

## ASSIGNMENT AND NOVATION AGREEMENT

THIS ASSIGNMENT AND NOVATION AGREEMENT (this "Agreement") has been made to be effective upon the date executed by the City (the "Effective Date"), and has been entered into by and between St. Joe Investment Group, L.L.C., a South Dakota limited liability company, 402 West 9<sup>th</sup> Street, Sioux Falls, South Dakota 57104 ("Assignor"), President's Plaza LLC, a South Dakota limited liability company, 528 Kansas City Street, Rapid City, South Dakota 57702 ("Assignee"), and the City of Rapid City, a municipal corporation, 300 6<sup>th</sup> Street, Rapid City, South Dakota 57701 (the "City").

WHEREAS, Assignor has entered into a master development agreement with the City, dated September 21, 2009, as amended (such agreement as amended, the "Master Development Agreement"), for the construction and development of a mixed use facility consisting of public improvements, public parking, private parking, retail, office, commercial, residential and green space located at the corner of 6<sup>th</sup> Street and St. Joseph Street in Rapid City, South Dakota (hereinafter the "Project"); and

WHEREAS, the assignment of the Master Development Agreement is subject to the provisions of Section 8A of the Master Development Agreement; and

WHEREAS, Assignor has agreed to transfer and assign to Assignee all of its rights, duties and obligations under the Master Development Agreement as a part of the sale to Assignee of certain assets of Assignor related to the Project; and

WHEREAS, Assignor desires to be discharged from further performance of the obligations imposed under the Master Development Agreement, and for Assignee to be

substituted in the name, place and stead of Assignor under the Master Development Agreement; and

WHEREAS, the City is willing to release and discharge Assignor from all obligations and liabilities enumerated under the Master Development Agreement from and after the Effective Date, and to permit the assignment of the Master Development Agreement to Assignee, subject to Assignee assuming the obligations imposed upon Assignor under the Master Development Agreement from and after the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree for themselves, and their respective successors and assigns, as follows:

1. Assignor hereby transfers and assigns to Assignee all of Assignor's right, title and interest in, to and under the Master Development Agreement.

2. Assignee hereby accepts the assignment of the Master Development Agreement and agrees to assume all of Assignor's rights, duties and obligations in, to and under the Master Development Agreement from and after the Effective Date.

3. The City agrees that Assignor shall be fully released from all obligations imposed under the Master Development Agreement.

4. Assignor, Assignee and the City hereby agree that this Agreement shall constitute a novation of the obligations of Assignor under the Master Development Agreement, and that Assignee shall be substituted in the name, place and stead of Assignor under the Master Development Agreement as of the Effective Date.

5. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

[SIGNATURES FOLLOW SEPARATELY]

[SIGNATURE PAGE OF ASSIGNOR]

ASSIGNOR:

ST. JOE INVESTMENT GROUP, L.L.C.

By: *Bryan S. Vulcan*  
Its: *Member*

STATE OF SOUTH DAKOTA )  
  ) :SS:  
COUNTY OF *Pennington* )

On this the *11<sup>th</sup>* day of *April*, 2011, before me, the undersigned officer, personally appeared *Bryan Vulcan*, who acknowledged himself to be the *Member* of St. Joe Investment Group, L.L.C., a South Dakota limited liability company, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company by himself as *Member*.

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

*[Signature]*  
Notary Public, South Dakota  
My Commission Expires: *10/27/2016*

(SEAL)





[SIGNATURE PAGE OF CITY]

CITY:

CITY OF RAPID CITY

  
\_\_\_\_\_  
Mayor Alan Hanks

ATTEST:

  
\_\_\_\_\_  
Finance Officer

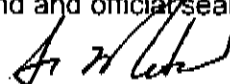
(SEAL)

STATE OF SOUTH DAKOTA        )  
  :SS.  
COUNTY OF PENNINGTON        )

On this 18th day of April, 2011, before me, the undersigned officer, personally appeared Alan Hanks and Pauline Sumpton, 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 so to do, 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.



  
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Notary Public  
My Commission Expires: 4-19-2013