

AMENDMENT TO THE
CONTRACT FOR PRIVATE DEVELOPMENT
TAX INCREMENT DISTRICT NUMBER FIFTY-SIX

Between

MAP RUSHMORE, LLC

and

MIDLAND RUSHMORE, LLC

and

BANKWEST OF RAPID CITY

and

THE CITY OF RAPID CITY, SOUTH DAKOTA

WHEREAS, the City of Rapid City ("City") and MAP Rushmore, LLC ("Developer") entered into a Contract for Private Development ("Developer's Agreement") on January 2, 2007; and

WHEREAS, the City approved an Assignment Agreement which assigned the Developer's interest in the proceeds of Tax Increment District Number Fifty-Six under the Developer's Agreement to Bankwest of Rapid City ("Bankwest") on January 2, 2007; and

WHEREAS, the City, Developer and Bankwest amended the Assignment Agreement on January 15, 2007, to acknowledge that the actual Developer for the project is Midland Rushmore, LLC not MAP Rushmore, LLC; and

WHEREAS, the Developer requested that the approved Project Plan for Tax Increment District number Fifty-Six be revised to facilitate the construction of water and sewer improvements to benefit this project and the surrounding area in general; and

WHEREAS, the City approved a Third Revised Project Plan for Tax Increment District Number Fifty-Six on August 20, 2007; and

WHEREAS, the Third Revised Project Plan increases the costs for the construction of Farnwood/Elgin Street by reducing the financing interest, the costs to relocate power lines and the necessary and convenient costs, it also moves \$500,000 from Phase II of the project to Phase I to facilitate the construction of the proposed north-south street as part of Phase I, finally, it reallocates the costs of constructing the water and sewer improvements from the Developer to the City; and

WHEREAS, the Developer and Bankwest have consented to the changes in the Third Revised Project Plan to facilitate the completion of the improvements included in this project.

NOW THEREFORE, the parties agree that the Contract for Private Development is hereby amended as follows:

1. The Developer of this project is Midland Rushmore, LLC, not MAP Rushmore, LLC. Midland Rushmore and MAP Rushmore acknowledge that they are both wholly owned subsidiaries of Midland Atlantic a development company located in Ohio.
2. The following Sections of the Developer's Agreement are amended as follows:

SECTION 4. The estimated project costs to be paid by Tax Increment District Number Fifty-Six as set forth in the approved Third Revised Project Plan, are as follows:

ESTIMATED DEVELOPER PROJECT COSTS FOR PHASE I TO BE PAID BY THE TAX INCREMENT DISTRICT

Phase I Project Costs

Capital Costs:	
Farnwood/Eglin Street	\$ 4,936,563.00
Regional Detention Dam	\$ 650,000.00
Traffic Signals	\$ 260,000.00
Relocate Power Lines	\$ 530,000.00
Right-of-way purchase*	\$ 1,887,000.00
North/South Street (Luna Avenue)	\$ 500,000.00
Professional Service Costs	\$ 359,021.00
Financing Costs:	
Financing interest	\$ 6,370,353.19
Financing/Loan Fee	\$ 115,000.00
Contingency Costs:	\$ 0
Relocation Costs:	\$ 0
Organizational Costs:	\$ 0
Necessary and Convenient Costs:	\$ 1,387.24
Total Costs for the Developer--Phase I	\$ 15,609,324.43

ESTIMATED CITY PROJECT COSTS FOR PHASE I TO BE PAID BY THE TAX INCREMENT DISTRICT

Phase I Project Costs

Capital Costs:	
Water Main	\$ 780,000.00
Sanitary Sewer Main	\$ 1,026,000.00
Financing Costs:	
Financing interest	\$ 717,672.54
Total Costs for the City--Phase I	\$ 2,523,672.54

TOTAL PROJECT COSTS--PHASE I \$ 18,132,996.97

ESTIMATED DEVELOPER PROJECT COSTS FOR PHASE II TO BE PAID BY THE TAX INCREMENT DISTRICT

Phase II Project Costs

Capital Costs:	
North/South Street	\$ 1,255,000.00
Financing Costs:	
Financing interest	\$ 1,011,910.35
Total Costs for the Developer--Phase II	\$ 2,266,910.35

TOTAL PROJECT COSTS--PHASE II \$ 2,266,910.35

TOTAL PROJECT COSTS FOR PHASE I AND PHASE II \$ 20,399,907.32

Imputed Administrative Costs**
City of Rapid City \$ 2,050.00

*Any sales of excess land will return to the Tax Increment District to payoff project costs

**The imputed administrative costs are interest-free, are not included in the total project costs, and are to be paid from the balance remaining in the TID #56 fund available to the City Finance Officer on November 15, 2010.

SECTION 5. The Developer agrees to construct the improvements identified as its responsibility in Section 4 of this agreement at its expense. The Developer further agrees to start constructing the improvements contemplated in this agreement by December 31, 2007. The Developer has until December 31, 2009 to complete the Phase I improvements identified in Section 4 of this agreement. The Developer has five years from the date the district was created to complete the balance of the improvements. If the Developer does not comply with these deadlines, the City has the option to terminate this agreement as to any improvements that have not been constructed or on which construction has not been started. Prior to the City terminating the agreement, the City shall provide at least fourteen days written notice to the Developer and/or any entity that has an assignment interest in the proceeds of the tax increment funds of the date and time of the meeting at which the City Council will consider terminating the agreement.

SECTION 11. It is understood by the parties that it will not be possible to determine what the positive increment is until the Dept. of Revenue determines the certified land valuation for the property within the district. It is further understood that until the Dept. of Revenue determines the certified land value, no obligation to make deposits into the 'Fund' will arise. Once the certified land value of the district is received from the State, all positive tax increment payments for Tax Increment District Number Fifty-Six shall, upon receipt by the City, be deposited in a special fund to be known as the "Tax Increment District Number Fifty-Six Fund," hereinafter referred to as the "Fund." Subject to Sections 9, 10, 13 and 14 of this agreement and the limitation that at no time shall the cumulative total of payments made from the fund exceed the lesser of the total amount of disbursements certified pursuant to Section 9 of this agreement or the total of the estimated project costs set forth in the Third Revised Tax Increment District Number Fifty-Six Project Plan as well as any other limitations contained herein, the City shall, within thirty (30) days after the receipt of each tax increment payment from the Treasurer of Pennington County, disburse Eighty-Four Percent (84%) of the total amount within the "Fund" to the Developer or their designee and Sixteen Percent (16%) of the total amount in the "Fund" to the City for reimbursement of the City's .16 Fund. Once the City has been fully reimbursed for the amounts contained in the Third Revised Project Plan, One

