

CONTRACT FOR PRIVATE DEVELOPMENT
TAX INCREMENT DISTRICT NUMBER THIRTY FIVE
CITY OF RAPID CITY, PENNINGTON COUNTY, SOUTH DAKOTA

Between

Doyle Estes

and

CITY OF RAPID CITY, SOUTH DAKOTA

Dated as of August 5, 2002

THIS AGREEMENT, made and entered into as of this 5th day of August, 2002, between Doyle Estes (hereafter 'Estes') and the City of Rapid City, a municipal corporation and political subdivision of the state of South Dakota.

SECTION 1. The City of Rapid City Created Tax Increment District Number Thirty Five by resolution dated March 18, 2002.

SECTION 2. The City of Rapid City approved the development plan for Tax Increment District Number Thirty Five on March 18, 2002.

SECTION 3. The estimated project costs, as set forth in the plan, are as follows:

Capital Costs:

Drainage Pipe (Including excavation, fill materials, etc.)	\$185,000.00
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Professional Service

Engineering Design, Construction and Administration	\$15,000.00
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Financing Costs:

Financing interest:	\$264,103.23
Professional Fees:	\$0.00

Relocation Costs:	\$0.00
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Organizational Costs:	\$0.00
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Necessary and Convenient Costs:

Contingency	\$50,000.00
Other	\$0.00

TOTAL TID NUMBER 35 PROJECT COSTS	\$514,103.23
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Imputed Administrative Costs

City of Rapid City of Rapid City	\$2040.00
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To be paid March 15, 2007 as described in the approved development plan.

SECTION 4. The base value of the property located in Tax Increment District Number Thirty Five has been certified by the South Dakota Department of Revenue as Five Hundred Two Thousand Three Hundred Dollars (\$502,300.00).

SECTION 5. Estes will secure private financing to fund the improvements pursuant to the Tax Increment District Number Thirty Five plan, anticipated to be a bond or note, at an average interest rate over the life of the loan not to exceed Nine Percent (9%) per annum.

SECTION 6. Estes, shall complete the improvements described in the approved project plan. Upon completion, Estes shall certify to the Finance Officer that such improvements have been completed and shall certify the amount of money disbursed therefore. The City shall have the right to require reasonable documentation to establish that the amounts set forth in the Tax Increment District Number Thirty Five Plan have, in fact been disbursed in payment for the acquisition.

SECTION 7. All positive tax increments received in Tax Increment District Number Thirty Five shall, upon receipt by the City, be deposited in a special fund to be known as the "Tax Increment District Number Thirty Five Fund". The City shall, within thirty (30) days after receipt of each tax increment payment from the Treasurer of Pennington County, disburse all amounts in the fund to Estes, or his designee, subject to the following limitation: At no time shall the cumulative total of payments made from the fund exceed the lesser of the total amounts of disbursements certified pursuant to Section 6 of this Agreement or the total of the estimated project costs set forth in the plan for Tax Increment District Number Thirty Five.

SECTION 8. It is contemplated by the parties that Estes may assign his interest under this Agreement as security for the note or loan agreement, or other financing described in Section 5 thereof. It is understood and agreed, by and between the parties, that any such assignment shall be in writing and that if the City shall make disbursement pursuant to such assignment that it shall, to the extent of such disbursement, relieve the City of the obligations to make such disbursement to Estes.

SECTION 9. It is specifically a condition of this Agreement and a condition of the City's obligation to pay that all sums payable shall be limited to the proceeds of the positive tax increment from Tax Increment District Number Thirty Five received into the special fund specified in Section 7 hereof. The obligation of the City to pay pursuant to this Agreement does not constitute a general indebtedness of the City or a charge against the City's general taxing power. The provisions of SDCL 11-9-36 are specifically incorporated herein by reference.

It is also specifically agreed that the City has made no representation that the proceeds from such fund shall be sufficient to retire the indebtedness incurred by Estes, under Section 5 hereof. The parties further agree that SDCL 11-9-25 limits the duration of allocability of the positive tax increment payments to the fund created by Section 7 hereof.

SECTION 10. It is a condition of this agreement that all provisions of South Dakota law regarding the expenditure of public funds are incorporated herein. Specifically, the requirements of chapter 5-18 of the South Dakota Codified Laws are an integral part of

this agreement. Estes shall provide documentation of compliance with chapter 5-18 upon the request of the City of Rapid City.

Dated this _____ day of August, 2002.

Doyle Estes

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

(SEAL)