LEASE-PURCHASE AGREEMENT NO. 008-0185427-300

This LEASE-PURCHASE AGREEMENT ("Lease") is made and entered into as of January 31, 2013, by and between TCF Equipment Finance, Inc., 11100 Wayzata Boulevard, Suite 801, Minnetonka, Minnesota 55305 (herein called "Lessor") and City Of Rapid City, South Dakota, 3625 Jackson Blvd, Rapid City, SD 57702, (herein called "Lessee"), wherein it is agreed as follows:

1. **LEASE OF PROPERTY. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor all the property described on Exhibit A hereto.** The items of property described in Exhibit A, together with all replacement parts, repairs, additions and accessories incorporated therein or affixed thereto shall herein collectively be called the "Property." Lessee authorizes Lessor to add to any Property description, or make necessary corrections to, any serial numbers or other identification of the Property when known.

2. **ACCEPTANCE; TERM. Lessee shall execute and deliver to Lessor a receipt certificate ("Receipt Certificate") in the form attached hereto as Exhibit B,** which shall indicate that the Property has been accepted for use by Lessee and is satisfactory to Lessee for all purposes. This Lease will become effective upon the execution hereof by Lessee and Lessor, and shall terminate upon payment by Lessee of the last Rental Payment required to be made by it in accordance with Exhibit C thereto (the "Lease Term"), unless canceled or terminated earlier pursuant to Sections 5, 15 or 21 hereof.

3. **RENT. Lessee agrees to pay to Lessor or its assignee the rental payments ("Rental Payments") in the amounts and at the times as set forth in Exhibit C.** Rental Payments shall be due **Monthly** commencing on the First Payment Date shown on Exhibit C and continuing on the same date of each monthly thereafter until fully paid unless terminated earlier pursuant to Section 5, 15 or 21 hereof. Lessee authorizes Lessor to fill in the First Payment Date on Exhibit C based on the date that Lessor disburses funds to the Vendor (as defined below) based on receipt of an executed Receipt Certificate from the Lessee. A portion of each Rental Payment is paid as and represents the payment of interest as set forth in Exhibit C. The Rental Payments will be payable for the Lease Term in dollars (U.S.), without notice or demand at the office of Lessor (or such other place as Lessor or its assignee may designate from time to time in writing). In the event any payment by Lessee hereunder is received by Lessor or its assignee later than ten (10) days from the due date, Lessee shall pay Lessor on demand as a late fee, computed at the rate of up to ten per cent (10%) of such overdue amount, limited, however, to the maximum amount allowed by law. EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 5 HEREOF, THE RENTAL PAYMENTS WILL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND WILL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER. Lessor may terminate this Lease at any time prior to receipt of Lessee's Receipt Certificate hereunder if Lessor determines in its sole discretion that (i) any written representation made to it by Lessee proves to have been false or misleading in any material respect when made, (ii) subsequent to the making of any such representation there has occurred a material change such that any such representation as made is not true and correct, (iii) any event which would constitute a default under the Lease has occurred, or (iv) there has been a substantial and material change in Lessee's financial condition or operations which has a material adverse effect on Lessee's creditworthiness.

4. **DELIVERY; PAYMENT OF PROPERTY COST; COSTS.** The Property will be delivered to Lessee by the supplier thereof (the "Vendor") at Lessee's address above or such other location specified in Exhibit A (the "Property Location"). Lessee shall promptly pay all costs, charges, expenses and obligations of every kind and nature incurred by or on behalf of Lessor regarding the importation, shipment, delivery, possession, use, lease, tax treatment, return,

repossession, storage and transfer of any item of Property. Upon Lessor's receipt of the Receipt Certificate for the Property and any other documentation required by Lessor, Lessor will pay or cause to be paid the costs of such Property to the Vendor therefor. In addition, Lessee agrees to pay Lessor a fee, in an amount determined by Lessor, not to exceed the maximum amount from time to time permitted by applicable law, for any check or automatic payment withdrawal request that is returned to Lessor because of insufficient funds available in Lessee's account or a stop payment. If Lessor, in its discretion, pays any tax, fee, charge or other amount described in this paragraph, Lessee shall reimburse Lessor therefor on demand, together with Lessor's administrative and other costs of paying and invoicing such amounts and, if Lessee fails to pay Lessor any such amount within ten (10) days of such demand, Lessee shall pay interest thereon until paid at the rate of 10% per annum or the maximum rate allowable by law, whichever is less.

5. **TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.** This Lease shall not constitute an indebtedness of Lessee within the meaning of any constitutional or statutory limitation on the manner, form, or amount of indebtedness that may be incurred by Lessee. Lessee is a political subdivision or agency of the State of **South Dakota** with Lessee's fiscal year ending on **December 31** of each calendar year. If Lessee does not appropriate sufficient funds to continue making the Rental Payments required under this Lease for any of Lessee's fiscal years subsequent to the one in which the Lease is executed, then this Lease shall be terminated effective upon expiration of the last fiscal year in which sufficient funds to pay Lessee's obligations under this Lease were appropriated by Lessee and Lessee shall not, in this sole event, be obligated to make any further payments due beyond said fiscal year. Lessee warrants that the necessary funds shall have been appropriated for all of the Rental Payments for Lessee's current fiscal year. Lessee reasonably believes that funds can be obtained sufficient to make all Rental Payments during the Lease Term. The officer of Lessee responsible for budget preparation will do all things lawfully within his/her power to obtain, maintain and properly request and pursue funds from which the Rental Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using his/her bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. Lessee shall give Lessor immediate notice of Lessee's intent to terminate this Lease under this Section 5, which notice shall contain the termination date (which shall be the end of the last of Lessee's fiscal years for which appropriations for the Rental Payments were made) (the "Termination Date") and Lessee shall comply with the provisions of Section 22 of this Lease. In the event of an early termination of this Lease under this Section, all obligations of Lessee to make Rental Payments which would otherwise be due hereunder after the Termination Date shall cease.

6. LESSOR DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE WITH RESPECT TO, OR ANY OTHER MATTER CONCERNING, THE PROPERTY AND EXPRESSLY DISCLAIMS ANY SUCH WARRANTIES OR ANY OTHER WARRANTIES IMPLIED BY LAW. LESSOR MAKES NO WARRANTIES WITH RESPECT TO ANY PATENT, COPYRIGHT, TRADEMARK, TRADE NAME OR TITLE RELATING TO THE PROPERTY OR LESSEE'S RIGHTS TO ANY SUCH INTELLECTUAL PROPERTY. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE PROPERTY OR BY ANY DEFECT THEREIN, OR BY THE USE OR MAINTENANCE OF, OR SERVICING OR ADJUSTMENT TO, THE PROPERTY AND, AS TO LESSOR, LEASES THE PROPERTY AS-IS AND WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND. LESSOR WILL NOT BE LIABLE FOR ANY LOSS OR INTERRUPTION OF OR DAMAGE TO LESSEE'S BUSINESS ON ACCOUNT OF ANY MECHANICAL FAILURE OR DELAY IN CONNECTION WITH THE FURNISHING OR USE OF THE PROPERTY. Lessee acknowledges that Lessor is not a dealer or manufacturer of Property of any kind and is not the seller of the Property, and that each unit of Property is of a type, size, design and capacity selected solely by Lessee. Lessee also acknowledges that Lessor supplies the Property without any obligation to install, test, erect, service or maintain the Property. If the Property is not properly installed, does not operate as represented or warranted by the manufacturer or seller thereof, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the manufacturer or seller and no such occurrence shall relieve Lessee of any of its obligations under this lease. The only warranty applicable to any Property is the manufacturer's warranty, if any (in the case of new Property) and Lessor makes no warranty to Lessee. Lessee acknowledges receipt of the

manufacturer's warranty with respect to any new Property. So long as Lessee is not in default under this lease, Lessor assigns to Lessee any manufacturer's, seller's or other warranty, whether express or implied, on the Property and any claim that Lessor may have as owner of the Property against the manufacturer or supplier or any other person. All claims or actions on any warranty shall be made or prosecuted by Lessee, at its sole expense, and Lessor shall have no obligation whatsoever to make any claim on such warranty. Lessor is not liable for any modification, breach or rescission of any warranty or service agreement. Any agreement that Lessee may have with any third party, including any manufacturer or vendor, relating to services shall be separate and distinct from this lease and Lessor shall not have any obligations thereunder. Lessee acknowledges that this lease constitutes a "finance lease" under UCC Article 2A in all respects, and that Lessor's sole obligations to Lessee hereunder is not to interfere with Lessee's quiet enjoyment of the Property so long as Lessee is not in default hereunder. Subject to the foregoing sentence and to the extent permitted by law, Lessee unconditionally and irrevocably waives any and all rights and remedies against Lessor at law or in equity (including, without limitation, any rights and remedies granted Lessee under Article 2A of the Uniform Commercial Code and/or the right to reject any Property or repudiate this lease). Lessee agrees that Lessor assumes no liability for and makes no representation as to the treatment by Lessee of this lease, the Property or the rent payments for financial statement or tax purposes..

7. **TITLE; SECURITY INTEREST.** During the Lease Term title to the Property shall vest in Lessee, subject to Lessor's rights under Sections 5 and 22 of this Lease. To secure the payment of the Rental Payments and any and all liabilities, direct, indirect, absolute, contingent, due or to become due or existing or hereafter arising of Lessee to Lessor, Lessee grants to Lessor as the secured party a security interest in and to all Property described in Exhibit A, together with all additions, attachments, accessions, substitutions and proceeds with respect thereto and Lessor shall retain its security interest in the Property until the Lease Term shall expire. Lessee agrees that Lessor may file such financing statements or other instruments necessary to perfect such security interest under State law. Notwithstanding anything contained in the Lease to the contrary, Lessee and Lessor hereby agree and acknowledge that with respect to the Equipment covered by this Lease, Lessee's interest shall be that of owner and holder of legal title and Lessor's interest shall be that of a secured party with a first perfected security interest.

8. **PERSONAL PROPERTY.** The Property is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at its expense, furnish a landlord or mortgagee waiver with respect to the Property.

9. **USE; REPAIRS.** Lessee will use the Property in a careful manner for the use contemplated by the manufacturer of the Property and shall comply with all laws, ordinances, insurance policies and regulations relating thereto, and will pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, will keep the Property in good repair and will furnish all parts, mechanisms and devices required therefor. If the Property is such as is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement with a party satisfactory to Lessor.

10. **ALTERATIONS.** Lessee will not make any alterations, additions or improvements to the Property without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Property.

11. **LOCATION; INSPECTION.** The Property will not be removed from, or if the Property consists of rolling stock its permanent base will not be changed from, the Property Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Property Location or elsewhere during reasonable business hours to inspect the Property or observe its use and operation.

12. **LIENS AND TAXES.** Lessee shall keep the Property free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Property, excluding,

however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee shall, upon demand, reimburse Lessor as additional rent the amount of any such charges or taxes plus interest thereon at the rate of 10% per annum or the highest rate allowed by law, whichever is less, to the date of said reimbursement.

13. **RISK OF LOSS; DAMAGES; DESTRUCTION.** Lessee assumes all risk of loss of or damage to the Property from any cause whatsoever, and no such loss of or damage to the Property shall relieve Lessee of the obligation to make Rental Payments or to perform any other obligation under this Lease. In the event of damage to any item of Property, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of the Property is lost, stolen, destroyed or damaged beyond repair Lessee, at its option, will either: (a) replace the same with like Property in good repair, or (b) on the next Rental Payment date pay Lessor; (i) all amounts owed by Lessee under this Lease, including the Rental Payment due on such date; and (ii) an amount equal to the applicable Purchase Option Price set forth in Exhibit C. In the event that less than all the Property has been lost or destroyed, Lessor and Lessee shall substitute revised Exhibits A and C into this Lease by appropriate endorsement.

14. **INSURANCE.** Lessee shall obtain and maintain on or with respect to the Property at its own expense (a) liability insurance insuring against liability for bodily injury and property damage with a minimum limit of **$1,000,000.00** combined single limit or such greater amount as may be prescribed by any applicable state law specifying minimum insurance requirements, and (b) physical damage insurance insuring against loss or damage to the Property in an amount not less than the full replacement value of the Property, but in no event will the insurance limits be less than the amount of the then applicable Purchase Option Price as provided in Section 15 below. Lessee shall furnish Lessor with a 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, including a maximum deductible, and with such insurers as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 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 requirements hereof. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for loss or damage under any such insurance policy. In the event Lessee fails to procure, maintain, pay for or provide Lessor with evidence of the insurance required by this lease, or to pay any fees, assessments, charges or taxes as required in this lease, Lessor shall have the right, but not be obligated, to obtain insurance covering Lessor's interest in the Property from an insurer of Lessor's choice, or pay said fees, assessments, charges and taxes, as the case may be. In that event, Lessee shall reimburse Lessor upon demand for the cost thereof, together with interest until paid at the rate of 10% per annum or the maximum rate allowable by law, whichever is less, and failure to pay the same shall constitute an Event of Default under this lease. NOTHING IN THIS LEASE WILL CREATE AN INSURANCE RELATIONSHIP OF ANY TYPE BETWEEN LESSOR AND ANY OTHER PERSON.

15. **PURCHASE OPTION.** On each Rental Payment due date, Lessee shall have an option to purchase the Property for an amount equal to the Rent Payment due on such date plus the Purchase Options Price set forth in each Exhibit C. Lessee's right hereunder shall be conditioned upon Lessee's having performed all terms and conditions hereof in a timely fashion and no Event of Default shall have occurred either during the term of the Lease nor at the time this option to purchase is sought to be exercised. At such time as Lessee shall have fully paid the total Rental Payments for the entire Lease Term and Lessee shall have fully paid and performed all other obligations hereunder and provided no Event of Default has occurred and is continuing, Lessee may at its option pay to Lessor the sum of **ONE DOLLAR ($1.00)**, whereupon title to the Property shall remain vested in Lessee and Lessor shall transfer any and all of its right, title and interest in the Property to Lessee as is, where is, without warranty, express or implied, except Lessor will warrant to Lessee that the Property is free and clear of any liens created by Lessor. This option shall be exercised by written notice to Lessor given within the thirty (30) day period prior to the last day of the Lease Term.

16. **LESSEE CERTIFICATION.** Lessee warrants that it is a state, or a political subdivision thereof, within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and the related treasury regulations and rulings thereunder, or the District of Columbia, and that this lease has been duly authorized, approved, executed and delivered and is a valid and binding contract of Lessee, enforceable against Lessee in accordance with its terms. Lessee agrees that under Section 103 of the Code those amounts designated as interest in Exhibit C qualify for exclusion from gross income of Federal income taxes by Lessor. Lessee further warrants that during the Lease Term, the Property will be used by Lessee only for the purpose of performing 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.

In the event that Lessee is not a state or political subdivision thereof within the meaning of Section 103 of the Code, or if for any reason the usage of the Property would cause any interest payment hereunder to lose its exemption from Federal taxation, or if Lessee fails to comply with the information reporting requirements of Section 149(e) of the Code or if Lessee fails to keep a record of all assignments of the Lease pursuant to Section 149(a) of the Code (except to the extent of any negligence or willful misconduct by Lessor as to its obligations or responsibilities to Lessee for compliance with such requirements), then Lessee agrees to pay Lessor, its assignees, and any participants with such entitled to the exclusion under Section 103(c), an additional amount which, together with the amount of interest to be paid by Lessee under this Lease, puts Lessor, its assignees, and any participants with such, in the same after-tax position they would have been had such payments been exempt from taxation under Section 103 of the Code.

Lessee agrees to approve and execute, and Lessor agrees to assist Lessee in preparing and filing, the necessary documents for the information reporting requirements found in Section 149(e) of the Code and to use best efforts to inform Lessee of all assignments of the Lease pursuant to Section 149(a) of the Code. Lessee agrees to fully cooperate with Lessor in fulfilling the information reporting requirements of Section 149(e), including having its Finance Officer or other official verify and/or execute any documents prepared by Lessor.

17. **LESSEE NEGLIGENCE.** Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Property and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents.

18. **ESSENTIAL USE.** It is Lessee's intent to make Payments for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that: (a) the use of the Property is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens, (b) Lessee has an immediate need for and expects to make immediate use of substantially all the Property, which need is not temporary or expected to diminish in the foreseeable future, and (c) the Property will be used by Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.

19. **ASSIGNMENT.** Without Lessor's prior written consent, Lessee will not assign, transfer, pledge, hypothecate or grant any security interest in or other wise dispose of this Lease or the Property or any interest in this Lease or the Property.

Lessor, without the consent of Lessee, may assign its right, title and interest in and to this Lease, the Property and any other documents executed with respect to this Lease, and/or grant or assign a security interest in this Lease and the Property, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Any assignment or reassignment of any of Lessor's right, title or interest in this Lease or the Property shall be effective upon receipt by Lessee of a duplicate original of the counterpart document by which the assignment or reassignment is made, disclosing the name and address of each such assignee and, where applicable, to whom further payments hereunder should be made. With the written consent of Lessee, which consent will not be unreasonably withheld,

Lessor may assign any interest in this Lease upon terms which provide that the assignor or assignee will act as a collection and paying agent for holders of certificates of participation in this Lease. Lessee agrees to acknowledge in writing any assignments if so requested. Lessee shall keep a written record of all assignments.

LESSEE AGREES THAT UPON NOTICE OF SUCH ASSIGNMENT IT SHALL PAY DIRECTLY TO LESSOR'S ASSIGNEE WITHOUT ABATEMENT, DEDUCTION OR SETOFF ALL AMOUNTS WHICH BECOME DUE HEREUNDER AND FURTHER AGREES THAT IT WILL NOT ASSERT AGAINST LESSOR'S ASSIGNEE ANY DEFENSE, CLAIM, COUNTERCLAIM OR SETOFF ON ACCOUNT OF ANY REASON WHATSOEVER WITH RESPECT TO ANY RENTAL PAYMENTS OR OTHER AMOUNTS DUE HEREUNDER.

20. **EVENTS OF DEFAULT.** The term "Event of Default", as used in this Lease, means the occurrence of any one or more of the following events:

(a) Lessee fails to make any Rental Payment (or any other payment) as it becomes due in accordance with the terms of this Lease, and any such failure continues for ten (10) days after the due date thereof;

(b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after receipt of written notice thereof from Lessor;

(c) Any statement, representation, or warranty made by Lessee in this Lease or in any writing delivered by Lessee pursuant hereto or in connection herewith is false, misleading, or erroneous in any material respect;

(d) Lessee becomes insolvent, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee of all or a substantial part of its assets, or a petition for relief is filed by Lessee under Federal bankruptcy, insolvency or similar laws; or a petition in a proceeding under any bankruptcy, insolvency or similar laws is filed against Lessee and is not dismissed within thirty (30) days thereafter.

21. **REMEDIES.** Upon the occurrence of an Event of Default, Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may declare all Rental Payments due in the current fiscal year of Lessee immediately due and payable, whereupon such Rental Payments shall be immediately due and payable.

(b) By written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Property to Lessor in the manner set forth in Section 22 hereof, or Lessor, at its option, may enter upon the premises where the Property is located and take immediate possession of and remove the same;

(c) Sell or lease the Property or sublease it for the account of Lessee, holding Lessee liable for all Rental Payments and other payments due to the end of the fiscal year then in effect; the proceeds of such sale or lease shall be applied to the following items in the following order: first, to the payment of all costs and expenses of Lessor arising from the Event of Default; second, to the payment of the applicable Purchase Option Price; and third, to the payment of any Rental Payments then due and owing thereunder and

(d) Exercise any other right, remedy or privilege which may be available to it under applicable law including the right to (i) proceed by appropriate court action to enforce the terms of this Lease; (ii) recover damages for the breach of this Lease; and (iii) rescind this Lease as to any or all of the Property in accordance with applicable laws and procedures.

In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

22. **TERMINATION PROCEDURE.** In the event Lessor is entitled under the provisions of this Lease, including any cancelation or termination hereof pursuant to Sections 5 and 21 hereof, to obtain possession of the Property, title to the Property shall immediately vest in Lessor and Lessee shall make the Property available to Lessor free of all liens and encumbrances in at least as good condition and repair as when delivered to Lessee, ordinary wear and tear resulting from proper use alone excepted. Lessee agrees, at its expense, to advise Lessor of the location or locations where the Property may be found, permit Lessor access to the Property, voluntarily relinquish possession of the Property to Lessor, deliver the Property to a reasonable location specified by Lessor, and fully cooperate with Lessor in all respects in the removal of and redelivery of the Property to Lessor. Lessee agrees to execute and deliver to Lessor all documents reasonably necessary to transfer legal and beneficial title to the Property to Lessor and to evidence the cancelation or termination of Lessee's interest in the Property.

23. **LAW GOVERNING AND CONSTRUCTION.** This lease shall in all respects by governed by, and construed in accordance with, the laws of the State of South Dakota without giving effect to conflict of law provisions; provided that any interest and finance charges hereunder shall be governed by federal law and, to the extent applicable, the substantive laws of the State of South Dakota. Lessee hereby consents to jurisdiction and venue of the federal or state courts sitting in the State of South Dakota for purposes of resolving all disputes of any nature whatsoever regarding the lease, or any transaction contemplated hereby, and Lessee hereby waives objection which it may now or hereafter have to the laying of jurisdiction or venue in the federal or state courts of South Dakota. Lessor and Lessee agree that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confirm personal jurisdiction if served personally, by certified mail to it at its address designated pursuant to the lease, or as otherwise provided under the respective rules of the state or federal courts of South Dakota. Any provision of this lease which may be prohibited or unenforceable in any jurisdiction shall not, as to such jurisdiction, invalidate the remaining provisions hereof and shall not invalidate or render unenforceable such provision in any other jurisdiction. Lessee agrees that, at Lessor's sole election and determination, Lessor may select an alternative forum, including arbitration or mediation, to adjudicate any dispute arising out of this lease. THE PARTIES HERETO, AFTER CONSULTING (OR HAVING HAD AN OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LEASE, INCLUDING ANY LITIGATION REGARDING THE ENFORCEMENT OF THIS LEASE OR ANY RELATED AGREEMENTS

24. **NOTICES AND ORIGINALS.** Any written notice hereunder to Lessee or Lessor shall be deemed to have been given when delivered personally or deposited in the United States mails, certified or registered mail, addressed to recipient at its address set forth above or at such other address as may be substituted therefor by notice given pursuant to the terms hereof. There shall be only one original counterpart of this lease and it shall bear the original signature of Lessor and be marked "Original." To the extent that this lease constitutes chattel paper (as that term is defined by the Uniform Commercial Code), a security or ownership interest intended to be created through the transfer and possession of this lease can be done only by the transfer of such original bearing the original signature of Lessor. Lessor, in its sole discretion, may permit Lessee to electronically copy and/or deliver by telecopier or other electronic means of transmission an executed counterpart of this lease, and any document, schedule, amendment, addendum, supplement or agreement related hereto or executed in connection herewith. By so copying and/or delivering any such document, Lessee hereby represents and agrees (a) that such transmission constitutes due delivery of such executed document, (b) that the counterpart of such executed document as printed by the recipient, including Lessee's signature thereon, shall be deemed to constitute an original and shall be admissible in any court or other legal proceeding as an original, and (c) to deliver to Lessor, promptly on request, such document bearing Lessee's original "wet ink" signature; provided that neither delivery nor failure to deliver the document bearing Lessee's original "wet ink" signature shall limit or modify the representations and agreements set forth in clauses (a) and (b).

25. **SECTION HEADINGS.** All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

26. **DELIVERY OF RELATED DOCUMENTS.** Lessee will execute or provide, as requested by Lessor, annual budget and financial information and such other documents and information, including an opinion of Lessee's counsel as to the validity and enforceability of this Lease, as are reasonably necessary with respect to the transaction contemplated by this Lease.

27. **ENTIRE AGREEMENT; WAIVER.** This Lease, together with the exhibits attached hereto constitutes the entire agreement between the parties with respect to the lease of the Property. This Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease. The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach hereof.

28. **APPOINTMENT.** In compliance with Section 149(a) of the Internal Revenue Code of 1986, as amended, Lessee hereby designates Lessor to be its agent for the purposes of maintaining a book entry system identifying the ownership or interest in and to this Lease and Lessor hereby accept its duties as agent hereunder.

Lessor:	TCF Equipment Finance, Inc.	By: _____	Title: _____
Lessee:	City Of Rapid City, South Dakota	By: _____	Sam Kooiker, Mayor
		By: _____	Pauline Sumption, Finance Officer

OPINION OF COUNSEL

(To be on Attorney's Letterhead)

Date:

Lessee: City Of Rapid City, South Dakota
3625 Jackson Blvd,
Rapid City, SD 57702

Lessor: TCF Equipment Finance, Inc.
11100 Wayzata Boulevard, Suite 801
Minnetonka, MN 55305

Re: Lease-Purchase Agreement No. 008-0185427-300, dated as of January 31, 2013, by and between City Of Rapid City, South Dakota and TCF Equipment Finance, Inc.

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Lease-Purchase Agreement described above (the "Lease") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Lease and exhibit thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a public corporation and political subdivision of the State of (the "State") duly organized, existing and operating under the Constitution and laws of the State. The full, true and correct legal name of Lessee is _____.

2. The Uniform Commercial Code, as adopted in the State (the "UCC"), and no other statute of the State, governs the creation, perfection, priority or enforcement of a security interest created by Lessee

3. Lessee is authorized and has power under State law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.

4. The Lease and the other documents described above have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

5. Except as specifically provided in Section 5 hereof, the rental payments will be absolute and unconditional in all events and will not be subject to any setoff, defense, counterclaim, abatement or recoupment for any reason whatsoever.

6. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable State and Federal laws.

7. The execution of the Lease and the appropriation of moneys to pay the payments coming due under the Lease do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

8. 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 the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of the Lease and the other documents described above; the appropriation of monies to make Rental Payments under the Lease for the current fiscal year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

This opinion of counsel may be relied upon by TCF Equipment Finance, Inc. and its successors and assigns.

Very truly yours,

EXHIBIT A
TO LEASE-PURCHASE AGREEMENT NO. 008-0185427-300,
DATED AS OF January 31, 2013

PROPERTY DESCRIPTION

Description (including features)	Location
(67) 2013 E-Z-GO RXV Gas Golf Cars, (1) 2013 E-Z-Go Electric Terrain 250 together with all attachments and accessories thereto	3625 Jackson Blvd, Rapid City, SD, 57702
	Total Cost $265,412.25

Lessee: City Of Rapid City, South Dakota By: _____ Sam Kooiker, Mayor

EXHIBIT B
TO LEASE-PURCHASE AGREEMENT NO. 008-0185427-300
DATED AS OF January 31, 2013

RECEIPT CERTIFICATE

The undersigned Lessee under that certain Lease-Purchase Agreement No. 008-0185427-300, dated as of January 31, 2013, negotiated for the purpose of acquiring Property with TCF Equipment Finance, Inc., as Lessor, hereby acknowledges receipt in good condition of all of the Property described on Exhibit A to said Lease-Purchase Agreement this ____ day of _____, 20___ and hereby certifies that the Property is satisfactory and in accordance with specifications.

Lessee authorizes Lessor to fill in the First Payment Date on Exhibit C based on the date that Lessor disburses funds to the Vendor.

Lessee: City Of Rapid City, South Dakota By: _____ Jeff Biegler,

Park & Recreation Director

EXHIBIT C
RENTAL PAYMENT SCHEDULE
TO LEASE-PURCHASE AGREEMENT NO. 008-0185427-300,
DATED AS OF January 31, 2013

First Payment Date: _____

Nominal Annual Rate: 3.543%

CASH FLOW DATA

Event	Amount	Number	Period
Loan	265,412.25	1	Monthly
Payment	5,929.00	6	
Payment	0.00	6	
Loan	5,929.00	6	
Payment	0.00	6	
Payment	5,929.00	6	
Payment	0.00	6	
Payment	5,929.00	6	
Payment	0.00	6	
Payment	5,929.00	6	
Payment	119,000.00	1	

AMORTIZATION SCHEDULE - Normal Amortization

Date	Rental Payment	Interest	Principal	Purchase Option Price
Lease Commence				
One (1) Month from Lease Commencement	5,929.00	783.66	5,145.34	265472.248
Two (2) Months from Lease Commencement	5,929.00	768.47	5,160.53	260208.508
Three (3) Months from Lease Commencement	5,929.00	753.23	5,175.77	254929.222
Four (4) Months from Lease Commencement	5,929.00	737.95	5,191.05	249634.351
Five (5) Months from Lease Commencement	5,929.00	722.62	5,206.38	244323.844
Six (6) Months from Lease Commencement	5,929.00	707.25	5,221.75	238997.659
Seven (7) Months from Lease Commencement	0.00	691.83	691.83-	239703.325
Eight (8) Months from Lease Commencement	0.00	693.87	693.87-	240411.073
Nine (9) Months from Lease Commencement	0.00	695.92	695.92-	241120.911
Ten (10) Months from Lease Commencement	0.00	697.98	697.98-	241832.851

Eleven (11) Months from Lease Commencement	0.00	700.04	700.04-	242546.891
Twelve (12) Months from Lease Commencement	0.00	702.11	702.11-	243263.044
Thirteen (13) Months from Lease Commencement	5,929.00	704.18	5,224.82	237933.727
Fourteen (14) Months from Lease Commencement	5,929.00	688.75	5,240.25	232588.672
Fifteen (15) Months from Lease Commencement	5,929.00	673.28	5,255.72	227227.838
Sixteen (16) Months from Lease Commencement	5,929.00	657.76	5,271.24	221851.173
Seventeen (17) Months from Lease Commencement	5,929.00	642.20	5,286.80	216458.637
Eighteen (18) Months from Lease Commencement	5,929.00	626.59	5,302.41	211050.179
Nineteen (19) Months from Lease Commencement	0.00	610.93	610.93-	211673.327
Twenty (20) Months from Lease Commencement	0.00	612.73	612.73-	212298.312
Twenty One (21) Months from Lease Commencement	0.00	614.54	614.54-	212925.143
Twenty Two (22) Months from Lease Commencement	0.00	616.36	616.36-	213553.83
Twenty Three (23) Months from Lease Commencement	0.00	618.18	618.18-	214184.374
Twenty Four (24) Months from Lease Commencement	0.00	620.00	620.00-	214816.774
Twenty Five (25) Months from Lease Commencement	5,929.00	621.83	5,307.17	209403.46
Twenty Six (26) Months from Lease Commencement	5,929.00	606.16	5,322.84	203974.163
Twenty Seven (27) Months from Lease Commencement	5,929.00	590.45	5,338.55	198528.842
Twenty Eight (28) Months from Lease Commencement	5,929.00	574.69	5,354.31	193067.446
Twenty Nine (29) Months from Lease Commencement	5,929.00	558.88	5,370.12	187589.924
Thirty (30) Months from Lease Commencement	5,929.00	543.02	5,385.98	182096.224
Thirty One (31) Months from Lease Commencement	0.00	527.12	527.12-	182633.887
Thirty Two (32) Months from Lease Commencement	0.00	528.67	528.67-	183173.13
Thirty Three (33) Months from Lease Commencement	0.00	530.23	530.23-	183713.965
Thirty Four (34) Months from Lease Commencement	0.00	531.80	531.80-	184256.401
Thirty Five (35) Months from Lease Commencement	0.00	533.37	533.37-	184800.438
Thirty Six (36) Months from Lease Commencement	0.00	534.95	534.95-	185346.087
Thirty Seven (37) Months from Lease Commencement	5,929.00	536.52	5,392.48	179845.757
Thirty Eight (38) Months from Lease Commencement	5,929.00	520.60	5,408.40	174329.189
Thirty Nine (39) Months from Lease Commencement	5,929.00	504.63	5,424.37	168796.332
Forty (40) Months from Lease Commencement	5,929.00	488.62	5,440.38	163247.144
Forty One (41) Months from Lease Commencement	5,929.00	472.55	5,456.45	157681.565
Forty Two (42) Months from Lease Commencement	5,929.00	456.44	5,472.56	152099.554
Forty Three (43) Months from Lease Commencement	0.00	440.29	440.29-	152548.65
Forty Four (44) Months from Lease Commencement	0.00	441.59	441.59-	152999.072
Forty Five (45) Months from Lease Commencement	0.00	442.89	442.89-	153450.82
Forty Six (46) Months from Lease Commencement	0.00	444.20	444.20-	153903.904
Forty Seven (47) Months from Lease Commencement	0.00	445.51	445.51-	154358.324
Forty Eight (48) Months from Lease Commencement	0.00	446.82	446.82-	154814.08
Forty Nine (49) Months from Lease Commencement	5,929.00	448.14	5,480.86	149223.603
Fifty (50) Months from Lease Commencement	5,929.00	431.96	5,497.04	143616.622
Fifty One (51) Months from Lease Commencement	5,929.00	415.73	5,513.27	137993.087
Fifty Two (52) Months from Lease Commencement	5,929.00	399.45	5,529.55	132352.946
Fifty Three (53) Months from Lease Commencement	5,929.00	383.12	5,545.88	126696.148

Fifty Four (54) Months from Lease Commencement	5,929.00	366.75	5,562.25	121022.653
Fifty Five (55) Months from Lease Commencement	119,000.00	350.34	118,649.66	0
Grand Totals	296,870.00	31,457.75	265,412.25	

Lessee: City Of Rapid City, South Dakota By: _____ Sam Kooiker, Mayor

EXHIBIT E
INSURANCE COVERAGE DISCLOSURE
TO LEASE-PURCHASE AGREEMENT NO. 008-0185427-300
DATED AS OF January 31, 2013

RE: INSURANCE COVERAGE REQUIREMENTS

1. In accordance with the Lease-Purchase Agreement, Lessee certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Insurance Company Liability:	**Agent Name:**	**Business Phone #** **Fax Phone #**
Insurance Company Property:	**Agent Name:**	**Business Phone #** **Fax Phone #**

to issue: (check to indicate coverage)

__X__ a. All Risk Physical Damage Insurance on the leased Property evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming TCF Equipment Finance, Inc. and/or its assigns as Loss Payee.

Coverage Required: Termination Value Specified.

__X__ b. Public Liability Insurance evidenced by a Certificate of Insurance naming TCF Equipment Finance, Inc. and/or its assigns as an Additional Insured.

Minimum Coverage Required:

$1,000,000 per person
$1,000,000 aggregate bodily injury liability
$1,000,000 property damage liability.

Proof of insurance coverage will be provided to TCF Equipment Finance, Inc., 11100 Wayzata Boulevard, Suite 801, Minnetonka, Minnesota 55305, prior to the time that the property is delivered to Lessee (please fax a copy of the Certificate of Insurance or binder to Lisa Heath at (636) 779-0343.)

Lessee: City Of Rapid City, South Dakota By: _____ Jeff Biegler,

Park & Recreation Director

SD EForm - 1932 V5

South Dakota Streamlined Sales Tax Agreement

Certificate of Exemption

Warning to purchaser:

This is a multi-state form. Not all states allow all exemptions listed on this form. Purchasers are responsible for knowing if they qualify to claim exemption from tax in the state that is due tax on this sale. The state that is due tax on this sale may be notified that you claimed exemption from sales tax.

The purchaser will be held liable for any tax and interest, and possible civil and criminal penalties imposed by the member state, if the purchaser is not eligible to claim this exemption.

1. ☐ **Check if you are attaching the Multistate Supplemental form.**

☐☐ **If not, enter the two-letter abbreviation** for the state under whose laws you are claiming exemption.

2. ☐ Check if this certificate is for a **Single Purchase Certificate**. Invoice/purchase order #_____.

3. Print or type

A. Name of purchaser

B. Business address | City | State | Zip code

C. Purchaser's tax ID number | State of Issue | County of Issue

D. If no tax ID number, enter FEIN

E. If no ID number or FEIN, enter Driver's License Number/State Issued ID number | state of issue

F. Foreign diplomat number

G. Name of seller from whom you are purchasing, leasing or renting
TCF Equipment Finance, Inc.

H. Seller's address | City | State | Zip code
11100 Wayzata Blvd., Suite 801 | Minnetonka | MN | 55305

4. Check type of business

Purchaser's Type of business. Check the number that best describes your business.

- ☐ 01 Accommodation and food services
- ☐ 02 Agriculture, forestry, fishing, hunting
- ☐ 03 Construction
- ☐ 04 Finance and insurance
- ☐ 05 Information, publishing and communications
- ☐ 06 Manufacturing
- ☐ 07 Mining
- ☐ 08 Real estate
- ☐ 09 Rental and leasing
- ☐ 10 Retail trade
- ☐ 11 Transportation and warehousing
- ☐ 12 Utilities
- ☐ 13 Wholesale trade
- ☐ 14 Business services
- ☐ 15 Professional services
- ☐ 16 Education and health-care services
- ☐ 17 Nonprofit organization
- ☐ 18 Government
- ☐ 19 Not a business
- ☐ 20 Other (*explain*)_____

5. Check reason for exemption

Reason for exemption. Check the letter that identifies the reason for the exemption.

- A ☐ Federal government (*Department*) _____
- B ☐ State or local government (*Agency*) _____
- C ☐ Tribal government
- D ☐ Foreign diplomat
- E ☐ Charitable organization
- F ☐ Religious or educational organization
- G ☐ Resale
- H ☐ Agricultural
- I Industrial production/manufacturing Does not apply in SD
- J ☐ Direct pay permit
- K ☐ Direct mail
- L ☐ Other (*Explain*) _____

6. Sign here

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief.

Signature of authorized purchaser | Print name here | Title | Date

South Dakota Streamlined Sales and Use Tax Agreement

Certificate of Exemption: Multistate Supplemental

Name of Purchaser

State	Reason for exemption	Identification number (if required)
AR*		
IA		
IN		
KS		
KY		
MI		
MN		
NC		
ND		
NE		
NJ		
NV		
OH		
OK		
SD		
TN*		
UT		
WV		
WY		

* SSUTA Direct Mail and MPU provisions are not in effect for Arkansas and Tennessee

A seller doing business in a state that is not a member of the Streamlined Agreement must obtain documentation to support exempt transactions as required by that state.

South Dakota Streamlined Sales and Use Tax Agreement
Certificate of Exemption Instructions

Use this form to claim exemption from sales tax on purchases of otherwise taxable items. The purchaser must complete all fields on the exemption certificate and provide the fully completed certificate to the seller in order to claim exemption.

Warning to purchaser: You are responsible for ensuring that you are eligible for the exemption you are claiming. You will be held liable for any tax and interest, as well as penalties imposed by the member state due the tax on your purchase, if the purchase is not legally exempt.

Misuse of exemption certificates in South Dakota: Any purchaser who knowingly and intentionally purchases items for resale that he or she knows will not be resold, or provides an invalid exemption certificate with the intent to evade payment of the tax, must pay the use tax on these items and is guilty of a Class I misdemeanor and may be fined up to 50% of the tax owed. If a business legitimately purchases an item for resale, but later uses that item, the purchaser is responsible for reporting and paying use tax on that item.

Purchaser instructions for completing the exemption certificate

1. Some purchasers may wish to complete a single certificate for multiple states where they conduct business and regularly make exempt purchases from the same seller. If you do, check the box on the front of the SSUTA Certificate of Exemption to indicate that you are attaching the *Multistate Supplemental* form.

   If you are not attaching the Multistate Supplemental form, enter the two-letter postal abbreviation for the state under whose laws you are claiming exemption. For example, if you are claiming an exemption from sales or use tax imposed by the state of Minnesota, enter "MN" in the boxes provided. If you are claiming exemption for more than one member state, complete the *SSUTA Certificate of Exemption: Multistate Supplemental* form.

2. **Single purchase exemption certificate:** Check this box if this exemption certificate is being used for a single purchase. Include the invoice or purchase order number for the transaction.

   If this box is not checked, this certificate will be treated as a blanket certificate. A blanket certificate continues in force so long as the purchaser is making recurring purchases *(at least one purchase within a period of twelve consecutive months)* or until otherwise cancelled by the purchaser.

3. **Purchaser information:** Complete the purchaser and seller information section, as requested. You must include an identification number for you or your business. Include your state tax identification number and identify the state and/or country that issued the number to you. If you do not have a state tax identification number, enter the Federal Employers Identification Number (FEIN) issued to your business, or if no FEIN number is required, enter your personal driver's license number and the state in which it is issued. Foreign diplomats and consular personnel must enter the individual tax identification number shown on the sales tax exemption card issued to you by the United States Department of State's Office of Foreign Missions.

   Multistate Purchasers: The purchaser should enter its headquarters address as its business address.

4. **Type of business:** Check the number that best describes your business or organization. If none of the categories apply, check number 20 and provide a brief description.

5. **Reason for exemption:** Check the exemption that applies to you or your business and enter the additional information requested for that exemption. If the member state that is due tax on your purchase does not require the additional information requested for the exemption reason code checked, enter "NA" for not applicable on the appropriate line. If an exemption that is not listed applies, check "L Other" and enter an explanation. The explanation for "L Other" must include a clear and concise explanation of the reason for the exemption claimed.

   Multistate Purchasers: Attach the *SSUTA Certificate of Exemption – Multistate Supplemental Form* and indicate the applicable reason for exemption and identification number (if required) for each of the additional states in which the purchaser wishes to claim exemption from tax.

   CAUTION: The exemptions listed are general exemptions most commonly allowed by member states. However, each state's laws governing exemptions are different. Not all of the reasons listed may be valid exemptions in the state in which you are claiming exemption. In addition, each state has other exemptions that may not be listed on this form. To determine what sales and use tax exemptions are allowed in a particular state refer to the state's web site or other information available relating to that state's exemptions.

Seller: You are required to maintain proper records of exempt transactions and provide those records, to Member states of the SST Governing Board, Inc., when requested. These certificates may be provided in paper or electronic format. Exemption certificates must be made available to Member states in the form it is maintained.

You are relieved of the responsibility for collecting and remitting sales tax on the sale or sales for which the purchaser provided you with this exemption certificate, even if it is ultimately determined that the purchaser improperly claimed an exemption, provided all of the following conditions are met:

1. All fields on the exemption certificate are completed by the purchaser;
2. The fully completed exemption certificate is provided to you at the time of sale;
3. The purchaser claims an entity-based exemption on a purchase made at a seller's location in a state that allows the exemption.
4. If a business purchaser claims a multiple points of use exemption reason code, the items being purchased are not tangible personal property other than computer software;
5. You do not fraudulently fail to collect the tax due; and
6. You do not solicit customers to unlawfully claim an exemption.

Reasons for Exemption - Additional Information for South Dakota Exemptions

A. Federal Government must indicate the agency name on the certificate.

B. State and local agencies include public or municipal corporations of the State of South Dakota; municipal or volunteer fire or ambulance departments; public schools, including K-12, universities, and technical institutes that are supported by the State of South Dakota; or public or municipal corporations of South Dakota.

Government entities must provide an exemption certificate to the vendor or the vendor must keep documentation to show the purchase was paid from government funds. Documentation may include a purchase order or a check stub. Government entities are not required to list an exemption number on the exemption certificate. Agencies that have exemption numbers should include that number on the certificate section 3, Line C. If they do not have a tax ID, enter their FEIN in Section 3, Line D. ***Purchases made by an employee who is reimbursed by government funds are taxable.***

C. Tribal Government must indicate the agency name on the certificate. Enter FEIN in Section 3, line D.

D. Foreign diplomats will have a card that contains their identification and information about the extent of their tax exemption. If the official qualifies for the exemption, write the individual tax exemption number from the card on the exemption certificate, Section 3, Line F.

E. Charitable organizations include non-profit hospitals and relief agencies. Relief agencies must have a permit from the Department of Revenue & Regulation. Enter tax ID number in Section 3, line C.

F. Religious and private schools must have a permit from the Department of Revenue & Regulation. Enter tax ID number in section 3 line C. ***Churches are NOT exempt from South Dakota sales or use tax.***

Employee Purchases - The exemption from sales and use tax for the above agencies does not extend to the purchase of products or services for the personal use of officials, members, or employees of such institutions. The exempt entity must pay the vendor from the exempt entity's funds. Payment may be made by the exempt entity's check or credit card.

G. Resale or Re-lease – **South Dakota tax permits that contain the letters "UT" or "ET" cannot purchase products for resale.** Enter tax ID number in section 3, line C.

H. Agricultural Products - Purchasers of products and services that are exempt when used exclusively by the purchaser for agricultural purposes must complete an exemption certificate if there is doubt as to the intended usage. **Repair, Repair Parts, and Maintenance Items and Services Tax Exemption** – Maintenance items, services and repairs, including parts, for farm machinery, farm machinery attachments units and irrigation equipment used primarily for agricultural purposes are exempt from sales and use tax. Exempt parts must replace a farm machinery, farm machinery attachment unit, or irrigation equipment part that has a specific or generic part number assigned to it by the farm implement manufacturer. **List the product or service that is being purchased exempt from tax.** South Dakota does not require a tax ID number when purchasing exempt agricultural products or services for Agricultural use. Purchasers from states other than SD should provide their FEIN (line D) or Drivers License (line E).

I. Industrial product/manufacturing – South Dakota does not exempt Industrial or manufacturing equipment.

J. Direct Payment Permit - The direct payment permit holder may purchase products without sales tax and remits use tax directly to the state. Enter tax ID number in section 3, line C.

K. Direct Mail – A purchaser of direct mail may provide the seller a direct mail form. The purchaser is responsible for remitting use tax. Enter Tax ID number in section 3, line C.

L. Other - Must include a clear and concise explanation of the reason for the exemption claimed.

For additional information please review the Exemption Certificate Tax Facts available at www.state.sd.us/drr or by calling 1-800-829-9188.

Form **8038-G** (Rev. September 2011) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: City Of Rapid City, South Dakota
2 Issuer's employer identification number (EIN): 46-6000380
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)
3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address): 3626 Jackson Blvd, Rapid City, SD 57702 — Room/suite
5 Report number (*For IRS Use Only*): 3
6 City, town, or post office, state, and ZIP code
7 Date of issue
8 Name of issue: City Of Rapid City, South Dakota
9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)
10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶ Golf Cars	18	265,412	25
19	If obligations are TANs or RANs, check only box 19a ▶ ☐			
	If obligations are BANs, check only box 19b ▶ ☐			
20	If obligations are in the form of a lease or installment sale, check box ▶ ☑			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		$ 265,412.25	$	6 years	3.543 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) N/A

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24			
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to currently refund prior issues	27			
28	Proceeds used to advance refund prior issues	28			
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . | 35 |

36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . . | 36a |

b Enter the final maturity date of the GIC ▶ _____

c Enter the name of the GIC provider ▶ _____

37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . . | 37 |

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶ _____

c Enter the EIN of the issuer of the master pool obligation ▶ _____

d Enter the name of the issuer of the master pool obligation ▶ _____

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶ _____

c Type of hedge ▶ _____

d Term of hedge ▶ _____

42 If the issuer has superintegrated the hedge, check box . . . . . ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement . . . . . ▶ _____

b Enter the date the official intent was adopted ▶ _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Signature of issuer's authorized representative Date ▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	