

MEMORANDUM OF UNDERSTANDING

WHEREAS, the City of Rapid City (City) has included funding in the Vision 2012 program for the construction of a project known as Main Street Square to be located at the northeast intersection of Sixth and Main Streets; and

WHEREAS, Destination Rapid City (DRC) has been a proponent of the construction of the Main Street Square (MSS) project and has committed to providing private funding for Three Million Dollars (\$3,000,000.00) to bring the project to completion; and

WHEREAS, DRC has previously deposited One Million Dollars (\$1,000,000.00) of the funding with the City; and

WHEREAS, the City and DRC have determined that it is in their mutual best interests to formalize the understanding between the parties into a legally enforceable agreement.

NOW THEREFORE, BE IT AGREED by the City of Rapid City and Destination Rapid City, Inc., as follows:

1) Destination Rapid City will provide the City with all necessary design and construction plans for the MSS project, consistent with the proposal submitted for Vision 2012 funding.

2) Destination Rapid City will provide the following equipment to the City for use in the MSS project. The value of the equipment provided by DRC shall be recognized by the City as a portion of DRC's contribution to the MSS project:

Fountain systems and installation	\$ 857,000.00
Audio visual equipment and installation	150,000.00
Lawn light towers (custom)	140,000.00
Alley utilities-fiber optic vault relocate	10,000.00
Alley utilities-bury primary electrical	150,000.00
Glycolmatting and dasher boards	125,000.00
Artwork commission	150,000.00
Black Hills tapestry granite	418,000.00
TOTAL:	\$2,000,000.00

3) The City will advertise for bids the construction of the Main Street Square per the plans and specification provided by DRC.

4) The City will provide Three Million Five Hundred Thousand Dollars (\$3,500,000.00), as identified in the adopted five plan for the Vision 2012 program, toward the construction costs and will use the money previously donated to the City by DRC in the amount of One Million Dollars (\$1,000,000.00) for a total construction budget of Four Million Five Hundred Thousand Dollars (\$4,500,000.00). In addition, the City will use the equipment to be

donated as identified above for a total project cost of Six Million Five Hundred Thousand Dollars (\$6,500,000.00).

5) Any additional costs of construction that exceed the Four Million Five Hundred Thousand Dollars (\$4,500,000.00) construction budget shall be paid by DRC. Prior to the City approving any change order for costs in excess of the construction budget, DRC shall deposit the necessary funding with the City.

6) DRC acknowledges that time is of the essence in its provision of the equipment identified herein to the City. Delays in providing the equipment may cause the City or its contractor to incur additional expense. In case of additional expenses that arise out of a delay in delivering the equipment, DRC shall make the City whole for any additional expenses actually incurred.

7) DRC will hire 4-Front Design, Inc., to provide all necessary construction observation and administration services for the MSS project. The City shall not be responsible for any of the costs of construction observation and administration services.

Dated this _____ day of September, 2010.

CITY OF RAPID CITY

Alan Hanks, Mayor

ATTEST:

Finance Officer

(SEAL)

DESTINATION RAPID CITY

By:_____
President