



All of **us** serving you™

P.O. Box 90
701 Saint Joseph Street
Rapid City, SD 57709

January 20, 2012

Patrick Hall
Hani Shafai
President's Plaza, LLC
528 Kansas City Street
Rapid City, SD 57701

Mr. Hall and Mr. Shafai:

U.S. Bank National Association is pleased to propose financing to President's Plaza, LLC for your Rapid City, South Dakota commercial real estate project which includes office, retail, hotel & convention center and parking components.

The preliminary construction budget indicates a project cost of approximately \$45.5 million, subject to final space requirements of proposed tenants and ultimately, obtaining firm construction bids. The financing for this project is expected to come from a combination of sources including, but not limited to:

- a) new market tax credit leverage loan (traditional commercial real estate bank financing relating to portions of the project that qualify for new market tax credits;
- b) traditional commercial real estate bank financing relating to the portion of the project that does not qualify for new market tax credits (ie: residential condominiums);
- c) tax increment financing;
- d) capital generated from new market tax credits;
- e) economic development funds from the City of Rapid City, South Dakota's "2012 Fund";
- f) investor capital; and,
- g) a land contribution by the City of Rapid City.

U.S. Bank has provided confidential discussion letters regarding the new market tax credit leverage loan, the traditional commercial real estate financing component and the tax increment financing. U.S. Bank is also in discussion to purchase the new market tax credits associated with the project.

U.S. Bank will continue to work with President's Plaza, LLC towards the goal to bring this long anticipated project to downtown Rapid City.

Sincerely;

U.S. BANK NATIONAL ASSOCIATION

Douglas K. Jackson
Vice President
Commercial Banking