

PREPARED BY: Rapid City Public Works Department &
City Attorney's Office
300 Sixth Street
Rapid City, SD 57701
(605) 394-4140

STATE OF SOUTH DAKOTA)
) SS. **COVENANT AGREEMENT**
COUNTY OF PENNINGTON)

This declaration of covenant and agreement (“Agreement”) is entered into this ____ day of _____, 2006, by and between Farrar Real Estate Limited Partnership, hereinafter referred to as “Developer”, and the City of Rapid City, a municipal corporation and political subdivision of the State of South Dakota, hereinafter referred to as the “City”.

WHEREAS, the Developer desires to develop land legally described as: the NE1/4 of the SE1/4 of Section 16, excluding Lots 1 and 2 of Block 1, Lot 1 of Block 4, and Lot 1 of Block 5 of Farrar Business Park; and that portion of the NW1/4 of the SE1/4 of Section 16 lying north and east of the Right-Of-Way of Interstate 90 consisting of approximately 46.03 acres, hereinafter referred to as the “Farrar Business Park Area”; and

WHEREAS, the Developer desires to obtain and utilize public water from the City of Rapid City for domestic water service and fire protection; and

WHEREAS, the City currently does not have the ability to provide water service for the Farrar Business Park Area; and

WHEREAS, the Farrar Business Park Area has been identified as an area that in the future will be provided water service from a pressure zone identified as the “North Deadwood High High Level” which is further described in a study approved by the City of Rapid City titled, “North Rapid High Level and North Deadwood Avenue Water System Expansion Study Rapid City, South Dakota” dated May 18, 2005, completed by Ferber Engineering; and

WHEREAS, the City desires to promote the construction of the first phase of a multi-phased project to expand water service into the “North Deadwood High High Level” water service zone; and

WHEREAS, the Developer has proposed a Tax Increment District and Project Plan to assist in the development of the first phase of the “North Deadwood High High Level” water service zone project; and

WHEREAS, the City and the Developer have agreed to share the costs associated with the design and construction of the first phase of the “North Deadwood High High Level” water service zone as detailed within this Agreement; and

WHEREAS, the City is willing, under the conditions outlined within this Agreement, to accept the ownership and maintenance of the proposed first phase water system components after the components have been constructed and accepted by the City with the exception of the Water Storage Reservoir which the City will not own but will operate the water system which the reservoir is a component of; and

WHEREAS, the construction of the water system and the City’s operation and maintenance of same will provide the Developer with a significant future benefit.

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

1. The first phase of the “North Deadwood High High Level” water service zone shall consist of the following components: (refer to Figure 1 attached hereto and incorporated herein)
 - a. A Madison Well and Well House (“Well”) to supply water for the City and for the Farrar Business Park Area. The proposed Madison Well shall be designed per City of Rapid City Public Works Department’s requirements which typically consists of drilling a 17.5” (minimum) borehole, installing a 13.5” (minimum OD) casing, grouting the casing, and test pumping the well; and

The proposed Well House shall be designed per City of Rapid City Public Works Department’s requirements which typically consist of a concrete masonry unit CMU building with brick veneer, pitched truss roofing system, asphalt shingles, site grading, landscaping, disinfection and fluoride feed equipment, well pump, mechanical piping, HVAC, MCC, SCADA system, and telemetry system; and
 - b. Water Transmission Mains and Water Mains (“Water Mains”) consisting of a 14” - 16” water transmission main along Deadwood Avenue fronting the proposed Farrar Business Park Area, a 10”-12” water main extending from the proposed well to the transmission main along Deadwood Ave., a 10”-12” water main from the proposed temporary water storage reservoir to the transmission main along Deadwood Avenue, and other water mains as necessary to serve the Developer’s property, described-above as the “Farrar Business Park Area”. Actual Water main size shall be determined by the Public Works Department; and

- c. Temporary Water Storage Reservoir (“Reservoir”) to provide domestic storage and fire protection for the Farrar Business Park Area. The Reservoir will not be oversized to provide service for adjacent property unless under a separate agreement the adjacent property owners agree to share in the Reservoir cost with the Developer. The City shall be a party to any separate agreement and shall concur in the contents of the agreement.

2. A Tax Increment District (“TID”) and Project Plan is proposed to reimburse the City and Developer for expenditures for the Madison Well and Well House (Section 1.a) and for oversize costs associated with the construction of Water Transmission Mains and Water Mains (Section 1.b). The Temporary Water Storage Reservoir (Section 1.c) is not included as a project cost for the proposed TID and Project Plan.

3. This Agreement will not be enforced in the event that the TID and the Project Plan are not approved for the following project components:
 - a. Madison Well and Well House (Well); and
 - b. Oversize reimbursement for the Water Transmission Mains and Water Mains (Water Mains).

4. The following probable project costs have been identified for inclusion within the proposed TID and Project Plan:
 - a. The Madison Well and Well House:

\$670,000	(design and construction)
\$30,000	Temporary Well (by Developer not TID eligible)
<u>50,000</u>	<u>(contingency)</u>
\$750,000	total probable cost

 - b. The Oversize reimbursement for the Water Transmission Mains and Water Mains:

\$5,000	(15% of engineering fees)
\$80,000	(35% of 14” -16” water main construction cost)
\$40,000	(30% of 10” – 12” water main construction cost)
<u>\$10,000</u>	<u>(contingency)</u>
\$135,000	total probable cost

 - c. Contingency

\$140,000

 - d. Total proposed Tax Increment District probable project costs are Nine Hundred and Ninety-Five Thousand dollars (**\$995,000**) **Does not include \$30,000 for Temporary Well Pump.**

5. The following are the general provisions governing the Madison Well and Well House (“Well”):
 - a. The City shall be responsible for designing, bidding and constructing the Well. Refer to Figure 1 attached hereto.

- b. The City shall select an engineering consultant for the purpose of evaluating site locations within the Developer's property for the proposed Well, and for designing, bidding, administering, and constructing the proposed Well.
- c. The scope of services provided by the engineering consultant for the Well project in general shall consist of the following:
 - i. Evaluate the property for suitable sites for a well; and
 - ii. Prepare a design report identifying potential well sites within the property boundaries. The report at a minimum shall address the following:
 - 1. pros and cons associated with each well site,
 - 2. lot size requirements and easement requirements,
 - 3. probable costs,
 - 4. project schedule, and
 - 5. water rights and permitting; and
 - iii. Prepare plans, specifications, and contract documents for drilling the proposed Well. Scope of services for this task at a minimum shall consist of:
 - 1. design services - well drilling design and preparation of plans, specifications, and contract documents,
 - 2. bidding services,
 - 3. construction services, and
 - 4. water rights and permitting; and
 - iv. Prepare plans, specifications, and contract documents for the Well House. This component of the project will only commence if the well drilling project (Section 5.c.iii.) is successful. The drilling project will be deemed successful when the well has been successfully drilled into the Madison aquifer, is capable of continually producing a sustained minimum flow of 500/gpm, doesn't produce sediment, and is suitable as a public groundwater supply. The scope of services for this task at a minimum will consist of the following:
 - 1. design services - well pump and motor sizing, disinfection and fluoride feed system, well house (CMU building with brick veneer, pitched truss roofing system, asphalt shingles), electrical and mechanical (mechanical piping, HVAC, MCC, SCADA system, and telemetry system), permitting, site grading, landscaping, etc., and
 - 2. bidding services, and
 - 3. construction services, and
 - 4. water rights and permitting;
 - v. The well pump installed initially shall be considered temporary and shall be designed to provide service for the Developer's property and the temporary water storage reservoir. The Well House and all system components shall be designed to allow for the installation of a larger pump to provide service as identified in the "North Rapid High Level and North Deadwood Avenue Water System Expansion Study Rapid City, South Dakota" dated May 18, 2005 and completed by Ferber Engineering.

- d. The concept of a City Madison Well and Well House located within the Developer's property may be feasible however, the City does not guarantee or imply that drilling the well will be successful or that a water supply for the area is certain.
- e. In the event that the proposed Well does not meet the criteria defining "successful" under Section 5.c.iv. of this Agreement, the City shall not be obligated to proceed with construction of the Well House, and shall not be obligated to operate and maintain the water system components as a public water supply, and the City may renegotiate or terminate this Agreement.
- f. According to the recommendations contained within the design report for the Well (Section 5.c.ii.) the Developer shall prepare plats and easement documents as required for the Well. The Well shall be located on a Well Lot. Water Mains shall be located within the Well Lot or Public Right of Way whenever possible. A permanent drainage easement shall be granted to the City for the purpose of discharging well water when the pump is cycled on. It is typical for the City's wells to run to discharge well water for up to thirty (30) minutes before switching the water flow into the distribution system. The Developer shall grant to the City Temporary Construction Easements around the Well Lot as may be needed for construction.
- g. The Developer shall prepare and deliver to the City a Warranty Deed transferring the Well Lot to the City after the successful completion of a the well drilling project (Section 5.c.iii.). Prior to the successful completion of the well drilling project, the Developer shall provide the City with a Temporary Construction Easement for the purpose of drilling the well.
- h. The City shall hold the Well Lot Deed until the Well House Project (Section 5.c.iv.) has been awarded, and after it has been awarded, the City shall record the deed with the Pennington County Register of Deeds.
- i. The Developer shall have the opportunity to review and comment on all submittals and documents prepared under the Madison Well and Well House project.
- j. The Developer shall provide the City all information pertaining to its development water system demands and reservoir design as is necessary for the design of the Well Pump House.
- k. The City shall finance the Madison Well and Well House project as outlined under Section 1.a. The total project costs are estimated to be Seven Hundred and Fifty Thousand dollars (\$750,000). All costs shall be considered as "project costs" for purposes of the TID and Project Plan with the exception of the cost for the temporary well pump and motor identified under item 5.c.v and estimated to cost Thirty Thousand dollars (\$30,000). The Developer shall reimburse the City for all costs exceeding Five Hundred and Twenty-Five Thousand dollars

(\$525,000). These costs are estimated to be Two Hundred and Twenty-Five Thousand dollars (\$225,000) of which it is estimated that One Hundred and Ninety-Five Thousand dollars (\$195,000) will be considered as a “project cost” for purposes of the TID and Project Plan. The difference between \$225,000 and \$195,000 is the estimated cost of the temporary well pump and motor, which is a developer cost and is not eligible as a project cost for purposes of the TID and Project Plan. The City will bill the Developer the costs of the project exceeding Five Hundred and Twenty-Five Thousand dollars (\$525,000) after the project has been closed out and accepted by the City.

6. The following are the general provisions governing the proposed Water Transmission Mains and Water Mains (“Water Mains”):
 - a. The Developer shall be responsible for designing, , permitting, administering, and constructing the proposed Water Transmission Mains and Water Mains (“Water Mains”). Approximately 1400 linear feet of 14” – 16” water transmission main is proposed along Deadwood Avenue from the Developer’s northern property line to its southern property line. Approximately 1200 linear feet of 10” - 12” water main is proposed within the Developer’s property from the proposed Well to the transmission main located along Deadwood Avenue. Approximately 100 linear feet of 10” - 12” water main is proposed within the Developer’s property from the proposed “Temporary Water Storage Reservoir” to the transmission main located along Deadwood Avenue. Refer to Figure 1 attached hereto; and
 - b. The Developer shall contract with an engineering consultant to provide design, administration, and construction services for the Water Mains; and
 - c. The engineering consultant’s scope of services for the Water Mains shall be in accordance with City standards and requirements as they pertain to developments and subdivisions. In addition, the following items shall also be incorporated as a component of the engineer’s scope of services:
 - i. Evaluate corrosion potential of the soils in which the mains are to be installed; and
 - ii. Provide a corrosion protection design with the goal of achieving an 80-year design life for the mains. Incorporate these corrosion protection measures into the plans and specifications for the Water Mains.
 - d. The Developer shall contract with an engineering consultant to provide construction services to the extent necessary to ensure that the engineer can certify that the project meets the requirements for the TID and Project Plan.
 - e. The Developer’s engineer shall also certify to the City that the improvements were constructed in accordance with the plans and specifications.
 - f. The Water Mains shall not be activated for use until the project costs have been finalized and the project has been formally accepted by the City of Rapid City.

- g. The Developer shall finance all components of the Water Main project. The oversize costs (costs of providing a larger diameter pipe than what is needed for the Developer) shall be considered “project costs” for purposes of the TID and Project Plan and the Developer will be entitled to recoup these costs under the terms of the TID agreement. The “oversize” “project costs” shall be established as follows:
 - i. Fifteen percent (15%) of the engineering fees (estimated at \$5,000) for the Water Mains; and
 - ii. Thirty-Five percent (35%) of the construction costs (estimated at \$80,000) for the 14” – 16” transmission mains; and
 - iii. Thirty percent (30%) of the construction costs (estimated at \$40,000) for the 10” – 12” mains; and
 - iv. The engineering and construction costs referred to above shall be the costs associated with the design and installation of the water mains and transmission mains and shall not include design and construction costs associated with other infrastructure not directly needed for the water mains but that may be incorporated into the project for economy.
 - h. The Developer, in accordance with the provisions outlined above, shall prepare, document, certify, and submit the final oversize costs to the City.
 - i. The Plans and Specifications for the Water Mains shall be submitted to and reviewed by the City’s Development Services Center for approval.
7. The following are the general provisions governing the proposed Temporary Water Storage Reservoir (Reservoir):
- a. The Developer shall be responsible for designing, permitting, administering, and constructing the proposed Reservoir. Refer to Figure 1 attached hereto.
 - b. The Developer shall contract with an engineering consultant to provide design, administration, and construction services for the Reservoir.
 - c. The City’s Public Works Department shall be responsible for the review and approval of plans and specifications for the Reservoir.
 - d. In order to facilitate timely and responsive reviews of the proposed Reservoir, the Public Works Department (“PW”) will contract with the engineering consultant selected to design the Well (“PW Consultant”) to review and comment on the Reservoir design and submittals. The PW Consultant’s fees for services associated with review and comment on the Reservoir design and submittals shall be considered “project costs” for the proposed TID and Project Plan.
 - e. The PW Consultant shall review, supplement, and comment on the proposed design criteria and standards proposed for use by the Developer’s engineer for the

Reservoir. The Reservoir shall be designed in accordance with criteria agreed to by the PW Consultant.

- f. The following design services shall be included within the Developer's engineer's scope of work:
 - i. Design Services:
 1. The Developer's engineer and the PW Consultant shall conduct a kickoff meeting for the project to outline submittal schedules, communications, and design criteria; and
 2. the Developer's engineer shall prepare a design report that at a minimum addresses the following:
 - a. reservoir site selection,
 - b. reservoir lot size requirements, project schedule design through construction,
 - c. permitting,
 - d. design criteria to be used for the reservoir; and
 3. Design Criteria for the Reservoir design shall include:
 - a. Documenting the required fire flows for all of the property to be served by the reservoir and verify in writing these flows with the Rapid City Fire Chief, and
 - b. As a minimum, Average Water Demand shall be based on the following:
 - i. Residential:
 1. 2.71 persons per dwelling unit
 2. 120 gallons per capita per day
 - ii. Commercial:
 1. 5 gpm per acre - unless the actual type of business is known
 - iii. Industrial:
 1. 2.5 gpm per acre - unless the actual type of business is known, and
 - c. As a minimum, Peaking Factors shall be:
 - i. Residential:
 1. Peak Day = 4 x Average Water Demand
 2. Peak 2-hour = 10 x Average Water Demand
 - ii. Commercial:
 1. Peak Day = 3 x Average Water Demand
 2. Peak 2-hour = 4 x Average Water Demand
 - iii. Industrial:
 1. Peak Day = 3 x Average Water Demand
 2. Peak 2-hour = 4 x Average Water Demand, and
 - d. Storage Requirements shall be:
 - i. provide a minimum of 2 hours of storage for fire flows (to be verified with the Rapid City Fire Chief),

- ii. the fire storage shall be designed to provide a minimum of 20 psi of pressure within the distribution system for the entire 2-hour fire flow,
 - iii. in addition to the fire flow storage requirements, provide a minimum storage volume for Peak Day usage. The minimum reservoir storage volume shall be the sum of fire flow storage and Peak Day storage, and
 - iv. the Peak Day storage shall be designed to provide a minimum of 40 psi static pressure and 35 psi residual pressure within the distribution system.
 - v. the water storage shall be designed so that Peak Day flows and the Peak 2 Hour flows can be satisfied without having the residual pressure in the distribution system drop below 35 psi; and
4. Prior to conducting a kickoff meeting, the Developer's engineer shall submit a proposed project schedule. The schedule shall detail submittal dates, milestones, advertisements for the projects, bid openings, and proposed construction periods; and
5. The PW Consultant shall have ten working days, after receipt of the submittals, to review and comment on all submittals; and
6. After the kickoff meeting, the Developer's engineer shall submit a design report detailing the service area for the reservoir and its proposed design criteria for the water storage reservoir. The PW Consultant will review and comment on the design report and the Developer's engineer shall, in writing, address the comments and submit a final design report; and
7. The Developer's engineer shall submit a 50% Design submittal consisting of plans, specifications, and other information necessary to evaluate the proposed Reservoir. The PW Consultant shall review and comment on the 50% Design submittal and the Developer's engineer shall, in writing, address the comments; and
8. The Developer's engineer shall submit plans, specifications, and other information necessary to the Development Services Center for a review under SDCL § 11-6-19. The 11-6-19-submittal shall not be made until after the PW Consultants comments on the 50% submittal have been incorporated into the plans and specifications. The PW Consultant shall concur in submitting the 11-6-19-submittal; and
9. The Developer's engineer shall submit a 95% Design submittal consisting of plans, specifications, and other information necessary to evaluate the proposed Reservoir. The PW Consultant shall review and comment on the 95% Design submittal and the Developer's engineer shall, in writing, address the comments; and
10. The Developer's engineer shall submit 100% plans and specifications for the Reservoir. The PW Consultant shall review the 100% plans and specifications and, if in agreement with the

plans, shall approve them. After the PW Consultant has reviewed the plans and specifications, and approved them, the Developer's engineer shall prepare mylars, sign and seal the mylars, and submit them to the PW Consultant. The PW Consultant shall sign and authorize the plans for construction on behalf of the City. The PW Consultant will then deliver these mylars to the City for concurrence, and

11. The Reservoir shall not be advertised for bid prior to the City's concurrence on the plans and specifications; and
 12. The PW Consultant may at times request additional data or information for review and the Developer's engineer shall prepare and submit such data as requested; and
 13. The PW Consultant may request to meet with the Developer's engineer to exchange information and to ask questions. The Developer's engineer shall accommodate these requests.
- g. The Developer's engineer shall include the following bidding services within his or her scope of work:
- i. issue addenda and interpretations to the bid documents if required,
 - ii. review pre-qualification submittals if required, and
 - iii. assist the Developer in evaluating bids,
- h. The Developer's engineer shall include the following construction services within his or her scope of work:
- i. attend pre-construction conference and periodic progress meetings,
 - ii. review and take action on shop drawings, test results, and other submittals,
 - iii. provide construction surveys under this contract or under the appropriate construction Contract bid item,
 - iv. provide a minimum of 4 hours of construction observation per day,
 - v. coordinate and manage Start-Up and reservoir testing services. The PW Consultant shall represent the City at start up and testing,
 - vi. provide certification to the City that the project was constructed in accordance with the Plans and Specifications, and
 - vii. coordinate and resolve punch list and warranty issues that may arise during the project.
- i. The PW Consultant shall provide construction services in the form of Quality Assurance (QA) on behalf of the City. These services in general will consist of:
- i. attend pre-construction conference and weekly progress meetings with Developer's engineer, the Contractor, and subcontractors,
 - ii. review and concur on shop drawings, test results, and other submittals,
 - iii. provide QA construction observation a minimum of 4 hours per week and when critical construction activities are occurring,
 - iv. participate in, observe, and represent the City's interest in startup services for the project including observation and testing,

- v. concur with Developer's engineer's issuance of Certification to the City that the project was constructed in accordance with the Plans and Specifications,
 - vi. coordinate with Developer's engineer regarding punch list and warranty issues, and
 - vii. Coordinate with the Developer's engineer to resolve punch list and warranty issues that may arise during the project and during the 2-year warranty period.
- j. A building permit shall be secured for the Reservoir prior to starting construction.
8. The Madison Well and Well House (Well), Water Transmission Mains and Water Mains (Water Mains), and Temporary Water Storage Reservoir (Reservoir) projects shall be formally accepted by the City prior to the water system being activated for use.
 9. At such time after the City has constructed a permanent reservoir for the service area as described in the "North Rapid High Level and North Deadwood Avenue Water System Expansion Study Rapid City, South Dakota", and the Temporary Water Storage Reservoir is no longer needed, then the Developer shall abandon the Reservoir and watermains supplying the Reservoir as directed by the City Public Works Department. The Reservoir shall remain under the ownership and remain the responsibility of the Developer. The Developer, at a minimum, shall abandon the Reservoir and Watermains which consists of capping the watermains that feed the Reservoir where they tie into the City transmission main installed along Deadwood Ave., plug the ends of the abandoned pipes, remove the Reservoir, and reclaim all disturbed areas.
 10. A component of the Madison Well and Well House project will consist of designing and installing a SCADA and radio telemetry system on or adjacent to the Reservoir to provide the City the ability to operate the water system. The Developer and Developer's engineer shall provide information regarding the Reservoir as may be needed to facilitate the design and installation of these components. At such time the reservoir is to be abandoned, the City will salvage and remove the SCADA and radio telemetry equipment. All costs associated with the design and installation of the SCADA and radio telemetry equipment shall be considered as "project costs" for purposes of the TID and Project Plan.
 11. The Developer shall provide an Access Easement to the Reservoir for the City in order for the City to operate the water system.
 12. Reservoir maintenance shall be the responsibility of the Developer. In the event the City identifies maintenance needs for the Reservoir, the City will notify the Developer and the Developer shall complete the maintenance in accordance with recognized standards and as approved by the City. If the maintenance is not completed within 30 calendar days, the City may have the maintenance work completed and bill the Developer for the work at 1.5 times the cost incurred.

13. As a component of the Well project the City will request a water right through the State. In the event the City is unable to obtain a water right for the Well then the terms of this Agreement will not be enforced.
14. In the event the Developer proceeds with design and construction of the Reservoir or Water Mains prior to the City completing the Well, the Developer does so at its own risk. The City does not warranty or guarantee the success of the Well until the project has been completed.
15. Schedule:
As per Exhibit A titled "Water Well No.: 15 (North Deadwood Avenue) Project" attached hereto and incorporated herein.

Both the Developer and City agree to adhere to the schedule. If events beyond the control of the Developer or the City become apparent, then the parties of this Agreement shall communicate the issue to the other party and mutually agree on a modified schedule.

16. All of the terms and conditions herein set forth shall extend to and be binding upon the heirs, beneficiaries, assignees, or successors in interest of the Developer, and be considered as a covenant running with the above-described property. Furthermore, it is agreed that in accepting title to the above-described property any grantee, beneficiary, heir, assignee, or successor in interest to the undersigned expressly agrees to be bound by the terms of this Agreement recorded with the Pennington County Register of Deeds' Office pursuant to the provisions of South Dakota Codified Law
17. The City may undertake any legal or equitable action available to enforce the provisions of this Agreement in addition to any remedy provided herein. In the event the City is required to undertake any action to enforce the terms of this Agreement, Developer, its heirs, beneficiaries, assignees, or successors in interest agree the City may recover its reasonable expenses, including attorney's fees incurred with respect to such action.
18. The parties agree that the terms of this Agreement shall be governed by the laws of the State of South Dakota. In the event of any conflict of laws, the law of the State of South Dakota shall be controlling. Any legal action arising out of or relating to this agreement shall be brought only in the Circuit Court of the State of South Dakota, Seventh Judicial Circuit, located in Rapid City, Pennington County, South Dakota.
19. The parties agree that this writing constitutes the entire agreement between them and that there are no other oral or collateral agreements or understandings of any kind or character except those contained herein. No modification or amendment to this Agreement shall be valid, unless evidenced by a writing signed by the parties hereto.
20. In the event that any section(s), or provision(s) of this Agreement is declared invalid for any reason whatsoever by any competent court, such invalidity shall not affect any other section(s) or provision(s) of this Agreement if it can be given effect without the invalid section(s) or provision(s).

Dated this ____ day of _____, 2006.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

Farrar Real Estate Limited Partnership

By: _____

Its: _____

STATE OF SOUTH DAKOTA)

) ss.

COUNTY OF PENNINGTON)

On this ____ day of _____, 2006, before me, the undersigned officer, personally appeared Jim Shaw and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City and that they, as such Mayor and Finance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing as such Mayor and Finance Officer of the City of Rapid City.

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

Notary Public, State of South Dakota

My Commission Expires: _____

[SEAL]

STATE OF SOUTH DAKOTA)

)ss.

COUNTY OF PENNINGTON)

On this ____ day of _____, 2006, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of Farrar Real Estate Limited Partnership, and that as such, being duly authorized so to do, executed the foregoing instrument by signing the name of Farrar Real Estate Limited Partnership as its _____.

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

[SEAL]

Notary Public, State of South Dakota

My Commission Expires: _____

Exhibit A

Water Well No.: 15 (North Deadwood Avenue) Project

Item:	Description:	Proposed start date: (Calendar Days After Council Approval)	Proposed end date: (Calendar Days After Council Approval)	Status:
1	Prepare Memorandum of Understanding (MOU) agreement between the Developer and the City	done	done	100%
4 !	Covenant Agreement to City Council	04/17/06	04/17/06	x
7	Authorization to solicit RFPs Council	04/17/06	04/17/06	x
13 !	Consultant Contract to Council:	63	63	x
15	Water Right Request	64	89	x
17	Preliminary Design Well Drilling	64	95	x
18 !	Water Rights Board Hearing	10/4/06	10/5/06	x
19	Final Design Well Drilling	95	151	x
24	Bid Well Drilling	176	176	x
25 !	Award Well Drilling	182	182	x
26 !	Construction Well Drilling	191	314	x
27	<i>Preliminary Design Well House</i>	105	165	x
28	<i>Final Design Well House</i>	165	333	x
33	<i>Bid Well House</i>	358	358	x
34 !	<i>Award Well House</i>	364	364	x
35 !	<i>Construction Well House #15 Deadwood Avenue</i>	365	475	x
XXXX	<i>Well House Project Component</i>			
# !	<i>Important Milestones</i>			

