



December 2, 2025

Echo Steffensen
Kingsbury County Auditor
PO Box 196
De Smet, SD 57231

RE: Tax Increment Finance Revenue Bonds, Series 2026

Dear Echo:

We are writing this letter to you in connection with Colliers Securities LLC's (the "Placement Agent") obligations under the rules of the Municipal Securities Rulemaking Board (the "MSRB") and the Securities Exchange Commission (the "SEC") to disclose to The Kingsbury County, SD (the "Issuer") information concerning our role and other related matters relating to our placement of the above-referenced debt (the "Debt Issuance") and relating to risks to which the Issuer may be exposed by entering into the Debt Issuance.

Our Role as Placement Agent

In serving as Placement Agent for the Debt Issuance, these are some important disclosures that clarify our role and responsibilities:

- (1) Rule G-17 of the MSRB requires us to deal fairly at all times with issuers, borrowers and investors of municipal debt;
- (2) we are not serving as a "Municipal Advisor" as defined by the SEC with respect to the Issuer and we do not have a fiduciary duty to the Issuer under the federal securities laws and we are, therefore, not required by federal law to act in the Issuer's best interests;
- (3) as of the date of this letter, we are relying on the "Underwriter Exemption" included in the SEC's Municipal Advisor rule to meet the objectives of the Issuer under this engagement and as such may provide advice and information in a non-fiduciary capacity relating to structure, timing, terms, and other similar matters of the Debt Issuance such as rating agency presentations, investor discussions, advice regarding marketing without being considered a "Municipal Advisor"; and
- (4) the "Underwriter Exemption" is being applied to the Debt Issuance because the Issuer has engaged us to serve as Placement Agent with respect to the particular Debt Issuance.

Our Compensation

Our compensation for serving as the Placement Agent for the Debt Issuance will be contingent on the closing of the transaction and at least a portion of that compensation will be based on the size of the Debt Issuance. The rules of the MSRB require us to inform the Issuer that compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest, because it may cause us to recommend a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

The Debt Issuance Presents Risks to the Issuer



As with any Debt Issuance, the Issuer's obligation to pay principal and interest will be a contractual obligation that will require the Issuer to make these payments no matter what budget constraints are encountered. Furthermore, to the extent that the Issuer agrees in the Debt Issuance to rate covenants, days cash on hand, additional bond/debt tests or other financial covenants, these may constrain the Issuer's ability to operate and to issue additional debt and, if the Issuer does not comply with these covenants, they can result in a default under the Debt Issuance. Depending on the terms of the Debt Issuance, if the Issuer fails to make a payment of principal or interest or otherwise fails to comply with the financial and other covenants relating to the Debt Issuance, the lender may have the right to accelerate all of the payment of principal on the Debt Issuance, which means that the Issuer may be required to pay all of the principal of the Debt Issuance at that time.

The Debt Issuance is structured as an issue of tax-exempt obligations. This requires that the Issuer comply with various Internal Revenue Service ("IRS") requirements and restrictions relating to how to use and invest the proceeds of the Debt Issuance, how the use of any facilities are constructed or improved with proceeds of the Debt Issuance and other restrictions throughout the term of the Debt Issuance. These requirements and restrictions may constrain how the Issuer operates the financed facilities and may preclude the Issuer from capitalizing on opportunities. Further, violation of these requirements and restrictions can result in the Debt Issuance to become taxable and may cause the Issuer to become liable to the IRS and to the owners of the debt. In addition, in the event of an audit of the Debt Issuance by the IRS, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees is difficult and may not be practicable.

We hope that this information has provided clarity about our role as Placement Agent, our compensation and some of the risks that the Issuer may be exposed to in connection with the Debt Issuance. If you have any questions or comments about anything in this letter, please contact us at (605) 224-5557.

Sincerely,

COLLIERS SECURITIES LLC

RECEIPT ACKNOWLEDGED BY KINGSBURY COUNTY, SD

Signature

Name: _____

Title: _____

Date: _____



December 2, 2025

Echo Steffensen, Auditor
Kingsbury County
PO Box 196
De Smet, SD 57231

Dear Echo:

Kingsbury County is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014) and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities.

The County wishes to engage Colliers Securities LLC ("Colliers"), as the Placement Agent for the Tax Increment Finance Revenue Bonds, Series 2026 (the "Bonds") that the County currently anticipates issuing. As a Placement Agent, Colliers may provide advice to the County on the structure, timing, terms, and other similar matters concerning the Bonds.

It is the County's present intention that Colliers privately place the Bonds, subject to satisfaction of applicable procurement laws, formal approval by Kingsbury County, finalizing the structure of the Bonds and the execution of a mutually agreed upon bond purchase agreement. While the County presently engages Colliers as the Placement Agent for the Bonds, this engagement letter is preliminary in nature. It is nonbinding and may be terminated by either the County or Colliers. Furthermore, this engagement letter does not restrict the County from entering into the proposed or any other municipal securities transaction with any other placement agents or selecting an underwriting syndicate that does not include Colliers.

Sincerely,

COLLIERS SECURITIES LLC

Tobin J. Morris

Acknowledged by:

Kingsbury County