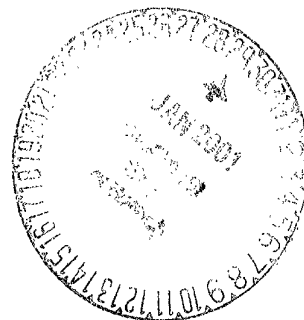


Wyss Associates, Inc.

728 Sixth Street ▪ Rapid City, SD 57701 ▪ Phone: 605-348-2268 ▪ Fax: 605-348-6506 ▪ Email: wai@dtgnet.com

January 26, 2001



Tamara Pier, Attorney
City of Rapid City
300 Sixth Street
Rapid City, South Dakota 57701

Dear Tamara,

This letter shall serve as the request from BE Development Company, LLC to withdraw the application for Infrastructure Development Funding Program (IDFP) funding for off-site water system improvements for the SkyView South and SkyView North developments.

The reason for this request is that a significant time has elapsed since our application resulting in the final platting of the majority of the lots. Repayment timing is based on final platting, which now reduces the benefit of the program to the developer.

Please call me if you have questions concerning this request.

Sincerely,

Patrick H. Wyss, FASLA
Vice President
BE Development Company LLC

phw:kkt

cc: Jim Preston, Rapid City Finance Director
Joe Butler
Pev Evans

G:\1draw\SkyView South\Correspondence\01-26-01 Pier IDFP ltr.doc

COST SHARING AGREEMENT

This Agreement is made and entered into by and between the **CITY OF RAPID CITY**, a municipal corporation, hereafter called the "City," and **BE DEVELOPMENT COMPANY, LLC**, 818 St. Joseph Street, Rapid City, South Dakota, 57701, hereafter called "Developer."

Recitals

WHEREAS, the City and the Developer have agreed to share the cost of water access to the SkyView South and Skyview North developments; and

WHEREAS, the City and Developer will mutually benefit from this agreement; and

WHEREAS, the project includes construction of water main extension, Sheridan Lake Road connection, and a booster station upgrade; and

WHEREAS, the estimated cost of the project is as follows:

Water Main Extension	\$ 95,000
Sheridan Lake Road Connection (approx.)	20,000
Booster Station Upgrade	<u>262,200</u>
Total:	\$377,200.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions herein set forth, it is agreed as follows:

1. The percentage of sharing is based on a comparison between the 32 BE Development lots, 43 existing low-pressure lots, and 22 existing lots underserved by current standards of fire protection. All of the lots underserved for fire protection will be upgraded to current standards and half of those lots will be used for cost sharing purposes. As a result, the cost sharing percentages are as follows:

BE Development	32	(37.2%)
City (43 lots, plus half of 22 lots)	54	(62.8%)

2. The water main extension and Sheridan Lake Road connection costs will be based on actual installed prices.

3. The booster station upgrade will be based on actual installed prices due upon completion. The City may elect to install an interconnecting line in lieu of the pump station. If the interconnecting line is the selected alternative, then Developer will contribute 37.2% of \$262,700 which totals \$97,724.40. This amount will be due within thirty (30) days of the City's award of a construction contract. In the event the City decides not to install a booster pump or the proposed interconnecting line through Arrowhead prior to January 1, 2004, Developer's obligations for payment of these components are terminated.

4. The amount to be paid for these improvements by Developer, as a result of this agreement, will not exceed a maximum total amount of \$140,320 unless otherwise agreed to by the parties.

DATED: _____, 2001.

CITY:

CITY OF RAPID CITY, a municipal
corporation

DEVELOPER:

BE DEVELOPMENT COMPANY LLC

By _____
Jim Shaw, Mayor

By _____
Its: _____

ATTEST:

James F. Preston, Finance Officer

State of South Dakota,)
) ss.
County of Pennington.)

ON THIS DAY, _____, 2001, before me, the undersigned officer, personally appeared Jim Shaw, who acknowledged himself to be Mayor of the **CITY OF RAPID CITY**, a municipal corporation, and that he, as such Mayor, 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 himself as Mayor.

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

(SEAL)

Notary Public
My Comm. Expires: _____

State of South Dakota,)
) ss.
County of Pennington.)

ON THIS DAY, _____, 2001, before me, the undersigned officer, personally appeared James F. Preston, who acknowledged himself to be Finance Officer of the **CITY OF RAPID CITY**, a municipal corporation, and that he, as such 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 himself as Finance Officer.

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

(SEAL)

Notary Public

My Comm. Expires: _____

State of South Dakota,)
) ss.
County of Pennington.)

ON THIS DAY, _____, 2001, before me, the undersigned officer,
personally appeared _____, who acknowledged himself to be _____
of **BE DEVELOPMENT COMPANY LLC**, and that he, as such _____, being
authorized to do so, executed the foregoing instrument for the purposes therein contained, by
signing the name of **BE DEVELOPMENT COMPANY LLC**, by himself as _____.

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

(SEAL)

Notary Public

My Comm. Expires: _____