

**AN AGREEMENT BETWEEN DAMON REEL, JEANINE REEL AND THE
CITY OF RAPID CITY FOR THE ACQUISITION OF PERMANENT
DRAINAGE EASEMENTS**

THIS AGREEMENT is made and entered into between the City of Rapid City, a municipal corporation of the State of South Dakota, located at 300 Sixth Street, Rapid City, South Dakota 57701, herein after referred to as the "City," and Damon and Jeanine Reel, individuals, located at 4063 Valley West Drive, Rapid City, South Dakota 57702, herein after referred to as the "Reels."

RECITALS

WHEREAS, the Reels are the owners of real property located at the corner of Rand Road and Plaza Drive within the City of Rapid City; and

WHEREAS, the surface water drainage for a large area in the vicinity of the Reels' property currently drains along a shallow ditch at the rear of their property; and

WHEREAS, the drainage ditch is located over a high pressure gas main; and

WHEREAS, the current design of the drainage ditch is insufficient to handle the volume of water it currently receives from the upstream property owners; and

WHEREAS, the inadequacy of the current drainage ditch and the size of the upstream flows has caused water to expose the high pressure gas main on several occasions; and

WHEREAS, the City has proposed making improvements to the drainage ditch which will alleviate the current problems and prevent water from exposing the high pressure gas main in the future; and

WHEREAS, the City needs to acquire drainage easements from the Reels in order to construct the proposed improvements to the current drainage ditch; and

WHEREAS, the Reels are willing to donate the permanent drainage easements to the City under certain terms and conditions.

NOW THEREFORE, the parties hereby agree as follows:

1. The Reels agree to donate, at no cost to the City, the following permanent major drainage easements:

A strip of land 30' x 40' located along the western property line of Lot 10 of Tract K of Rand Addition immediately north of the current 25' drainage and utility easement; and

A strip of land 30' in width along the western property line and a strip of land 25' in width along the southern property line of Lot 9 of Tract K of Rand Addition.

2. The Reels further agree to donate temporary construction easements as follows:

A strip of land 40' x 60' located along the western property line of Lot 10 of Tract K of Rand Addition immediately north of the current 25' drainage and utility easement; and

A strip of land 40' x 60' located along the western property line of Lot 9 of Tract K of Rand Addition immediately south of the current 25' drainage and utility easement.

Such temporary construction easements shall expire and be released at the time the drainage improvements contemplated in this Agreement have been completed and accepted by the City.

3. The City proposes to construct drainage improvements to the drainage ditch running from Samco Road to the rear of the Reels' property then proceeding south along the Reels' rear property line to the southern edge of Lot 9. At the southern edge of Lot 9, the improvements will run northeast along the southern property line to Rand Road. The City also anticipates that there will need to be future phases to get the water from Rand Road to detention and metering ponds located further downstream. The City has currently identified two phases that will be constructed in the near future. The first phase involves construction of a drop box at the rear of Lots 8, 9, 10 which will slow down the water entering Reels' property and should prevent further erosion of the soil over the high pressure gas main. In exchange for the permanent drainage easements and temporary construction easements granted in paragraphs 1 and 2 of this Agreement, the City agrees not to assess the Reels' property, Lots 8, 9, 10 of Tract K of Rand Addition, for all or any part of constructing these improvements through an assessed project or otherwise. This promise shall not impede the City's ability to assess the Reels' property for future assessed projects unrelated to the drainage improvements described in this paragraph.

4. The parties acknowledge the City's promise to not assess the above described properties is good and sufficient consideration for the Reels' promises made herein.

5. The parties may undertake any legal or equitable action available to enforce the provisions of this Agreement in addition to any other remedies provided herein.

6. If any section(s), or provision of this Agreement 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.

7. This Agreement shall be construed according to the laws of the State of South Dakota. Any action concerning this agreement shall be venued in Rapid City, South Dakota in State Circuit Court. No modification or amendment to this Agreement shall be valid, unless evidenced by a writing signed by the parties hereto.

Dated this ____ day of _____, 2007.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

Damon Reel

Jeanine Reel

State of South Dakota)
 ss.
County of Pennington)

On this the ____ 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, a municipal corporation, and that they, as such Mayor and Finance Officer, being authorized so to do, executed the foregoing 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)
 ss.
County of Pennington)

On this the ____ day of _____, 2008, before me, the undersigned officer personally appeared Damon Reel, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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 Jeanine Reel, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

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

Notary Public, South Dakota

My Commission Expires:

(SEAL)