

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("**MOU**") is dated \_\_\_\_\_, 2021, and entered into by and between the CITY OF DEADWOOD, SOUTH DAKOTA (the "**City**"), and TRD, LLC, a South Dakota limited liability company ("**Developer**") (collectively, the "**Parties**").

### RECITALS:

WHEREAS, Developer has acquired Phase 1, Phase 1a and Phase 1b of the Preacher Smith Tract, Lawrence County, South Dakota, as shown on **Exhibit A** attached hereto (the "**Property**"); and

WHEREAS, City and Developer are exploring the possible development of the Property into residential / multi-family and retail/commercial development; and

WHEREAS, certain project costs incurred in the development of the Property would constitute Tax Increment Financing ("**TIF**") project costs, eligible for reimbursement under SDCL Chapter 11-9; and

WHEREAS, the Parties desire to enter into this MOU to set forth certain understandings regarding the project and to confirm their intent to move forward with evaluating a proposed TIF to stimulate the development of the Property.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties recognize and agree as follows:

1. **Property Attributes.** The Property is inside City limits
2. **TIF Eligibility.** Economic development within a city is an authorized use of tax increment districts under SDCL Chapter 11-9. None of the Property is currently developed. Developing the Property into a mixed-use development with multi-family, residential, office and retail space, is expected to promote economic development within the City. It will also conform to the standards of the comprehensive plan of the City in order to provide for the orderly development of residential and commercial property for the City.

3. Project Costs and Reimbursable Project Costs. The Developer anticipates the project costs in acquiring, developing, financing and preparing the Property for sale or lease to third parties, will meet or exceed Thirteen Million Dollars (\$13, 900, 000.00). Certain of these costs, will meet or exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) and would be considered TIF-eligible costs within the meaning of SDCL § 11-9-14 and SDCL § 11-9-15. Developer anticipates requesting reimbursement of those eligible reimbursement costs that relate to site work, ingress/egress locations, roadway and utility build-out, rock removal, drainage features, utility relocation, fire fuels (dense timber or overgrowth) reduction tasks, engineering, and lift station with force main, together with financing costs.

The projected development costs are preliminary, but based on the good-faith estimate of the Developer following the due diligence completed by Developer prior to the date of this MOU. Prior to bringing the proposed TIF to the City Planning Commission, the Parties will further delineate the project costs, eligible project costs and requested reimbursable project costs for the development of the Property. – Attached is the opinion of probable cost as an exhibit B

The City will require an ongoing administration fee of 10% of the total increment received on a yearly basis. The total amount projected for the administration fee will not exceed \$1,050,000

4. Property and TIF Development Process. The Developer has submitted a concept plan that will be reviewed by the City Staff and Planning Commission. City and Developer will work jointly on the preparation of a TIF proposal for presentation to the City Planning Commission. During this period, Developer will also continue to work with the City Planning Director, and Public Works Director concerning the project and site plans. The City and Developer will work jointly on the drafting of the TIF project plan and an associated development agreement outlining the duties, rights and responsibilities of Developer in connection with the development of the Property. The City will also cooperate with Developer in securing necessary permits.

5. Miscellaneous.

- a. This MOU may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.
- b. The Developer Agreement, when presented, shall be governed and construed in accordance with the laws of the State of South Dakota.
- c. All parties agree to negotiate in good faith using commercially reasonable efforts to achieve the outcomes set forth in this MOU.
- d. Developer acknowledges that the Tax Increment District will be set up on an Annual Appropriation basis to ensure that this does not constitute Constitutional Debt against the City's debt capacity
- e. Developer acknowledges the risks associated with the Annual Appropriation clause that will be implemented in the proposed Tax Increment District

*REMAINDER OF PAGE LEFT BLANK*

IN WITNESS WHEREOF, the parties hereto have executed this MOU as of the date set forth above.

CITY:  
CITY OF DEADWOOD

DEVELOPER: TRD, LLC

By:

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By

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Its:

---

Its: Member

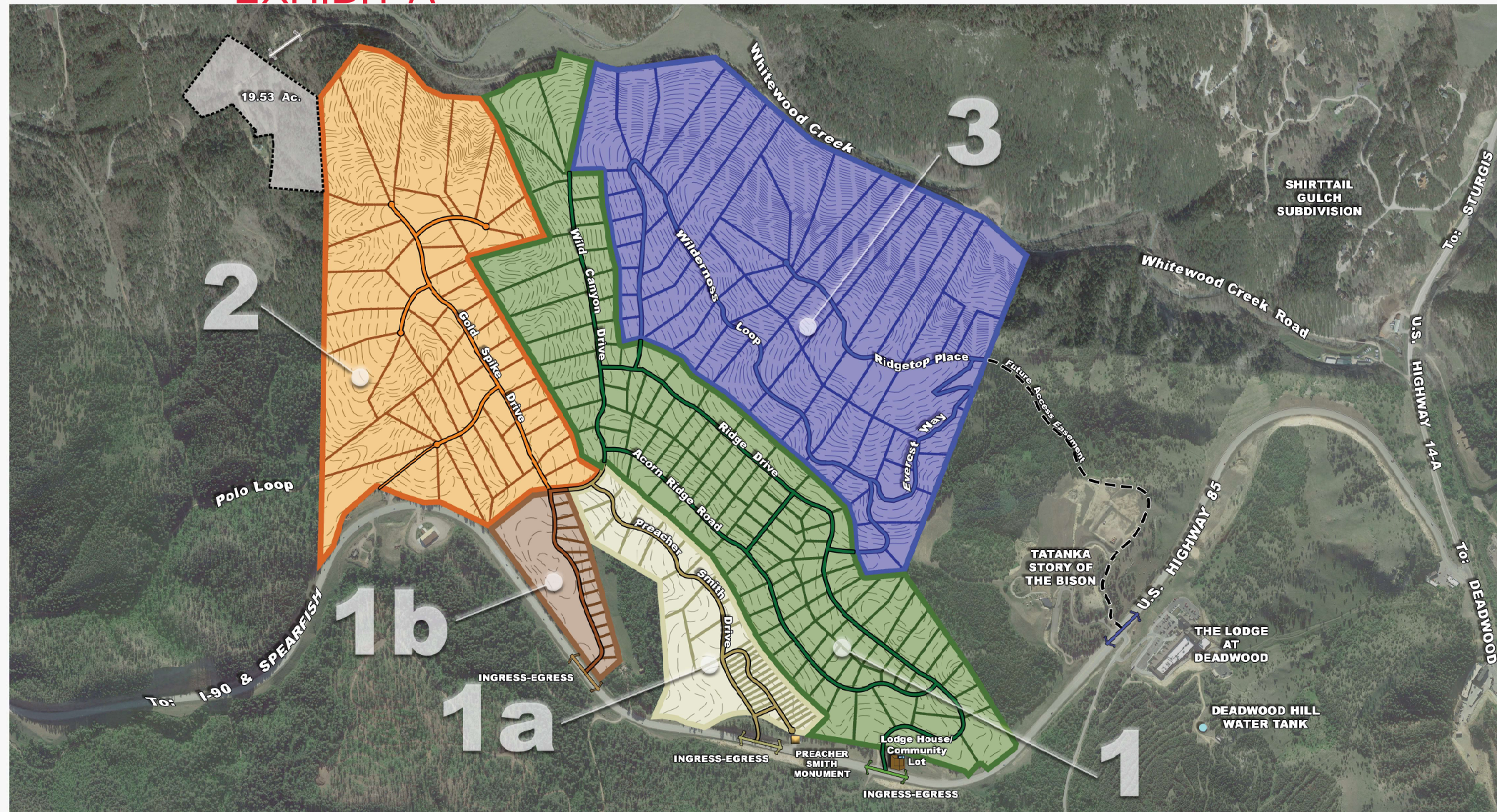
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**EXHIBIT A**  
**PROPERTY LOCATED IN TIF BOUNDARY**  
**MASTER PLAN OVERVIEW**  
**PLAT**

**EXHIBIT B**  
**OPINION OF PROBABLE COST**



# EXHIBIT A



**ACES**  
ARCHITECTURAL DESIGN ENGINEERING SERVICES

**elevate**  
DESIGN  
STUDIOS

## OVERALL MASTER PLAN

DEADWOOD, SOUTH DAKOTA

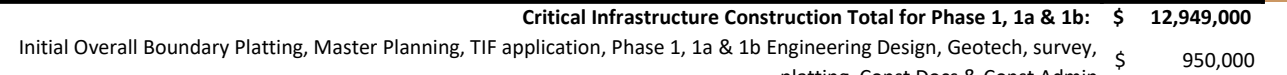
0 400' 800'



FEBRUARY 2021



5/16/2021



**REQUESTED TIF AMOUNT FOR THE RIDGE PROJECT: \$ 10,500,000**



DRAWING NUMBER

2020-7205

SAFCO PRODUCTS • NEW HOPE, MINNESOTA  
RECORDER BY PART NUMBER 6552  
POSITION EDGE OF PRINT ON THIS LINE

DRAWING NUMBER

2020-7205

SAFCO PRODUCTS • NEW HOPE, MINNESOTA  
RECORDER BY PART NUMBER 6552  
POSITION EDGE OF PRINT ON THIS LINE

Plat of the Preacher Smith Tract previously described as;

All that portion of Mineral Lot No. 921, known as the Red Placer, which is embraced within the original boundaries of the Wade Porter Placer Claim; All of Cattaraugus Placer Mineral Lot No. 952;

Tract 1 and Tract 2, a subdivision of H.E.S. 37, located in the SE $\frac{1}{4}$  of Section 11, the SW $\frac{1}{4}$  of Section 12 and the NE $\frac{1}{4}$  of Section 14, Township 5 North, Range 3 East BHM; Government Lots 1, 5, 10, 12, 13, 19 and 20 in Section 11, Township 5 North, Range 3 East, BHM; Government Lots 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, and 18 in Section 12, Township 5 North, Range 3 East, BHM; Government Lots 3 and 4 in Section 13, Township 5 North, Range 3 East, BHM; Government Lots 10, and 11 in Section 14, Township 5 North, Range 3 East, BHM, All located in the City of Deadwood Lawrence County, South Dakota

## LEGEND:

- SET REBAR AND CAP STAMPED "LS11918"
- FOUND MONUMENT AS NOTED
- FOUND BEARING TREE
- FOUND STONE IF NOT NOTED

## NOTES:

1. PROPOSED LOT AREA = 679.49 ACRES±;  
PROPOSED R-O-W AREA = 0.00 ACRES±;  
TOTAL PROPOSED PLATTED AREA: 679.49 ACRES±  
EASEMENTS INCLUDED IN ALL AREAS.
2. 8' UTILITY EASEMENT ON INTERIOR OF ALL LOT LINES.  
EASEMENTS INCLUDED IN LOT AREAS.
3. ZONING IS PF PER CITY OF DEADWOOD ZONING MAP.
4. WE HEREBY GRANT EASEMENTS TO RUN WITH THE LAND FOR WATER, DRAINAGE, SEWER, GAS, ELECTRIC, TELEPHONE, OR OTHER PUBLIC UTILITY LINES OR SERVICES UNDER, ON OR OVER THOSE PORTIONS OF LAND DESIGNATED HEREON AS EASEMENTS.
5. ALL EASEMENTS THAT ARE KNOWN TO BE RECORDED AT THE TIME OF THIS SURVEY TO THE BEST OF OUR KNOWLEDGE ARE SHOWN ON THE PLAT AS RECORDED BY THE SPECIFIC RECORDED DOCUMENT. THEY SHOULD BE FIELD VERIFIED TO FIND THE TRUE AND ACCURATE LOCATION ON THE GROUND. SOME EASEMENT ON THE LAND WHERE NOT LOCATABLE OR TRACEABLE BY USE OF THE RECORD DOCUMENT. THIS WOULD MEAN THAT ALL OF THE EASEMENTS ARE NOT SHOWN ON THIS PLAT. FIELD VERIFIED FOR THE EXACT LOCATION WILL NEED TO BE CONDUCTED PRIOR TO ANY SIGNIFICANT DEVELOPMENT. SOME DISCREPANCIES HAVE BEEN IDENTIFIED THROUGH THIS PROCESS BETWEEN RECORD DOCUMENTS FOR THE SAME EASEMENT AND THERE LOCATION, INDICATING A NEED TO FURTHER IDENTIFY THE TRUE FIELD LOCATION. THIS SURVEY WAS CONDUCTED, REVIEWED AND COMPLETED AFTER EXHAUSTIVE LEGAL RESEARCH AND FIELD INVESTIGATION. IT IS A TRUE AND ACCURATE REPRESENTATION OF THE SAID PROPERTY TO THE BEST OF MY KNOWLEDGE WITH THE INFORMATION AVAILABLE AT THE TIME OF THE SURVEY.

## OWNER/DEVELOPERS:

RANDY HORNER  
3215 VALLEY DRIVE  
BISMARCK, ND 58503

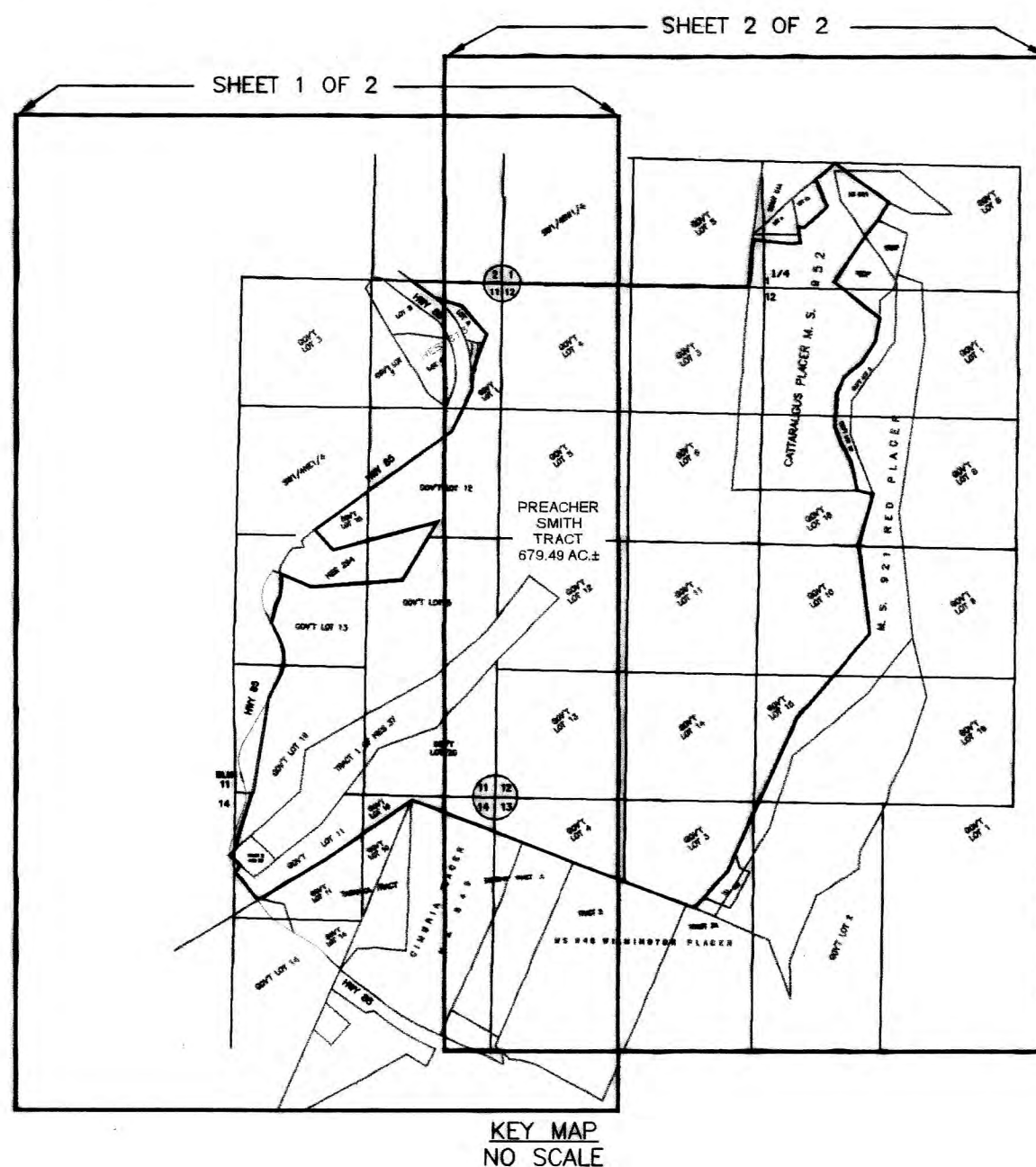
LARRY COTTIER  
18 PECK STREET  
DEADWOOD, SD 57732

## CERTIFICATE OF SURVEYOR

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
I, BRADLEY LIMBO, REGISTERED LAND SURVEYOR NO. 11918 IN

THE STATE OF SOUTH DAKOTA, DO HEREBY CERTIFY THAT AT THE REQUEST OF THE OWNER(S) LISTED HEREON I HAVE SURVEYED THAT TRACT OF LAND SHOWN, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE WITHIN PLAT IS A REPRESENTATION OF SAID SURVEY. EASEMENTS OR RESTRICTIONS OF MISCELLANEOUS RECORD OR PRIVATE AGREEMENTS THAT ARE NOT KNOWN TO ME ARE NOT SHOWN HEREON. IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND SEAL.

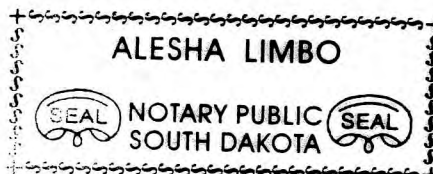
DATE: 11-02-2020  
BRADLEY LIMBO,  
REGISTERED LAND SURVEYOR



## OWNER'S CERTIFICATE

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
I, RANDY HORNER, DO HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON, THAT I DO APPROVE THIS PLAT AS HEREON SHOWN AND THAT DEVELOPMENT OF THIS PROPERTY SHALL CONFORM TO ALL EXISTING APPLICABLE ZONING, SUBDIVISION, EROSION AND SEDIMENT CONTROL REGULATIONS.

OWNER: Randy Horner  
3215 VALLEY DRIVE  
BISMARCK, ND 58503

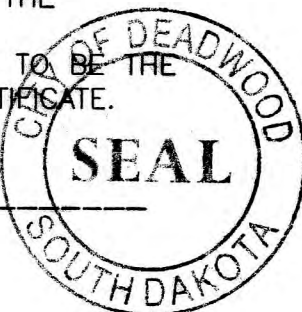


## ACKNOWLEDGMENT OF OWNER

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
ON THIS 26 DAY OF October, 2020, BEFORE ME THE UNDERSIGNED NOTARY PUBLIC, PERSONALLY APPEARED

Randy Horner, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING CERTIFICATE.

MY COMMISSION EXPIRES: June 10, 2022  
NOTARY PUBLIC: Alesha Limbo



## APPROVAL OF THE CITY OF DEADWOOD PLANNING COMMISSION

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
THIS PLAT APPROVED BY THE CITY OF DEADWOOD PLANNING COMMISSION THIS 4 DAY OF November, 2020.

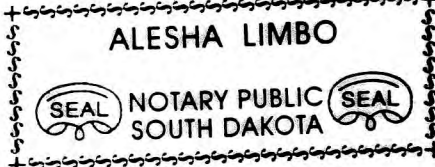
James Runde  
CITY PLANNER

Brett Rung  
CHAIRMAN

## OWNER'S CERTIFICATE

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
I, LARRY COTTIER, DO HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON, THAT I DO APPROVE THIS PLAT AS HEREON SHOWN AND THAT DEVELOPMENT OF THIS PROPERTY SHALL CONFORM TO ALL EXISTING APPLICABLE ZONING, SUBDIVISION, EROSION AND SEDIMENT CONTROL REGULATIONS.

OWNER: Larry Cottier  
18 PECK STREET  
DEADWOOD, SD 57732



## ACKNOWLEDGMENT OF OWNER

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
ON THIS 26 DAY OF October, 2020, BEFORE ME THE UNDERSIGNED NOTARY PUBLIC, PERSONALLY APPEARED

Larry Cottier, KNOWN TO ME TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING CERTIFICATE.

MY COMMISSION EXPIRES: June 10, 2022  
NOTARY PUBLIC: Alesha Limbo

## APPROVAL OF THE CITY OF DEADWOOD BOARD OF COMMISSIONERS

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
BE IT RESOLVED THAT THE CITY OF DEADWOOD BOARD OF COMMISSIONERS HAVING VIEWED THE WITHIN PLAT, DO HEREBY APPROVE THE SAME FOR RECORDING IN THE OFFICE OF THE REGISTER OF DEEDS, LAWRENCE COUNTY, S.D. DATED THIS 4th DAY OF November, 2020.

Attest: Ronda Morrison  
FINANCE OFFICER

Mayor

## OFFICE OF THE COUNTY DIRECTOR OF EQUALIZATION

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
I, LAWRENCE COUNTY DIRECTOR OF EQUALIZATION, DO HEREBY CERTIFY THAT I HAVE RECEIVED A COPY OF THIS PLAT, DATED THIS 5 DAY OF November, 2020.

Lawrence County Director of Equalization



## CERTIFICATE OF COUNTY TREASURER

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
I, Debora Tridle, LAWRENCE COUNTY TREASURER, DO HEREBY CERTIFY THAT 2019 TAXES WHICH ARE LIENS UPON THE HEREIN PLATTED PROPERTY HAVE BEEN PAID, DATED THIS 4 DAY OF November, 2020.

LAWRENCE COUNTY TREASURER: Jamie Marshall Deputy



## APPROVAL OF HIGHWAY AUTHORITY

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
THE LOCATION OF THE PROPOSED ACCESS ROADS ABUTTING THE COUNTY OR STATE HIGHWAY AS SHOWN HEREON, IS HEREBY APPROVED. ANY CHANGE IN THE PROPOSED ACCESS SHALL REQUIRE ADDITIONAL APPROVAL.

HIGHWAY AUTHORITY: Robert G. Galt

## OFFICE OF THE REGISTER OF DEEDS

STATE OF SOUTH DAKOTA COUNTY OF LAWRENCE  
FILED FOR RECORD THIS 5th DAY OF November, 2020 AT 2:22 O'CLOCK, P.M., AND RECORDED IN DOC. #2020-7205

David Hansen  
LAWRENCE COUNTY REGISTER OF DEEDS  
FEE: \$ 60.00



SHEET 1 OF 3

PREPARED BY:		<b>ALL ASPECTS INC.</b> LAND SURVEYING
Project: AN-20-054		
Date: OCTOBER 14, 2020	Rev:	
Surveyed by: BJL	Prepared by: FB	

All Aspects Inc.  
444 Saint Joe St.  
Spearfish SD 57783  
605-490-2944  
limbo@allaspectsinc.com

Doc. # 2020-7205

page 1 of 3



DRAWING NUMBER  
**2020-7205**  
SAFCO PRODUCTS • NEW HOPE, MINNESOTA  
REORDER BY PART NUMBER 6552  
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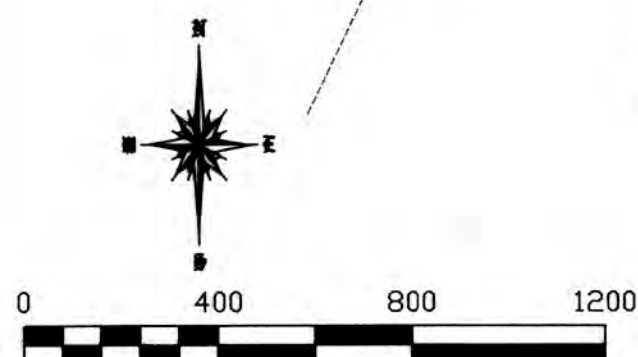
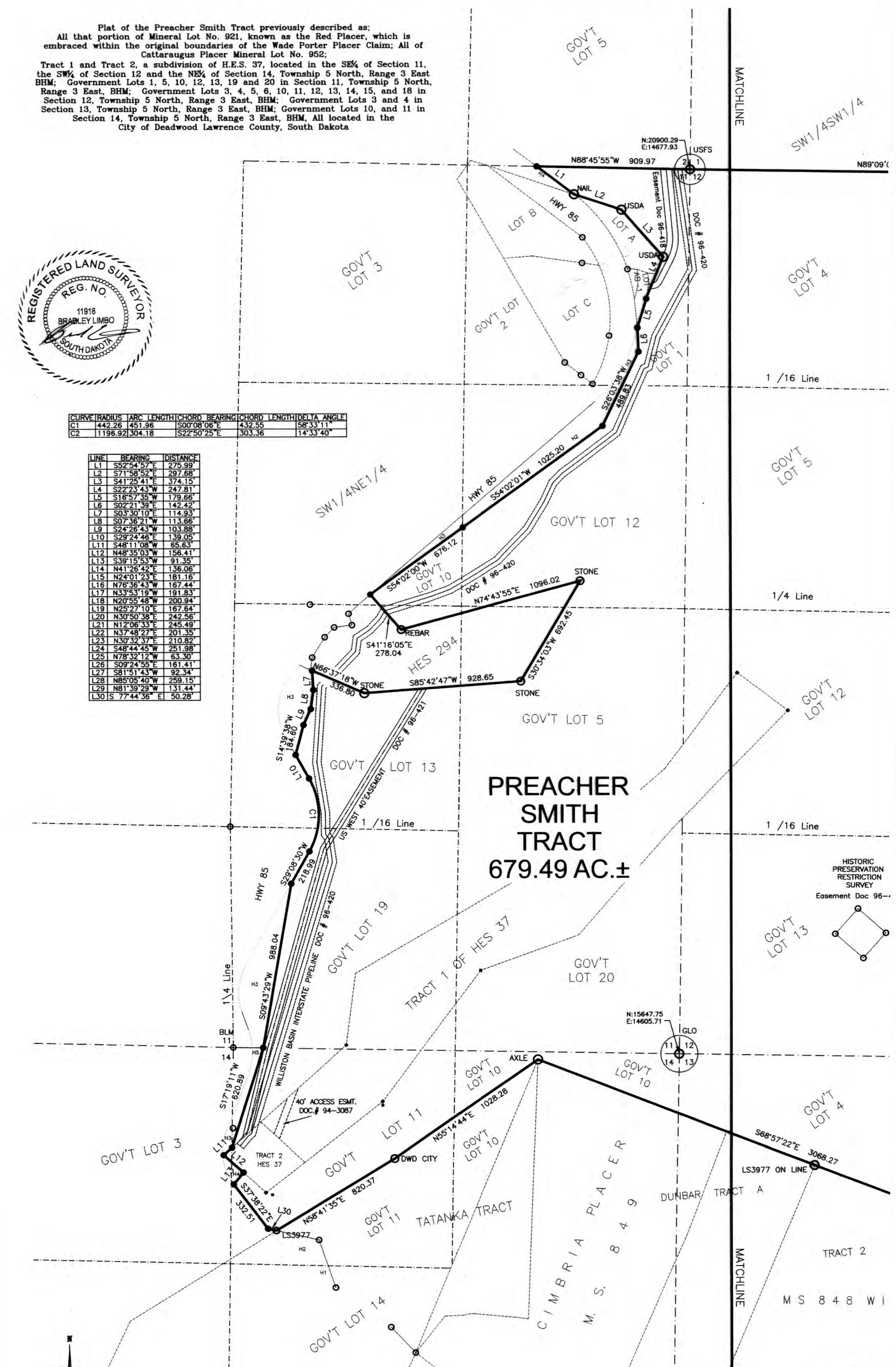
## PLAT OF THE PREACHER SMITH TRACT

Plat of the Preacher Smith Tract previously described as:  
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Tract 1 and Tract 2, a subdivision of H.E.S. 37, located in the SE $\frac{1}{4}$  of Section 11, the SW $\frac{1}{4}$  of Section 12 and the NE $\frac{1}{4}$  of Section 14, Township 5 North, Range 3 East, BHM; Government Lots 1, 5, 10, 12, 13, 19 and 20 in Section 11, Township 5 North, Range 3 East, BHM; Government Lots 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, and 18 in Section 12, Township 5 North, Range 3 East, BHM; Government Lots 3 and 4 in Section 13, Township 5 North, Range 3 East, BHM; Government Lots 10, and 11 in Section 14, Township 5 North, Range 3 East, BHM. All located in the City of Deadwood Lawrence County, South Dakota



CURVE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH	DELTA ANGLE
C1	442.26	451.96	S00°08'06"E	432.55	58°33'11"
C2	1196.92	304.18	S22°50'25"E	303.36	14°33'40"

LINE	BEARING	DISTANCE
L1	S52°54'57"E	275.99
L2	S71°58'52"E	297.68
L3	S41°25'41"E	374.15
L4	S22°23'43"W	247.81
L5	S16°57'35"W	179.66
L6	S02°21'39"E	142.42
L7	S03°30'10"E	114.93
L8	S07°36'21"W	113.66
L9	S24°26'43"W	103.88
L10	S29°24'46"E	139.05
L11	S48°11'08"W	65.63
L12	N48°35'03"W	156.41
L13	S39°15'53"W	91.35
L14	N41°26'42"E	136.06
L15	N24°01'23"E	181.16
L16	N76°36'43"W	167.44
L17	N33°53'19"W	191.83
L18	N20°55'48"W	200.94
L19	N25°27'10"E	167.64
L20	N30°50'38"E	242.56
L21	N12°06'33"E	245.49
L22	N37°48'27"E	201.35
L23	N30°32'57"E	210.82
L24	S48°44'45"W	251.98
L25	N78°32'12"W	63.30
L26	S09°24'55"E	161.41
L27	S81°51'43"W	92.34
L28	N85°05'40"W	259.15
L29	N81°39'29"W	131.44
L30	S77°44'36"E	50.28



NOTE:  
COORDINATES SHOWN HEREON ARE ON THE DEADWOOD COORDINATE SYSTEM.

SHEET 2 OF 3

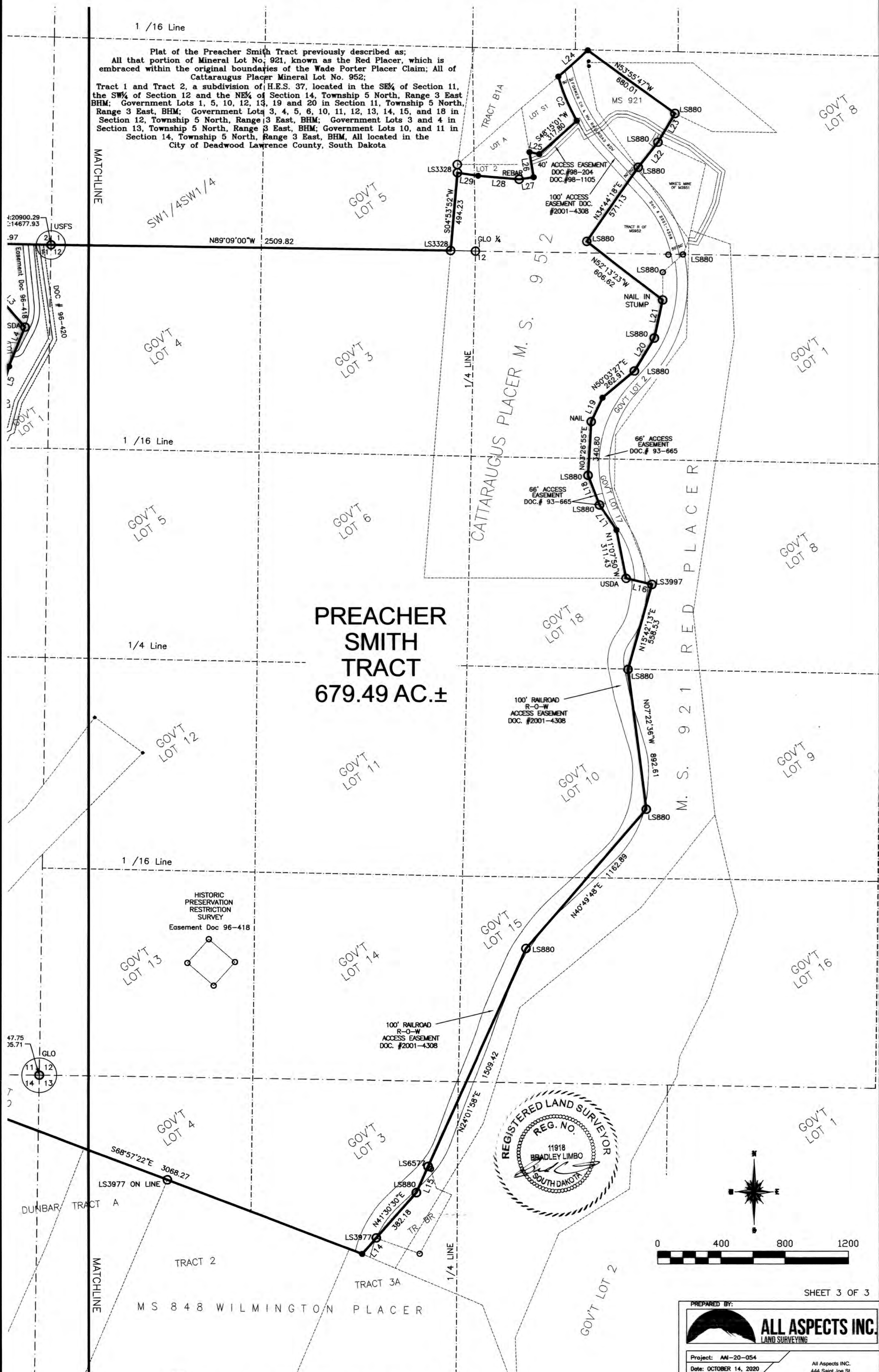
<b>ALL ASPECTS INC.</b> LAND SURVEYING	
Project: <b>AN-20-054</b> Date: <b>OCTOBER 14, 2020</b> Rev: Surveyed by: <b>BLL</b> Prepared by: <b>FD</b>	All Aspects Inc. 444 Saint Joe St. Spearfish SD 57783 605-490-2944 LimboPLS@GMAIL.COM

Doc # 2020-7205 page 2 of 3



# PLAT OF THE PREACHER SMITH TRACT

Plat of the Preacher Smith Tract previously described as:  
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 embraced within the original boundaries of the W. Porter Placer Claim; All of  
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 the SW $\frac{1}{4}$  of Section 12 and the NE $\frac{1}{4}$  of Section 14, Township 5 North, Range 3 East  
 BHM; Government Lots 1, 5, 10, 12, 13, 19 and 20 in Section 11, Township 5 North,  
 Range 3 East, BHM; Government Lots 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, and 18 in  
 Section 12, Township 5 North, Range 3 East, BHM; Government Lots 3 and 4 in  
 Section 13, Township 5 North, Range 3 East, BHM; Government Lots 10, and 11 in  
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Doc # 2020-7205

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