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January 8, 2007

Joel P. Landeen
Assistant City Attorney
300 6th Street
Rapid City, S.D. 57701



Re: Assignment Agreement

Dear Joel:

Enclosed please find the original, partially executed, Assignment Agreement for TID 55. I am submitting this document to you for two purposes. First, I would like for you to review the document for sufficiency, content, and enforceability. I believe that this Assignment Agreement is the same as we have used in the past for other assignments.

Should the Assignment Agreement meet your approval, I would then ask that you present the same to the Council, Mayor, and City Finance Officer for signature. Once the documents have been signed I would ask that you return them to me. If you would prefer to have me do the submissions of the documents to the Council, Mayor, and Finance Officer, please let me know. Otherwise, I will assume that you will take care of that. Also, if you need any additional information please let me know and I will provide the same to you as soon as practical.

Sincerely yours,

A handwritten signature in black ink, appearing to read "C.R. Clayborne".

Courtney R. Clayborne

CRC:kky
Enclosure

ASSIGNMENT AGREEMENT

Agreement entered into as of the dates set forth in the acknowledgments below by and between the **CITY OF RAPID CITY**, State of South Dakota, hereinafter referred to as "**City**," **BANKWEST** of Rapid City, South Dakota, hereinafter referred to as "**Lender**," and **FREELAND MEADOWS, LLC**, a South Dakota Limited Liability Company, the purpose of which is to participate in a cost sharing plan for certain improvements to Mall Drive in the City of Rapid City, hereinafter collectively referred to as "**Developer**."

WHEREAS, City has passed a Resolution Creating Tax Increment District Number Fifty-five (55) on October 17, 2005, a copy of said Resolution is attached hereto as Exhibits "A" and which is, by reference, incorporated herein; and

WHEREAS, the City approved the Project Plan for Tax Increment District Number Fifty-five (55) on October 17, 2005 and further approved a Revised Project Plan on July 17, 2006; and

WHEREAS, Developer have agreed to advance the funds necessary to accomplish the goals to be achieved by the Tax Increment District Number Fifty-five (55) and

WHEREAS, Developer and City have entered into a Contract for Private Development Tax Increment District Number Fifty-five (55), a copy of said contract being attached hereto as Exhibit "B" which by reference hereto is incorporated herein; and

WHEREAS, Lender has agreed to loan the funds to Developer to accomplish said purpose set forth in the Contract for Private Development on the condition that the future real estate taxes which are collected for the Tax Increment District Number Fifty-five (55) are paid directly by City to Lender, it is hereby agreed, as follows:

1. City will pay directly to Lender those real estate taxes collected which are subject to the Tax Increment District Number Fifty-five (55) and any properly revised project plan until the loan obligation incurred between Lender and Developer for purposes relating solely to the Tax Increment District Number Fifty-five (55) and any properly approved revised project plan are paid in full or the Tax Increment District is dissolved, whichever comes first. It is the specific intent of the parties that the City shall not be obligated to pay any sums to Lender other than the increment generated by Tax Increment District Number Fifty-five (55) and any properly approved revised project plan and any obligations the City has to Lender shall cease by the City's paying to Lender said increments until the loan is satisfied or Tax Increment District Number Fifty-five (55) is terminated, whichever comes first. Payments will be made at 709 Main Street, Rapid City, South Dakota 57701, or at a different place if required by the Lender.
2. Lender agrees that, provided City makes payment to Lender of all funds actually received or collected by City for Tax Increment District Number Fifty-five (55) and any properly approved and revised project plan, there is no liability by City for the loan obligation of Developer. Rather, should City have paid all funds actually received or collected by City for Tax Increment District Number Fifty-five (55) and all amendments thereto, Lender shall look solely to its agreement with Developer and its guarantors, for any rights of recovery upon default, it being the specific intent of the parties that in the event that Tax Increment District Number Fifty-five (55) is

terminated before payment in full of the obligation to Lender is satisfied or in the event that the increments are insufficient to pay said obligation, Lender's sole recourse shall be against Developer and its guarantors and the City shall have no additional liability to Lender provided that City has made all payments required herein.

- 3. Upon reasonable request and notice, Lender agrees to provide financial reports to City and Developer to advise them of the on-going status of the loan obligation to Lender by Developer.
- 4. All parties to this Agreement acknowledge that in the event Developer makes any payments on the loan obligation to Lender for this Tax Increment District Number Fifty-five (55), said payments will not reduce the obligation of City to make the Tax Increment District Number Fifty-five (55) and the revised project plan payments to Lender, pursuant to this Agreement, until the entire tax increment district obligation is paid in full. Said assignment shall continue until Lender Authority has been paid in full or Tax Increment District Number Fifty-five (55) is dissolved, whichever comes first. Notwithstanding the foregoing, Lender, Developer and City all acknowledge that Lender shall be bound by the terms of the Contract of Private Development and the City's obligation for payment is limited to those amounts set forth in the Contract for Private Development.

Dated this ____ day of _____, 2006

CITY OF RAPID CITY

By: _____
Jim Shaw, Mayor

By: _____
James F. Preston, Finance Officer

STATE OF SOUTH DAKOTA)
 :SS
COUNTY OF _____)

On this ____ day _____, 2006, before me, the undersigned Notary Public, personally appeared Jim 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 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.

(SEAL)

Notary Public, State of South Dakota
My Commission Expires: _____

FREELAND MEADOWS, LLC.

By: [Signature]
Sam S. Benne
Its: Member

By: [Signature]
Bradley H. Estes
Its: Member

By: [Signature]
Bret M. Estes
Its: Member

By: [Signature]
Boyce Kennedy
Its: Member

STATE OF SOUTH DAKOTA)
COUNTY OF Pennington) ss:

On this 18th day of December, 2006, before me, the undersigned Notary Public, personally appeared Sam S. Benne, Bradley H. Estes, Bret M. Estes and Boyce Kennedy, who acknowledged themselves to be the Members, and that they, as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing themselves as Members.

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

[Signature]
Notary Public, State of South Dakota
My Commission Expires: 1-1-2010

(SEAL)

