

AGREEMENT

This Agreement is entered into by and between the City of Rapid City, a South Dakota Municipal Corporation (hereafter "City") and Cabela's Retail, Inc., a Nebraska corporation (hereafter "Cabela's").

WHEREAS, the City provides various services to the City of Rapid City and the region surrounding the City; and

WHEREAS, the service provided by the City are funded primarily through revenue derived from its municipal sales tax; and

WHEREAS, the Rapid City Common Council finds that it is in the best interests of the City to support economic development within the City of Rapid City, particularly, projects that bring additional sales tax revenue to the City which facilitate the provision of services; and

WHEREAS, Cabela's, is an internationally known retailer of outdoor equipment which produces a large volume of sales from its retail stores, generating a large number of visitors; and,

WHEREAS, Cabela's is considering locating a store in the Black Hills region; and,

WHEREAS, the Rapid City Common Council deems it in the best interest of the City to take steps to insure that Cabela's locates its Black Hills area retail store within the city limits of Rapid City to insure that significant sales tax revenue will be received by the City of Rapid City; and,

WHEREAS, it is anticipated that the location of a Cabela's store within the City of Rapid City will promote additional development activity in the area of the Cabela's store that will also generate significant sales tax revenue for the City of Rapid City.

NOW, THEREFORE BE IT AGREED by the parties as follows:

1. Cabela's agrees to construct a retail store in the City of Rapid City on land to be platted that is generally described as being located north of Interstate 90 and between Elk Vale Road and East North Street. Cabela's agrees to fully comply with all applicable development requirements, building codes and other applicable laws and regulations in the construction of its store.
2. Within its retail store to be constructed in Rapid City, Cabela's agrees to provide five thousand (5,000) square feet of space for use by the City. The space will be subject to a lease to the City of Rapid City. The lease

will provide, among other things, that the leased premises will be appropriately stocked, staffed and open to the public during the hours of operation of the Retail Store.

3. Cabela's agrees to provide not more than Five Hundred Thousand Dollars (\$500,000.00) to finish the five thousand square feet provided for the City in a manner that is consistent with the rest of Cabela's store. It is anticipated by the parties that the City will use the space to provide a location for the Visitor Information Center.
4. In exchange for Cabela's promises, the City agrees to transfer thirty acres more or less of city owned land, along with all improvements, that are currently located at the intersection of Elk Vale Road and Mall Drive, on which the Visitor Information Center is currently located. The land to be transferred is currently being platted by the City. The transfer of the land to Cabela's will be accomplished by the City transferring the land to the Rapid City Economic Development Foundation. The foundation will then transfer the land to Cabela's upon the formation of the TIF district. In the event that no TIF district has been formed by November 1, 2007, the City, through the Foundation will transfer the land to Cabela's for no further consideration than the lease and the Tenant allowance provided in paragraphs 2 & 3 above. Cabela's shall have the right to develop and transfer the property in it's sole discretion.
5. In further consideration, the City agrees to provide Cabela's Two Million Dollars (\$2,000,000.00) from the Opportunity Capture fund to facilitate Cabela's construction of its retail store. The City shall have the right to make the payments to Cabela's as follows:
 - On or before December 31, 2007, not less than \$500,000
 - On or before December 31, 2008, not less than \$500,000
 - On or before December 31, 2009, not less than \$1,000,000Cabela's acknowledges and agrees that a portion of the benefits set forth in this paragraph may be provided in the form of a waiver of impact, permit or other connection fees, etc., and that in the event that the City obtains additional funds from the State, said funds shall be offset against the 2009 payment of \$1,000,000.00 set forth above.
6. Cabela's recognizes that the City is contemplating establishing a Tax Increment Financing District for the purpose of enabling the Rapid City tax payers to recapture their investment in the Cabela's project. As such, Cabela's agrees to execute all documents necessary to facilitate the implementation of a Tax Increment Financing District Project Plan, including but not limited to, a Tax Increment Financing District Developer's Agreement, the proceeds of which ultimately will be assigned

back to the Rapid City Economic Development Foundation as consideration for the land to be transferred to Cabela's. Cabela's will have no obligation to provide any additional consideration to the Rapid City Economic Development Foundation beyond the proceeds of the TIFD Developer's Agreement. If necessary, Cabela's will also execute any and all documents necessary to allow the City to recover the payment made to Cabela's through the Opportunity Capture Fund in accordance with the Tax Increment Financing District Project Plan.

7. Cabela's recognizes that the City's decision to participate in Cabela's development of a retail store in Rapid City was induced by Cabela's representations and primarily the projections for increased sales tax as a result of the project. Therefore, should Cabela's decide to close its store in Rapid City less than ten years from the date of its opening, Cabela's agrees 1) to fully repay the two million dollar (\$2,000,000.00) cash incentive provided by the City without interest and 2) to convey free from any and all liens, mortgages or any other encumbrance, to the Rapid City Economic Development Foundation all of the land transferred to Cabela's pursuant to this agreement. If Cabela's is no longer the owner of the land, Cabela's shall pay to the City the full amount of the consideration, whether monetary or otherwise, received by Cabela's for the land, less closing and transfer costs incurred by Cabela's. Cabela's further agrees that if it closes its retail store more than ten years but less than fifteen years from the date of its opening, Cabela's shall repay a prorated portion of the cash incentive and the net proceeds from the sale of the land transferred to Cabela's under this agreement as follows:

Closing more than	Percentage of incentive due to the City
10 years but less than or equal to 11 years	80%
11 years but less than or equal to 12 years	60%
12 years but less than or equal to 13 years	40%
13 years but less than or equal to 14 years	20%
14 years but less than or equal to 15 years	10%

Any payment due under this section shall be paid to the City Finance Officer not later than thirty (30) days after the closing of the store. If the land is still owned by Cabela's, it shall be transferred to the Rapid City Economic Development Foundation not more than sixty (60) days after the closing of the store.

8. Cabela's agrees that, during the initial thirty (30) year term of the lease, should Cabela's close the retail store, Cabela's will not relocate the retail store within a 150 mile radius of the Rapid City store. This restriction

shall not apply to the relocation of the retail store within the municipal boundaries of Rapid City.

9. The parties agree that the terms of this agreement shall be governed by the laws of the State of South Dakota. In the event of any conflict of laws, the law of the State of South Dakota shall be controlling without regard to the principles of conflict of laws. Any legal action arising out of or relating to this agreement shall be brought only in the Circuit Court for the State of South Dakota, Seventh Judicial Circuit located in Rapid City, Pennington County, South Dakota.
10. This document contains the entire agreement of the parties. No other promises or consideration form any part of the parties' agreement. All prior proposals, negotiations or discussion are merged herein or intentionally omitted.

Dated this _____ day of _____, 2007.

CITY OF RAPID CITY

By: _____

Mayor

ATTEST:

Finance Officer

(SEAL)

CABELA'S RETAIL, INC.

By: _____

President

State of South Dakota)

SS.

County of Pennington)

On this the _____ day of _____, 2007, before me, the undersigned officer, personally appeared James Shaw and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation, and that they as such Mayor and Finance Officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public, South Dakota

My Commission Expires:

(SEAL)

State of Nebraska)

SS.

County of Cheyenne)

On this the ____ day of _____, 2007, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of Cabela's Retail, Inc., and that, as such _____, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public, Nebraska

My Commission Expires:

(SEAL)