

**Agreement between
City of Rapid City
And
Skyline Pines Development Company L.L.C.**

This Agreement made this _____ day of _____, 2001, by and between the City of Rapid City, municipal corporation organized under the laws of the State of South Dakota, hereinafter referred to as the City, and Skyline Pines Development Company L.L.C. of 728 Sixth Street, Rapid City, South Dakota hereinafter referred to as the Developer.

WHEREAS, the Developer wishes to construct a Skyline Pines subdivision located within the corporate limits of the City, and further the Developer wishes to make connection to the water distribution system of the City, and the City desires to provide such water service, and

WHEREAS, the Developer is required by the Subdivision Ordinances of the City and a Resolution of the Common Council dated June 17, 1985 to pay for the costs to provide adequate water quantities and pressures, and

WHEREAS, the cost of water mains is estimated to be \$250,000, not including the cost of constructing water mains within the Developer's property,

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

1. The Developer agrees to have constructed approximately 3,700 feet of ten- (10") inch water main along Skyline Drive as per plans prepared by Renner and Sperlich Engineering Company titled Skyline Pines Offsite Water Improvements (DEV01-464).
2. The City agrees to identify all property, hereinafter referred to as the Service Area shown on Attachment A, that may benefit from the above described water system improvements and further agrees to establish a Connection Fee, which will be levied against all property in the Service Area at such time the property requests a water service line tap directly from the water mains constructed as part of the Skyline Pines Offsite Water Improvements Project or the water main in Sandstone Lane constructed as part of the Skyline Pines Development Project (DEV00-395). The Connection Fee for those properties within the Service Area and not within either Skyline Pines Subdivision or Lot 15 of Kepp Heights Subdivision will be established by dividing the total actual cost of the water main extension (determined at the completion of construction), estimated to be approximately \$250,000.00, divided by the total of 24 lots within the Service Area. Those property owners who pay the Connection Fee on or before November 1, 2001 will receive a 5% incentive reduction in the Connection Fee total calculated above. The Lot 15 of Kepp Heights Subdivision may be subdivided at a later date. The water line extension that may occur to serve Lot 15 of Kepp Heights Subdivision will be paid for directly by that developer. Connection fee for Lot 15, or further lots subdivided within that property currently described as Lot 15 of Kepp Heights Subdivision will pay a connection fee of \$1,500 per lot. Skyline Pines Development Co. LLC will pay for the initial construction, engineering, inspections, debt service and any deficit funds not covered by the above described connection fees.

3. The Connection Fee shall be based on total project cost which includes design engineering fees, construction costs and City inspection fees.
4. The City agrees to reimburse the Developer all of the above described Connection Fees as the fees are collected within thirty (30) days of receipt of fees by the City. In no case will the Developer be reimbursed in excess of the total costs of engineering, construction, inspections and interest on the non-reimbursed portions of the costs at a rate of 9% per year. The payments to the Developer will cease when the total costs of engineering, construction, inspections and interest are reimbursed.
5. Each parcel in the Service Area shall pay the Connection Fee for the currently described properties or any future subdivision of those properties requiring water service and obtaining a water service line tap directly from the water mains constructed as part of the Skyline Pines Offsite Water Improvements Project or the water main in Sandstone Lane constructed as part of the Skyline Pines Development Project .
6. The above described Connection Fee is in addition to the existing connection fee established for this area as part of the Highway 16 Service Area. The Highway 16 connection fee is \$324.44 per acre for the properties in the Service Area identified in Exhibit A and Lot 15 of Kepp Heights Subdivision , and \$1,442.88 per lot for the properties within the Skyline Pines Subdivision and for Tract C Revised, Section 11, T1N, R7E.

This Agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns. This Agreement shall take effect upon its execution by the respective parties hereto.

The Developer will save and hold the City harmless from any and all damages resulting from the omission of, or inability of the City to furnish water as herein provided. However, this clause shall not apply to penalties, liabilities, claims, or demands of any kind or character arising out of the City's own negligence or of its agents, servants or employees.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

CITY OF RAPID CITY

Jerry Munson, Mayor

Patrick H. Wyss, FASLA
Vice President
Skyline Pines Development Company LLC

ATTEST:

ATTEST:

Finance Office
(SEAL)

(SEAL)