned shall be joint and several with all signatories to this Contract; provided, however, this obligation shall be considered an expense of the Alliance and in no event shall any individual signator be liable for more than its pro rata annual contribution herein, except in the event of termination of the Alliance as described in ARTICLE XIII or in the event of a deficit in the Operating and Cumulative Reserve Funds as provided in ARTICLE IX. Nothing contained herein shall be construed as to require the undersigned to hold harmless or defend any party from any act done in bad faith or any breach of a fiduciary duty.

Neither the Administrator, its employees (including its officers) nor any of its subcontractors shall be liable for any act of negligence, any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any loss incurred through investment of funds or failure to invest the same, unless the same is the result of an act done in bad faith or a breach of a fiduciary duty.

No covenant or agreement contained herein shall be deemed to be the covenant or agreement of any Member of the Board or the Administrator nor any of its employees or subcontractors and none of such persons shall be subject to any personal liability or accountability by reason of the acceptance of a position or the undertaking of the performance of any of the responsibilities, obligations or duties contemplated in the carrying out of the Agreement, whether by virtue of any construction, statute or rule of law.

ARTICLE IX – ESTABLISHMENT OF OPERATING FUND

1. The Board shall establish a budget which shall consist of Member’s Contributions in amounts not less than the Administrator deems sufficient to annually produce the sum of money reasonably necessary to fund the expenses and any deficiencies which may occur in the Alliance’s Operating Fund and Cumulative Reserve Fund, including the Alliance’s obligation to satisfy the requirements of any regulatory authority; the sum of which shall be known as the Annual Budget.
2. Thirty (30) days prior to the Alliance’s fiscal year end, or at such other time as directed by the Board, the Administrator shall prepare an Annual Budget for the succeeding fiscal year. The Annual Budget shall be used to assist in determining the annual rates for the Alliance. The rates determined by the approval of the Annual Budget by the Board of Directors are used to determine the contribution for each Member, based on their exposures. Member’s Annual Operating Contributions will be determined on an individual basis, based on detailed analysis of exposures and for a one-year period from their Risk Sharing Certificate effective date of coverage.
3. In the event that the Operating Fund is exhausted during any Alliance fiscal year, any funds required to fulfill the purpose of the Operating Fund shall be allocated from the Cumulative Reserve Fund. The sum so allocated shall constitute a deficiency in the Cumulative Reserve Fund. This deficiency in the Cumulative Reserve Fund shall be allocated to the Members at the time withdrawn, on a pro rata basis determined by the Board. This deficit in the Cumulative Reserve Fund shall be made up in subsequent years with any excess of income over expenses in the Operating Fund being transferred to the Cumulative Reserve Fund instead of “Net Assets –Unrestricted” in the Operating Fund.

ARTICLE X – ESTABLISHMENT OF CUMULATIVE RESERVE FUND

Members shall make Member’s Contributions to the Alliance pursuant to ARTICLE IX. Member’s Contribution shall be allocated between the Annual Operating Contribution and the Cumulative Reserve Fund Contribution as determined by the Board. The allocation of Member’s Contributions to the Cumulative Reserve Fund shall be based on each Member’s Basis Rate in accordance with the following schedule:

Initial Contribution	100% of Basis Rate
First Anniversary	100% of Basis Rate

Thereafter, no contribution shall be made to the Cumulative Reserve Fund unless the Board shall require contributions for the purpose of maintaining the Cumulative Reserve Fund at a level equal to _____% of the total current Basis Rates of all Members or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Alliance.

ARTICLE XI – MEMBER’S WITHDRAWAL, CANCELLATION OR TERMINATION

1. Members agree to continue membership for a period of not less than one (1) full year. Thereafter, a Participating Member may withdraw from the Alliance, upon giving not less than ninety (90) days’ written notice to the Board. A withdrawal from the Alliance constitutes withdrawal from each and every Program in which the participating Member participated prior to withdrawal. The withdrawal of a Participating Member shall not affect the continuation of the Alliance by the remaining Participating Members. A Participating Member that withdraws shall remain jointly and severally liable for all the debts, obligations, and liabilities that were incurred by the Alliance on behalf of the withdrawing Member, or by every Program in which the withdrawing Member participated (prior to withdrawal) during the term of the withdrawing Member’s membership in those Programs. Without limiting the foregoing, a Participating Member which has withdrawn from the Alliance remains liable for any assessments made by the Board, to the extent the Board, in its discretion, determines that the assessment relates or is otherwise attributable to any one or more Programs in which the withdrawn Member participated, and to any period of participation by the withdrawn Member. A withdrawing Participating Member may be entitled to a share of the assets of the Alliance, and of any one or more Programs in which it participated, only if deemed appropriate and in the amount determined in the sole discretion of the Board.

At the request of the withdrawing Member, the Alliance will continue to service all claims which have been reported to the Alliance during the withdrawing Member’s period of participation so long as the withdrawing Member shall promptly reimburse the Alliance for all claims expenses incurred. Payment of all claims so serviced by the Alliance for a withdrawing Member shall be the sole responsibility of the withdrawing Member and the Alliance shall incur no liability for payment of claims by virtue of servicing claims under the terms of this paragraph.

Anything contained in this Agreement to the contrary notwithstanding, a Member that has given notice of withdrawal may rescind said notice, provided written notice of rescission is sent to the Alliance within the sixty (60) day period and provided further all contributions required from said Member are made in a timely fashion.

2. The Alliance may, by a two-thirds (2/3) majority of the Board and by providing a Member sixty (60) days prior written notice, cancel that Member’s participation in the Alliance and terminate its Intergovernmental Contract effective at the end of any Risk Sharing Certificate year. Thereafter, it shall be the responsibility of the Alliance to defend, settle and pay claims within the scope and limits set forth in the cancelled Member’s Bond Certificate in effect on the date of the occurrence out of which such claim arose. This provision shall apply solely to claims which occurred during a Member’s participation and evidenced by the Member’s Bond Certificate. The cancelled Member shall have the right, prior to the actual date of cancellation, to withdraw from the Alliance by giving notice of such withdrawal. Electing to so withdraw, the Member shall be subject to the provisions of paragraph one (1) of this Article. Failing to elect to give notice of withdrawal, the cancelled Member forfeits all rights to refund of those Cumulative Reserve Fund Contributions made to the Alliance by said cancelled Member.

3. Any member failing to make payments when due as required by this Agreement shall be terminated from the Alliance effective on the date the payment was due and upon that effective date of termination all coverages and benefits hereunder shall cease. All known and unknown claims and claims expenses thereafter shall become the sole responsibility of the terminated Member without regard to whether a claim occurred or was reported prior to the termination of the Member’s participation in the Alliance. At the request of the terminated Member, the Alliance will continue to service all claims which have been reported to the Alliance during the terminated Member’s period of participation so long as the terminated Member shall promptly reimburse the Alliance for all claims, the terminated Member and the Alliance shall incur no liability for payment of claims by virtue of servicing claims under the terms of this paragraph. The terminated Member shall also forfeit all rights to any return of contributions, including its vested interest in the Cumulative Reserve Fund. The Alliance shall apply any or all of the terminated Member’s forfeited funds to the Operating Fund. If the Member shall subsequently submit its payment, the Administrator may, in its discretion, reinstate such membership.

ARTICLE XII – SCOPE OF RISK SHARING PROTECTION

1. The Alliance provides risk sharing protection to each Member and will make or secure payment on behalf of each Member under criteria and procedures to be established for the payment of claims as provided in the Member’s Bond Certificate. As long as a Member continues to renew its annual Risk Sharing Certificate, any claim that occurred during the period the Risk Sharing Certificate is in effect shall be considered for payment as provided in the Member’s Bond Certificate. A Member may, with the approval of the Administrator, add additional parties to the Risk Sharing Certificate, provided it is the Member’s obligation or prerogative to provide risk sharing coverage for such additional named party.

2. The Alliance may obtain excess insurance, reinsurance, or join in excess risk sharing pools.

3. In the event that a claim or a series of claims exceeds the amount of risk sharing protection provided by the Member’s Bond Certificate, or in the event that a claim or a series of claims should exhaust the Operating Fund, the Cumulative Reserve Fund and any reinsurance, then payment of valid claims shall be the sole and separate obligation of the individual Member or Members against whom the claim was made and perfected by litigation or settlement.

4. A Member may purchase, in its sole discretion, any insurance coverage in addition to those amounts purchased by the Alliance.

5. The Board may make changes in the Scope of Coverage, the amount of risk sharing protection or risk sharing retention by the Alliance upon consideration of the needs and requirements of Members, loss experience, the kind and amounts of reinsurance or other excess coverage available. Where the Board takes such action, immediate notice after the taking of such action shall be sent to all Members (or their representatives).

ARTICLE XIII – TERMINATION

The Alliance shall terminate at such time as two-thirds (2/3) of the Members vote for such termination. After a vote to terminate, the Board shall commence with the orderly liquidation of the Alliance’s business and shall complete the same as promptly as possible. During such period of liquidation, the Alliance shall continue to pay claims and losses incurred within the Scope of Coverage and pursuant to the Risk Sharing Certificate until all funds of the Alliance are exhausted. After payment of all claims and losses, any remaining funds held by the Alliance shall be paid to all Members of the Alliance at the time of the vote of termination, on a pro rata basis determined by the Board.

To the extent of the existence of funds in the Operating Fund and Cumulative Reserve Fund, no Member shall be responsible for any claim, claims, judgment or judgments against any other Member or Members. If upon termination of the Alliance, the remaining assets of the Alliance are insufficient to satisfy indebtedness of the Alliance (excluding claims or judgments against the Members), such deficiency shall be made up by assessments against Members of the Alliance on a pro rata basis determined by the Board.

ARTICLE XIV – MISCELLANEOUS PROVISIONS

1. The provisions of this Agreement shall be interpreted pursuant to the laws of the State of South Dakota.
2. The parties hereto consent that courts in the State of South Dakota shall have jurisdiction over any dispute arising under this Agreement. The terms of this Agreement may be enforced in a court of law in the State of South Dakota, either by the Alliance or by any Member.
3. The consideration for the obligations imposed upon Members pursuant to and under this Agreement shall be based upon the mutual promises and agreements of all Members who now execute or who hereinafter execute this Agreement.
4. This Agreement may be executed in duplicate originals or counterparts now or at any time in the future. The individual executing this Agreement on behalf of the participating Member hereby represents and certifies that he is duly empowered to so execute this document.
5. No waiver of any breach of this Agreement or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of other obligations or acts.
6. This Agreement shall be binding and shall inure to the benefit of all Members who shall have executed this Agreement and complied with the financial requirements hereunder and provided that the Members shall have been duly approved in accordance with the terms and provisions of this Agreement.
7. The provisions of this Agreement shall be deemed severable and if any provision or part thereof is held illegal, void or invalid under applicable law, such provision or part may be changed to the extent reasonably necessary to make the provision or part, as so changed, legal, valid or binding. If any provision of this Agreement is held illegal, void or invalid in its entirety, the remaining provisions of this Agreement shall not in any way be affected or impaired but shall remain binding in accordance with their terms and this Agreement shall be so interpreted.
8. This Agreement and the Risk Sharing Certificate contain the complete Agreement between the parties and no representations or oral statements made or heretofore given shall constitute a part of this Agreement. In the event that any provision of this Agreement is in conflict with or is incompatible with such, the terms and conditions of this Agreement shall prevail and take precedence.
9. This Agreement may be altered or amended only by amendments duly adopted in accordance with the terms and conditions of this Agreement; provided, however, that the Risk Sharing Certificate may be amended from time to time to reflect the exposures of each Member and such changes shall be exempted from the preceding terms of this paragraph.
10. The caption headings used in the Agreement are used merely for identification purposes and shall not be deemed a part of this Agreement.
11. Whenever this Agreement words, including pronouns are used in the singular or plural, or masculine or feminine, they may be read and construed in the plural or singular, or feminine or masculine, respectively, wherever they so apply.
12. This Agreement may be amended by the Board with the approval of two-thirds (2/3) of the Members of the Board; all Members agree to properly execute and adopt amendments so approved.
13. The Board may, with the approval of two-thirds (2/3) of the Members of the board, elect to reform or reconstitute the Alliance to a stock, mutual, or reciprocal insurance company operating as a captive, Risk Retention Group, or other risk sharing entity.
14. The Alliance shall maintain a fiscal year, commencing with the activation of the Alliance and thereafter, annually, ending December 31st of each year.

ARTICLE XV – AGENT AND OFFICE

The agent of the Alliance for service of notice shall be South Dakota Association of Towns and Townships, PO Box 903, 351 Wisconsin, SW, Huron, South Dakota, 57350.

ARTICLE XVI – ADMINISTRATOR

Wherever the term “Administrator” is used in this Agreement, that term shall refer to South Dakota Association of Towns and Townships, or any successor with whom South Dakota Towns and Townships Bond Alliance enters an Administration Agreement. Wherever the term “Administration Agreement” is used in this Agreement, it shall refer to the then current agreement for administration services entered by the Alliance through the Board. By execution of this Agreement, the undersigned hereby ratifies, adopts and approves the Administrator and the Administration Agreement and authorizes the Administrator to perform all duties provided for in the Administration Agreement.

ARTICLE XVII – NOTICE

All notices required to be given under this Agreement shall be in writing and sent by certified mail, return receipt requested, with postage prepaid. Notices by a Member to the Alliance shall be sent to the address in ARTICLE XV to the attention of the Administrator. Notices to any Member shall be sent to the representative of the Member at the Member's last known address.

In the event that any party to this Agreement desires to change its address, notice of change of address shall be sent to the other party in accordance with the terms and provisions of this Article.

IN WITNESS WHEREOF, this Agreement was executed on the _____ day of _____, 20____, by the undersigned duly authorized officer of the Governmental Authority indicated below:

GOVERNMENTAL
AUTHORITY: _____

By: _____

TITLE: _____

ACCEPTED FOR THE SOUTH DAKOTA TOWNS
AND TOWNSHIPS BOND AND INSURANCE
ALLIANCE

By _____
ADMINISTRATOR ON BEHALF OF ALL OTHER
CURRENT AND FUTURE SIGNATORIES