

MEMORANDUM OF UNDERSTANDING**PARTIES:**

The parties to this Memorandum of Understanding (MOU) are Joseph M. Lytle and Winona M. (Lytle); SD Department of Transportation (SDOT) and City of Rapid City, South Dakota (City).

PURPOSE:

The purpose of this MOU is to set forth the general terms and conditions upon which the State is to acquire for highway purposes the property hereinafter described from Lytle which will be subsequently granted to the City.

PROPERTY:

The property covered by this MOU consists of 77.07 acres located in the East Half of the Southwest Quarter (E½SW¼) of Section Nine (9), Township One North (T1N) Range Eight East (R8E) of the Black Hills Meridian, Pennington County, South Dakota.

COMPENSATION:

The SDOT shall compensate Lytle for said land in the amount of One Million Four Hundred Twenty-Nine Thousand Dollars (\$1,429,000.00), less Five Hundred Thirty-two Thousand Five Hundred Sixty (\$532,560.00) which has already been paid leaving a balance of Eight Hundred Ninety-Six Thousand Four Hundred Forty Dollars (\$896,440.00).

RESERVATION OF LIFE ESTATE:

Lytle shall reserve in the deed to the SDOT a life estate in all of the property described above except for that which is to be used by the State for highway purposes with said life estate to last so long as either Joseph M. Lytle or Winona M. Lytle lives.

Lytle shall maintain the property in a reasonable state of repair and shall not commit waste thereon. Lytle shall transfer to the City all water rights attached to the above-described property which transfer shall be subject to the life estate.

CITY ACQUISITION:

The City agrees to acquire from the State the property described above except that portion of the property needed for highway purposes and shall pay to the State the sum of Five Hundred Fifty-Six Thousand Four Hundred Forty Dollars (\$564,440.00). The Grant from the State shall be subject to the life estate referred to above and a right-of-way driveway easement to be located by mutual agreement between the City and Lytle.

IMPLEMENTATION:

The parties agree to execute such definitive agreements and documents as are necessary to implement this MOU on or before July 31, 2001.

TREES:

There are a number of trees on the property which are part of the tree nursery and the City will be entitled to take and remove said trees for its use except for 300 which Lytle will have the right to select, retain and remove.

DRIVEWAY EASEMENT:

The driveway easement referred to above shall be constructed and maintained by Lytle and shall continue so long as the life estate referred to above.

TITLE:

Lytle agrees to convey good and merchantable title to the SDOT.

Dated this _____ day of _____, 2001.

SD DEPARTMENT OF TRANSPORTATION

BY: Bill Nevin
BILL NEVIN, ATTORNEY

CITY OF RAPID CITY

BY: _____
ITS: _____

BANGS, McCULLEN, BUTLER, FOYE &
SIMMONS, L.L.P.

BY: Joseph M. Butler
JOSEPH M. BUTLER
ALLEN G. NELSON
Attorneys for Joseph M. Lytle
and Winona M. Lytle