

Market Square LLC

PO Box 7794 Rapid City SD 57709

October 21, 2009

Rapid City Council

Attn : Ms Maggie Paul
Paralegal
City of Rapid City
300 Sixth Street
Rapid City SD 57701

Dear Ms Paul:

I am submitting a letter requesting a change to our developer's agreement Tax Increment District 52 which was created on May 2, 2005.

The Tax Increment District as originally written provided funding for three distinct elements: (1) Improvements to East St Charles, (2) drainage improvement, and (3) reclamation of the snow dump site. At the time of the application, it was our intent to 'fully' develop our property now called Market Square with several structures and incorporate all three elements above into our original devised plan for the overall property. Market conditions however, have necessitated a drastic change in our ability to fully realize our original plan. It is because of changing market conditions that progress has been all but stalled, after we completed our first structure and the all the drainage improvements (part 2 above) of the TIFF requirements.

Given our current vacancy rate in the structure that was completed, and unforeseeable changes in current market conditions we do not anticipate being able to complete elements (1) and (3) of the original developers agreement by contract end. We are therefore requesting an amendment/ modification to the original document to reflect this change.

While it is our intent to move forward with this development as market conditions allow we can not forecast when that might be but would like the opportunity be reapply for a new TIFF to complete the work on E St Charles and reclamation of the snow dump site when conditions allow.

Please note since the award was granted we underwent a name change to our company from Park Meadows LLC to Market Square LLC. Please let me know if I need to provide any additional information to process this request. I appreciate your efforts is doing so.

Sincerely,

James Letner

Owner, Market Square LLC