



Canyon Lake
RESORT

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2720 Chapel Lane, Rapid City, SD 57702
www.canyonlakeresorts.com

08/31/06

Marcia Elkins
Growth Management
City of Rapid City

Dear Marcia,

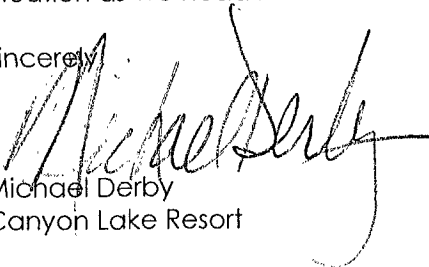
As part of receiving a temporary occupancy certificate for Cattail Lodge at Canyon Lake Resort, we agreed to pave the parking lot at our newly acquired Lake Park Resort Motel. In starting this project we received a new bid from Hills Materials Co. that was quite a bit higher than the original bid.

We are sure you have been faced with this same problem with City projects. Because we are way over budget, we are requesting an extension until June 15, 2007 to allow for a reduction in price and lower demand at the start of the construction season.

Traffic will be minimal this winter as most of the motel will be closed and winterized.

Your positive consideration of this will be greatly appreciated and certainly help our cash flow situation as we head into the winter.

Sincerely,



Michael Derby
Canyon Lake Resort

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SEP 05 2006
GROWTH MANAGEMENT
DEPARTMENT