

AMENDMENT NUMBER 2 TO AGREEMENT NUMBER 6874

BACKGROUND:

- 1. On August 29,1989, the State of South Dakota, acting by and through its Department of Transportation, referred to in this Amendment as "STATE," and the City of Rapid City, South Dakota, referred to in this Amendment as "CITY," entered into a financial and road swap agreement, which agreement, referred to in this Amendment as the "AGREEMENT," was signed by representatives of each party and assigned agreement number 6874 by STATE; and,
- 2. Having previously amended the AGREEMENT, the parties now wish to further amend the AGREEMENT.

STATE AND CITY MUTUALLY AGREE AS FOLLOWS:

- 1. Paragraph A.8. is amended to read as follows:
 - A. STATE agrees to perform the following activities:
 - 8. To fulfill STATE'S obligation of this AGREEMENT, rather than transferring Six Million Dollars (\$6,000,000) of federal dollars into CITY'S federal aid urban systems fund for CITY'S use, STATE will pay CITY state highway funds in the amount of Six Million Dollars (\$6,000,000). These funds will be paid to CITY once this Amendment is fully executed.

CITY may use the state highway funds payment only for the purpose of constructing and maintaining highways and bridges under CITY'S jurisdiction and control. CITY will not use any part of such payment for any other purpose than for the construction and maintenance of highways and bridges under CITY'S jurisdiction and control. CITY will not use the state highway funds payment for the purchase of capital assets, such as highway maintenance equipment.

CITY will keep detailed records, accounts, invoices, and supporting documents pertaining to all costs paid with the funds. Upon reasonable notice, CITY will allow STATE, through any authorized representative, to have access to and the right to examine and copy all records, accounts, invoices, and supporting documents pertaining to all costs paid for with the funds.
- 2. Except as specifically modified by this and the previous Amendment, all other terms of the original AGREEMENT will remain in full force and effect.
- 3. CITY has designated its Mayor as CITY'S authorized representative and has empowered the Mayor with the authority to sign this Amendment on behalf of CITY. A copy of CITY'S Commission minutes or resolution authorizing the execution of this Amendment by the Mayor as CITY'S representative is attached to this Amendment as Exhibit 1.

City of Rapid City, South Dakota

By: _____

Its: Mayor

Date: _____

Attest:

City Auditor/Clerk

(CITY SEAL)

State of South Dakota
Department of Transportation

By: _____

Its: Secretary

Date: _____

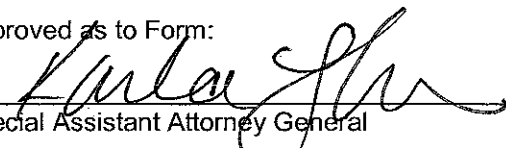
Division of Planning and Engineering

By: _____

Its: Director

Date: _____

Approved as to Form:



Special Assistant Attorney General