PREPARED BY:

City's Attorney Office 300 Sixth Street Rapid City, SD 57701

(605) 394-4140

STATE OF SOUTH DAKOTA))SS.	RELEASE AND HOLD HARMLESS
COUNTY OF PENNINGTON)	AGREEMENT

For and in consideration of the City of Rapid City allowing the non-conforming water and sewer service lines to be located under Lot 5A, JOHNSTOWN, LLP, hereinafter referred to as the "Partnership," does hereby fully release, acquit and forever discharge the CITY OF RAPID CITY, together with all of its agents, employees, successors, and assigns, all for the purposes herein referred to as "City," from any and all actions, causes of action, claims, demands, disabilities, known and unknown damages, losses, and expenses relating to any and all water and sewer service line problems that may arise on the real property legally described as:

Lot 4A, Block Two (2) of Rushmore Crossing Subdivision, located in the West Half of the Southwest Quarter (W1/2SW1/4) of Section Twenty-nine (29), and the East Half of the Southeast Quarter (E½SE¼) of Section Thirty (30), Township Two North (T2N), Range Eight East (R8E) of the Black Hills Meridian, Rapid City, Pennington County, South Dakota.

Water and sewer service lines are located in an easement that extends across Lot 5A. The water and sewer lines are shown on the attached site plan and marked as Exhibit "A' and incorporated herein by reference.

It is understood that this Release and Hold Harmless Agreement is the compromise to allow the service lines to be located under Lot 4A and Lot 5A and is entered into to address possible future claims, the validity of which the City would dispute. The terms herein are not to be construed as an admission of liability on the part of the parties hereby released, by whom liability is expressly denied.

It is further agreed that the Partnership shall defend, indemnify, and save and hold harmless the City and each of them from any loss, liability, damage or cost they may incur arising out of or related to the water and sewer service lines located under the above referenced property, whether caused by the actions or omissions of the City or otherwise.

All of the terms and conditions herein set forth shall extend to and be binding upon the heirs, assigns, or successors in interest of the Partnership, and be considered as a covenant running with the above-described property. Furthermore, it is agreed that, in accepting title to the above-described property, any grantee, heir, assign, or successor in interest to the undersigned expressly agrees to be bound by the terms of this Agreement recorded with the Pennington County Register of Deeds' Office pursuant to provisions of South Dakota statutes.

This Release and Hold Harmless Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital.

The Partnership further states that it has carefully read the foregoing Release and Hold Harmless Agreement, knows and understands the contents thereof, and an authorized person has signed the same as its own free act.

Dated this	day of	, 2012.
		CITY OF RAPID CITY
		By: Mayor
ATTEST:		
	*	· · · · · · · · · · · · · · · · · · ·
Finance Officer		_
(SEAL)		
		JOHNSTOWN, LLP By: Guy Mann Its: Partner
State of South Dakota) ss.	
County of Pennington		
personally appeared Sarthe Mayor and Finance	m Kooiker and P Officer, respecti	, 2012, before me, the undersigned officer, auline Sumption, who acknowledged themselves to be vely, of the City of Rapid City, a municipal corporation, the Officer, being authorized so to do, executed the

foregoing Covenant Agreement 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.

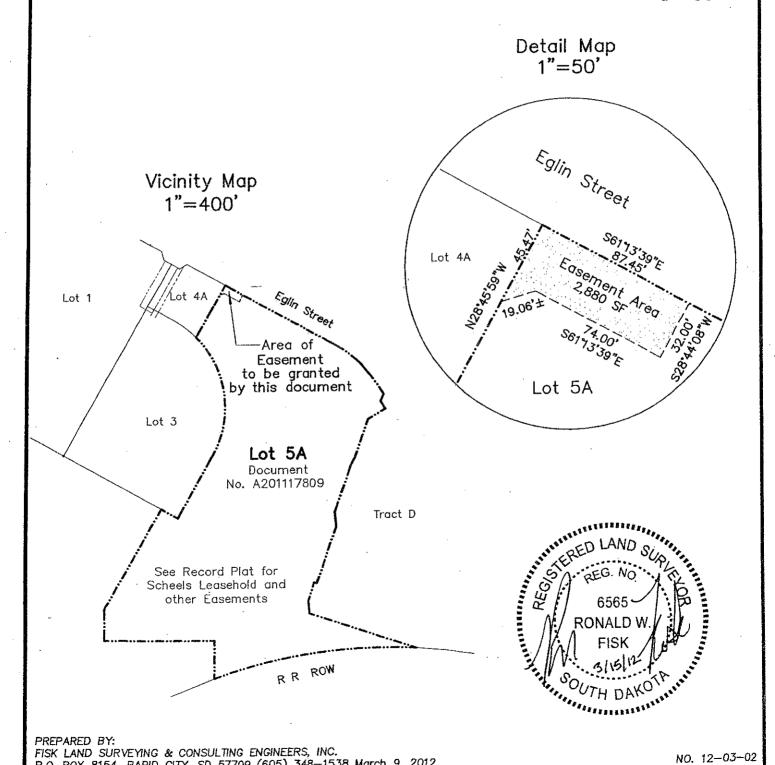
	•
	Notary Public, South Dakota
My Commission Expires:	
(SEAL)	
State of South Dakota)	•
County of Pennington ss	•
PARTIER of JOHNS authorized so to do, executed the	August, 2012, before me, the undersigned officer Mann, who acknowledged himself to be the TOWN, LLP, and that he, as such PARTHER, being e foregoing Covenant Agreement for the purposes therein of JOHNSTOWN, LLP by himself as PARTHER.
IN WITNESS WHEREOI	F, I hereunto set my hand and official seal.
	Notary Public, South Dakota
My Commission Expires: 9-	18-2012
(SEAL) JANELLE L. FINCK NOTARY PUBLIC State of South Dakota	

EXHIBIT A

Utility Easement Lot 5A, Block 2 of Rushmore Crossing Subdivision located in Sections 29 and 30, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota

P.O. BOX 8154, RAPID CITY, SD 57709 (605) 348-1538 March 9, 2012





PREPARED BY:

City's Attorney Office 300 Sixth Street Rapid City, SD 57701 (605) 394-4140

STATE OF SOUTH DAKOTA **COVENANT AGREEMENT** COUNTY OF PENNINGTON

This declaration of the covenant and agreement ("Agreement") is entered into this , 2012, by and between the JOHNSTOWN, LLP, a South Dakota limited liability partnership, ("Partnership"), 6609 Sunridge Road, Rapid City, South Dakota, 57702-2829, and the City of Rapid City ("City"), a South Dakota municipal corporation, 300 Sixth Street, Rapid City, South Dakota, 57701.

Partnership hereby acknowledges that it is the owner of record of the property in Rapid City, South Dakota which is legally described as:

Lot 4A, Block Two (2) of Rushmore Crossing Subdivision, located in the West Half of the Southwest Quarter (W½SW¼) of Section Twenty-nine (29), and the East Half of the Southeast Quarter (E½SE¼) of Section Thirty (30), Township Two North (T2N), Range Eight East (R8E) of the Black Hills Meridian, Rapid City, Pennington County, South Dakota.

WHEREAS, Partnership has applied for a Planned Development; and

WHEREAS, as a result of the building permit, the water and sewer service lines will be located on adjacent properties; and

WHEREAS, the City's Standard Specifications do not allow service lines to cross over another lot unless an Exception has been granted; and

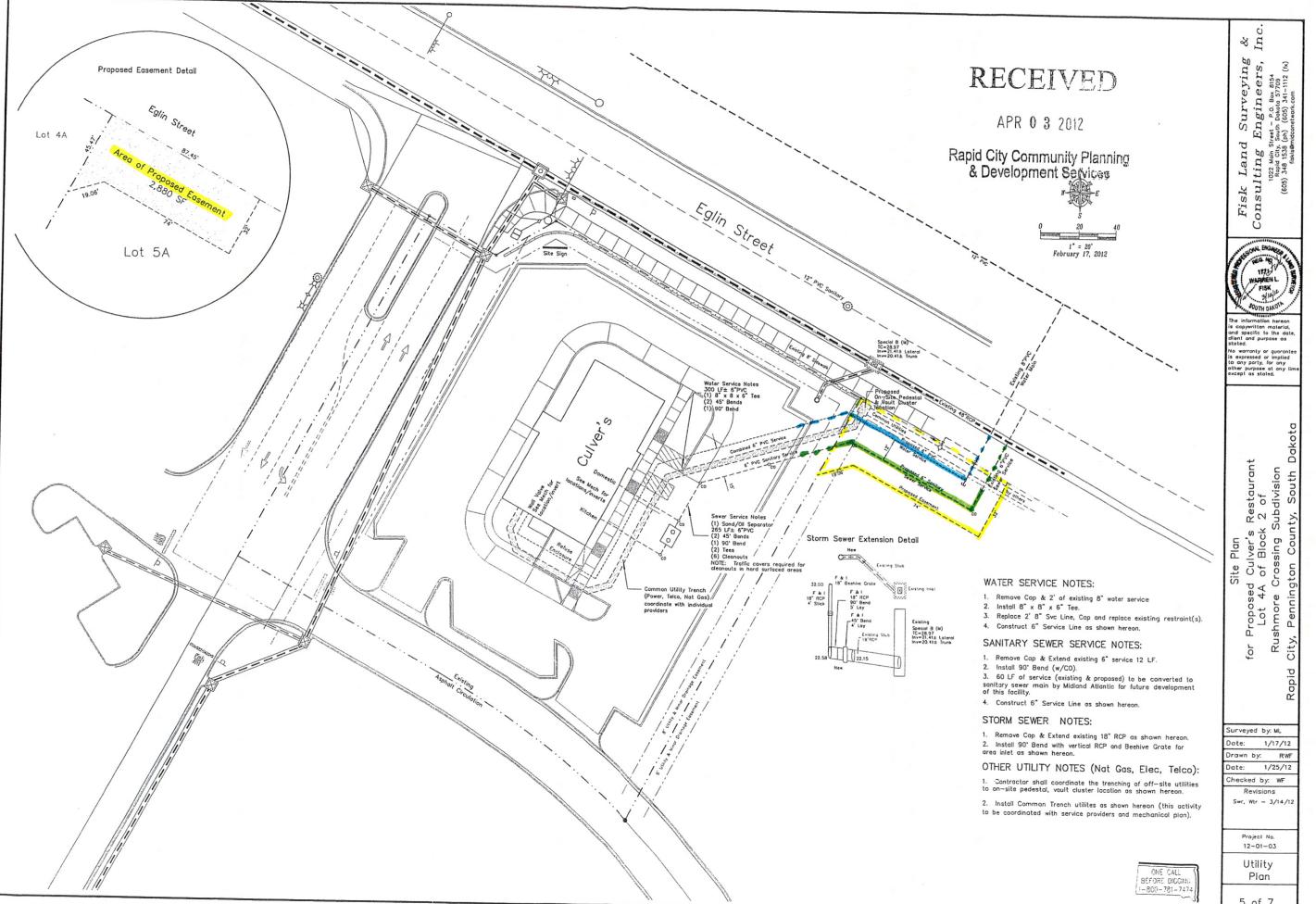
WHEREAS, it is the parties' intention that an exception be granted to allow the building permit to be approved if the Partnership agrees to certain stipulations.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, it is agreed by the parties as follows:

- 1. Partnership hereby covenants and agrees to consent to an assessed project to install conforming water and sewer service lines in the future.
- 2. Partnership hereby covenants and agrees that, in the event of a break in one of the existing service lines, it will install conforming water and sewer service lines in accordance with City specifications in effect at such time.
- 3. Partnership hereby covenants and agrees to hold the City harmless from all claims related to the non-standard service lines.
- 4. It is understood by Partnership that the City's primary consideration for the granting of the exception to the City's Standard Specifications on the above described property is Partnership's covenant and promise to complete the Agreement conditions outlined in paragraphs 1, 2, and 3 above.
- 5. 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 brought only in the Circuit Court for the State of South Dakota, Seventh Judicial Circuit located in Rapid City, Pennington County, South Dakota.
- 6. The City may undertake any legal or equitable action available to enforce the provisions of this agreement in addition to any remedy provided herein. In the event the City is required to undertake any action to enforce the terms of this agreement or its subdivision regulations in connection with this agreement, the undersigned, heirs, assigns, or successors in interest agree the City may recover from the owner of said property its reasonable expenses, including attorney's fees incurred with respect to such action.
- 7. All of the terms and conditions herein set forth shall extend to and be binding upon the heirs, assigns, or successors in interest of Company, and be considered as a covenant running with the above-described property. Furthermore, it is agreed that, in accepting title to the above-described property any grantee, heir, assign, or successor in interest to the undersigned expressly agrees to be bound by the terms of this Agreement recorded with the Pennington County Register of Deeds' Office pursuant to provisions of South Dakota statutes.
- 8. If any section(s), or provisions of this application is declared invalid for any reason whatsoever by any competent court, such invalidity shall not affect any other section(s) or provision of this application if they can be given effect without the invalid section(s) or provisions.

9. If the landowner is a corporar agreement and its officers signing for it have	tion, it has the power to enter into this e full power and authority to do so.	
	CITY OF RAPID CITY	
	By: Mayor	
ATTEST:		
Finance Officer		
(SEAL)		
	JOHNSTOWN, LLP	
	By: Cuy Mann Its: Partner	
State of South Dakota) ss.		
County of Pennington)		
On this the		
IN WITNESS WHEREOF I hereund	, sor my name and ornorar sour.	
My Commission Expires:	Notary Public, South Dakota	
(SEAL)		

State of South Dakota) ss.
County of Pennington)
officer personally appeared the PARTNER obeing authorized so to do, otherein contained by signing PARTNER.	y of August, 2012, before me, the undersigned of Guy Mann, who acknowledged himself to be f JOHNSTOWN, LLP, and that he, as such Partners, executed the foregoing Covenant Agreement for the purposes ag the name of JOHNSTOWN, LLP by himself as
2	Notary Public, South Dakota
My Commission Expires:	9-18-2012
(SEAT) JANELLE L. FIN NOTARY PUBLIC State of South Dak	



5 of 7

