

**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 6878 by STATE; and,
2. STATE and CITY agreed to amend this AGREEMENT on December 2, 2009, further referred to as Amendment #1.
3. STATE and CITY wish to further amend the AGREEMENT.

**STATE AND CITY MUTUALLY AGREE AS FOLLOWS:**

1. Paragraph A.8 of the AGREEMENT is amended and replaced with the following:

A.8. – To fulfill the STATE'S obligation of this AGREEMENT, the STATE will transfer Six Million Dollars (\$6,000,000) of state highway funds into the CITY'S general fund for CITY'S use. These funds will be transferred to CITY once this amendment is fully executed.

The state highway funds payment may only be used for the purpose of constructing and maintaining highways and bridges under the CITY'S jurisdiction and control. No part of such payment will be used for any other purpose than for the construction and maintenance of highways and bridges under the CITY'S jurisdiction and control. The CITY will not use the state highway funds payment for the purchase of capital assets, such as highway maintenance equipment.

The CITY will keep detailed records, accounts, invoices, and supporting documents pertaining to all costs paid for with exchanged funds. Upon reasonable notice, the CITY will allow the 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 exchanged funds.

2. CITY and STATE agree, all of provisions of the parties' original agreement not modified by this amendment shall remain in full force and effect.
3. If the CITY breaches any of the terms or conditions of this Agreement, the STATE may terminate this Agreement at any time with or without notice.
4. 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 the authorized representative for CITY is attached to this Amendment as Exhibit 1.

This Amendment is binding upon signatories not as individuals but solely in their capacities as officials of their respective organizations and acknowledges proper action of STATE and CITY to enter into the same.

City of Rapid City, South Dakota

State of South Dakota  
Department of Transportation

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: Mayor

Its: Director of Planning and Engineering

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Auditor/Clerk

[City Seal]

Approved as to Form:

\_\_\_\_\_  
Special Assistant Attorney General