SETTLEMENT AGREEMENT

This Agreement is entered into by and between NGB Investment Company, a South Dakota Corporation, d/b/a Richland Park Mobile Home Estates, 3855 South Highway 79, Rapid City, South Dakota, 57702 ("Richland Park"), Walgar Development Corporation, P.O. Box 8181, Rapid City, South Dakota, 57709-1818 ("Walgar"), and the City of Rapid City, South Dakota ("City").

RECITALS

WHEREAS, Walgar sought and received approval from the City for the final plat of a subdivision known as Robbinsdale #8, No. 01PL096, located in southeastern Rapid City, on May 23, 2002. Robbinsdale #8 is located west of, and adjacent to, property owned by Richland Park and operated as a mobile home park. A street known as Sitka Street runs through Robbinsdale #8 and continues into and through Richland Park Mobile Estates, within which it is a private road.

WHEREAS, during the platting action for Robbinsdale #8, discussions took place between Walgar and the City about the feasibility of routing stormwater runoff from that portion of Sitka Street running through Robbinsdale #8 into stormwater conveyance facilities and onto property known as the highway maintenance yard and juvenile detention center owned by Pennington County, South Dakota ("County"). The County property is located northeast of Robbinsdale #8 and north of Richland Park;

WHEREAS, during the platting action for Robbinsdale #8, City engineering expressed concern about the capacity of the street gutters in Richland Park to handle the stormwater drainage from Robbinsdale #8;

WHEREAS, on May 6, 2002, City engineers met with Walgar's consulting engineer and representatives from the County, and determined that the stormwater conveyance facilities on the County property are at capacity;

WHEREAS, the final plat for Robbinsdale #8 provided for discharge of runoff from Sitka Street running through Robbinsdale #8 and continuing onto that portion of Sitka Street running through Richland Park;

WHEREAS, Richland Park is claiming that the development and construction of Robbinsdale #8 modified the natural flow of drainage on the hillside upon which Robbinsdale #8 is located and channelized the drainage onto Sitka Street.

WHEREAS, Richland Park is claiming the increased stormwater drainage from Robbinsdale #8 via Sitka Street has, and continues to, accumulate within Richland Park Mobile Home Estates, interfering with Richland Park's use and enjoyment of its property and causing Richland Park to incur expenses to address problems related to the increased drainage flows, all to Richland Park's detriment.

WHEREAS, the parties hereto desire to reach agreement in order to resolve all claims between them and avoid litigation;

NOW, therefore, in consideration of their mutual premises and their forbearance from litigation or otherwise seeking to enforce their respective claims, the parties agree as follows:

1. City agrees to perform certain work as outlined in Exhibit A, attached hereto and by this reference incorporated herein. Specifically, City agrees to place an asphalt overlay on that portion of Sitka Street within Richland Park from station 100 to station 250, resulting in a crown to the street and a continuous slope, which in turn will allow runoff to flow freely through that section of the street without ponding.

2. City further agrees to install storm inlets in the gutter on Richland Drive, another private street located on the property of Richland Park, and connect those inlets to the existing storm sewer on the service road adjacent to and immediately east of Richland Park Mobile Estates.

3. City further agrees to pay Richland Park Three Thousand and No/100 Dollars ($3,000.00) for a portion of the cost of an engineering report performed by ReSpec Consulting and Services at the request of Richland Park to quantify pre-development and post-development runoff flows onto the property of Richland Park from Robbinsdale #8 and to develop routing alternatives for such flows.

4. Walgar agrees to pay Richland Park Three Thousand and No/100 Dollars ($3,000.00) for a portion of the cost of the ReSpec engineering report described in the foregoing paragraph.

5. Walgar agrees to convey to City an easement for drainage as described in the easement attached and incorporated by this reference as Exhibit B, which easement and property it burdens adjoins the western boundary of Richland Park's property, and which easement shall run south from Sitka Street to City property known as LaCroix Links and may be used by City to convey drainage flows from Robbinsdale #8 to the south in the event that the above-described work to be performed by the City pursuant to this Agreement is unsuccessful in adequately conveying storm runoff from Robbinsdale #8 through the property of Richland Park.

The parties agree that the Final Plat of the property burdened by the easement referenced in this Settlement Agreement, Exhibit B, filed with the Pennington County Register of Deeds July 12, 2002, at 3:43 p.m. in Book 30 of Plats, Page 178, already contains an easement described in the Final Plat as follows:

"Utility and Minor Drainage Easements: 8' on the interior sides of all lot lines."

The parties further recognize and agree that the intent of the additional easement grant from Walgar to City as shown in Exhibit B pursuant to this Settlement Agreement

is to provide an approximate 10-foot total easement for drainage along the eastern boundary of the burdened property.

6. Richland Park agrees to convey to City a 10' easement for drainage as described in the easement attached and incorporated by this reference as Exhibit C, which easement and that portion of Richland Park's property it burdens adjoins the eastern boundary of Robbinsdale #8, and which easement shall run south from Sitka Street to City property known as LaCroix Links and may be used by the City to convey drainage flows from Robbinsdale #8 to the south in the event that the above-described work to be performed by the City pursuant to this Agreement is unsuccessful in adequately conveying storm runoff from Robbinsdale #8 through the property of Richland Park.

7. Upon completion of the work described in paragraphs 1 and 2 above, upon payment of the sums set forth in paragraphs 3 and 4 above, and upon conveyance of the drainage easements described in paragraphs 5 and 6 above, the parties hereto, for themselves, their successors and assigns, hereby release and discharge the other parties hereto, or any of them, from any and all claims, demands, liabilities, obligations, or damages, (arising under either state or federal statutory or common law), attorney's fees, costs, expenses, actions, and causes of action, including each and every right of payment for damages, or for injunctive relief or any other relief, whether in law or in equity, the parties, or any of them, may now or hereafter have arising from any act or occurrence up to the present time, including but not limited to, all such loss and damage of any kind previously sustained, presently existing, or that may hereafter be sustained or that may arise as a consequence of or in connection with increased drainage flows associated with the platting, development and construction of Robbinsdale #8.

8. The parties hereto discharge and release not only the persons, partnerships, or corporations specifically named herein as discharged and released, but also, in like manner and to the same extent, all other persons, partnerships, and corporations whatsoever such as are classed as joint tortfeasors under Titles 15-8 of the South Dakota Compiled Laws and any other applicable statutes, it being intended hereby to completely bar any right of action against any of such joint tortfeasors whether or not named herein, and vest in the persons, partnerships, or corporations specifically named herein as released and discharged all rights to contribution from any joint tortfeasor not specifically named herein.

9. The parties hereby declare that no representation regarding the nature and extent of the damages made by any attorney or agent of any party hereby released or any other persons, nor any legal representation regarding the nature and extent of legal disability or financial responsibility of any parties released or any other persons, induced them to enter this Agreement.

10. The parties further agree that this Agreement shall apply to and cover the unknown and unanticipated consequences of damages, costs, and attorney's fees now known as well as to all unknown and unanticipated damages, costs, and attorney's fees not yet matured.

11. It is further understood and agreed that this Agreement and the releases and covenants not to sue contained herein are the compromise of doubtful and disputed claims and nothing contained herein is to be construed as an admission of liability on the part of the City or Walgar, by whom liability is expressly denied.

12. This Agreement constitutes the final, complete, and exclusive agreement of the parties, and the terms of this Agreement are contractual and not a mere recital. Any waiver, modification, or alteration of the terms of this Agreement shall not be valid unless in writing and signed by the parties.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in triplicate originals by its duly authorized representative on the respective dates entered below.

NGB Investment Company, d/b/a Richland Estates Mobile Home Park

By: Larry G. Nelson

Its: President

Date: 4-5-06

Walgar Development Corporation

By: _____

Its: President

Date: 4-3-06

City of Rapid City

By: _____

Its: _____

Date: _____

ACKNOWLEDGEMENTS PAGES TO FOLLOW

ACKNOWLEDGMENTS

STATE OF SOUTH DAKOTA)
)§§
COUNTY OF PENNINGTON)

On this the 5th day of April, 2006, before me, the undersigned officer, personally appeared Larry Nelson, who acknowledged himself to be the President of NGB Investment Company, d/b/a Richland Estates Mobile Home Park, a corporation, and that he, as such President being authorized the foregoing instrument for the purposes therein contained, by signing the names of the corporation by himself as President.

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

Subscribed and sworn to before me this 5th day of April, 2006.

Carri Kinsley
Notary Public, South Dakota

(SEAL)

My commission expires: 5-2-2011

STATE OF SOUTH DAKOTA)
)§§
COUNTY OF PENNINGTON)

On this the 3rd day of April, 2006, before me, the undersigned officer, personally appeared Gary A. Rasmusson, who acknowledged himself to be the President of Walgar Development Corporation, a corporation, and that he, as such President being authorized the foregoing instrument for the purposes therein contained, by signing the names of the corporation by himself as President.

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

Subscribed and sworn to before me this 3rd day of April, 2006.

SEAL LEILA MARIE JOHNSON SEAL
NOTARY PUBLIC
State of South Dakota
My Commission Expires
March 2, 2007

Leila Marie Johnson
Notary Public, South Dakota

(SEAL)

My commission expires:

STATE OF SOUTH DAKOTA)
)§§
COUNTY OF PENNINGTON)

On this the _____ day of _____, 2006, before me, the undersigned officer, personally appeared _____, by and on behalf of the City of Rapid City, and that he/she, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing his/her name.

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

Subscribed and sworn to before me this _____ day of _____, 2006.

_____
Notary Public, South Dakota

(SEAL)

My commission expires:_____