

JENNIFER HANSON
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August 28, 2014

Ms. Pauline Sumption
Finance Officer
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Re: Proposal to Provide Legal Services

Dear Ms. Sumption:

Thank you for the opportunity to be considered to serve as counsel to the City of Rapid City (the "City") in connection with its planned financing of an expansion to the Rushmore Plaza Civic Center (the "Civic Center"). We have outlined a proposal for our services by letter dated July 21, 2014. As more fully described in such proposal, we would propose a fee of between \$75-100,000 (depending on actual time spent) for our services as bond counsel with respect to the initial issuance of bonds for the Civic Center (the "Bonds"), which would include:

- Review and advice as to structuring, including sources of funding and security;
- research as to constitutional, legislative and municipal authorities;
- advice as to compliance with or amendment of City ordinances;
- counseling and drafting in connection with any election proceedings;
- drafting of resolutions, ordinances, and operative documents for bond issuance;
- analysis of any "private use" concerns with respect to the Civic Center, including review of any proposed sponsorships, naming rights or advertising agreements or policies, management agreements with private operators of any portion of the bond financed property;
- delivery of an opinion as to the tax-exemption of interest on the bonds.

In the event that an election is held with respect to the financing and such election fails, our fee would be limited to no more than \$20,000.

If asked to serve as disclosure counsel (recognizing that this decision might not be made until after the engagement of an underwriter), our fee would be approximately \$30-40,000, and our services

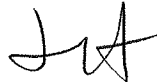
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would include drafting the offering document for the Bonds, in cooperation with the City and other parties.

In performing our services as bond and disclosure counsel, our client would be the City, and we would represent your interests. We will not represent any other party in this financing, and it is mutually understood that the services to be provided by us as described herein are solely for the benefit of the City.

If you have additional questions, please call me. If the foregoing is acceptable, please confirm that consent by signing and dating the enclosed acknowledgment copy of this letter and returning it to me. We appreciate the opportunity to work with you.

Sincerely,



Jennifer L. Hanson

JLH/pmh

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Accepted and agreed to this ____ day of _____, 2014.

CITY OF RAPID CITY

By _____
Finance Officer

Accepted and agreed to this ____ day of _____, 2014.

CITY OF RAPID CITY

By _____
Mayor