

ADDENDUM TO COST SHARING AGREEMENT

This addendum is entered into by and between the City of Rapid City, a municipal corporation herein after referred to as the “City” and JR Investments, LLC, a South Dakota corporation, herein after referred to as the “Developer.”

WHEREAS, JR Investments, LLC, is the successor in interest to SDC, Inc.; and

WHEREAS, the partners in JR Investments, LLC, are identical to the partners in SDC, Inc.; and

WHEREAS, the City and SDC, Inc. entered into an agreement in August of 2001 whereby they agreed to share the costs of designing and constructing a water main extension to the Developer’s property; and

WHEREAS, the Developer agreed to pay 42% of the cost of extending the water main to its property; and

WHEREAS, The City agreed to collect a connection fee which it would use to reimburse the Developer for the difference between what the Developer’s pro rata share of the water main extension project costs would have been and what the Developer actually expended on the project; and

WHEREAS, pursuant to the original agreement, the Developer’s total obligation to the City is \$113,464.61; and

WHEREAS, the Developer has already paid the City \$78,436.38 for its share of the project costs; and

WHEREAS, the Developer’s pro rata share of the project costs are \$23,317.35; and

WHEREAS, once the Developer pays its total share of the final costs, the City would have an obligation to collect and refund to the Developer \$90,147.26 in connection fees; and

WHEREAS, it would benefit both parties financially if the original agreement is modified so that the City waived the final \$35,028.23 that is owed by the Developer for its share of the project costs and in exchange the Developer waived its right to reimbursement from connection fees.

NOW THEREFORE, the parties agree to modify the original agreement as follows:

1. The City waives the requirement that the Developer pay to the City the final \$35,028.23 for its share of the total project costs.

2. In exchange for the City waiving the payment of the final \$35,028.23, the Developer agrees to waive any claim for reimbursement from the City for the difference between its pro rata share of the project costs and the \$78,436.38 it has already expended.

3. The Riddles, d/b/a JR Investments LLC and R&R Realty LLP, have paid their pro rata share of the fees for the parcels within current PINs 3711400010, 3711400012, 3711400013, and 3711400014 and legally described as:

Tract C, Revised, Walpole Heights Subdivision, located in Section 11 of T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, consisting of 5.65 acres more or less; and

Lot AB of the E1/2 of the SE1/4 of Section 11 of T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, consisting of .4 acres more or less; and

Tract A, Revised, Less Lot H8, Tract D, Walpole Heights Subdivision, located in Section 11 of T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, consisting of 3.18 acres more or less; and

Lot AB1 of the NE1/4SE1/4 of Section 11 of T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, consisting of .45 acres more or less; and

therefore would owe no further construction fees for future connections from these parcels; and

4. All other terms and conditions of the original agreement shall remain in effect.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

JR INVESTMENTS, LLC.

BY:
ITS:

STATE OF SOUTH DAKOTA)
)ss.
COUNTY OF PENNINGTON)

On this ____ day of _____, 2006, before me, the undersigned officer, personally appeared Jim Shaw and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City 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 as such Mayor and Finance Officer of the City of Rapid City.

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

[SEAL]

Notary Public, State of South Dakota
My Commission Expires:_____

STATE OF SOUTH DAKOTA)
)ss.
COUNTY OF PENNINGTON)

On this ____ day of _____, 2006, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of JR Investments, LLC, and that as such, being duly authorized so to do, executed the foregoing instrument for the purposes herein contained.

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

[SEAL]

Notary Public, State of South Dakota
My Commission Expires:_____