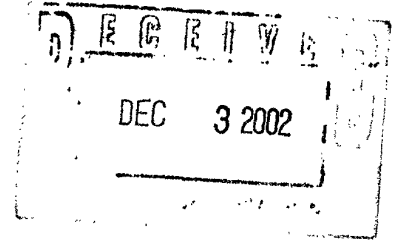


PHIL NICHOLS ASSOCIATES

Electrical and Mechanical Engineers



December 3, 2002

Mr. Keith Johnson, P.E.
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Re: City of Rapid City
Canyon Lake Park Improvements
Project No. PR03-1273

Dear Mr. Johnson:

This will confirm our recent conversations regarding consultant services for the new lighting system for the reference project:

The following is an estimate of Consultant's hours for the project phases:

- | | | |
|----|-----------------------------|----------|
| 1. | Preliminary Project Study | 10 hours |
| 2. | Contract Bid Specifications | 52 hours |
| 3. | Pre-Bid Communications | 4 hours |
| 4. | Project Bid Process | 4 hours |
| 5. | Contractor Submittal Review | 5 hours |
| 6. | On-Site Construction Phase | 19 hours |

Total estimated project time 94 hours

Based on the Consultant's hourly rate of \$ 105, the total work will not exceed \$ 9,870, not including printing costs.

Upon your approval I will prepare a standard contract for your review.

I look forward to working with you and the city staff on this project.

Phil Nichols