

Governmental Lease Purchase Agreement



Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Governmental Lease-Purchase Agreement
Number 370946-403 dated as of July 7, 2014

Name and Address of Lessee:

City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Governmental Lease-Purchase Agreement Provisions

1. LEASE. Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the personal property described in the Supplement attached to this Lease and hereby made a part hereof (collectively the "Lease") upon the terms and conditions set forth in this Lease (such property together with all replacements, repairs and additions incorporated therein or affixed thereto being referred to herein as "Equipment"). The execution by Lessee of this Lease shall evidence a determination by the Lessee that the Equipment is essential to its proper, efficient and economic operation, that Lessee desires to enter into this Lease for the acquisition of that Equipment under the terms hereof, that the Equipment is necessary for the governmental functions of Lessee, and that Lessor is neither the manufacturer nor a dealer or merchant of said Equipment, but has agreed to provide the funding for and on behalf of Lessee for the acquisition of said Equipment under the terms hereof at the specific request of Lessee.

2. ESCROW AGREEMENT. In order that moneys be available to Lessee for the acquisition of the Equipment, Lessee and Lessor, acting as escrow agent (the "Escrow Agent"), shall execute and deliver an Escrow Agreement dated as of the date hereof (the "Escrow Agreement"). Lessor shall cause to be deposited into escrow the amount specified in the Escrow Agreement, which amount shall be held, invested, and disbursed to pay Equipment costs as provided in the Escrow Agreement. Lessee shall execute and deliver to Lessor an Arbitrage and Tax Certificate in the form attached to the Escrow Agreement and the Officer's Certificate in the form attached hereto. Upon payment of all costs of the Equipment and the acceptance thereof by Lessee, Lessee shall certify such acceptance in the form provided by Lessor.

3. TERM. The term of this Lease shall begin the date Lessor deposits into escrow the amounts specified in the Escrow Agreement (the "Commencement Date") and shall continue for the number of months stated in the Supplement, unless earlier terminated as provided herein. The Commencement Date shall be recorded on the Supplement. Lessee authorizes Lessor to insert the Commencement Date on the Supplement.

4. RENT. Lessee shall pay as rent for the full term of this Lease the amount shown in the Supplement as Total Rent, and a portion of each rent payment is paid as, and represents the payment of interest, and Exhibit "A" attached to the Supplement sets forth the interest component of each rent payment during the term. The Total Rent shall be payable in installments each in the amount of the basic rental payment set forth in Exhibit A to the Supplement plus any applicable sales and use tax thereon. If Lessor (i) receives notice, in any form, from the Internal Revenue Service, or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any rent payment from federal gross income because Lessee has breached a representation, warranty or covenant in this Lease, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to the rent payments previously paid under this lease and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of rent payments due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on this Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding rent payment date in such amount as will maintain such after-tax yield to Lessor.

Except as provided in Section 5, the obligation of Lessee to make rent payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all rent payments and other payments required hereunder when due and shall not withhold any rent payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such rent payments or other payments required under this Lease. Lessee's obligation to make rent payments or other payments during the Lease term shall not be abated through accident or unforeseen circumstances.

Lessee reasonably believes that funds can be obtained sufficient to make all rent payments during the term of the Lease. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds is within the discretion of the governing body of Lessee.

5. NON-APPROPRIATION OF FUNDS. If, notwithstanding the making in good faith of a request to the governing body of Lessee for funds to pay its obligations hereunder for any ensuing fiscal year in accordance with appropriate procedures and Section 4 hereof,

THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

Lessor: Wells Fargo Equipment Finance, Inc. Lessee: City of Rapid City

By _____

By _____

Title _____

Title _____

such governing body does not appropriate funds to be paid to Lessor for the Equipment, Lessee may, upon prior written notice to Lessor effective 60 days after the giving of such notice or upon the exhaustion of the funding authorized for the then current fiscal year, whichever is later, return the Equipment to Lessor at Lessee's expense and thereupon be released of its obligation to make all rental payments to Lessor due after the close of the fiscal year for which funds were appropriated, provided: (i) the Equipment is returned to Lessor freight prepaid and insured to any location in the continental United States designated by Lessor in the same condition as when first delivered to Lessee, reasonable wear and tear resulting solely from authorized use thereof excepted, (ii) the foregoing notice states the failure of the governing body to appropriate the necessary funds as reason for cancellation, and (iii) the notice is accompanied by payment of all amounts then due to Lessor under this Lease. In the event Lessee returns the Equipment pursuant to the terms of this Section 5, Lessor shall retain all sums paid hereunder by Lessee. Lessor shall also be entitled to retain any amount still held in escrow pursuant to the Escrow Agreement.

6. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF LESSEE. Lessee represents, warrants, and covenants and, so long as this Lease is in effect or any part of Lessee's obligations to Lessor remain unfulfilled, shall continue to represent, warrant, and covenant that:

(a) Lessee is a state or political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations promulgated thereunder (the "Regulations") and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such.

(b) Lessee has been duly authorized by the constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto) to execute and deliver this Lease and the Escrow Agreement and to carry out its obligations thereunder.

(c) All requirements have been met, and procedures have occurred in order to ensure the enforceability of this Lease and the Escrow Agreement, and Lessee has complied with such public bidding requirements, if any, as may be applicable to the transactions contemplated by this Lease. Lessee further represents and warrants that it has obtained such approvals and consents and provided such notices as are necessary to consummate this Lease and the Escrow Agreement.

(d) The Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(e) Lessee has funds available and properly appropriated to pay rent until the end of its current appropriation period.

(f) This Lease and the Escrow Agreement constitute valid, legal and binding obligations of Lessee enforceable against Lessee in accordance with the terms thereof.

(g) Lessee will take no action that would cause the interest portion of the rent payments to become includible in gross income of the recipient for federal income tax purposes under the Code and the Regulations, and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest portion of the rent payments does not become includible in gross income of the recipient for federal income tax purposes under the Code and Regulations.

(h) At least ninety-five percent (95%) of the net proceeds of this Lease will be used for the acquisition of capital assets. No portion of the net proceeds of the Lease will be used to reimburse Lessee for any payment made more than 60 days prior to the earlier of (x) commencement of the Lease or (y) any official action taken by Lessee or its governing body to evidence an intent to finance the Equipment. With respect to Lessor's reimbursement of any such payments made by Lessee, Lessee will provide Lessor with a copy of the invoice(s), a copy of evidence of Lessee's payment of such invoice and such other documents as Lessor may require with respect to Lessee's compliance with Treasury Regulation 1.150-2.

(i) In the event that the cost of any Equipment includes a prepayment for updates, maintenance or support services with respect to computer software, the vendor thereof has confirmed to Lessee in writing (and such writing has been delivered to Lessor) that the same maintenance, repair, extended warranty, updates or maintenance or support services, as applicable, are regularly provided to nongovernmental persons on the same terms.

(j) Within 150 days after the end of each fiscal year of Lessee during the term of this Lease, Lessee shall provide Lessor with a copy of its audited financial statements for such fiscal year. Additionally, Lessee shall provide Lessor with budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue the Lease as may reasonably be requested by Lessor from time to time.

(k) Lessee intends that this Lease not constitute a "true" lease for federal income tax purposes.

7. NO WARRANTIES BY LESSOR. Lessee agrees that it has selected each item of Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor, and further agrees that Lessor is acting solely as a financing source with respect to such Equipment. LESSOR MAKES NO WARRANTY WITH RESPECT TO THE EQUIPMENT, EXPRESSED OR IMPLIED, AND LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. Lessee agrees to make rental and other payments required hereunder without regard to the condition of the Equipment and to look only to persons other than Lessor such as the manufacturer, vendor or carrier thereof should any item of Equipment for any reason be defective. So long as no Event of Default has occurred and is continuing, Lessor agrees, to the extent they are assignable, to assign to Lessee, without any recourse to Lessor, any warranty received by Lessor.

8. TITLE. During the term of this Lease, title to the Equipment will remain in the Lessee; provided, however, that (i) upon the occurrence of an Event of Default, as that term is defined in Section 20 hereof, (ii) in the event that the purchase option has not been exercised prior to the expiration date thereof, or (iii) in the event this Lease is terminated by Lessee pursuant to the provisions of Section 5 hereof, title will immediately vest in Lessor or its assignee. For as long as title to the Equipment is in Lessee, Lessee at its expense shall protect and defend the title and keep it free of all claims and liens other than the rights of Lessee hereunder and claims and liens created by or arising through Lessor. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty.

9. SECURITY AGREEMENT; FURTHER ASSURANCES. To secure the performance of all Lessee's obligations hereunder, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, repairs, replacements and modifications thereto or therefor, and on any proceeds therefrom. Lessor is hereby authorized to file financing statements to perfect such security interest in accordance with the Uniform Commercial Code. Lessee agrees to execute or deliver such additional documents, including, without limitation, financing statements, opinions of counsel, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment or for the confirmation or perfection of this Lease and Lessor's rights hereunder.

As further security for the performance of Lessee's obligations hereunder, Lessee hereby grants to Lessor a security interest constituting a first lien in the cash and negotiable instruments from time to time comprising the Escrow Fund (as defined in the Escrow Agreement) and all proceeds (cash and non-cash) thereof, and agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party under the applicable Uniform Commercial Code.

10. LAWS AND TAXES. Lessee shall comply with all laws and regulations relating to the Equipment and its use. The parties hereto contemplate that the Equipment will be used for a governmental purpose of Lessee and that the Equipment will be exempt from all taxes assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment, its use or the rentals due hereunder are found to be subject to taxation in any form (excluding taxes measured on Lessor's net income), Lessee shall promptly pay when due all sales, use, property, excise and other taxes and all license and registration fees now or hereafter imposed by any governmental body or agency upon the Equipment or its use or the rentals hereunder excluding, however, any taxes on or measured by Lessor's net income. Upon request by Lessor, Lessee shall prepare and file at its expense all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction.

11. INDEMNIFICATION. Lessee hereby agrees, to the maximum extent permitted by law, to indemnify and hold Lessor harmless (on an after-tax basis) from and against any and all claims, losses, liabilities (including negligence, tort and strict liability), damages, judgments, obligations, actions, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out, or in any manner connected with, or resulting directly or indirectly from, the Equipment, including, without limitation, the manufacture, purchase, lease, financing, selection, ownership, delivery, rejection, non-delivery, transportation, possession, use, storage, operation, condition, maintenance, repair, return or other disposition of the Equipment or with this Lease, including without limitation, claims for injury to or death of persons and for damage to property, whether arising under the doctrine of strict liability, by operation of law or otherwise, and to give Lessor prompt notice of any such claim or liability.

12. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not sell, assign, sublet, pledge, or otherwise encumber or permit a lien arising through Lessee to exist on or against any interest in this Lease or the Equipment or remove the Equipment from the location referred to above or in the Supplement. Lessor may assign its interest in this Lease and sell or grant a security interest in all or any part of the Equipment without Lessee's consent. Lessee hereby appoints Lessor as Lessee's agent for purposes of maintaining a written record of all such assignments.

13. INSPECTION. Lessor may inspect the Equipment at any time and from time to time during regular business hours.

14. REPAIRS. Lessee will use the Equipment with due care and for the purpose for which it is intended. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefore, all at its expense. All such parts when furnished shall immediately become part of the Equipment for all purposes hereof.

15. LOSS OR DAMAGE. In the event any item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of any item of Equipment, Lessee shall promptly pay Lessor (a) the amount of all rent and other amounts payable by Lessee hereunder with respect to such item which are due but unpaid at the date of such payment plus (b) the amount stated in the Supplement or Exhibit A thereto as the Termination Balance. Upon payment of such amount to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this Section and Lessee shall be entitled to any surplus.

16. INSURANCE. Lessee shall obtain and maintain on or with respect to the Equipment at its own expense (a) liability insurance against liability for bodily injury and property damage with a minimum limit of \$1 million combined single limit and (b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement value of the Equipment or the amount stated in the related Supplement or an exhibit thereto as the Termination Balance whichever is greater. Lessee shall furnish Lessor with certificate of insurance evidencing the issuance of a policy or policies to Lessee in at least the minimum amounts required herein, naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the property damage coverage. Each such policy shall be in such form and with such insurers as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 10 days prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirement thereof.

17. RETURN OF THE EQUIPMENT. Upon the termination of this Lease pursuant to Section 5 or Section 21 hereof, Lessee will immediately deliver the Equipment to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear excepted, at such location within the continental United States as Lessor shall designate. Lessee shall pay all transportation and other expenses relating to such delivery.

18. ADDITIONAL ACTION. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to more effectively carry out the intent and purpose of this Lease.

19. LATE CHARGES. If any installment of basic rent is not paid when due or within ten (10) days thereafter, Lessor may impose a late charge of up to 5% of the amount of the installment but in any event not more than permitted by applicable law. Rent payments thereafter received shall be applied first to delinquent installments and then to current installments.

20. DEFAULT. Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay when due any installment of basic rent; (b) Lessee shall fail to observe or perform any other agreement to be observed or performed by Lessee hereunder or under the Escrow Agreement and the continuance thereof for 10 calendar days following written notice thereof by Lessor to Lessee; (c) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false or misleading in any material respect; or (d) Lessee shall voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal or state bankruptcy code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or of all or a substantial part of its assets.

21. REMEDIES. Whenever any Event of Default referred to in Section 20 hereof shall have happened and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Lessor, with or without terminating this Lease, may declare all rent payments due or to become due during the fiscal year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such rent payments shall be immediately due and payable.

(b) Lessor, with or without terminating this Lease, may repossess the Equipment by giving Lessee written notice to deliver the Equipment to Lessor, whereupon Lessee shall do so in the manner provided in Section 17 hereof; or in the event Lessee fails to do so within 10 days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay to Lessor all amounts payable with respect to such damaged or destroyed Equipment as provided in Section 15 hereof (less credit for proceeds of insurance and amounts, if any, returned to Lessor pursuant to Section 6 of the Escrow Agreement remaining after subtraction of Lessor's costs with respect to the collection thereof), to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the rent payments due under this Lease during the fiscal year then in effect. If this Lease has not been terminated, Lessor shall return the Equipment to Lessee at Lessee's expense when the event of default is cured.

(c) If Lessor terminates this Lease and takes possession of the Equipment, Lessor shall within 30 days thereafter use its best efforts to sell the Equipment or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable state laws. Lessor shall apply the proceeds of such sale and amounts, if any, returned to Lessor pursuant to Section 6 of the Escrow Agreement to pay the following items in the following order: (i) all costs incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the sale; (iii) the applicable Termination Balance of the Equipment; and (iv) the balance of any rent payments owed by Lessee during the fiscal year then in effect. Any sale proceeds remaining after the requirements of clauses (i), (ii), (iii) and (iv) have been met may be retained by Lessee.

(d) If the proceeds of sale of the Equipment and amounts, if any, held pursuant to the terms of the Escrow Agreement are not sufficient to pay the balance of any rent payments owed by Lessee during the fiscal year then in effect, Lessor may take any other remedy available at law or in equity to require Lessee to perform any of its obligations hereunder.

22. NOTICES. Any written notice hereunder to Lessee shall be deemed to have been given when delivered personally or deposited in the United States mails, postage prepaid, addressed to Lessee at its address set forth above or at such other address as may be last known to Lessor.

23. PREPAYMENT. This Lease may be prepaid in whole, but not in part, and on any regular payment date with 45 days written notice to Lessor, upon payment of all rent payments then due hereunder, plus the amount set forth as the Termination Balance on the Supplement or any exhibit thereto.

24. SURVIVAL. Lessee's obligations under Section 11 hereof shall survive termination of all Leases.

25. MISCELLANEOUS. Any provision of this Lease which is unenforceable in any jurisdiction shall, as to jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Lease, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. This Lease shall in all respects be governed by, and construed in accordance with, the substantive laws of the state in which the Lessee is located. Lessor may in its sole discretion, accept a photocopy, electronically transmitted facsimile or other reproduction of this Master Lease and/or a Supplement (a "Counterpart") as the binding and effective record of this Master Lease and/or a Supplement whether or not an ink signed copy hereof or thereof is also received by Lessor from Lessee, provided, however, that if Lessor accepts a Counterpart as the binding and effective record of this Master Lease or a Supplement, the Counterpart acknowledged in writing by Lessor shall constitute the record hereof or thereof. Lessee represents to Lessor that the signature that appears on the Counterpart that is transmitted by Lessee to Lessor in any manner described above is intended by Lessee to authenticate the Counterpart notwithstanding that such signature is electronic, facsimile or a reproduction and Lessee further agrees that a Counterpart of this Master Lease or a Supplement received by Lessor, shall, when acknowledged in writing by Lessor, constitute an original document for the purposes of establishing the provisions hereof and thereof and shall be legally admissible under the best evidence rule and binding on and enforceable against Lessee. If Lessor accepts a Counterpart of a Supplement as the binding and effective record thereof only such Counterpart acknowledged in writing by Lessor shall be marked "Original" and to the extent that a Supplement constitutes chattel paper, a security interest may only be created in the Supplement that bears Lessor's ink signed acknowledgement and is marked "Original."

Escrow Agreement



Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Name and Address of Lessee:

**City of Rapid City
300 Sixth Street
Rapid City, SD 57701**

THIS ESCROW AGREEMENT dated as of July 7, 2014 (this "Agreement"), is entered into by and between **City of Rapid City** ("Lessee"), and Wells Fargo Equipment Finance, Inc., acting as escrow agent ("Escrow Agent").

BACKGROUND

A. Lessee and Wells Fargo Equipment Finance, Inc. acting as lessor ("Lessor") have entered into a Governmental Lease-Purchase Agreement Number 370946-403 dated as of July 7, 2014 and Supplement Number 370946-403 thereto dated as of July 7, 2014 (collectively, the "Lease"). The Lease contemplates that certain equipment described therein (the "Equipment") is to be acquired from the vendor(s) or manufacturer(s) thereof, and then leased by Lessor to Lessee pursuant to the terms of the Lease.

B. The Lease provides that the Lessor will provide for the acquisition of the Equipment, the sum of **\$460,000.00** (the "Escrow Deposit Amount"), to be available in periodic draws for the payment of the costs of such acquisition.

C. Lessor and Lessee desire to set forth the terms on which an escrow fund for such purposes is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. There is hereby created and established with Escrow Agent an irrevocable escrow fund designated for Lessee (the "Escrow Fund") to be held in the custody of Escrow Agent separate and apart from other funds of Escrow Agent or Lessee. The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of Lessee (except with respect to the security interest in the Escrow Fund in favor of Lessor). For purposes of perfecting Lessor's security interest in the Escrow Fund and the funds held therein, Escrow Agent shall be deemed to be in possession of and have control over the Escrow Fund (including all cash, instruments and investment property from time to time held therein).

2. On such day as is determined to the mutual satisfaction of Lessor and Lessee, the Lessor shall deposit the Escrow Deposit Amount into the Escrow Fund, representing the principal amount of the obligation of Lessee under the Lease less any payments made to vendors on such date. Neither Lessor nor Escrow Agent make any representation or warranty as to whether the funds deposited in the Escrow Fund (and the earnings thereon) are or will be sufficient to pay in full the purchase price of the Equipment.

3. Monies held in the Escrow Fund shall be promptly invested and reinvested by Escrow Agent, at Lessee's direction, in any security or deposit account authorized by law; provided, however, Lessee may not direct the Escrow Agent to invest the Escrow Fund in any security maturing later than the date on which Lessee reasonably anticipates needing such funds for the payment of the costs of the Equipment. Lessee shall notify Escrow Agent as to the dates on which funds are needed for disbursement and the estimated amount of each such disbursement and the Escrow Agent may rely upon this information in connection with all investment or reinvestment of funds. Until written notice to the contrary is provided to Escrow Agent by Lessee, Lessee hereby directs Escrow Agent to invest and reinvest the cash comprising the Escrow Fund in a Wells Fargo Government Money Market Fund at Wells Fargo Securities, LLC, where such cash shall earn interest at the daily rate established by Wells Fargo Funds. All interest earnings or other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise part of the Escrow Fund. **Lessee acknowledges that Wells Fargo Equipment Finance, Inc., in its capacity as either Lessor or Escrow Agent, has not provided and will not be providing any investment supervision, recommendations or advice with respect to the Escrow Fund.**

4. Escrow Agent shall disburse funds from the Escrow Fund upon receipt of a written request and certification from Lessee, approved by Lessor, setting forth the following: (1) the amount to be disbursed, (2) the address to which such funds are to be forwarded, (3) a brief description of the purpose of the payment, and (4) a statement that the expenditure for which funds are requested was properly incurred in connection with the acquisition of the Equipment and that the amounts being paid pursuant to that disbursement were not subject to a previous draw. Each request shall contain as attachments the bills, receipts, invoices, or other documents acceptable to Escrow Agent evidencing the amount and purposes for which the disbursement is requested. Lessee agrees to submit to Escrow Agent such disbursement request in form and substance satisfactory to Escrow Agent and such other documents and certificates as Escrow Agent may reasonably request to evidence the proper expenditure of the monies in the Escrow Fund for the purposes of acquiring the Equipment. Escrow Agent has no duty to ascertain the correctness of any documents submitted in connection with any direction to disburse funds.

5. Upon receipt by Escrow Agent of notice from Lessor that all Equipment under the Lease has been acquired, Escrow Agent shall

THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

Lessor: Wells Fargo Equipment Finance, Inc. Lessee: City of Rapid City

By _____

By _____

Title _____

Title _____

pay the balance remaining in the Escrow Fund to Lessor for application against Lessee's payment obligations next owing under the Lease.

6. In the event that an Event of Default occurs under the Lease or the Lease is terminated by Lessee pursuant to Section 5 thereof, Escrow Agent shall forthwith disburse all monies on deposit in the Escrow Fund to Lessor. Lessee agrees that in the event such transfer to Lessor is to be made, it shall pay immediately and directly to the Lessor an amount equal to all expenses, legal fees and other costs incurred by Lessor in connection with the enforcement of this Agreement.

7. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject hereof. This Agreement may be modified or amended only with the written consent of all parties hereto.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessee and Lessor in connection with this Agreement which the Escrow Agent in good faith believes to be genuine. Escrow Agent shall not be liable for any act or omission in connection with this Agreement except for its own gross negligence, willful misconduct or bad faith. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investment decisions made by the Lessee. To the extent authorized by applicable law, Lessee hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Escrow Agent's gross negligence, willful misconduct or bad faith.

9. This Agreement shall terminate when all transfers required to be made with respect to the Escrow Fund by Escrow Agent under the provisions hereof shall have been made. In the event that all amounts held by Escrow Agent hereunder shall have not been expended as provided therein by the date that is three years from the date of this Agreement, this Agreement shall terminate and such unexpended amounts shall be remitted to Lessor for application against the rent payments next owing under the Lease.

10. If any one or more of the covenants or agreements provided in this Agreement on the part of Escrow Agent or Lessee to be performed shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

11. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

12. This Agreement shall be construed and enforced in accordance with the substantive laws of the state in which the Lessee is located.

13. Upon execution and delivery of this Agreement, Lessee shall execute and deliver to Lessor an Arbitrage and Tax Certificate of Lessee in a form acceptable to Lessor.

14. Escrow Agent may, at Lessee's expense, employ legal counsel and other experts in connection with its duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants or other skilled persons.

15. Lessee understands, acknowledges and accepts that Wells Fargo Equipment Finance, Inc. is both Lessor and Escrow Agent hereunder, and hereby waives the right to challenge or contest any actions of the Escrow Agent in performing its responsibilities hereunder based on any alleged or actual conflict of interest on the part of Wells Fargo Equipment Finance, Inc..

Arbitrage and Tax Certificate

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

I hereby certify that in my official capacity as the officer indicated therein, I am responsible for executing and delivering, on behalf of **City of Rapid City** ("Lessee"), the Governmental Lease-Purchase Agreement dated as of July 7, 2014 and Supplement thereto (collectively, the "Lease"), by and between Wells Fargo Equipment Finance, Inc. ("Lessor") and Lessee. This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (the "Regulations"). The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter.

1. The Lease provides for the acquisition of certain personal property described therein (the "Equipment"). Pursuant to the Lease, Lessor is leasing with option to purchase the Equipment to Lessee and Lessee is required to make rent payments with respect thereto, comprising principal and interest, on the dates and in the amounts set forth in the Lease.
2. On such day as is determined to the mutual satisfaction of Lessor and Lessee (such date referred to herein as the "issue date"), Lessor, as escrow agent, will deposit with Wells Fargo Securities, LLC, the initial principal amount represented by the Lease (less any payments made directly to vendors on such date), which, together with interest earned thereon until disbursed, will be used to pay the costs of acquiring, equipping and installing the items of Equipment.
3. The Lessee has or reasonably expects to enter into contracts for the acquisition of all Equipment within six months of the issue date of the Lease.
4. The acquisition of the Equipment and the expenditure of the Lease proceeds held in escrow will proceed with due diligence to the date of final acceptance of the Equipment.
5. All of the spendable proceeds of the Lease will be expended on the Equipment within three (3) years of the issue date of the Lease.
6. If any other governmental obligations were or are being issued by or on behalf of Lessee within fifteen (15) days of the issue date of the Lease, such obligations either (i) were not or are not being issued or sold pursuant to a common plan of financing with the Lease, or (ii) will not be paid out of substantially the same source of funds as, the financing pursuant to the Lease.
7. Lessee shall not request that any funds be disbursed from the escrow fund held by Lessor, as escrow agent, to reimburse it for Equipment acquisition cost payments made by it more than sixty (60) days prior to the issue date of the Lease, unless the following conditions have been satisfied:
 - (a) Lessee made a declaration of its reasonable intention to reimburse the acquisition cost payment being sought to be reimbursed with the proceeds of a borrowing not later than sixty (60) days after the date on which it made the payment, which declaration satisfied the "Official Intent Requirement" set forth in Treas. Reg. § 1.150-2;
 - (b) The reimbursement being sought will be made by a written allocation before the later of eighteen (18) months after the acquisition cost payment was made or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;
 - (c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and
 - (d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an abusive arbitrage device under Treas. Reg. § 1.148-10.
8. The original proceeds of the Lease, and the interest to be earned thereon, do not exceed the amount necessary for the governmental purpose for which the Lease is issued.
9. The interest of Lessee in the Equipment has not been, and is not expected during the term of the Lease, to be sold or otherwise disposed of by Lessee.
10. No sinking, debt service, reserve or similar fund will be maintained by Lessee with respect to the rent payments due under the Lease or pledged as security therefor.
11. Less than 50% of the proceeds of the Lease will be invested in nonpurpose investments (as defined in the Code) having a substantially guaranteed yield for four years or more.

THIS CERTIFICATE INCLUDES THE TERMS ON THE ATTACHED PAGE

Dated as of July 7, 2014

Lessee: City of Rapid City

By _____

Title _____

- 12.** Payment of the principal or interest due under the Lease is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof. No portion of the proceeds under the Lease shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the Lease to be "federally guaranteed" within the meaning of Section 149(b) of the Code.
- 13.** In the Lease, Lessee has covenanted to take all actions necessary to ensure that the interest paid under the Lease remains excludable from gross income under the Code and Regulations.
- 14.** Lessee covenants and agrees to rebate to the Internal Revenue Services an amount equal to the excess (if any) earnings on the funds held in escrow if required by, and in accordance with, Section 148(f) of Code and the related Regulations.
- 15.** Lessee shall maintain complete and accurate records establishing the expenditure of the proceeds of the Lease and interest earnings thereon for a period of six years after the Lease has been paid in full.
- 16.** To the best of my knowledge and belief, the expectations of Lessee as set forth above, are reasonable; and there are no present facts, estimates and circumstances which would damage the foregoing expectations.

Supplement to Governmental Lease-Purchase Agreement

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

WELLS
FARGO

Supplement Number 370946-403 dated as of July 7, 2014 to
Governmental Lease-Purchase Agreement
Number 370946-403 dated as of July 7, 2014

Name and Address of Lessee:

**City of Rapid City
300 Sixth Street
Rapid City, SD 57701**

Notice: Lessor reserves the right to withdraw the terms of this Supplement and issue a modified Supplement without notice to Lessee if Lessor is not in receipt of a fully executed original or facsimile of this document within five (5) business days of the date of this Supplement. However, in that event, no such modifications will be binding on Lessee unless and until Lessee executes the modified document containing all such modifications.

This is a Supplement to the Governmental Lease-Purchase Agreement identified above between Lessor and Lessee (the "Lease"). Pursuant to the Lease (all the terms and conditions of which are incorporated herein by reference) and this Supplement, Lessor is leasing to Lessee, and Lessee is leasing from Lessor, the Equipment described below.

Equipment Description: See Schedule A attached hereto and made a part hereof.

After Lessee signs this Lease, Lessee authorizes Lessor to insert any missing information or change any inaccurate information (such as the model year of the Equipment or its serial number or VIN) into this Equipment Description.

Equipment Location: 10 Main Street, Rapid City, SD 57701

SUMMARY OF PAYMENT TERMS	
Payment term (Months): 45	Finance Amount: \$460,000.00
Payment Frequency: Quarterly	Total Rent: \$488,461.95
Basic Rental Payment: \$32,564.13	Interest Rate: 3.04%
Number of Payments: 15	Final Purchase Option Price: \$1.00
Payments in Arrears, See Additional Provisions	

Additional Provisions: Exhibit A is attached hereto pursuant to Section 4 of the Lease. The Termination Balance shall be the amount set forth on Exhibit A opposite the date of determination of the Termination Balance. Notwithstanding anything in this Lease to the contrary, Lessee shall pay installments in arrears beginning three months from the Rent Commencement Date.

THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

Lessor: Wells Fargo Equipment Finance, Inc. Lessee: City of Rapid City

By _____

By _____

Title _____

Title _____

Commencement Date

Pay Proceeds



Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

In reference to Contract Number 370946-403 dated as of July 7, 2014, Wells Fargo Equipment Finance, Inc. is irrevocably instructed to disburse payment as follows:

Payee	Item	Amount
Allegiant Emergency Services, Inc.	Invoice # 14552	161,774.00
Wells Fargo Securities Escrow Account		298,226.00

TOTAL FINANCED **\$460,000.00**

Dated: _____

City of Rapid City

By _____

Title _____

Exhibit A

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Supplement Number 370946-403 dated as of July 7, 2014 to
Governmental Lease-Purchase Agreement Number 370946-403 dated as of July 7, 2014

Lessee: City of Rapid City

Interest Rate: 3.04%

Per	Payment	Principal	Interest	Termination Balance
1	32,564.13	29,068.13	3,496.00	430,931.87
2	32,564.13	29,289.05	3,275.08	401,642.82
3	32,564.13	29,511.65	3,052.49	372,131.17
4	32,564.13	29,735.94	2,828.20	342,395.24
5	32,564.13	29,961.93	2,602.20	312,433.31
6	32,564.13	30,189.64	2,374.49	282,243.67
7	32,564.13	30,419.08	2,145.05	251,824.59
8	32,564.13	30,650.27	1,913.87	221,174.32
9	32,564.13	30,883.21	1,680.92	190,291.11
10	32,564.13	31,117.92	1,446.21	159,173.19
11	32,564.13	31,354.42	1,209.72	127,818.78
12	32,564.13	31,592.71	971.42	96,226.07
13	32,564.13	31,832.81	731.32	64,393.26
14	32,564.13	32,074.74	489.39	32,318.51
15	32,564.13	32,318.51	245.62	0

This amortization schedule is subject to change based on the final terms of the transaction. In the event the terms do change, Lessor will provide a replacement amortization schedule to Lessee. This schedule does not include prepayment terms.

Dated as of: July 7, 2014

Lessee: City of Rapid City

By _____

Title _____

Schedule A

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Contract No. 370946-403 dated as of July 7, 2014

Lessee: City of Rapid City

- 1) Remount Ambulance Type III Model 2E918 mounted on 2014 G-4500 GM Chassis VIN 1GB6G5CL4E1168996
- 2) Remount Ambulance Type III Model 2E918 mounted on 2014 G-4500 GM Chassis VIN 1GB6G5CL2E1168902
- 3) Physio Control, Inc. LUCAS 2, 2.1 Chest Compression System more completely described on Physio-Control, Inc. Quotation No. 1-270359514 dated 5/21/2014 Rev. 2.

Dated: July 7, 2014

Lessee: City of Rapid City

By

Title

Bank-Qualified Designation

WELLS
FARGO

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Supplement Number 370946-403 dated as of July 7, 2014 to
Governmental Lease-Purchase Agreement
Number 370946-403 dated as of July 7, 2014

Name and Address of Lessee:

City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Lessee hereby designates the above referenced Governmental Lease-Purchase Agreement and Supplement thereto (collectively, the "Lease") to which this Designation is attached, as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Lessee hereby represents that the Lessee reasonably anticipates that the Lessee and other entities that the Lessee controls will not issue tax-exempt obligations (including the Lease) that exceed the aggregate principal amount of \$10,000,000 during the calendar year in which the Lease is executed and delivered and interest commences to accrue thereunder.

This Designation is attached to and made a part of the Lease.

Executed On: _____

Lessee: City of Rapid City

By

Title

Delivery and Acceptance Certificate



Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Supplement Number 370946-403 dated as of July 7, 2014 to
Governmental Lease-Purchase Agreement
Number 370946-403 dated as of July 7, 2014

Name and Address of Lessee:

City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Equipment Description: See Schedule A attached hereto and made a part hereof.

Equipment Location: 10 Main Street, Rapid City, SD 57701

Delivery and Acceptance Certification:

Lessee acknowledges that as of the date set forth below, (i) Lessee has inspected the items of Equipment described above, (ii) such items of Equipment conform to the bid specifications of Lessee, and (iii) Lessee accepts such items of Equipment for all purposes of the Lease.

Delivery and Acceptance Date: _____

Lessee: City of Rapid City

By

Title

Insurance Requirements

Wells Fargo Equipment Finance, Inc. | 1540 West Fountainhead Parkway | MAC S3966-100 | Tempe, AZ 85282

★★★A CERTIFICATE MUST BE OBTAINED PRIOR TO FUNDING/CLOSING★★★

Name and Address of Insured:

City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Equipment Description: See Schedule A attached hereto and made a part hereof.

Equipment Location: 10 Main Street, Rapid City, SD 57701

Please contact your agent to have an insurance certificate faxed to the attention of Margaret Kiernan at 866-512-9425 or emailed to Margaret.J.Kiernan@wellsfargo.com. In accordance with the provisions of your loan, insurance coverage is required as follows:

- 1. PROPERTY INSURANCE** is required against the loss, theft of or damage to the Equipment.
 - The minimum amount of coverage required is **\$460,000.00**
 - Wells Fargo Equipment Finance, Inc., its successors and assigns ("Lessor"), must be named as **Loss Payee**.
 - If the Total Cost of the Equipment leased under the lease is equal to or greater than one million dollars (\$1,000,000.00), the Policy must include a Lender's Loss Payable Endorsement in favor of Wells Fargo Equipment Finance, Inc..
 - The amount of the deductible must be stated on the certificate of insurance
- 2. COMMERCIAL GENERAL LIABILITY INSURANCE** is required for bodily injury and property damage.
 - The minimum amount of coverage required is **\$1,000,000.00** combined single limit per occurrence.
 - Wells Fargo Equipment Finance, Inc., its successors and assigns ("Lessor"), must be named as an **Additional Insured**.
- 3.** The Property and General Liability policies (the "Policy"), as to the interest of Lessor, shall not be invalidated by any act of omission or commission or neglect or misconduct of Lessee at any time, nor by any foreclosure or other proceeding or notice of sale relating to the insured property, nor by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case Lessee shall fail to pay any premium due under the Policy, Lessor may, at its option, pay such premium.
- 4.** The Policy may be canceled at any time by either Insurer or Lessee according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Lessor for thirty days after written notice to Lessor of such cancellation and shall then cease.
- 5. REFERENCE CONTRACT NO. 370946-403 ON ALL POLICIES.**
- 6.** The Underwriter/Carrier of the policy must have an AM Best Rating of B+ or higher, and a Financial Class Size of VI or higher.

Officer's Certificate



Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

I am duly qualified and acting as the officer identified below of **City of Rapid City** ("Lessee"); and, with respect to the Governmental Lease-Purchase Agreement dated as of July 7, 2014 and Supplement thereto dated as of July 7, 2014 (collectively, the "Lease"), by and between Lessee and Wells Fargo Equipment Finance, Inc. ("Lessor") and the Escrow Agreement dated as of July 7, 2014 (the "Escrow Agreement"), by and between Lessee and Lessor, as escrow agent, that:

1. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all rent payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all rent payments due and payable during such current fiscal year.

2. During the Lease term the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

3. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Lease and Escrow Agreement; the proper authorization, approval and execution of the Lease, the Escrow Agreement, and other documents contemplated thereby; the appropriation of moneys, or any other action taken by Lessee to provide moneys, sufficient to make rent payments coming due under the Lease in Lessee's current fiscal year; or the ability of Lessee otherwise to perform its obligations under the Lease and Escrow Agreement and the transactions contemplated thereby.

Dated as of July 7, 2014

Lessee: City of Rapid City

By

Title

Required Information

Tax Status, Billing Address and Equipment Location

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

WELLS
FARGO

Contract Number 370946-403 dated as of July 7, 2014

Name and Address of Customer:

City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Equipment Description: See Schedule A attached hereto and made a part hereof.

E-mail Address: Pauline.Sumption@rcgov.org **Documentation Contact Name:** Pauline Sumption

Social Security No./Federal Tax I.D. No. Number on File

Sales/Use Tax: (check one)

- Subject to sales and use tax. (**Tax will be charged based on the type of equipment financed and on the state in which the equipment is located.**); or
- Exempt from sales and use tax, for the following reason: _____
(YOU MUST REMIT A VALID EXEMPTION CERTIFICATE PRIOR TO FUNDING).

Personal Property Tax: If the equipment is located in a state or locality that requires reporting of the equipment on a personal property tax return, Wells Fargo Equipment Finance, Inc. will report the equipment.

Billing Address: City of Rapid City , 300 Sixth Street, Rapid City, SD 57701

- The billing address stated above is correct OR Change the billing address as stated below:

Street _____ City _____
State _____ Zip Code _____

Equipment Location: 10 Main Street, Rapid City, SD 57701

- The equipment will be located at the Equipment Location stated above or at the address shown on the attached Schedule A.

Indicate **County** the equipment is located in _____; or

- The equipment will be located at:

Street _____ City _____
State _____ Zip Code _____ County _____

(If multiple locations, attach a list of equipment by City, State, and County indicating where each piece of equipment is located.)

Notice: To help the government fight the funding of terrorism and the money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means for you: When you open an account or add any additional service, we will ask you for your name, address and taxpayer identification number that will allow us to identify you. We may also ask to see other identifying documents.

Customer: City of Rapid City

By _____

Title _____

Incumbency Certificate



Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

I, _____, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of City of Rapid City, a political subdivision or agency duly organized and existing under the laws of the State of South Dakota that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (I) the signatures set opposite their respective names and titles are their true and authentic signatures and (II) such officers have the authority on behalf of such entity to enter into that certain Master Governmental Lease-Purchase Agreement dated as of July 7, 2014 and any Supplements thereto between such entity and Wells Fargo Equipment Finance, Inc. (Lessor).

NAME	TITLE	SIGNATURE
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this certificate as of _____.

SECRETARY/CLERK

[FORM OF LEGAL OPINION]

July 7, 2014

Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue, Suite 700
MAC N9306-070
Minneapolis, MN 55402

Ladies and Gentlemen:

As counsel for City of Rapid City ("Lessee"), I have examined the Governmental Lease-Purchase Agreement dated as of July 7, 2014 and Supplement Number 370946-403 thereto dated as of July 7, 2014 each between the Lessee and Wells Fargo Equipment Finance, Inc. ("Lessor") (collectively, the "Lease"), the Escrow Agreement dated as of July 7, 2014 between Lessee and Lessor, (the "Escrow Agreement") and such other documents, instruments and records as I have considered relevant for purposes of this opinion. Based upon such examination, and such research and investigation as I deemed necessary, I am of the opinion that:

1. Lessee's full, true and correct legal name is City of Rapid City .
2. Lessee is a State or political subdivision thereof, or Lessee's obligation under the Lease constitutes an obligation issued on behalf of a State or political subdivision thereof, and that the interest component of the payments to be made under said Lease is exempt from Federal income taxes under Section 103 of the Internal Revenue Code as amended, and that the Lease and the Escrow Agreement and all terms and provisions thereof are authorized by the Constitution, laws and regulations of the State of South Dakota, and governing the activities of Lessee, and Lessee has the power and authority to enter into this transaction contemplated by the Lease and the Escrow Agreement and to carry out its obligation thereunder.
3. The Lease and the Escrow Agreement have been duly authorized, executed and delivered by the Lessee in accordance with all laws, rules, regulations and ordinances, and in conformity with all legal procedures governing the transaction contemplated by the Lease and the Escrow Agreement, including all applicable open meeting, public records and public bidding procedures, and the Lease and the Escrow Agreement constitute valid and binding agreements enforceable in accordance with their terms, and the Lease represents a valid, deferred payment obligation for the amounts and in the manner those amounts are to be paid as set forth therein.
4. No approval, consent or withholding of objection is required from any governmental body or authority or any other person, firm or corporation with respect to the entering into or performance by Lessee of the terms of the Lease and the Escrow Agreement and the transaction contemplated thereby, or if any such approval is required, it has been obtained.
5. The entering into and performance of the Lease and the Escrow Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee, or on the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party, or by which it or its assets may be bound.
6. There are no actions, suits or proceedings pending or to the knowledge of the Lessee or the undersigned, threatened against or affecting Lessee in any court or before any governmental commission, board or authority which, if adversely determined, will have a materially adverse effect on the ability of Lessee to perform its obligations under the Lease or the Escrow Agreement.
7. The Lessee has been allotted funds and sufficient funds have been appropriated lawfully and in accordance with all procedures applicable thereto for the payment of lease payments during the first fiscal period of the Lease.
8. Under existing regulations of the Internal Revenue Code, the indebtedness of Lessee is not an arbitrage bond within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.
9. The Lease is not a private activity bond within the meaning of Section 141 of the Internal Revenue Code of 1986.
10. The Equipment is personal property, and when used by Lessee will not be or become fixtures under the laws of South Dakota.
11. Resolution No. _____ of the governing body of the Lessee was duly and validly adopted by such governing body on _____, 20__, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

Very truly yours,

Counsel for Lessee

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE GOVERNING BODY OF CITY OF RAPID CITY , AUTHORIZING THE EXECUTION AND DELIVERY OF A GOVERNMENTAL LEASE-PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND A SUPPLEMENT WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, City of Rapid City (the "Lessee"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of SD is authorized by the laws of the State of South Dakota to purchase, acquire and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment constituting personal property necessary for the Lessee to perform essential governmental functions; and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Governmental Lease-Purchase Agreement (the "Agreement"), and Supplement No. 370946-403 thereto (the "Supplement" and together with the Agreement, the "Lease"), each with Wells Fargo Equipment Finance, Inc. (the "Lessor"), and that certain Escrow Agreement with the Lessor as escrow agent, the forms of which have been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Supplement as provided in the Agreement for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided:

Now, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of Lessee as follows:

Section 1. Approval of Documents. The form, terms and provisions of the Agreement, the Escrow Agreement and the Supplement are hereby approved in substantially the forms presented at this meeting. with such insertions, omissions and changes as shall be approved by the _____ of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the _____ of the Lessee is hereby authorized and directed to execute, and the _____ of the Lessee is hereby authorized and directed to attest and countersign, the Agreement, the Escrow Agreement and the Supplement and any related Exhibits attached thereto and to deliver the Agreement, the Escrow Agreement and the Supplement (including such Exhibits) to the respective parties thereto and the _____ of the Lessee is hereby authorized to affix the seal of the Lessee to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement, the Escrow Agreement and the Supplement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of an acceptance certificate and a tax certificate and agreement with respect to the Supplement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement, the Escrow Agreement and the Supplement.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement, the Escrow Agreement, the Supplement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement, the Escrow Agreement, the Supplement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the rental payments payable under the Lease are special limited obligations of the Lessee as provided therein.

Section 4. Appointment of Authorized Lessee Representatives. The _____ and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement, the Escrow Agreement and the Supplement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement, the Escrow Agreement and the Supplement.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this ____ day of _____, 20____.

City of Rapid City , as Lessee

ATTEST:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title _____

Invoice

WELLS
FARGO

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

To: **City of Rapid City**
300 Sixth Street
Rapid City, SD 57701

DATE OF INVOICE: July 7, 2014

App/Setup # 409878/191356 - DUE IN ADVANCE

CONTRACT NO.	DESCRIPTION	CONTRACT PAYMENT	SALES/USE TAX	OTHER CHARGES	AMOUNT DUE
370946-403	Documentation Fee			1,150.00	1,150.00
					0.00
					0.00
					0.00
					0.00
TOTAL DUE					\$1,150.00

WIRE TO:

ABA#: 121000248
Swift Code: WFBIUS6S
Bank Name: Wells Fargo Bank, N.A.
Account#: 0000010313
Account Name: Wells Fargo Equipment Finance, Inc.
Phone Advise: WFEF Customer Service (866) 726-4714

REMIT TO:

Wells Fargo Equipment Finance, Inc.

733 Marquette Avenue, Suite 700
MAC N9306-070
Minneapolis, MN 55402