

**SECOND ASSIGNMENT AGREEMENT FOR TAX INCREMENT DISTRICT  
NO. 38 BETWEEN THE CITY OF RAPID CITY, HEARTLAND RETAIL  
CENTER LLC AND GREAT WESTERN BANK.**

WHEREAS, the City of Rapid City (the "City") and Heartland Retail LLC ("Heartland") entered into a Contract for Private Development (the "Developer's Agreement") to secure the completion of public improvements for Tax Increment District Number 38 on May 28, 2003; and

WHEREAS, Heartland assigned its rights under the Developer's Agreement to First Western Bank on September 25, 2003, in order to secure financing to construct the public improvements contemplated in the Developer's Agreement; and

WHEREAS, Heartland has been able to obtain financing at a more favorable interest rate from Great Western Bank; and

WHEREAS, Heartland has requested that it be allowed to pay off the loan to First Western Bank and assign the proceeds from Tax Increment District Number 38 to Great Western Bank; and

WHEREAS, it appears that refinancing at a lower interest rate will result in significant savings in the amount of interest paid over the life of the Tax Increment District; and

WHEREAS, the parties are in agreement that paying off the First Western Bank loan and refinancing with Great Western Bank is in the parties' best interests.

NOW THEREFORE, the parties hereby agree as follows:

1. Heartland agrees to satisfy any obligations it has with First Western Bank based on the first assignment and financing it previously obtained. Upon proof that it has satisfied its obligations to First Western Bank, the City consents to the assignment of the proceeds to Tax Increment District Number 38 to Great Western Bank. This consent is conditioned upon the interest rate Great Western Bank is charging being less than the interest being charged by First Western Bank.
2. The City agrees to pay directly to the lender the proceeds of Tax Increment District Number 38 per the terms of the Contract for Private Development previously entered into between the City and Heartland.
3. Great Western Bank agrees to be bound by the terms of the Developer's Agreement. The lender further agrees that, provided City makes payment of all funds actually received from the County for Tax Increment District Number 38 which the City has agreed to pay Heartland in the Developer's Agreement, subject to any conditions and requirements contained in the Developer's Agreement and/or Project Plan, there is no liability by City for the loan obligation of Heartland. The lender shall look solely to its

agreement with Heartland 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 38 is terminated before payment in full of the obligation to the lender or in the event that the increments are insufficient to pay said obligation, the lender's sole recourse shall be against Heartland and/or its guarantors and the City shall have no additional liability to the lender provided that City has made all payments required herein.

4. Upon reasonable request and notice, the lender agrees to provide financial reports to City and Heartland to advise them of the on-going status of the loan obligation to the lender by Heartland.

5. If any section(s), or provision of this agreement are declared invalid for any reason whatsoever by any competent court, such invalidity shall not affect any other section(s) or provision of this agreement if they can be given effect without the invalid section(s) or provisions.

6. This agreement can only be amended in writing by the consent of all the parties hereto.

7. The parties' rights and obligations under this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota. Any dispute concerning this Agreement shall be venued and litigated in the Circuit Court for the Seventh Judicial Circuit, located in Rapid City, Pennington County, South Dakota.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2008.

CITY OF RAPID CITY

\_\_\_\_\_  
Mayor

ATTEST:

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

(SEAL)

HEARTLAND RETAIL CENTER, LLC

\_\_\_\_\_  
Managing Member

GREAT WESTERN BANK

\_\_\_\_\_

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

Its: \_\_\_\_\_

State of South Dakota        )  
  ss.  
County of Pennington        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned officer, personally appeared Alan Hanks and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City and that he, as such Mayor and Finance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing as such Mayor and Finance Officer of the City of Rapid City.

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

\_\_\_\_\_  
Notary Public, South Dakota  
My Commission Expires:

(SEAL)

State of South Dakota        )  
  ss.  
County of Pennington        )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned officer, personally appeared \_\_\_\_\_, known to me or satisfactorily proven to be the persons whose names are subscribed to the within instrument and acknowledged themselves to be the Managing Member of Heartland Retail Center, LLC, and acknowledged that they executed the same as on behalf of Heartland Retail Center, LLC as its Managing Member for the purposes therein contained.

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

\_\_\_\_\_  
Notary Public, South Dakota  
My Commission Expires:

(SEAL)

