

**RESOLUTION AUTHORIZING AND APPROVING A  
GOVERNMENTAL LEASE PURCHASE AGREEMENT**

WHEREAS, the City Common Council of the City of Rapid City (the "City") hereby determines that the City is in need of certain capital improvements to the Rapid City Regional Airport;

WHEREAS, pursuant to the provisions of SDCL §§ 9-12-5.1, 9-12-5.2, 9-12-14, 9-21-18, 50-7-3 (collectively the "Act") and Rapid City Municipal Code § 13.12.130 (the "Code"), the Council has the power to enter into a ground lease for a term not to exceed twenty-five years and purchase or otherwise acquire real and personal property by lease-purchase for a term not to exceed ten years; and

WHEREAS, the Board hereby determines that it is necessary, desirable and in the best interests of the City to enter a ground lease (the "Ground Lease") and into a Governmental Lease-Purchase Agreement (the "Lease") in a principal amount not to exceed \$ 835,000 in the final form approved by the Mayor, Finance Officer and City Attorney to provide for the leasing by the City of [project description including legal description] Airport Rental Car Ready Return Lot Rehab/Reconfiguration more particularly described in Exhibit A attached to the Lease (the "Project") from Wells Fargo Brokerage Services, LLC (the "Lessor").

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Declaration of necessity to make improvements. The City pursuant to the Act and Code determines that Ground Lease and the Lease of the Project is necessary for the proper operation of the Airport.

Approval of the Acquisition of the Project. The Council hereby finds and determines, pursuant to the Constitution and laws of the State of South Dakota, that the leasing of the Project from the Lessor under the terms and provisions set forth in the Lease is essential, necessary, convenient and in furtherance of the City's purposes and in the best interests of the inhabitants of the City; and the City Common Council hereby authorizes and approves the leasing of the Project, all under the terms and provisions of the Lease.

Section 2. Approval and Execution of the Lease Documents. The Ground Lease, Lease and any other documents required by Bond Counsel (the "Lease Documents") are in all respects approved, authorized and confirmed, and the Mayor and the Finance Officer are authorized and directed to execute and deliver the Lease Documents for and on behalf of the City.

Section 3. Execution of Documents. The Mayor and Finance Officer, and other appropriate officers or agents of the City are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents, instruments and other papers and to perform all other acts that they may deem necessary or appropriate, in order to implement and carry out the transactions and other matters authorized by this resolution.

Section 5. Conflicting Resolutions. All prior rules, orders and resolutions, or parts thereof, inconsistent with this resolution or with any of the documents hereby approved, are hereby repealed only to the extent of such inconsistency.

Section 6. Hiring of Professionals. Danforth & Meierhenry, L.L.P. of Sioux Falls, South Dakota are hereby designated as bond counsel for this issue. The Mayor and Finance Officer are authorized to execute such documents as are necessary to carry out the intent of this paragraph.

Section 7. Effective Date. This resolution shall become effective 20 days after publication.

Adopted and recorded this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Mayor

ATTEST

\_\_\_\_\_  
Finance Officer

Costs Funded \$835,000.00	Payment Rate 6.54%	24 Payments	Level Payment	Closing Fees \$0.00	Average Life 7.01 years 84.2 months
		2 per year	\$50,749.63		
		6.540% Rate	Fctr=.060778		
		Commencement: May 25, 2005			
		Closing Date: May 25, 2005			

Pmt	Total Payment Due	Interest Payment Due	Principal Payment Due	After Payment Principal Balance	After Payment Termination Value	Payment Due Date
	\$0.00		\$0.00	\$835,000.00		May 25, 2005
1	\$50,749.63	\$27,304.50	\$23,445.13	\$811,554.87	\$828,036.57	Nov 25, 2005
2	\$50,749.63	\$26,537.84	\$24,211.78	\$787,343.09	\$802,749.06	May 25, 2006
3	\$50,749.63	\$25,746.12	\$25,003.51	\$762,339.58	\$776,683.97	Nov 25, 2006
4	\$50,749.63	\$24,928.50	\$25,821.12	\$736,518.45	\$749,817.37	May 25, 2007
5	\$50,749.63	\$24,084.15	\$26,665.48	\$709,852.98	\$722,124.63	Nov 25, 2007
6	\$50,749.63	\$23,212.19	\$27,537.44	\$682,315.54	\$693,580.33	May 25, 2008
7	\$50,749.63	\$22,311.72	\$28,437.91	\$653,877.63	\$664,158.30	Nov 25, 2008
8	\$50,749.63	\$21,381.80	\$29,367.83	\$624,509.80	\$633,831.53	May 25, 2009
9	\$50,749.63	\$20,421.47	\$30,328.16	\$594,181.64	\$602,572.23	Nov 25, 2009
10	\$50,749.63	\$19,429.74	\$31,319.89	\$562,861.75	\$570,351.69	May 25, 2010
11	\$50,749.63	\$18,405.58	\$32,344.05	\$530,517.70	\$537,140.38	Nov 25, 2010
12	\$50,749.63	\$17,347.93	\$33,401.70	\$497,116.00	\$502,907.82	May 25, 2011
13	\$50,749.63	\$16,255.69	\$34,493.94	\$462,622.07	\$467,622.60	Nov 25, 2011
14	\$50,749.63	\$15,127.74	\$35,621.89	\$427,000.18	\$431,252.37	May 25, 2012
15	\$50,749.63	\$13,962.91	\$36,786.72	\$390,213.46	\$393,763.75	Nov 25, 2012
16	\$50,749.63	\$12,759.98	\$37,989.65	\$352,223.81	\$355,122.36	May 25, 2013
17	\$50,749.63	\$11,517.72	\$39,231.91	\$312,991.90	\$315,292.74	Nov 25, 2013
18	\$50,749.63	\$10,234.84	\$40,514.79	\$272,477.11	\$274,238.36	May 25, 2014
19	\$50,749.63	\$8,910.00	\$41,839.63	\$230,637.48	\$231,921.57	Nov 25, 2014
20	\$50,749.63	\$7,541.85	\$43,207.78	\$187,429.70	\$188,303.53	May 25, 2015
21	\$50,749.63	\$6,128.95	\$44,620.68	\$142,809.02	\$143,344.23	Nov 25, 2015
22	\$50,749.63	\$4,669.85	\$46,079.77	\$96,729.25	\$97,002.44	May 25, 2016
23	\$50,749.63	\$3,163.05	\$47,586.58	\$49,142.66	\$49,235.63	Nov 25, 2016
24	\$50,749.63	\$1,606.97	\$49,142.66	\$0.00		May 25, 2017

Please Note: Sum of individual principal payments differ from total principal by due to even-cent rounding.  
 This exhibit is a draft only and may not reflect final terms.

Wells Fargo Public Finance (WFPF) bankers are registered representatives of Wells Fargo Brokerage Services, LLC, or Wells Fargo Institutional Securities, LLC, brokerage affiliates of Wells Fargo & Company and members of the NASD and SIPC.

Investments: • NOT FDIC insured • May lose value • No bank guarantee

The information in this e-mail is confidential and may be legally privileged. It is intended solely for the addressee. Access to this e-mail by anyone else is unauthorized. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted based on this information is prohibited and may be unlawful.

**Schmidt Coleen**

---

**From:** Simmons Ken  
**Sent:** Friday, April 29, 2005 12:47 PM  
**To:** Schmidt Coleen  
**Cc:** Short Mason  
**Subject:** Rental Car Lot Expansion financing



Coleen,

The Rental Car Ready Return Lot at the Rapid City Regional Airport is in need of rehabilitation and reconfiguration. We have consulted with all the rental car agencies that use airport facilities to provide rental car services to users of the airport. We have struck an agreement on a project to perform the required work. We can provide copies of the Rental Car Concession agreements at your request.

The project will expand the lot to approximately 396 spaces from the current 199 spaces available for the car rental agencies. Attached you will find the construction estimate prepared by KLJ Engineers. The latest estimate for the project is \$726,274.25 for construction. We also have a contract with KLJ for engineering that amount to 76,206.43. The total amount to be financed is estimated to be \$845,000 including miscellaneous expenses, procurement of owner furnished materials, and contingency.

The revenue stream identified for this project is derived from a transaction fee on Rental car sales at the airport. The first full year of collecting this "customer facility charge" (CFC) was 2004 in which nearly \$68,000 was collected from the rental car agencies. This charge expires in September 30, 2008. However, when the rental car concession agreements are renegotiated, we anticipate renewing this provision of the agreement. The rental car agencies have typically experience gross revenue growth in excess of 3% year over year since 2000. More detailed information is available.

The project is expected to have a useful life of 20 years. We would like to finance this for 10 years with a possible early repayment if revenues from the CFC significantly increase from current collections.

Let me know if you need additional information and how we should proceed from here.

Thanks, have a great weekend!

Ken Simmons  
Airport Operations Officer  
Rapid City Regional Airport  
4550 Terminal Road, Suite 102  
Rapid City, SD 57703-8706  
[www.rapairport.org](http://www.rapairport.org)  
Office: 605-394-4195

5/2/2005