

FIRST AMENDMENT TO
REVENUE OBLIGATION LOAN AGREEMENT

THIS FIRST AMENDMENT TO REVENUE OBLIGATION LOAN AGREEMENT made and entered into this 20th day of June, 2011, by and between the SOUTH DAKOTA CONSERVANCY DISTRICT (the "District"), a governmental agency, body politic and corporate of the State of South Dakota (the "State"), and the CITY OF RAPID CITY, SOUTH DAKOTA (the "Borrower").

RECITALS

WHEREAS, the parties entered into a Revenue Obligation Loan Agreement dated December 15, 2009 (the "Loan Agreement") pursuant to which the District agreed to loan the Borrower the sum of \$5,000,000 (the "Loan") for the purpose of financing certain improvements to the Borrower's wastewater collection, treatment and disposal system as specified in Appendix A to the Loan Agreement; and

WHEREAS, the parties desire to amend the Loan Agreement by modifying the description of the Project to be financed with the proceeds of the Loan; and

WHEREAS, the Borrower has secured an opinion of Bond Counsel as required by Section 3.2 of the Loan Agreement,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree to amend the Loan Agreement as follows:

1. Definitions. Except as provided herein, definitions, capitalized words and phrases used herein shall have the same meaning as that provided for such words and phrases in the Loan Agreement.

2. Amendment of Appendix A. The Project description set forth in Appendix A to the original Loan Agreement is hereby amended and restated as set forth on Appendix A attached hereto.

3. Effect of Amendment. Except as specifically modified herein, the Loan Agreement shall remain in full force and effect in accordance with its original terms and conditions.

IN WITNESS WHEREOF, the parties hereto set their hands as of the date first above written.

SOUTH DAKOTA CONSERVANCY DISTRICT

By: _____
Its: Chairman

Attest:

Its: Secretary

CITY OF RAPID CITY, SOUTH DAKOTA
as Borrower

By: _____
Its Mayor

By: _____
Its Finance Officer

Countersigned on behalf of Borrower by:

Resident Attorney

Accepted and agreed to by:

THE FIRST NATIONAL BANK IN
SIOUX FALLS, as Trustee

By: _____
Assistant Vice President and Trust Officer

[Signature page to First Amendment to Revenue Obligation Loan Agreement]

APPENDIX A

DESCRIPTION OF THE PROJECT
(amended on June 20, 2011)

The Project will consist of upgrades to the Borrower's existing Water Reclamation Facility, as outlined in the City's Facility Plan, dated July, 2009 and revised May 26, 2011.

The Borrower hereby certifies that the description of the property, improvements and activities set forth above constitutes an accurate description of the property, improvements and activities the costs of which are being financed, refinanced or reimbursed pursuant to the attached Loan Agreement. In case any portion of the Project is being refinanced, an accurate description of such debt and the dates on which it will be paid from proceeds of the Loan are also set forth above.

CITY OF RAPID CITY, SOUTH DAKOTA
Borrower

By _____
Title: Mayor
Dated: _____, 2011

ATTEST:

Finance Officer