

AGREEMENT

Agreement entered into as of the dates set forth in the acknowledgments below by and between the City of Rapid City, State of South Dakota, hereinafter referred to as "City", Rushmore Bank and Trust of Rapid City, South Dakota, hereinafter referred to as "RBT", and Red Rocks Development, L.L.C., a South Dakota limited liability company, with offices in Rapid City, South Dakota, hereinafter referred to as "Red Rocks".

WHEREAS, City has passed a Resolution creating a Tax Increment Financing District 32 to allow for the acquisition of certain real estate to allow for the construction of water metering dams, a copy of said Resolution being attached hereto as Exhibit "A" which by reference hereto is incorporated herein; and

WHEREAS, Red Rocks has agreed to advance the funds necessary to accomplish the goals to be achieved by the Tax Increment Financing District 32 aforesaid; and

WHEREAS, RBT has agreed to loan the funds to Red Rocks to accomplish said purpose on the condition that the real estate taxes which are collected for the Tax Increment Financing District 32 are paid directly by City to RBT until the entire loan, plus accrued interest is paid in full, it is hereby

STIPULATED AND AGREED AS FOLLOWS:

1. City will pay directly to RBT those real estate taxes collected which are subject to the Tax Increment Financing District 32 until the loan obligation incurred at RBT by Red Rocks for purposes relating solely to the Tax Increment Financing District 32 are paid in full.
2. RBT agrees that there is no personal liability by City for the loan obligation of Red Rocks in this regard. Rather, RBT shall look solely to Red Rocks and its guarantors, for any personal liability.
3. RBT agrees to provide monthly financial reports to City and Red Rocks to advise them of the on-going status of the note obligation.
4. All parties to this Agreement acknowledge that in the event Red Rocks makes any payments on the note obligation to RBT for this Tax Increment Financing District 32, said payments will not reduce the obligation of City to assign the Tax Increment Financing District 32 payments to RBT until the entire tax increment district obligation is paid in full. Said assignment shall continue until Red Rocks has been paid in full, including interest.
5. All parties stipulate and agree that the Tax Increment Financing District 32 shall dissolve upon all debts to RBT and Red Rocks being paid in full.

CITY OF RAPID CITY

By: _____
Jerry Munson, Mayor

ATTEST:

Finance Officer

(SEAL)

RUSHMORE BANK & TRUST

By: _____
Its: _____

RED ROCKS DEVELOPMENT, L.L.C.

By: _____
Its: _____

State of South Dakota)
 SS.
County of Pennington)

On this the _____ day of _____, 2001, before me, the undersigned officer, personally appeared Jerry Munson and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation, and that they as such Mayor and Finance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public, South Dakota

My Commission Expires:

(SEAL)

State of South Dakota)
 SS.
County of Pennington)

On this the _____ day of _____, 2001, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of Rushmore Bank and Trust, and that he as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of American State Bank by himself as _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public, South Dakota

My Commission Expires:

(SEAL)

State of South Dakota)
 SS.
County of Pennington)

On this the _____ day of _____, 2001, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of Red Rocks Development, L.L.C., a limited liability company, and that as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Red Rocks Development, L.L.C. by himself as _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public, South Dakota

My Commission Expires:

(SEAL)

Prepared By: CITY ATTORNEY'S OFFICE