

**MEMORANDUM OF UNDERSTANDING**

WHEREAS, both parties seek to enter into a mutually beneficial arrangement whereby, Prairie Fire Development, hereinafter referred to as "Prairie Fire," and the City of Rapid City, herein after referred to as "City," will work together on the construction of a sewer line along South Side Drive; and

WHEREAS, this Memorandum of Understanding is necessary to clarify the terms of this arrangement.

NOW THEREFORE, be it resolved that the City of Rapid City and Prairie Fire agree to the following terms and conditions:

1. Prairie Fire shall pay for the design of a twenty-seven (27) inch sewer line along South Side Dr. in accordance with Exhibit A, attached hereto and incorporated herein. Such design shall include a connection from the Prairie Fire Development to the City's Water Reclamation Plant and a termination manhole at the Prairie Fire Development connection point on South Side Drive. Upon completion of the above-described design, Prairie Fire shall turn over ownership of said design to the City.
2. After receiving ownership of the design described in provision (1.) of this Memorandum of Understanding, the City shall follow the bidding procedures for the construction of the sewer line.
3. The City shall pay one hundred percent (100%) of the total construction costs.
4. Prairie Fire shall pay, to the City of Rapid City at the time it makes a connection to the sewer line, but not later than twelve (12) months after completion of the project, as follows: Fifty (50) percent of the total construction costs of a twenty-seven (27) inch sewer line **or** provide bidding documents to allow the project to be bid both as an eight (8) inch and twenty-seven (27) inch sewer line and pay one-hundred (100) percent of the total construction cost of the eight (8) inch line, which ever is less.

Dated this \_\_\_ day of \_\_\_\_\_, 2006.

Prairie Fire Development

City of Rapid City

By: \_\_\_\_\_

\_\_\_\_\_

Its:

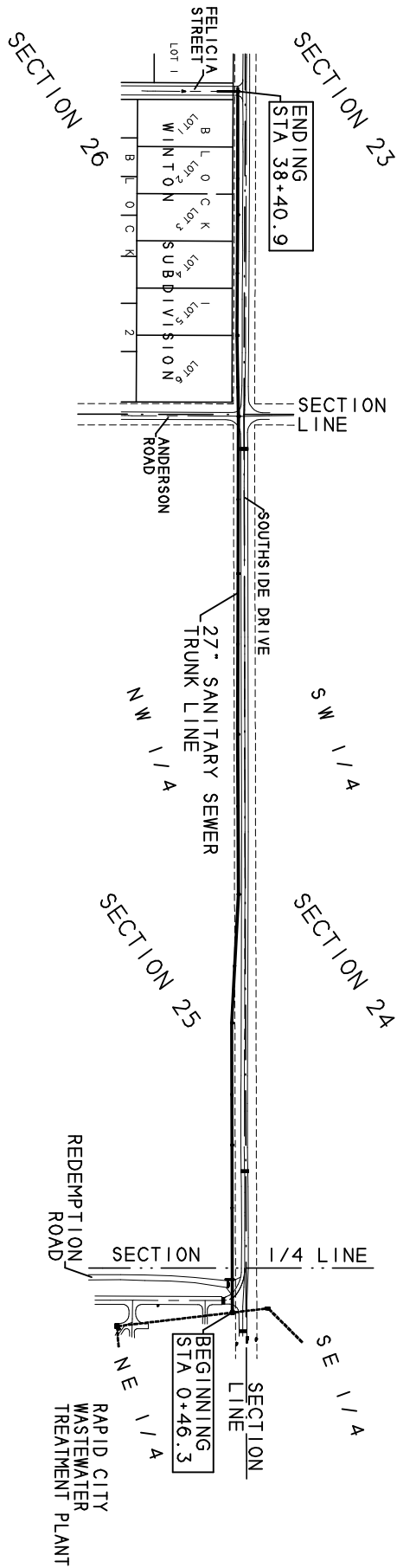
Mayor

ATTEST:

\_\_\_\_\_  
Finance Officer



EXHIBIT "A"  
OF  
27" SANITARY SEWER TRUNK LINE  
IN THE NE1/4 & NW1/4 OF SECTION 25,  
AND THE NE1/4 OF SECTION 26  
ALL LOCATED IN T1N, R8E, BHM  
PENNINGTON COUNTY, SOUTH DAKOTA



SCALE: 1" = 500'  
JULY 25, 2006

PREPARED BY: STEVEN O. THINGELSTAD  
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