

5/11/2007

Attached is a letter dated 12/09/2005 stating the goals of our major amendment to a Planned Commercial Development for the Canyon Lake Resort. It was our plan to start these projects in 2006 and finish in 2007. Due to unforeseen circumstances we have not been able to proceed as planned. In addition, we are going to revisit the possibility for building a luxury destination resort and convention facility at this site.

We would however like to propose another major amendment to our PCD that would implement a phasing plan that would allow us 2 more years in which to develop these items.

In the meantime we would also like to request that we be able to use the house on the property as a specialty resort rather than as a reception facility with alcohol sales as originally requested. With this downgrade in usage we would ask that our irrevocable standby letter of credit be extended until 11/15/2008 for paving which would give us the time necessary to make the appropriate arrangements.

Michael Derby  
Owner, Canyon Lake Resort

**RECEIVED**

MAY 11 2007

Rapid City Growth  
Management Department