

ASSIGNMENT AGREEMENT

This Assignment Agreement (“Agreement”) is entered into as of the date set forth in the acknowledgements below by and between the **City of Rapid City**, a municipal corporation and political subdivision of the State of South Dakota, located at 300 Sixth Street, Rapid City, South Dakota 57701 (hereinafter “City”); **KS West, LLC & SK East, LLC**, both of which are South Dakota limited liability companies located at 528 Kansas City Street, Suite #4, Rapid City, South Dakota 57701 (collectively hereinafter “Developer”); and **First National Bank**, of 632 Main Street, Rapid City, South Dakota 57701 (hereinafter “Lender”). The above-referenced parties are sometimes collectively referred to herein as the “Parties.”

WHEREAS, on March 21, 2016, the City approved a resolution creating Tax Increment District Number Seventy-Six (76) pursuant to Chapter 11-9 of the South Dakota Codified Laws. A copy of said Resolution is attached hereto and incorporated herein by reference as Exhibit “A”; and

WHEREAS, on March 21, 2016, the City also adopted by resolution a Project Plan for Tax Increment District Number Seventy-Six (76) which identifies expenditures for public improvements that qualify as project costs pursuant to SDCL 11-9-14 and SDCL 11-9-15; and

WHEREAS, Pursuant to SDCL 11-9-2(5), the City was empowered to enter into contracts or agreements necessary and convenient to implement the provisions and effectuate the purposes of the Project Plan; and

WHEREAS, Developer and City entered into a “Contract for Construction of Public Improvements Through Private Developer Tax Increment District Number Seventy-Six” (hereinafter “Contract”) on or about April 19, 2016; and

WHEREAS, Developer has agreed to advance the funds necessary to accomplish the goals to be achieved by the Tax Increment District Number Seventy-Six (76) and Contract; and

WHEREAS, Lender has agreed to loan the funds to Developer to accomplish said purpose set forth in the Contract on the condition that the future real estate taxes which are collected for the Tax Increment District Number Seventy-Six (76) are paid directly by City to Lender.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties hereinafter set forth, the Parties hereby agree as follows:

1. City will pay directly to Lender those real estate taxes collected which are subject to the Tax Increment District Seventy-Six (76) and any properly revised project plan until the loan obligation incurred between Lender and Developer for purposes relating solely to the Tax Increment Financing District Seventy-Six (76), 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 Seventy-Six (76) 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 Financing District Seventy-Six (76) is terminated, whichever comes first. Payments will be made at 300 Sixth Street, Rapid City, South Dakota 57701, or at a different place if required by Lender.

2. Lender agrees that, provided City makes payment to Lender of all funds actually received or collected by City for Tax Increment District Seventy-Six (76) 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 Seventy-Six (76) 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 Financing District Seventy-Six (76) 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 Seventy-Six (76), said payments will not reduce the obligation of City to make the Tax Increment District Seventy-Six (76) 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 has been paid in full or Tax Increment District Seventy-Six (76) is dissolved, whichever comes first. Notwithstanding the foregoing, the Parties all acknowledge that Lender shall be bound by the terms of the Contract and the City's obligation for payment is limited to those amounts set forth in the Contract.

5. Counterparts. This Agreement may be executed in counterparts and by different parties on different counterparts with the same effect as if the signatures thereto were on the same instrument. This Agreement shall be effective and binding upon the Parties as of the date in which all parties have executed a counterpart of this Agreement.

6. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, personal representatives, successors and assigns.

7. Entire Agreement. This Agreement, together with the related written agreements specifically referred to herein, represents the only agreement among the parties concerning the subject matter hereof and supersedes all prior agreements, whether written or oral, relating thereto.

8. Modification and Waiver. No purported amendment, modification, or waiver of any provision hereof shall be binding unless set forth in a written document signed by both Parties (in the case of amendments or modifications) or by the party to be charged thereby (in the case of waivers). Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term hereof or of the same circumstance or event upon any recurrence thereof.


9. Governing Law; Venue. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of South Dakota and venue for any dispute arising hereunder shall be exclusively in a court of competent jurisdiction in Pennington County, South Dakota.

10. Invalid Provisions and Waiver. If any term, restriction, or covenant of this Agreement is deemed illegal or unenforceable, all other terms, restrictions and covenants hereof shall remain unaffected to the extent permitted by law. No waiver by any party of any default, misrepresentation or breach of any representation, warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty or covenant hereunder or affect in any way any rights arising by virtue of any default, misrepresentation or breach of any representation, warranty or covenant prior to or subsequent to such occurrence.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed in the manner appropriate to each as of the Effective Date.

Dated this 20th day of July 2016.

FIRST NATIONAL BANK


By: 

Its: Division President

STATE OF SOUTH DAKOTA)
 :SS
COUNTY OF PENNINGTON)

On this 20 day of July, 2016, before me, the undersigned Notary Public, personally appeared Todd Christopher who acknowledged himself to be the Division President of First National Bank, Rapid City, South Dakota, and that he, as such Division President being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing himself as the Division President of First National Bank, Rapid City, South Dakota.

In Witness Whereof, I hereunto set my hand and official seal.


Notary Public, State of South Dakota
My commission expires: 10/22/15

(Seal)

Dated this 20th day of July 2016.

KS WEST, LLC

By: Kaski Inc., Dream Design Int. Inc.

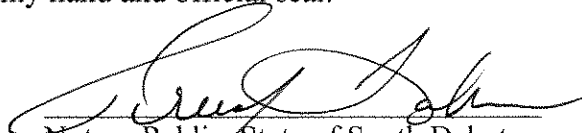
Its: By Ryan Kaski: its president +
By Hani Shafiq.

STATE OF SOUTH DAKOTA)
:SS
COUNTY OF PENNINGTON)

On this 20 day of July, 2016, before me, the undersigned Notary Public, personally appeared Ryan Kaski + Hani Shafiq who acknowledged himself to be the Presidents/Members of KS West, LLC, a South Dakota Limited Liability Company, and that he, as such Presidents/Members being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing himself as the Presidents/Members of KS West, LLC. Kaski, Inc + Dream Design Int'l Inc - themselves

*Kaski Inc
Dream Design
Int'l Inc*

In Witness Whereof, I hereunto set my hand and official seal.


Notary Public, State of South Dakota
My commission expires: 10/22/19

(Seal)
Dated this 20th day of July, 2016.

SK EAST, LLC

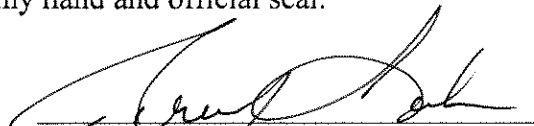
By: Kaski Inc., Dream Design Int., Inc

Its: By Ryan Kaski: its President +
By Hani Shafiq.

STATE OF SOUTH DAKOTA)
:SS
COUNTY OF PENNINGTON)

On this 20 day of July, 2016, before me, the undersigned Notary Public, personally appeared Ryan Kaski + Hani Shafiq who acknowledged himself to be the Presidents/Members of SK East, LLC, a South Dakota Limited Liability Company, and that he, as such President/Members being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing himself as the President/Members of SK East, LLC.

In Witness Whereof, I hereunto set my hand and official seal.


Notary Public, State of South Dakota
My commission expires: 10/22/19

(Seal)

ACKNOWLEDGEMENT BY CITY OF RAPID CITY

CITY OF RAPID CITY

By: _____
Steve Allender, Mayor

By: _____
Finance Officer

STATE OF SOUTH DAKOTA)
 :SS
COUNTY OF PENNINGTON)

On this _____ day of July, 2016, before me, the undersigned Notary Public, personally appeared Steve Allender and _____, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, South Dakota, a municipal corporation and political subdivision of the State of South Dakota, 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.

(Seal)

Notary Public, State of South Dakota
My commission expires: _____