

WATER PERMIT NO. 2576-2

Name of Applicant: Canyon Springs LLC

Address: 23300 First Thunder Rd, Rapid City SD

Phone: 605 348-4161

Amount of Water Claimed: 0.27 cfs

Total Acres: NA

Source of Water Supply: groundwater (two wells)

Water to be used for: suburban housing development

County: Pennington

Type of Waste Disposal System:

Location: west of Rapid City

PRIORITY Date Received: 2-2-06

Application/License Fee: \$275

Corrected Application Received:

Period of Annual Use: January 1 – December 31

Remarks:

Diversion Point: SE ¼ SW ¼ Sec 23 and SE ¼ SE ¼ Sec 22; all in T2N-R6E

Land to be Irrigated: NA

Depth of Well: 500 feet

Well Driller:

Remarks:

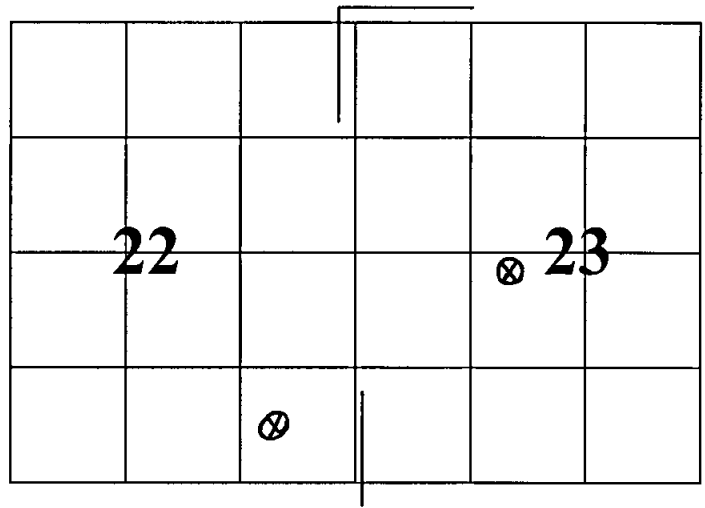
Type of Map: plat

Prepared by: Jerome Volk, PE

Reviewed and the Number Assigned on: 2-2-06

By: Karen Schlaak

Notice of Hearing - date to intervene: _____



FORM 2: Application for uses other than irrigation
(type or print)

Mail to: Water Rights Program Joe Foss Building 523 E. Capitol Pierre, SD 57501-3181 (605) 773-3352	No. <u>2576-2</u> (office use only) Hydrologic Unit <u>10/20110</u>
	Basin <u>Upper Cheyenne</u>
	Newspaper <u>Rapid City Journal, Rapid City</u>

RECEIVED
FEB 02 2006
WATER RIGHTS
PROGRAM

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use(s) of water:

- | | | | |
|--|--|--|--|
| ☒ Municipal | ☒ Suburban Housing | ☐ Recreational | ☐ Institutional |
| ☐ Rural Water System | ☐ Commercial | ☐ Fish & Wildlife | ☐ Geothermal Heat |
| ☒ Domestic (over 18 gpm) | ☐ Industrial | ☐ Other _____ | |

Type of Application: (check one) ☒ New ☐ Vested Right (Use predates Mar 2, 1955) ☐ Future Use Reservation
☐ Place to Beneficial Use Water Reserved by Future Use Permit No. _____
☐ Amendment/Correction to Permit No. _____

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.)

1. Name of Applicant CANYON SPRINGS LLC Phone (605) 348-4161
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address 23300 First Thunder Rd Rapid City SD 57702
(Street, RR, or Box and City) (Zip Code)
2. Amount of water claimed 0.27 *CFS or 120 **GPM ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (**Acre Feet - storage capacity of dam/dugout or annual use if applicable)
3. Source of water supply Madison Formation (2 Wells)
4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) County Pennington
Well No. 1 - SE1/4 SW1/4 Sec 23
Well No. 2 - SE1/4 SE1/4 Sec 22 > all T2N-R6E
5. County or counties where water will be used Pennington
6. Annual period during which water is to be used January 1 - December 31
7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

STATE OF SOUTH DAKOTA)

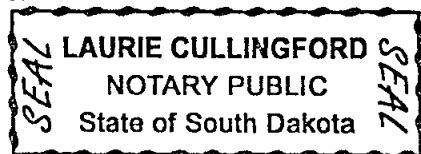
County of Pennington SS

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Attach map and any other technical information. (see instructions)

I, Dustin Schell, the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Applicant's signature Dustin Schell

Subscribed and sworn to before me this 20 day of January 20 06
exp 05-06-08



Laurie Cullingford
Notary Public signature

**SOUTH DAKOTA
WATER PERMIT NO. 2576-2**

Date of first receipt of application February 2, 2006.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2576-2 to Canyon Springs LLC, c/o Dusten Schad, 23300 1st Thunder Rd, Rapid City SD 57702 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 2576-2 appropriates 0.27 cubic feet of water per second from two wells to be completed into the Madison Aquifer (approximately 500 feet deep) located in the SE ¼ SW ¼ Section 23 and SE ¼ SE ¼ Section 22; all in T2N-R6E.
2. The water appropriated shall be used for the purpose of suburban housing development and may not exceed the amount of water needed for beneficial use.
3. The water is to be used during the following described annual period: January 1 – December 31.
4. The date of approval of Permit No. 2576-2 is May 8, 2006.
5. The date from which applicant may claim right is February 2, 2006.
6. One-fifth of the construction is to be completed on or before November 8, 2008.
7. All construction is to be completed on or before May 8, 2011.
8. Water is to be put to beneficial use on or before May 8, 2015.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. In accordance with SDCL 46-1-14 and 46-2A-20, Permit No. 2576-2 is issued for a 20-year term. Pursuant to SDCL 46-2A-21, the 20-year term may be deleted at any time during the 20-year period or following its expiration. If the 20-year term is not deleted at the end of the term, the permit may either be cancelled or amended with a new term limitation of up to twenty years. Permit No. 2576-2 may also be cancelled for nonconstruction, forfeiture, abandonment, or three permit violations pursuant to SDCL 46-1-12, 46-5-37, 46-5-37.1 and ARSD 74:02:01:37.
2. The wells approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
3. The wells authorized by Permit No. 2576-2 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28.
4. Canyon Springs LLC shall report to the Chief Engineer annually the amount of water withdrawn from the Madison Aquifer.

WATER MANAGEMENT BOARD

By: Garland Erbele
Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

JUN 12 2008
date



Supplemental Information

(Complete applicable portions only)

(type or print in ink)

1. Well Information - Proposed Construction

- a) Drill Hole Diameter 9 1/2 - 10 in Depth 500 ft ±
- b) Casing Type Steel Diameter Max 8" Thickness 0.322 in.
- c) Screen Type NA Diameter NA Thickness NA
- d) Gravel Pack NA Length of Gravel Pack NA
- e) Depth to Top of Water Bearing Material 400 ft ±
- f) Depth to Water (ground surface to water level) 250 ft ±
- g) Distance to nearest existing domestic well: Doty Vol. Fire Dept.
 On applicants property NA On property owned by others ± 600 ft

2. Wastewater Disposal System Information

- a) Type of System (i.e. septic tank, drain field) Septic Tanks w/drain field
- b) System Capacity (gallons) 750 - 1000 gal Year Constructed To be Constructed
- c) Connected to the City of _____ Sanitary System

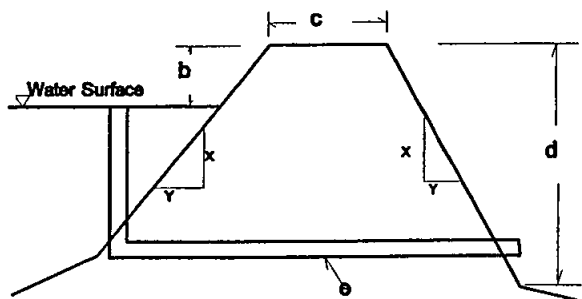
3. Dugout Information

- a) Surface Dimensions NA Depth NA
- b) Depth to water (ground surface to water level) NA

4. Water Storage Dams NA

If the proposed water use system contains one or more storage dams, please furnish the information requested below for each dam. The locations of the dams need to be shown on the map submitted with the application.

- a) If a private engineering firm or government agency was involved in the design of this dam, please give their name and address:



- b) Freeboard _____
- c) Crest Width _____
Crest Length _____
- d) Height _____
- e) Primary Outlet Capacity _____
If pipe, diameter _____
- f) Secondary Spillway Capacity _____
Spillway Width _____
- g) X & Y Slope _____
Upstream _____
Downstream _____
- h) Surface Area of Impoundment _____
- i) Storage _____ Acre Feet
- j) Drainage Area Above Dam _____ Acres

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date FEBRUARY 2, 20 06

RECEIVED OF RODNEY SENN, 7161 PRESTWICK RD, RAPID CITY SD 57702

(Banyon Springs LLC)

The following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. <u>2576-2</u> to Appropriate Water, to construct and to put water to beneficial use	225	00
Fee for Application for Permit No. _____ to Appropriate Water for Future use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. <u>2576-2</u>	50	00
Fee for Filing Transfer Form _____		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)	TOTAL	275.00

No.

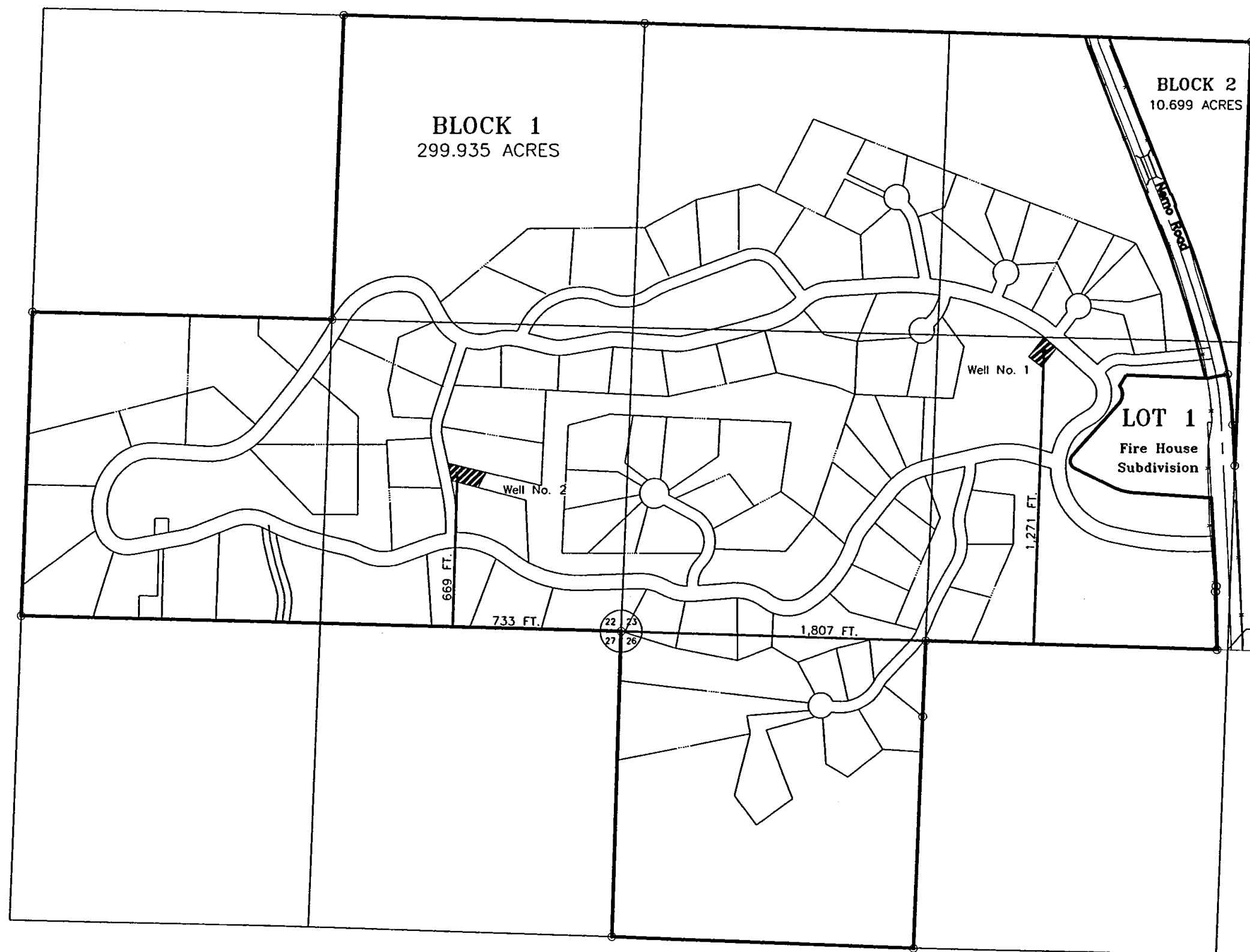
02272

By

Darland Erbe

Chief Engineer

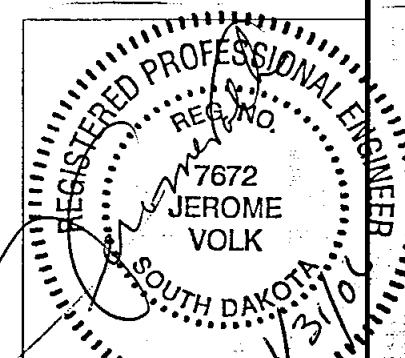
gm



WATER WELL PLAT MAP

Well No. 1 - NW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$,
SEC. 23, T2N, R6E

Well No. 2 - SE $\frac{1}{4}$, SE $\frac{1}{4}$, SE $\frac{1}{4}$,
SEC. 22, T2N, R6E



Rev'd. 01/31/2006		SHEET NO. 1	
CANYON SPRINGS PRESERVE WYSS ASSOC. PENNINGTON COUNTY, SOUTH DAKOTA			
Kadmas Lee & Jackson Engineers, Surveyors and Planners		WATER WELL PLAT MAP	
DRWN. BY CC	CHK'D BY JV	PROJECT NO. 10605110	DATE 12/16/2005
J:\municipal\10605110\cadd\10605110WELL01.dwg			
© Kadmas, Lee & Jackson 2005			

Kadrmass
Lee &
Jackson

Engineers Surveyors
Planners

February 1, 2006

Water Rights Program
South Dakota DNR
Joe Foss Bldg.
523 E. Capitol,
Pierre, SD 57501-3181

Re: Application for Water Well Permit

Dear Sir:

Enclosed please find two completed copies of Form 2, each attached to an 11"x17" map showing the proposed locations of the water wells for the Canyon Springs Preserve Subdivision, located in Sections 22 and 23, T2N, R6E, BHM.

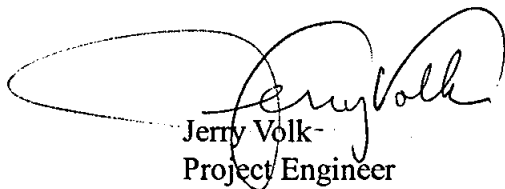
Also enclosed is a check in the amount of \$270.00 to cover the filing fee.

If you have any questions concerning this application please contact this office.

Thank you in advance.

Sincerely,

Kadrmass, Lee & Jackson, Inc.


Jerry Volk
Project Engineer

JV

Enclosure

605 721 5553

330 Knollwood Drive

PO Box 3416

Rapid City, SD 57709-3416

Fax 605 721 5575

www.kljeng.com

Kadrmass, Lee & Jackson, Inc.

A *KLJ Solutions Company*

WATER PERMIT APPLICATION NO. 2576-2
CANYON SPRINGS LLC
MARCH 21, 2006

Water Permit Application No. 2576-2 proposes to appropriate 0.27 cubic feet of water per second (cfs) from two wells to be completed into the Madison aquifer (approximately 500 feet deep) located in the SE¼ SW¼ Sec. 23 and SE¼ SE¼ Sec. 22; all in T2N-R6E, Pennington County. The water is for use in a suburban housing development.

AQUIFER: Madison aquifer (MDSN)

AQUIFER CHARACTERISTICS:

The Madison Limestone, locally known as the Pahasapa Limestone, is a fine to medium crystalline, cavernous limestone and dolomite. Estimates of the thickness of the Madison in this area range from approximately 300 feet thick (Allen and others, 1985) to approximately 600 feet thick (Carter and Redden, 1999a) (Carter and Redden, 1999b). The Madison underlies approximately 1,489,920 acres of Pennington County and contains an estimated 29,798,400 acre-feet of recoverable water in storage in the county (Allen and others, 1985). The Madison extends into the counties adjacent to Pennington County, and in fact underlies much of the Western United States. The top portion of the Madison Limestone is karstic, therefore it contains randomly distributed zones of secondary porosity and permeability formed by weathering of exposed surfaces, groundwater solution and fracturing, and is considered the Madison aquifer. The Madison is generally considered an excellent aquifer both in terms of quality and quantity, especially near the outcrop (recharge area). The Madison outcrop is located immediately west of the well sites proposed by this application, (Strobel and others, 1999). The top of the Madison limestone is estimated to be at or near ground surface at the western well site and less than 100 feet below grade at the eastern well site (Carter and Redden, 1999a). The average porosity of the Madison is estimated to be 11% and the effective porosity from which recoverable water can be obtained by wells is assumed to be 5% (Rahn, 1979). The Madison is recharged through infiltration of precipitation falling directly on the outcrop area, possibly upward leakage from the Deadwood aquifer, and from streamflow losses. The estimated average annual recharge for the Madison aquifer in South Dakota ranges from 140,000 to 400,000 acre-feet annually (Woodward Clyde, 1981). Average annual recharge from 1931-1998 is estimated to be approximately 137,000 ac-ft/yr (Carter and others, 2001).

The high cost of Madison wells, except very near the outcrop, and the availability of groundwater from shallower aquifers, has limited domestic development and generally restricted usage from the Madison to those uses which require water rights. There are a total of 139 permits/rights which appropriate water from the Madison aquifer in South Dakota (Water Rights, 2006c). In addition, there are three Future Use Permits (1833-2 Weston Heights Home Owners, 2086-2, the City of Rapid City and 2560-2 Fall River Water Users) that reserve water from the Madison aquifer. The majority of the water rights/permits from the aquifer are from Butte, Lawrence, Meade, Pennington and Fall River Counties. The Madison supplies water for irrigation, geothermal, industrial, and commercial use. However, by far the major use of the aquifer is for common distribution systems (suburban

housing development and municipal use). The cities of Spearfish, Belle Fourche, Sturgis, Rapid City, Box Elder, and Edgemont all depend on water from the Madison aquifer.

If the worst case assumptions are made that (1) permits/rights with an annual withdrawal limitation (ac-ft/yr) will use the maximum allowable; and (2) permits/rights that are limited by a diversion rate only, will use 60% of the maximum allowable (considered reasonable for water distribution systems); the total water use from the Madison would be less than 50,000 acre-feet per year. The actual amount of water used from the Madison is considerably less than this estimate. Withdrawals from wells completed into the Madison aquifer were estimated to be 10,990.2 acre-feet annually from 1987-1996 (Carter and others, 2001b). Comparison of the estimated annual recharge to the Madison with the water use estimated from the aquifer indicates unappropriated water is available from the Madison aquifer.

Observation Well Data:

The Water Rights Program monitors 26 observation wells completed into the Madison aquifer in the Black Hills area (Water Rights, 2006b).

The nearest Water Rights' Madison aquifer observation well (PE-95C) is located about one and one-half miles north of the well sites proposed by this appropriation. The hydrograph for the observation well is shown below in figure 1.

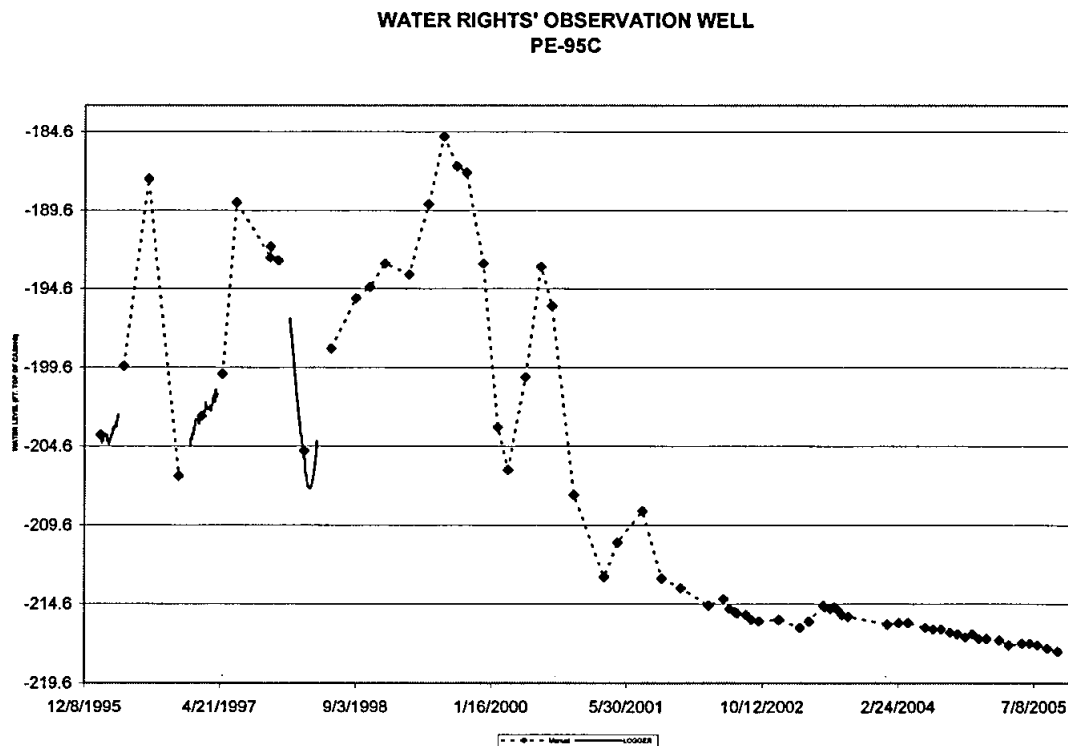


Figure 1. Hydrograph of Water Rights' observation well located approximately one and one half miles north of the well sites proposed by for this appropriation.

Water Rights Observation Well PE-89C is located approximately three miles east of the well site proposed by this application. The hydrograph for the well is shown in figure 2.

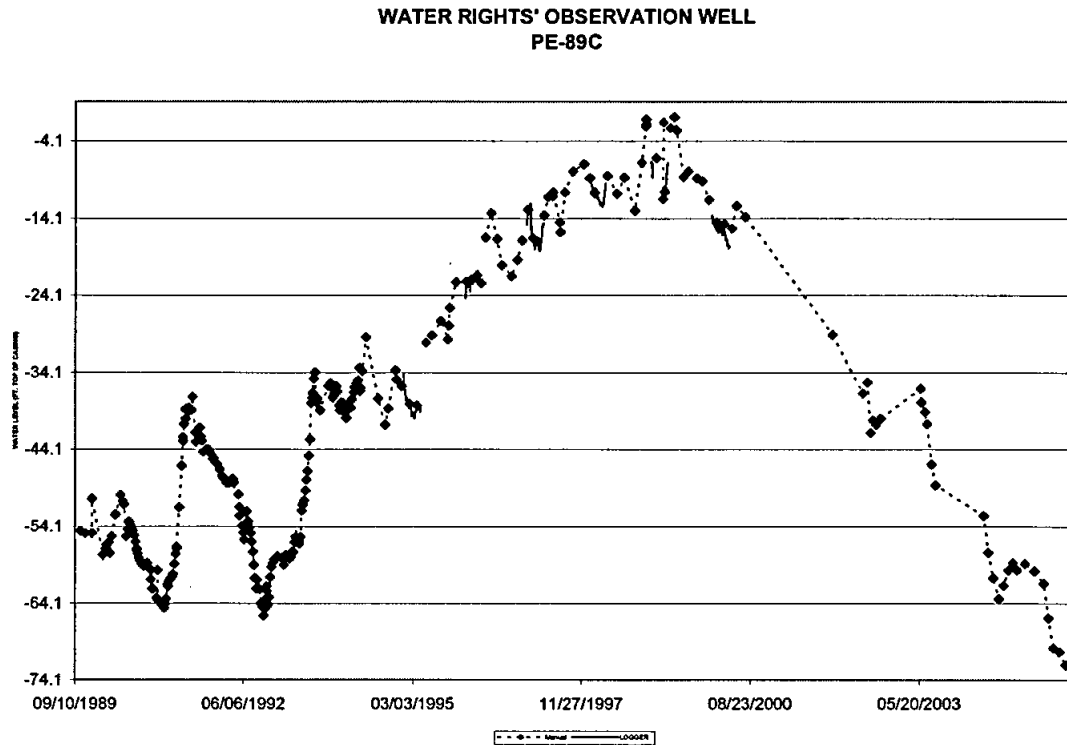


Figure 2. Hydrograph of Water Rights' observation well located approximately three miles east of the well sites proposed by for this appropriation.

The hydrographs in figures 1 and 2, show that the water levels in the wells, and presumably the Madison aquifer in this area, gradually increased through the late 1990's and have declined since. The hydrographs tend to be biased because the period of record of these two wells: 1995 to present and 1989 to present, respectively, are dominated by the abnormally wet conditions of the late 1990's. Data from Madison aquifer observation wells in the network with greater periods of record do not give cause for concern, lacking long term downward trending water levels. Observation well data suggest that at the existing level of development, natural influences dominate the water levels of the aquifer and the effects of pumping as yet are not obvious. Therefore, unappropriated water appears to be available based on observation well data.

AFFECTS ON EXISTING RIGHTS:

Wells:

Groundwater Appropriations:

There are only eight Water Rights/Permits appropriating groundwater within approximately three miles of the well sites proposed by this appropriation (Water Rights, 2006c), they are shown in table 1.

PERMIT NO	NAME	AQUIFER	USE
1154-2	WESTBERRY TRAILS WATER	MDSN	SHD
1594-2	NORTHWEST LAND & DEVELOP	MDSN	SHD
1705-2	S CANYON COUNTRY ESTATES	DDWD	SHD
1852-2	PONDEROSA WATER/HOMEOWNER	MDSN	SHD
1861-2	RAYMOND PALMER	MNLS	SHD
2245-2	CAVALRY TRAIL HOMEOWNERS	MDSN	SHD
2253-2	HIGHMEADOWS RANCHETTES	DDWD	SHD
2424-2	S CANYON COUNTRY ESTATES	DDWD	SHD

Table 1. Groundwater appropriations within approximately three miles of 2576-2

The extent of a hydrologic connection between the Madison and aquifers overlying or underlying it is unclear and has been debated. The Minnelusa aquifer directly overlies the Madison aquifer and the Deadwood aquifer underlies the Madison. The potentiometric surfaces for the aquifers in this area identify the potential for upper leakage from the Deadwood to the Madison and from the Madison to the Minnelusa. If leakage between aquifers is significant, drawdown in the Madison could affect water levels in adjacent aquifers. Data from Water Rights' observation wells (e.g. distinct water levels, and different reaction times to recharge events) suggest that for the most part the Madison, Deadwood and Minnelusa aquifers are "hydraulically distinct units". The pumping proposed by this application is not expected to adversely affect Water Rights appropriating water from the Deadwood or Minnelusa aquifers.

Only four of the groundwater appropriations within three miles are from the Madison aquifer. They are:

PERMIT NO	NAME	DISTANCE
1154-2	WESTBERRY TRAILS WATER	2.9 miles
1594-2	NORTHWEST LAND & DEVELOP	1.3 miles
1852-2	PONDEROSA WATER/HOMEOWNER	2.3 miles
2245-2	CAVALRY TRAIL HOMEOWNERS	1.1 miles

Table 1. Appropriations from the Madison aquifer within approximately three miles of 2576-2

Since the distances between the well sites proposed by this application and existing Madison appropriations is sufficient, well interference is not expected to be a concern.

Domestic Wells:

There are 16 well completion reports on file with the Water Rights Program for water supply wells within approximately one and one-half miles of the well sites proposed by this appropriation. Ten of these wells appear to be completed into the Madison aquifer (Water Rights, 2006a).

At this time it is not practical to attempt to quantify the specific affect pumping this well will have on area wells since aquifer characteristics have not been determined for this area, and

the variability of the hydraulic characteristics has been well documented (Greene, 1993). In addition, Greene concluded that the transmissivity of the Madison is not equal in all directions (anisotropic); therefore the drawdown cone will extend farther in one direction than another. However, well interference between 2576-2 and other Madison aquifer wells is not likely to be measurable because of the distance between wells. Even if drawdown from this well was measurable in another Madison aquifer well, well interference is not expected to be an issue.

Springs Along Box Elder Creek:

There are three springs discharging along Box Elder Creek within approximately one and one-half to two miles of the well sites proposed by this application. They are (with distance): Gravel Springs (1.5 miles), Doty Springs (1.4 miles) and Dome Springs (.75 miles) (Crooks, 1968). The water flowing from these springs has been shown to be related to water recharging to Madison aquifer just upstream of the springs through dye testing. In theory, if the water levels in the Madison Aquifer are lowered, the discharge of springs originating from the Madison could decrease. The discharge of these springs appears to be highly variable (Rahn and Gries, 1973) the base flow of Box Elder Creek cannot be maintained by their discharge alone. Therefore, it is unlikely that any discharge change would be noticeable in the flow in the creek

TERM LIMITATION:

SDCL 46-2A-20 requires that "... no water permit for construction of works to withdraw water from the Madison formation in Butte, Fall River, Custer, Lawrence, Meade and Pennington counties may be issued for a term of more than twenty years, unless the water management board determines, based upon the evidence presented at the hearing that:

- (1) Sufficient information is available to determine whether any significant adverse hydrologic effects on the supply of water in the Madison formation would result if the proposed withdrawal were approved; and
- (2) The information, whether provided by the applicant or by other means, show that there is a reasonable probability that issuance of the proposed permit would not have a significant adverse effect on nearby Madison formation wells and springs."

Evidence is not available to justify issuing this permit without a term limitation of 20 years.

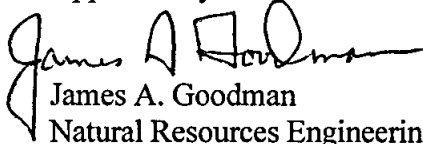
CONCLUSIONS:

1. The Madison aquifer is a viable aquifer in this area.
2. This diversion will not adversely impair existing water rights.
3. Information is not available to justify issuing this permit without a term limitation of 20 years.
4. This proposed appropriation is to supply water to a housing development that is located on or near the recharge area of the Madison and Minnelusa aquifers.
5. The wells proposed by this application are located near springs along Box Elder Creek.



Ken Buhler
Natural Resources Engineering Specialist

Approved by



James A. Goodman
Natural Resources Engineering Director

REFERENCES:

- Allen, J.C., Iles, D.L., and Petres, A.K., 1985, Analysis of Groundwater and Streamflow Data Western Dakotas Region of South Dakota, Tasks 3A.B.C. and 4A.B.: Groundwater Resource Inventory: South Dakota Department of Water and Natural Resources
- Carter, J.M., Driscoll, D.G., Hamade, G.R., 2001, Estimated Recharge to the Madison and Minnelusa Aquifers in the Black Hills Area, South Dakota and Wyoming, Water Years 191-98, Water-Resources Investigations Report 00-4278, 66 p.
- Carter, J.M., Redden, J.A., 1999a, Altitude of the Top of the Madison Limestone in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-744-D, 2 sheets, scale 1:100,000
- Carter, J.M., Redden, J.A., 1999b, Altitude of the Top of the Deadwood Formation in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-744-E, 2 sheets, scale 1:100,000
- Carter, J.M., Driscoll, D.G., Hamade, G.R., 2001a, Estimated Recharge to the Madison and Minnelusa Aquifers in the Black Hills Area, South Dakota and Wyoming, Water Years 191-98: U.S. Geological Survey Water-Resources Investigations Report 00-4278, 66 p
- Carter, J.M., Driscoll, D.G., Hamade, G.R., and Jarrell, G.J., 2001b, Hydrologic Budgets for the Madison and Minnelusa Aquifers, Black Hills of South Dakota and Wyoming, Water Years 1987-1996: U.S. Geological Survey Water-Resources Investigations Report 01-4119, 53 p.
- Crooks, T.J., 1968, Water Losses and Gains Across the Pahasapa Limestone, Box Elder Creek, Black Hills, South Dakota: Proc. S.D. Acad. Sci., Vol. 47
- Greene, E.A., 1993, Hydraulic Properties of the Madison Aquifer System in the Western Rapid City Area, South Dakota: U.S. Geological Survey Water-Resources Investigations Report 93-4008, 56 p.

- Rahn, P.H., Gries, J.P., 1973, Large Springs in the Black Hills, South Dakota and Wyoming: SD Geological Survey Report of Investigations No. 107, 46 p.
- Rahn, P.H., 1979, Ground Water Resources of Western South Dakota: U.S. Army Corps of Engineers, SDSM&T Project #2533
- Strobel, M.L., Jarrell, G.J., Sawyer, J.F., Schleicher, J.R., and Fahrenbach, M.D., 1999, Distribution of Hydrogeologic Units in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-743, 3 sheets, scale 1:100,000
- Strobel, M.L., Galloway, J.M., Hamade, G.R., Jarrell, G.J., and 2000, Potentiometric Surface of the Madison Aquifer in the Black Hills Area, South Dakota: U.S., Geological Survey Hydrologic Investigations Atlas HA-745-D, 2 sheets, scale 1:100,000
- Water Rights Program, 2006a, "Domestic Well Log Files", South Dakota DENR-Water Rights Program, Joe Foss Building, Pierre, SD
- Water Rights Program, 2006b, "Unpublished Observation Well Records", South Dakota DENR-Water Rights Program, Joe Foss Building, Pierre, SD
- Water Rights Program, 2006c, "Water Permit/Right Files", South Dakota DENR-Water Rights Program, Joe Foss Building, Pierre, SD
- Woodward Clyde Consultants, 1981, Well Field Hydrology Technical Report, for the ETSI Coal Slurry Pipeline Project, U.S. Dept. of the Interior, Bureau of Land Management



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 2576-2, Canyon Springs LLC**

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 2576-2, Canyon Springs LLC, c/o Dusten Schad, 23300 First Thunder Road, Rapid City SD 57702.

The Chief Engineer is recommending APPROVAL of Application No. 2576-2 for a 20 year term because 1) the proposed diversion can be developed without unlawful impairment of existing rights, 2) the proposed use is a beneficial use and 3) it is in the public interest with the following qualifications:

1. In accordance with SDCL 46-1-14 and 46-2A-20, Permit No. 2576-2 is issued for a 20-year term. Pursuant to SDCL 46-2A-21, the 20-year term may be deleted at any time during the 20-year period or following its expiration. If the 20-year term is not deleted at the end of the term, the permit may either be cancelled or amended with a new term limitation of up to twenty years. Permit No. 2576-2 may also be cancelled for nonconstruction, forfeiture, abandonment, or three permit violations pursuant to SDCL 46-1-12, 46-5-37, 46-5-37.1 and ARSD 74:02:01:37.
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3. The wells authorized by Permit No. 2576-2 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28.
4. Canyon Springs LLC shall report to the Chief Engineer annually the amount of water withdrawn from the Madison Aquifer.

See report on application for additional information.

Garland Erbele, Chief Engineer
April 6, 2006

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
) SS
 County of Pennington)

I, Patricia K. Van Patten

certify that the attached printed Notice was
 taken

from the Rapid City Journal

printed and published in Rapid City

County of Pennington and

state of South Dakota. The notice was
 published

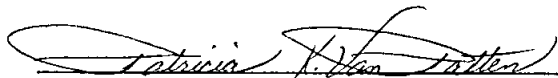
in the newspaper on the following two dates:

April 19, 2006

April 26, 2006

Cost of Printing Ninety-nine dollars

and sixty-eight cents (\$99.68)


 (Signature)

Legal Advertising Rep.
 (Title)

04/26/06
 (Date Signed)

April 19, 26 L2255206

NOTICE OF APPLICATION NO. 2576-2 TO APPROPRIATE WATER

Notice is given that Canyon Springs LLC, c/o Dusten Schad, 23300 First Thunder Rd., Rapid City, SD 57702, has filed an application for a water permit to appropriate 0.27 cubic feet of water per second from two wells to be completed into the Madison Aquifer (approximately 500 feet deep) located in the SE¼ SW¼ Section 23 and SE¼ SE¼ Section 22; all in T2N-R6E. The water is for use in a suburban housing development.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2576-2 for a 20-year term pursuant to SDCL 46-1-14 and 46-2A-20 because 1) evidence is not available to justify issuing this permit without a 20 year limitation, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) existing rights will not be unlawfully impaired, 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E. Capitol, Pierre, SD 57501 (605-773-3352)," and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by May 8, 2006.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application.

Steven M. Pirner, Secretary
 Department of Environment
 and Natural Resources

RECEIVED
 MAY - 2 2006
 WATER RIGHTS
 PROGRAM

Instruction to Newspaper - Publish first Notice on April 19, 2006 with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 2576-2 to Appropriate Water

Notice is given that Canyon Springs LLC, c/o Dusten Schad, 23300 First Thunder Rd, Rapid City SD 57702 has filed an application for a water permit to appropriate 0.27 cubic feet of water per second from two wells to be completed into the Madison Aquifer (approximately 500 feet deep) located in the SE ¼ SW ¼ Section 23 and SE ¼ SE ¼ Section 22; all in T2N-R6E. The water is for use in a suburban housing development.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2576-2 for a 20-year term pursuant to SDCL 46-1-14 and 46-2A-20 because 1) evidence is not available to justify issuing this permit without a 20 year term limitation 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) existing rights will not be unlawfully impaired, 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by May 8, 2006.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

April 10, 2006

Rapid City Journal
PO Box 450
Rapid City SD 57709-0450

ATTENTION: Legal Public Notice

Enclosed is a Notice on Application No. 2576-2 to Appropriate Water to be published twice. Please publish the first notice on April 19, 2006 with the second publication 7 days later. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

The applicant must verify to you that the notice is to be published, before you make the first publication. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is Canyon Springs LLC, % Dusten Schad, 23300 First Thunder Rd, Rapid City SD (Ph # 605-348-4161).

Please send the Water Rights Program the first publication immediately. The publication is checked for accuracy so any corrections can be made in the second publication. You may use the form below or fax a copy of the first publication. Any fax should be sent to the attention of Karen Schlaak at (605) 773-4068. Publication errors can invalidate the public notice.

After the second publication, please send us an affidavit or use the enclosed Proof of Publication form. The applicant pays the cost of publication, but the Water Rights Program records require an affidavit or Proof of Publication. Delays in receiving the affidavit can be costly to the applicant.

Sincerely,

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

-----CUT HERE-----

No. 2576-2

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

Date _____

We are in receipt of your letter of April 10, 2006 enclosing Notice to Appropriate Water by Application No. 2576-2 which was first published in our issue of _____. **ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.**

Name

Newspaper



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

www.state.sd.us/denr

**NOTE: TO BE SURE OF PUBLICATION ON
THE CORRECT DATES, CONTACT
THE NEWSPAPER RIGHT AWAY.**

April 10, 2006

Canyon Spring LLC
% Dusten Schad
23300 First Thunder Rd
Rapid City SD 57702

Dear Mr. Schad:

Water Permit Application No. 2576-2 for suburban housing development use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Publisher of the Rapid City Journal printed at Rapid City, SD (Ph # 605-394-8300). You will need to contact the newspaper and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and a report on the application are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper to authorize publication of your Notice and to arrange for payment. Early contact with the paper can eliminate delays. Upon receiving authorization, the publisher has been instructed to publish your notice once each week for two consecutive weeks. The newspaper has also been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Eric Gronlund
Natural Resources Engineer
(605) 773-3352

enclosures

c: Jerry Volk, Kadrmas, Lee & Jackson, PO Box 3416, Rapid City SD 57709-3416

NOTE: If you plan to contest any part of the Chief Engineer's recommendation, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the application.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

JUN 12 2006

Canyon Springs LLC
% Dusten Schad
23300 1st Thunder Rd
Rapid City SD 57702

Dear Mr. Schad:

Enclosed is Water Permit No. 2576-2 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

Form 10, *Notice of Completion of Works and Application of Water to Beneficial Use*, is enclosed. Please return this completed form after you have finished the system and have put the water to beneficial use. An investigation can then be scheduled so the water license may be issued, thus completing the acquisition of a water right.

An informational sheet *Common Water Right Questions* is also enclosed. This sheet is intended to answer some of the questions associated with obtaining and keeping a water right.

Sincerely,

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures



2576-2

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

February 7, 2011

RECEIVED

FEB 15 2011

PENNINGTON CO. AUDITOR

Canyon Springs LLC
c/o Dusten Schad
22501 Potter Rd
Rapid City SD 57702-6133

Dear Mr. Schad:

On January 19, 2011, pursuant to a qualification on Water Permit No. 2576-2, we wrote to you requesting you report the amount of water diverted 2010. The information was due in our office by January 31st.

We have not received a reply and would appreciate your response. If you have any questions concerning this or other water rights questions, please contact Karen Schlaak at (605) 773-3352. Water use data and/or questions may also be forwarded to Karen via email at karen.schlaak@state.sd.us.

Sincerely,

Ron Duvall, Natural Resources Engineer
for Garland Erbele, Chief Engineer
Water Rights Program

*We are no longer involved with Canyon
Springs. Please send your requests
to Eddie Rypkema
1128 Florman
Rapid City, S.D.
57701*



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

February 17, 2011

No. 2576-2

Eddie Rypkema
1128 Florman
Rapid City SD 57701

Dear Mr. Rypkema:

Enclosed is a copy of Water Permit No. 2576-2 issued to Canyon Springs LLC c/o Dusten Schad. Recent correspondence with Mr. Schad indicates he is no longer involved with Canyon Springs and he gave us your mailing address.

Enclosed is a partially completed "Notice of Transfer" form for use in filing an ownership or name change on the water permit. The transfer form should be checked over for accuracy and **signed by the new owner**. Upon completion, return the form to our office with a required filing fee of \$50.00.

If the permit holder remains Canyon Springs LLC, then filing this form is not required. Please let us know the name and address of the contact person and we will update our records to reflect the change.

Qualification No. 4 on the permit, states Canyon Springs shall report to the Chief Engineer annually the amount of water withdrawn from the Madison Aquifer. We are also requesting the amount of water diverted from the Madison Aquifer during 2010 for this suburban housing development.

If you have any questions, please contact Genny McMath or me.

Sincerely,

Karen Schlaak
Water Rights Program
605 773-3352
email: karen.schlaak@state.sd.us

enclosures

Water Rights Program - File Documentation

NAME: Eddie Rypkema

ADDRESS: 1128 Florman, Rapid City SD 57701

DATE: 2-28-11 **COUNTY:** PE **TELEPHONE:** 605 343-2896

RE: Water Use for 2010

COMMENTS:

Eddie Rypkema called and stated he was now the contact person for Canyon Springs LLC.

I explained since the water permit was listed under the name of Canyon Springs LLC and that had not changed, a transfer form would not need to be submitted.

Mr. Rypkema stated he did not know the amount of water used. He became the contact person by default after the Schaad's filed bankruptcy and he was an investor in this project. After some discussion, Mr. Rypkema stated he would go to the pump house and see if he could find a meter reading.

Karen Schlaak

Karen Schlaak
Environmental Scientist



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

March 24, 2011

Eddie Rypkema
1128 Florman
Rapid City SD 57701

Dear Mr. Rypkema:

On February 28th, I visited with you about Water Permit No. 2576-2 for Canyon Spring LLC. You indicated you were now the contact person for this water permit. You further indicated that you did not know the amount of water used in 2010 by the suburban housing development.

Based on our conversation, our records will reflect the amount of water used in 2010 was unavailable.

Enclosed is a copy of Water Permit No. 2576-2 for your records. Please be aware that reporting your water use annually is one of the qualifications on the permit and we will be requesting this information at the beginning of each year.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352
karen.schlaak@state.sd.us

enclosure

Schlaak, Karen

From: Schlaak, Karen
Sent: Thursday, March 28, 2013 4:30 PM
To: 'Ed Striebel'
Subject: RE: 2012 gallons, Canyon Springs Preserve

That works for me. Thanks again.

From: Ed Striebel [<mailto:estriebe1@rap.midco.net>]
Sent: Thursday, March 28, 2013 4:28 PM
To: Schlaak, Karen
Subject: Re: 2012 gallons, Canyon Springs Preserve

It should probably be sent to Mr. Pat Havener, President of the HOA for Canyon Springs. Mr. Havener's address is 2127 Diamond Oak Place, Rapid City, SD 57702. If it is not too much trouble, please copy me with any correspondence.

Thank You!
 Ed

From: Schlaak, Karen
Sent: Thursday, March 28, 2013 3:20 PM
To: 'Ed Striebel'
Subject: RE: 2012 gallons, Canyon Springs Preserve

Thanks for the information.

Should this yearly request for water use for Canyon Springs Preserve LLC be sent to you?

Karen Schlaak
 Water Rights Program
 Phone: 605 773-3352
 Fax: 605 773-4068

From: Ed Striebel [<mailto:estriebe1@rap.midco.net>]
Sent: Thursday, March 28, 2013 4:18 PM
To: Schlaak, Karen
Cc: Pat Havener; Mark Benson
Subject: 2012 gallons, Canyon Springs Preserve

Ms. Schlaak,

The purpose of this email is to respond to a letter dated March 13, 2013, from Mr. Ron Duvall of the South Dakota Department of Environment and Natural Resources, Water Rights Program to Mr. Eddie Rypkema, Canyon Springs Preserve, LLC. In the letter, Mr. Duvall requested that Mr. Rypkema report the total amount of water diverted during 2012 under Water Permit Number 2576-2. Mr. Duvall listed you and this email address as the contact for the purpose of this response.

Please be advised that approximately 8,489,600 gallons were pumped under Water Permit Number 2576-2 during 2012.

2576-2

GUNDERSON, PALMER, NELSON & ASHMORE, LLP

ATTORNEYS AT LAW

506 SIXTH STREET
POST OFFICE BOX 8045
RAPID CITY, SOUTH DAKOTA 57709-8045

TELEPHONE (605) 342-1078

www.gundersonpalmer.com

ATTORNEYS LICENSED TO PRACTICE IN
SOUTH DAKOTA, NORTH DAKOTA, NEBRASKA,
WYOMING, MONTANA, MINNESOTA,
COLORADO, KENTUCKY, AND PENNSYLVANIA

RECEIVED

DEC - 2 2013

**WATER RIGHTS
PROGRAM**

JASON M. SMILEY
QUENTIN L. RIGGINS
JEFFREY R. CONNOLLY
REBECCA L. MANN
ANDREW J. KNUTSON
KYLE L. WIESE
JANA SMOOT WHITE
TYLER C. WETERING
WYNN A. GUNDERSON
Of Counsel

J. CRISMAN PALMER
JAMES S. NELSON
DANIEL E. ASHMORE
DONALD P. KNUDSEN
PATRICK G. GOETZINGER
TALBOT J. WIECZOREK
JENNIFER TRUCANO
DAVID E. LUST
TERRI LEE WILLIAMS
SARA FRANKENSTEIN

Writer's E-mail Address: tjw@gpnalaw.com

Writer's Fax No.: (605) 342-0480

November 26, 2013

PMB 2020
DENR-Water Rights Program
523 E. Capitol Ave.
Pierre, SD 57501-3182

Re: Canyon Springs Sanitary & Water District - purchase of Water System
GPNA File No. 11445.0002

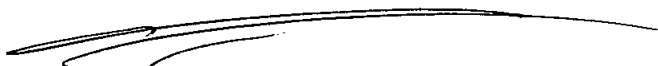
To Whom It May Concern:

Enclosed you will find a Notice of Transfer of Ownership in Water Permit No. 2576-2. This permit is being transferred to Canyon Springs Sanitary & Water District.

Canyon Springs Sanitary & Water District is a sanitary district formed under SDCL Ch. 34A-5.

If anything else is needed from the district to complete the transfer of the permit, please contact me.

Sincerely,



Talbot J. Wieczorek

TJW:bmp
Enclosure
C: Clients



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

December 2, 2013

No. 2576-2

Gunderson, Palmer, Nelson & Ashmore, LLP
Talbot J Wieczorek
PO Box 8045
Rapid City SD 57709-8045

Dear Mr. Wieczorek:

We received the *Notice of Transfer of Ownership* form for Water Permit No. 2576-2 which you filed on behalf of Canyon Springs Sanitary & Water District.

The required filing fee for this transfer is \$50.00.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352
email: karen.schlaak@state.sd.us

2576-2
RECEIVED

DEC - 5 2013

GUNDERSON, PALMER, NELSON & ASHMORE, LLP

ATTORNEYS AT LAW

506 SIXTH STREET
POST OFFICE BOX 8045
RAPID CITY, SOUTH DAKOTA 57709-8045

TELEPHONE (605) 342-1078

www.gundersonpalmer.com

ATTORNEYS LICENSED TO PRACTICE IN
SOUTH DAKOTA, NORTH DAKOTA, NEBRASKA,
WYOMING, MONTANA, MINNESOTA,
COLORADO, KENTUCKY, AND PENNSYLVANIA

J. CRISMAN PALMER
JAMES S. NELSON
DANIEL E. ASHMORE
DONALD P. KNUDSEN
PATRICK G. GOETZINGER
TALBOT J. WIECZOREK
JENNIFER TRUCANO
DAVID E. LUST
TERRI LEE WILLIAMS
SARA FRANKENSTEIN

**WATER RIGHTS
PROGRAM**

JASON M. SMILEY
QUENTIN L. RIGGINS
JEFFREY R. CONNOLLY
REBECCA L. MANN
ANDREW J. KNUTSON
KYLE L. WIESE
JANA SMOOT WHITE
TYLER C. WETERING
WYNN A. GUNDERSON
Of Counsel

*Writer's E-mail Address: tjw@gpnalaw.com
Writer's Fax No.: (605) 342-0480*

December 3, 2013

Karen Schlaak
DENR-Water Rights Program
523 E. Capitol Ave.
Pierre, SD 57501-3182

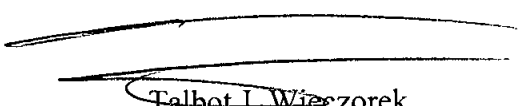
Re: Canyon Springs Sanitary & Water District - Water Permit 2576-2
GPNA File No. 11445.0002

Dear Ms. Schlaak:

Pursuant to your letter of December 2, 2013, enclosed please find this firm's check in the amount of \$50 to cover the cost of transfer of ownership of Water Permit 2576-2. This permit is being transferred to Canyon Springs Sanitary & Water District, a sanitary district formed under SDCL Ch. 34A-5.

I apologize that I failed to include the filing fee with my letter and documentation of November 26, 2013.

Sincerely,



Talbot J. Wiczorek

TJW:klw
Enclosure
C: Clients

RECEIPT
WATER RIGHTS PROGRAM
South Dakota Department of Environment and Natural Resources

Date 12/5, 20 13

RECEIVED OF Gunderson, Palmer, Nelson & Ashmore LLP PO Box 8045 Rapid City SD 57709

The following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use	50	00
Fee for Application for Permit No. _____ to Appropriate Water for Future use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form <u>2576-2</u>		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)		50 00
TOTAL		50 00

No. **06508**

By J. Lanne Goodman
Chief Engineer

NOTICE OF TRANSFER OF OWNERSHIP

For assistance call (605) 773-3352

RECEIVED

DEC - 2 2013

WATER RIGHTS
PROGRAM

Mail to: PMB 2020
DENR - Water Rights Program
523 E Capitol Ave
Pierre, SD 57501-3182

Water Right/Permit No. 2576-2Date: 9/ /13

I/We request that Water Right/Permit No. 2576-2 formerly owned by:
Canyon Springs LLC a/k/a Canyon Springs Preserve, LLC be transferred to:

New Owner Name: Canyon Springs Sanitary & Water DistrictAddress: 2747 Diamond Oak PlaceCity, State, Zip Rapid City SD 57702 Telephone No. (605) 399-1240

Title to the following described land(s)/property has been transferred as described above:

Common Areas 1-18, Utility Lots 1 and 2, Block 1 of Canyon Springs Preserve, previously part of a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22, SW1/4 of Section 23 all in Township 2 North, Range 6 East of the Black Hills Meridian, Pennington County, South Dakota

☒ I understand that the validity of Water Right/Permit No. 2576-2 has not been determined by this transfer action. If I have any questions on validity, I understand that only the Water Management Board has the authority to determine if a water right/permit is valid (see note below.)

You are requested to file this "Notice of Transfer" in the appropriate file with the Water Rights Program, as evidence of the change of ownership.

A fee of Fifty Dollars (\$50.00) is included to cover the filing fee as required by SDCL 46-2-13.

I, CANYON SPRINGS SANITARY & WATER DIST, the new owner, certify that the above information is true and correct.

CANYON SPRINGS SANITARY
& WATER DISTRICT

BY [Signature]ITS Attorney

NOTE: Water permits may be cancelled for nonconstruction after the five year construction period has expired. Once a water permit is developed and the water used, the permit becomes a right. A water right may be lost for three reasons:

1. Abandonment - no intent to use water and use is abandoned.
2. Forfeiture - no use of water for three year period without legal excuse.
3. For a third violation of a condition of a water permit/right.

AGREEMENT ON TRANSFER AND COMPLETION OF INFRASTRUCTURE

This Agreement made the 18th day of November, 2013, between **First Interstate Bank**, a South Dakota banking corporation having offices in Rapid City, SD at 333 West Blvd, Suite 100, Rapid City, SD 57701, hereinafter referred to as "First Interstate", **Canyon Springs Sanitary & Water District**, a governmental subdivision of South Dakota, having its principle office at 8787 North Emerald Ridge Road, Rapid City, SD 57702, hereinafter referred to as the "District", and the **Canyon Springs Preserve, LLC.**, a limited liability company organized under the laws of South Dakota, having its principal office at 1128 Flormann Street, Rapid City, South Dakota 57701, hereinafter referred to as the "Canyon Springs Preserve."

RECITALS

A. Canyon Springs Preserve in association with other entities, was involved in the development of an area of property that resulted in a subdivision commonly referred to as "Canyon Springs Preserve" or simply "Canyon Springs." As part of the development, First Interstate acted as a primary lender.

B. Canyon Springs Subdivision for the purposes of this Agreement generally includes the following described area:

Block 1, Lots 1 – 87, Common Areas 1 – 15; and Block 2, Lot 1 of the Canyon Springs Preserve, Pennington County, South Dakota. Located in a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22; SW1/4 of Section 23; and the NW1/4NW1/4 of Section 26; Township 2 North; Range 6 East; Black Hills Meridian; Pennington County, South Dakota. Said Canyon Springs Preserve Blocks 1 and 2 exclude Doty Lot 1 and Doty Lot 2 f/k/a Lot 1 of Fire House Subdivision and the "Nemo" Road right-of-way lying within said tract.;

Hereinafter referred to as "Subdivision".

C. First Interstate has acquired ownership in various real estate and infrastructure in the development. First Interstate acquired these interests and obligations through the process of foreclosure and issued letters of credit. First Interstate currently holds title in a number of residential lots, out lots, utility lots and common areas. First Interstate also retains approval authority regarding transfer of the water system currently serving the Subdivision. First Interstate further has obligations under various letters of credit or guarantees to complete certain infrastructure within the development.

D. Canyon Springs Preserve currently owns and operates the water system serving the Subdivision and has reached an agreement with First Interstate wherein Canyon Springs Preserve will transfer the water system, the water system's accounts, the water permit and any of the personal or real property of the water system to the third party as directed by First Interstate.

E. The District is a South Dakota Sanitary District established and existing under South Dakota law. The District boundaries include the Subdivision area.

F. District wishes to acquire real property including common lots, utility lots and well lots currently owned by First Interstate and the water system owned Canyon Springs Preserve for the purpose of providing water and sewer services within the District's boundaries.

G. First Interstate Bank has agreed to convey the necessary real property to the District on the terms and conditions here set forth without charge for the District's assumption of various responsibilities under this Agreement.

H. Canyon Springs Preserve has agreed to convey the water system real property and personal property to the District on the terms and conditions here set forth without charge for the District's assumption of various responsibilities under this Agreement.

SECTION ONE – TRANSFER OF PERSONAL PROPERTY AND REAL PROPERTY

A. At closing, Canyon Springs Preserve shall convey the water system personal property, real property and easements, hereinafter referred to together as "Water System Operation Assets," set forth in Exhibit A attached hereto to District, free and clear of encumbrances.

B. First Interstate Bank shall convey the personal property, real property and easements across the real property listed in Exhibit B attached hereto and hereinafter referred to together as "Infrastructure Assets" to District, free and clear of encumbrances. As to the personal property listed in Exhibit B, it is understood by the parties First Interstate makes no representations that it possesses rights to these items and any bill of sale conveys only what interest First Interstate possesses.

1. First Interstate acknowledges that prior to District accepting the Assets, First Interstate must complete certain improvements and projects on the property. If these improvements and projects are not completed by First Interstate by the time of transfer, First Interstate shall still retain the obligation to make such improvements and complete such projects. The projected cost and any unforeseen increase in cost in making the improvements or completing the project will be paid by First Interstate. First Interstate agrees to make the following improvements and complete the following projects at its cost:

- a) Finish installation of drain fields #9a, #10, #14, #13 & #12 which will complete all subdivision drain fields currently designed for the system, and upon transfer First Interstate Bank will have no further duty or liability to construct new or additional drain fields;
- b) Complete Construction of the Bike Path to the extent required under existing Letters of Credit; and,
- c) Install Trash Guards on ten (10) culverts.

2. If First Interstate has not completed its construction obligations as set forth in Section One, subsection B.1 by closing, First Interstate shall transfer all completed infrastructure at Closing. Upon First Interstate completing the construction of the remaining items, First Interstate shall then transfer the completed infrastructure to the District. The District will assume no obligations for maintenance or maintaining any of the infrastructure until transferred by First Interstate to the District. Transfer of all infrastructure will be "AS IS" with First Interstate providing no warranty or guarantee on the infrastructure. First Interstate as part of the transfer will transfer all warranties and contractual rights First Interstate has or received from any contractor involved in construction of the infrastructure. First Interstate shall also provide all written contracts, construction plans or as built information it received on the infrastructure. On any improvements not yet completed by First Interstate, the District and First Interstate may work together as they see fit to ensure completion of the improvement.

3. First Interstate will complete all of the construction projects listed above no later than October 31, 2015 unless the District shall agree to extend the construction timeline.

4. First Interstate Bank agrees, in good faith, to consider a loan request, if asked, for continued construction to the water system. The Bank shall examine the request with the necessary loan requirements, and attempt, to the amount allowable under its standard lending practices to fund to said construction. The Bank agrees to endeavor to promptly examine and consider the loan in light of the relationship between the parties, and will attempt to loan said moneys on a reasonable term and rate based upon the then applicable rate environment.

SECTION TWO – OBLIGATIONS OF DISTRICT

A. Water System. On complete transfer of the Water System Operation Assets and Infrastructure Assets to the District (except for the infrastructure projects First Interstate has yet to complete), District shall assume the obligations to run the water system, collect fees, and manage the system. District agrees it shall only charge five thousand dollars (\$5,000) for hook up fee to any person hooking up to the water system after January 1, 2013 and before January 1, 2015 and will not charge any additional fees during this time for the right to hook up to the water system. The hook up fee will be a charge for the right to connect to the District's water system and will not include any infrastructure, equipment, services, or construction related to connecting to the District's water system which shall be the user's responsibility. For any user that has hooked up since January 1, 2013 that has not paid a hook up fee or any user that has not paid a monthly user charge to Canyon Spring Preserve or First Interstate Bank, the District shall charge a \$5,000 hook up charge and shall be entitled to collect the monthly user charges. Any hook up charges that have been collected during 2013 by Canyon Spring Preserve or First Interstate shall be accounted for and remitted to the District at time of closing.

B. Drain Fields and Sewer Systems. Upon transfer of the drain field lots and Infrastructure Assets, except for the infrastructure projects First Interstate has yet to complete, the District shall assume the obligations to maintain these lots and drain fields. Upon completion of the drain fields by First Interstate and the transfer of the drain fields to the District, District shall assume responsibility and obligations going forward after the completion of construction. First Interstate shall have access after closing to any of the real estate transferred to the District to the extent needed to complete any infrastructure.

C. Ongoing Build Out of the Water System. The District further acknowledges that there is a need to continue building out of the Water System and has received and reviewed CETEC Engineering Services Report of November 30, 2012 and the CETEC Business Development Plan of June 13, 2013 and KLJ Report of October 31, 2012. The District agrees to pursue the build out in order to allow the continuation of building in the Subdivision in a timely manner. The District retains its discretion on how to complete the build out, to determine alternatives to the CETEC and KLJ recommendations and timing of any build out. The District is not required to build out the entire infrastructure discussed or suggested by KLJ or CETEC as long as the District build out does not prevent additional home construction in the Subdivision.

D. The District shall retain all statutory powers it possesses under state or federal law to control activities within the District, manage the water system and the sewer system, regulate activities within the District and set rates for services. This Agreement in no way limits the District's powers except for maintaining a set hook up charge as set forth in Section Two of this Agreement and the District's commitment to continue to build out the system in a way that it does not prevent continued home construction in the area.

SECTION THREE – GOOD TITLE, LIENS AND WARRANTIES

A. First Interstate. First Interstate owns, of record or otherwise, all legal title and beneficial and equitable interest in and to all of the Infrastructure Assets. First Interstate Bank has no knowledge of any mortgages, liens, security interests, pledges, encumbrances, leases, agreements, covenants, charges, restrictions, options, joint ownership or adverse claims or rights whatsoever on the property to be transferred to the District. All assets transferred by First Interstate will be transferred "AS IS WITH ALL FAULTS," and First Interstate will make no warranties or representations regarding the transferred assets.

B. Canyon Springs Preserve. Canyon Springs Preserve owns, of record or otherwise, all legal title and beneficial and equitable interest in and to all of the Water System Operation Assets. Canyon Springs Preserve has, and on the Closing Date will have, good and marketable title to all of the Water System Operation Assets, free and clear of any and all mortgages, liens, security interests, pledges, encumbrances, leases, agreements, covenants, charges, restrictions, options, joint ownership or adverse claims or rights whatsoever and will transfer free and clear title to the District. All assets transferred by Canyon Springs Preserve will be transferred "AS IS WITH ALL FAULTS" and Canyon Springs Preserve makes no representations or warranties regarding the transferred assets. Further Canyon Springs makes no representation or warranty relative to any aspects of development of the property in which the Water System is located nor

anything in the ground relative to the Water System and any claims against Canyon Springs Preserve in that regard are hereby waived. Canyon Springs Preserve does, however, hereby assign to District any rights Canyon Springs Preserve may otherwise have against others relative to any development or installation issues involved in the Water System that may arise in the future and still remain actionable.

C. General. Except for those issues or defects disclosed to the District, neither First Interstate nor Canyon Springs Preserve knows of any defects or needed repairs in the water system that is currently operating or the regional sewer septic systems. At the time of transfer, all real property will be transferred using a Quit Claim Deed in a form agreeable to the District. All personal property will be transferred by Bill of Sale in a form acceptable to the District.

SECTION FOUR - TRANSFERS OF PERMITS AND LICENSE

Canyon Springs Preserve and First Interstate will transfer all local, state or federal permits associated with the operation of the water system including, but not limited to the water permit number 2576-2 and the certification of the water system obtained through the State of South Dakota. Canyon Springs Preserve will execute the transfer documents attached hereto as **Exhibit C** for the transfer of the water permit and the certificate of authority and will execute any other documents the District may hereinafter deem necessary to transfer any license or permit used in the operation of the water system or the septic systems.

SECTION FIVE – PARTIES BOUND

First Interstate Bank, Canyon Springs Preserve and District each binds itself and its respective successors and assigns to the faithful performance of all of the terms and conditions imposed in this purchase agreement and agreed to by the respective parties.

SECTION SIX – PURCHASER CONTINGENCIES PRECEDENT TO CLOSING

Closing on this Purchase Agreement is contingent upon the following the contingencies being satisfied:

1. The District having the water System Operation Assets or Infrastructure Assets inspected and determining the inspection does not reveal deficiencies the District determines are unacceptable. This inspection shall be completed within two weeks of the date of this agreement or it will be deemed waived.
2. Receipt of a satisfactory Owners and Encumbrance report obtained by First Interstate Bank from First American Title.

SECTION SEVEN - TERMINATION

A. Termination of Agreement. The parties may terminate this Agreement as provided below:

1. The parties may terminate this Agreement by mutual written consent at any time prior to Closing.
2. District may terminate this Agreement by giving written notice to First Interstate Bank and Canyon Springs Preserve on or before the Closing if it determines one of the Purchaser contingencies have not or cannot be met;
3. District may terminate this Agreement by giving written notice to First Interstate Bank and Canyon Springs Preserve at any time prior to the Closing if First Interstate Bank or and Canyon Springs Preserve has breached any representation, warranty, or covenant contained in this Agreement and the breach has continued after notice of such breach; and
4. First Interstate Bank may terminate this Agreement by giving written notice to District at any time prior to the Closing in the event District has breached any representation, warranty, or covenant contained in this Agreement, and the breach has continued after notice to District by First Interstate Bank.

B. Effect of Termination. Each party's right of termination under this section is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of the right of the right of termination shall not be an election of remedies. If this Agreement is terminated pursuant to this section, all further obligations of the parties under this Agreement shall terminate.

SECTION EIGHT – TRANSACTION COSTS

A. District's Costs: District shall pay the following costs of closing this transaction:

1. Fees and disbursements of District's counsel and any expenses incurred by District or its representatives in inspecting or evaluating the Property;
2. All surveying of any easements of real property, including the mapping of easements for purposes of recording; and,
3. All recording fees.

B. First Interstate's costs: First Interstate Bank shall pay the following costs of closing this transaction:

1. All fees and disbursement of First Interstate Bank's counsel incurred in connection with closing this transaction;
2. Costs of and Owners and Encumbrance report obtained from First American Title on all Real Property transferred by First Interstate Bank; and,
3. All transfer fees.

C. Canyon Springs Preserve costs: Canyon Springs Preserve will pay all fees and disbursements of its counsel and any expense incurred by Canyon Springs Preserve or its representatives in closing this transaction or transferring the documents.

SECTION NINE – REAL PROPERTY TAXES

All taxes on the property through Closing will be paid pro rata.

SECTION TEN – VENUE AND CHOICE OF LAW

This Agreement shall be controlled by the laws of the state of South Dakota. Any disputes over this Agreement or any action arising out of this Agreement shall be venued in South Dakota Circuit Court, Pennington County, South Dakota.

SECTION ELEVEN – INSURANCE AND RISK OF LOSS

The risk of loss or damage to the property from fire, storm, act of God or other casualty shall be borne by First Interstate and Canyon Spring Preserve up to Closing. The District will assume responsibility for all insurance on the property after Closing that is transferred to it at Closing. For those projects not yet completed by First Interstate by Closing, should First Interstate require a contractor to name it as an additional insured for any construction, First Interstate will also require the contractor name the District as an additional insured.

SECTION TWELVE – ENTIRE AGREEMENT; MODIFICATION

This instrument contains the entire agreement of the parties with respect to the subject matter hereof, all previous agreements and discussions relating to the same or similar subject matter being merged herein. The parties acknowledge and agree that neither of them has made any representations with respect to the subject matter of this Agreement or any representations inducing the execution and delivery hereof except as specifically set forth herein. Each of the parties hereto acknowledges that it has relied on its own judgment in entering into this Agreement. This Agreement may not be changed, amended, or modified including specifically the provisions of this paragraph, except by a writing signed by both parties hereto. The provisions of this paragraph may not be changed, amended, modified, terminated, or waived as a result of any failure to enforce any provision or the waiver of any specific breach or breaches thereof or any course of conduct of the parties.

SECTION THIRTEEN – BINDING EFFECT AND BENEFIT

This Agreement shall inure to the benefit of, and shall be binding upon, the parties, their heirs, executors, and administrators, successors and permitted assigns.

SECTION FOURTEEN – PARTIAL INVALIDATION

If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions contained herein. In such event, this Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were limited to the minimum extent whereby such terms would be valid, legal and enforceable. If such limitation is not possible, this Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were severed and not included herein, unless the result of such limitation or severance would result in such a material change as to cause completion of the transaction contemplated herein to be unreasonable.

SECTION FIFTEEN – WAIVER

No waiver of a breach or violation of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach.

SECTION SIXTEEN – EXHIBITS AND SCHEDULES

All Exhibits, Schedules and documents referred to in this Agreement shall be incorporated herein by any reference thereto as if fully set out.

SECTION SEVENTEEN – NO ASSUMED LIABILITIES

District shall assume no liabilities or obligations including contractual obligations of First Interstate Bank or Canyon Springs Preserves unless specifically assumed within this Agreement.

SECTION EIGHTEEN – POSSESSION, CLOSING DATE

District shall have possession of the Property conveyed herein on the Closing date. Closing shall occur on or before November 22, 2013 at the office of Gunderson, Palmer, Nelson & Ashmore, LLP, 506 Sixth Street, Rapid City, SD.

SECTION NINETEEN – ORIGINAL COPIES

This agreement is executed in triplicate. The parties have executed this agreement at Rapid City, South Dakota, the day and year first above-written.

REMAINDER OF THE PAGE LEFT BLANK

First Interstate Bank

By _____

Title _____

Sr. Vice Pres.

Attest:

Secretary

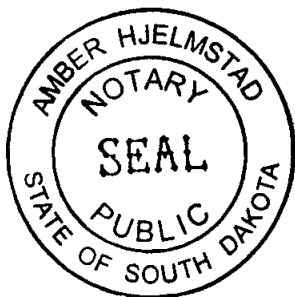
State of South Dakota)

County of Pennington) ss.

On this the 29th day of October, 2013, before me, the undersigned officer, personally appeared Mark Benson, who acknowledged himself to be a Sr. Vice Pres. of **First Interstate Bank**, and that (s)he, being authorized so to do, executed the foregoing instrument in the capacity and for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

(SEAL)



Amber Hjelmstad

Notary Public

My Commission Expires: 9/15/2017

By W. M. T. B.

Attest.

Pat Heven

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

In witness whereof, I hereunto set my hand and official seal.

Carol J. Kim

My Commission Expires: September 11, 2015

Secretary

Canyon Springs Preserve, LLC

By: *Edna Rykema*

Title: MEMBER-MANAGER

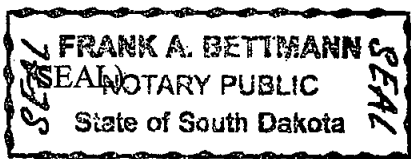
Attest:

Secretary

State of South Dakota)
County of PEANINGTON) ss.

On this the 18th day of NOVEMBER 2013, before me, the undersigned officer, personally appeared EDNA RYKEMA, who acknowledged himself to be a Member/Manager of Canyon Springs Preserve, LLC and that (s)he, being authorized so to do, executed the foregoing instrument in the capacity and for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Frank A. Bett
Notary Public – South Dakota
My Commission Expires: 1/6/18

EXHIBITS

Exhibit A - Water System Operation Assets

Exhibit B – List of Infrastructure Assets

Exhibit C – Transfer Documents

Exhibit A - Water System Operation Assets

Canyon Springs Preserve will convey to the District by means of a Quit Claim Deed the following real property to include all fixtures and structures thereon:

Common Areas 1-18, Utility Lots 1 and 2, Block 1 of Canyon Springs Preserve, previously part of a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22, SW1/4 of Section 23 all in Township 2 North, Range 6 East of the Black Hills Meridian, Pennington County, South Dakota.

Canyon Springs Preserve will convey to the District by Bill of Sale all interest it has in the following property:

All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System or for the sewage systems.

All equipment, to include the mechanical parts for the well, the pipes and large water tank, located in the Subdivision used by the Water System or for the sewage systems.

All chemicals stored at any location used by the Water or Sewer System.

All funds in the Water System or Canyon Springs Preserve bank account, including all deposits or prepayments made by any of the customers of the Water or Sewer System.

The fountain for the entrance to the subdivision.

Any refunds due the Water System.

All contractual warranties for any Water System or Sewer System equipment or infrastructure.

All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

Exhibit B – List of Infrastructure Assets

First Interstate Bank will convey to the District by means of a Quit Claim Deed the following real property to include all fixtures and structures thereon:

Common Areas 1-18, Utility Lots 1 and 2, Block 1 of Canyon Springs Preserve, previously part of a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22, SW1/4 of Section 23 all in Township 2 North, Range 6 East of the Black Hills Meridian.

First Interstate Bank will convey to the District by Bill of Sale any interest it may have in the following property:

All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System or for the sewage systems.

All equipment, to include the mechanical parts for the well, the pipes and large water tank, located in the Subdivision used by the Water System or for the sewage systems.

All chemicals stored at any location used by the Water or Sewer System.

All funds in the Water System or Canyon Springs Preserve bank account, including all deposits or prepayments made by any of the customers of the Water or Sewer System.

The fountain for the entrance to the subdivision.

Any refunds due the Water System.

All contractual warranties for any Water System or Sewer System equipment or infrastructure.

All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

Exhibit C – Transfer Documents

See Bill of Sale - Canyon Springs Preserve, LLC, a/k/a Canyon Springs, LLC to Canyon Springs Sanitary & Water District

See Quit Claim Deed - Canyon Springs Preserve, LLC, a/k/a Canyon Springs, LLC to Canyon Springs Sanitary & Water District

See Bill of Sale – First Interstate Bank to Canyon Springs Sanitary & Water District

See Quit Claim Deed - First Interstate Bank to Canyon Springs Sanitary & Water District

See Bill of Sale - Canyon Springs Preserve, LLC to First Interstate Bank

See Quit Claim Deed - Canyon Springs Preserve, LLC to First Interstate Bank

Prepared by:
Talbot J. Wieczorek
GUNDERSON, PALMER,
NELSON & ASHMORE, LLP
P. O. Box 8045
Rapid City, SD 57709-8045
(605) 342-1078

QUIT CLAIM DEED

CANYON SPRINGS PRESERVE, LLC, a South Dakota limited liability company, of 1128 Flormann Street, Rapid City, South Dakota 57701, Grantor, for and in consideration of One Dollar (\$1) and other good and valuable consideration, hereby conveys and quitclaims to **FIRST INTERSTATE BANK**, a South Dakota banking corporation, of 333 West Boulevard, Suite 100, Rapid City, South Dakota 57702, Grantee, all interest, including after-acquired title, in the following-described real estate in Pennington County, South Dakota:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559, together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

Exempt from Transfer Fee Pursuant to SDCL § 43-4-22(18)

Dated this _____ day of _____, 2013.

CANYON SPRINGS PRESERVE, LLC

By _____
Eddie Rypkema, Member

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

On this the _____ day of _____, 2013, before me, the undersigned officer, personally appeared Eddie Rypkema, who acknowledged himself to be a Member of CANYON SPRINGS PRESERVE, LLC, a limited liability company, and that he, as such Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained

In witness whereof, I hereunto set my hand and official seal.

Notary Public, South Dakota

(SEAL)

My Commission Expires: _____

CERTIFICATE OF REAL ESTATE VALUE [SDCL 7-9-7(4)]

State of South Dakota, County of PENNINGTON

COURTHOUSE USE ONLY
Book _____ Page _____
Ratio Card No. _____Seller(s): CANYON SPRINGS PRESERVE, LLC
Name

Phone Number _____

Mailing Address 1128 FLORMANN STREET RAPID CITY SD 57701
Street/Box Number City State/Zip CodeBuyer(s): FIRST INTERSTATE BANK
Name

Phone Number _____

Current Mailing Address 333 WEST BLVD, SUITE 100 RAPID CITY SD 57702
Street/Box Number City State/Zip Code**NEW**
Mailing Address _____ City _____ State/Zip Code _____
Street/Box Number**OWNER OCCUPIED – THIS BOX TO BE COMPLETED BY BUYER ONLY**

These items are important to complete for property to continue to be classified as owner occupied for a lower property tax rate.

Property is currently classified as owner-occupied	YES ☐	NO ☐
Property will be occupied by buyer on _____ (date)	YES ☐	NO ☐
Property will be principal residence of buyer on the above stated date	YES ☐	NO ☐
Do you own any other residential property in the United States?	YES ☐	NO ☐ If yes, state location _____

Signature (BUYER ONLY) _____

Legal Description (Please include the number of acres for unplatted properties)

SEE ATTACHED

(1) Date of Instrument _____

(2) Type of Instrument:

Contract for Deed ☐	Warranty Deed ☐	Executor's Deed ☐	Mineral Deed ☐
Quit Claim Deed ☒	Trustee's Deed ☐	Administrator's Deed ☐	Gift ☐
Other (specify) _____			

(3) Items Involved in Transaction

(a) Was this property offered for sale to the general public	YES ☐ NO ☒	(d) Actual Consideration Exchanged: <u>\$-0-</u>
(b) Relationship between buyer and seller?	YES ☐ NO ☒	(e) Adjusted price paid for real estate: <u>\$-0-</u>
(c) Was this property sold by owner ☒ agent ☐		(actual consideration less amount paid for major items of personal property which are listed below)

In the blanks below, list any major items of personal property and their value which were included in the total purchase price (i.e. furniture, inventory, crops, leases, franchises): _____

(4) Was there Buyer Financing YES ☐ NO ☒ If yes, items (a) and (b) below MUST be completed

(a) Type of Buyer Financing – check where applicable

Conventional Bank Loan ☐	Like Kind Exchange ☐
Cash Sale ☐	Assumed Mortgage ☐
FHA, FmHA, SDHA Loan ☐	Farm Credit Service ☐
Contract for Deed ☐	[must complete part (b)]
Other ☐	

(b) Contract for Deed YES ☐ NO ☐ (If yes, MUST complete items below)

Down Payment \$ _____	Interest Rate _____%
Monthly/Yearly Payment \$ _____	Balloon Payment \$ _____
No. of Payments _____	

Signature of seller, Buyer, or agent of _____

Date _____

LEGAL DESCRIPTION:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559, together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

BILL OF SALE

Canyon Springs Preserve, LLC, a/k/a Canyon Springs, LLC, a South Dakota limited liability company, of 1128 Flormann Street, Rapid City, South Dakota 57701, Seller, for and in consideration of One and no/100 Dollar (\$1) and other good and valuable consideration, agrees to grant, convey and transfer to **Canyon Springs Sanitary & Water District**, a governmental subdivision of South Dakota, of 8787 North Emerald Ridge Road, Rapid City, South Dakota 57702, Buyer, all rights, title, and interest in the following property:

1. All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System or for the sewage systems.
2. All equipment, to include the mechanical parts for the well, the pipes and large water tank, located in the Subdivision used by the Water System or for the sewage systems.
3. All chemicals stored at any location used by the Water or Sewer System.
4. All funds in the Water System or Canyon Springs Preserve bank account, including all deposits or prepayments made by any of the customers of the Water or Sewer System.
5. The fountain for the entrance to the subdivision.
6. Any refunds due the Water System.
7. All contractual warranties for any Water System or Sewer System equipment or infrastructure.
8. All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

Canyon Springs Preserve is making no warranty regarding the above transferred tangible assets and District is taking the above tangible assets “as is” and “where is” with all faults.

IN WITNESS WHEREOF, the parties have hereunto set their hands the ____ day
of _____, 2013.

SELLER:

**Canyon Springs Preserve, LLC
a/k/a Canyon Springs, LLC**

BY: _____

ITS: _____

Prepared by:
Talbot J. Wieczorek
GUNDERSON, PALMER,
NELSON & ASHMORE, LLP
P. O. Box 8045
Rapid City, SD 57709-8045
(605) 342-1078

QUIT CLAIM DEED

CANYON SPRINGS PRESERVE, LLC, a South Dakota limited liability company, of 1128 Flormann Street, Rapid City, South Dakota 57701, Grantor, for and in consideration of One Dollar (\$1) and other good and valuable consideration, hereby conveys and quitclaims to **CANYON SPRINGS SANITARY & WATER DISTRICT**, a governmental subdivision of South Dakota, 8787 North Emerald Ridge Road, Rapid City, SD 57702, Grantee, all interest, including after-acquired title, in the following described real estate in Pennington County, South Dakota:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927;

Together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

Exempt from Transfer Fee Pursuant to SDCL § 43-4-22(18)

Dated this _____ day of _____, 2013.

CANYON SPRINGS PRESERVE, LLC

By _____
Eddie Rypkema, Member

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

On this the _____ day of _____, 2013, before me, the undersigned officer, personally appeared Eddie Rypkema, who acknowledged himself to be a Member of CANYON SPRINGS PRESERVE, LLC, a limited liability company, and that he, as such Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained

In witness whereof, I hereunto set my hand and official seal.

Notary Public, South Dakota

(SEAL)

My Commission Expires: _____

CERTIFICATE OF REAL ESTATE VALUE [SDCL 7-9-7(4)]

State of South Dakota, County of Pennington

COURTHOUSE USE ONLY

Book _____ Page _____

Ratio Card No. _____

Seller(s): **Canyon Springs Preserve, LLC**

Name

Phone Number

Mailing

Address 1128 Flormann Street
Street/Box NumberRapid City SD 57701
City State/Zip CodeBuyer(s): **Canyon Springs Sanitary & Water District**

Name

Phone Number

Current

Mailing 8787 North Emerald Ridge Road
Address Street/Box NumberRapid City SD 57702
City State/Zip Code**NEW**

Mailing

Address _____ Street/Box Number

City State/Zip Code

OWNER OCCUPIED – THIS BOX TO BE COMPLETED BY BUYER ONLY

These items are important to complete for property to continue to be classified as owner occupied for a lower property tax rate.

Property is currently classified as owner-occupied	YES	☐	NO	☐
Property will be occupied by buyer on _____ (date)	YES	☐	NO	☐
Property will be principal residence of buyer on the above stated date	YES	☐	NO	☐
Do you own any other residential property in the United States?	YES	☐	NO	☐ If yes, state location _____

Signature (BUYER ONLY) _____

Legal Description (Please include the number of acres for unplatted properties)

SEE ATTACHED

(1) Date of Instrument _____

(2) Type of Instrument:

Contract for Deed ☐	Warranty Deed ☐	Executor's Deed ☐	Mineral Deed ☐
Quit Claim Deed x	Trustee's Deed ☐	Administrator's Deed ☐	Gift ☐
Other (specify) _____			

(3) Items Involved in Transaction

(a) Was this property offered for sale to the general public	YES ☐ NO X	(d) Actual Consideration Exchanged: \$-0-
(b) Relationship between buyer and seller?	YES ☐ NO X	(e) Adjusted price paid for real estate: \$-0-
(c) Was this property sold by owner ☐ agent ☐		(actual consideration less amount paid for major items of personal property which are listed below)

In the blanks below, list any major items of personal property and their value which were included in the total purchase price (i.e. furniture, inventory, crops, leases, franchises): _____

(4) Was there Buyer Financing YES ☐ NO X ☐ If yes, items (a) and (b) below MUST be completed

(a) Type of Buyer Financing – check where applicable Conventional Bank Loan ☐ Like Kind Exchange ☐ Cash Sale ☐ Assumed Mortgage ☐ FHA, FmHA, SDHA Loan ☐ Farm Credit Service ☐ Contract for Deed ☐ [must complete part (b)] Other ☐	(b) Contract for Deed YES ☐ NO ☐ (If yes, MUST complete items below) Down Payment \$ _____ Monthly/Yearly Payment \$ _____ Interest Rate _____ % No. of Payments _____ Balloon Payment \$ _____
---	---

Signature of seller, Buyer, or agent of _____

Date _____

LEGAL DESCRIPTION

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility

Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927;

BILL OF SALE

First Interstate Bank, a South Dakota banking corporation, of 333 West Boulevard, Suite 100, Rapid City, South Dakota 57701, Seller, for and in consideration of One and no/100 Dollar (\$1) and other good and valuable consideration, agrees to grant, convey and transfer to **Canyon Springs Sanitary & Water District**, a governmental subdivision of South Dakota, of 8787 North Emerald Ridge Road, Rapid City, South Dakota 57702, Buyer, all rights, title, and interest in the following property:

1. All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System, for road work, or for the sewage systems.
2. All equipment located in the Subdivision used by the Water System, for road work, or for the sewage systems.
3. All equipment stored off-site that is used by the Water or Sewer System for maintaining the roads.
4. All chemicals stored at any location used by the Water or Sewer System.
5. All funds in any Water System or Canyon Springs Preserve bank accounts, including all deposits or prepayments made by any of the customers of the Water or Sewer System.
6. Any refunds due the Water System.
7. All contractual warranties for any Water System or Sewer System equipment or infrastructure.
8. All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

First Interstate Bank is making no warranty regarding any ownership interest in the above property and Canyon Springs Sanitary & Water District is taking the above property "as is" and "where is".

IN WITNESS WHEREOF, the parties have hereunto set their hands the ____day
of _____, 2013.

SELLER:

First Interstate Bank

BY: _____

ITS: _____

Prepared by:
Talbot J. Wieczorek
GUNDERSON, PALMER,
NELSON & ASHMORE, LLP
P. O. Box 8045
Rapid City, SD 57709-8045
(605) 342-1078

QUIT CLAIM DEED

FIRST INTERSTATE BANK, a Montana banking corporation, of 333 West Boulevard, Suite 100, Rapid City, South Dakota 57701, Grantor, for and in consideration of One Dollar (\$1) and other good and valuable consideration, hereby conveys and quitclaims to **CANYON SPRINGS SANITARY & WATER DISTRICT**, a governmental subdivision of South Dakota, of 8787 North Emerald Ridge Road, Rapid City, SD 57702, Grantee, all interest, including after-acquired title, in the following-described real estate in Pennington County, South Dakota:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927;

Together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

Exempt from Transfer Fee Pursuant to SDCL § 43-4-22(18)

Dated this _____ day of _____, 2013.

FIRST INTERSTATE BANK

By _____

Title _____

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

On this the _____ day of _____, 2013, before me, the undersigned officer, personally appeared _____, who acknowledged h_____self to be the _____ of FIRST INTERSTATE BANK, a corporation, and that _____he, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained

In witness whereof, I hereunto set my hand and official seal.

Notary Public, South Dakota

(SEAL)

My Commission Expires: _____

CERTIFICATE OF REAL ESTATE VALUE [SDCL 7-9-7(4)]

COURTHOUSE USE ONLY

Book _____ Page _____

Ratio Card No. _____

State of South Dakota, County of Pennington

Seller(s): First Interstate Bank

Name

Phone Number

Mailing

Address 333 West Boulevard, Suite 100
Street/Box NumberRapid City SD 57701
City State/Zip Code

Buyer(s): Canyon Springs Sanitary & Water District

Name

Phone Number

Current

Mailing 8787 North Emerald Ridge Rd
Address Street/Box NumberRapid City SD 57702
City State/Zip Code

NEW

Mailing _____
Address Street/Box Number_____
City State/Zip Code**OWNER OCCUPIED - THIS BOX TO BE COMPLETED BY BUYER ONLY**

These items are important to complete for property to continue to be classified as owner occupied for a lower property tax rate.

Property is currently classified as owner-occupied	YES	☐	NO	☐
Property will be occupied by buyer on _____ (date)	YES	☐	NO	☐
Property will be principal residence of buyer on the above stated date	YES	☐	NO	☐
Do you own any other residential property in the United States?	YES	☐	NO	☐ If yes, state location _____

Signature (BUYER ONLY) _____

Legal Description (Please include the number of acres for unplatted properties)

SEE ATTACHED

(1) Date of Instrument _____

(2) Type of Instrument:

Contract for Deed ☐	Warranty Deed ☐	Executor's Deed ☐	Mineral Deed ☐
Quit Claim Deed x	Trustee's Deed ☐	Administrator's Deed ☐	Gift ☐
Other (specify) _____			

(3) Items Involved in Transaction

(a) Was this property offered for sale to the general public	YES ☐ NO X	(d) Actual Consideration Exchanged: \$-0-
(b) Relationship between buyer and seller?	YES ☐ NO X	(e) Adjusted price paid for real estate: \$-0-
(c) Was this property sold by owner ☐ agent ☐		(actual consideration less amount paid for major items of personal property which are listed below)

In the blanks below, list any major items of personal property and their value which were included in the total purchase price (i.e. furniture, inventory, crops, leases, franchises): _____

(4) Was there Buyer Financing YES ☐ NO X If yes, items (a) and (b) below MUST be completed

(a) Type of Buyer Financing - check where applicable Conventional Bank Loan ☐ Like Kind Exchange ☐ Cash Sale ☐ Assumed Mortgage ☐ FHA, FmHA, SDHA Loan ☐ Farm Credit Service ☐ Contract for Deed ☐ [must complete part (b)] Other ☐	(b) Contract for Deed YES ☐ NO ☐ (If yes, MUST complete items below) Down Payment \$ _____ Monthly/Yearly Payment \$ _____ Interest Rate _____ % No. of Payments _____ Balloon Payment \$ _____
---	---

Signature of seller, Buyer, or agent of _____

Date _____

LEGAL DESCRIPTION

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

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Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927.

AGREEMENT ON TRANSFER AND COMPLETION OF INFRASTRUCTURE

This Agreement made the 18th day of November, 2013, between **First Interstate Bank**, a South Dakota banking corporation having offices in Rapid City, SD at 333 West Blvd, Suite 100, Rapid City, SD 57701, hereinafter referred to as "First Interstate", **Canyon Springs Sanitary & Water District**, a governmental subdivision of South Dakota, having its principle office at 8787 North Emerald Ridge Road, Rapid City, SD 57702, hereinafter referred to as the "District", and the **Canyon Springs Preserve, LLC.**, a limited liability company organized under the laws of South Dakota, having its principal office at 1128 Flormann Street, Rapid City, South Dakota 57701, hereinafter referred to as the "Canyon Springs Preserve."

RECITALS

A. Canyon Springs Preserve in association with other entities, was involved in the development of an area of property that resulted in a subdivision commonly referred to as "Canyon Springs Preserve" or simply "Canyon Springs." As part of the development, First Interstate acted as a primary lender.

B. Canyon Springs Subdivision for the purposes of this Agreement generally includes the following described area:

Block 1, Lots 1 – 87, Common Areas 1 – 15; and Block 2, Lot 1 of the Canyon Springs Preserve, Pennington County, South Dakota. Located in a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22; SW1/4 of Section 23; and the NW1/4NW1/4 of Section 26; Township 2 North; Range 6 East; Black Hills Meridian; Pennington County, South Dakota. Said Canyon Springs Preserve Blocks 1 and 2 exclude Doty Lot 1 and Doty Lot 2 f/k/a Lot 1 of Fire House Subdivision and the "Nemo" Road right-of-way lying within said tract.;

Hereinafter referred to as "Subdivision".

C. First Interstate has acquired ownership in various real estate and infrastructure in the development. First Interstate acquired these interests and obligations through the process of foreclosure and issued letters of credit. First Interstate currently holds title in a number of residential lots, out lots, utility lots and common areas. First Interstate also retains approval authority regarding transfer of the water system currently serving the Subdivision. First Interstate further has obligations under various letters of credit or guarantees to complete certain infrastructure within the development.

D. Canyon Springs Preserve currently owns and operates the water system serving the Subdivision and has reached an agreement with First Interstate wherein Canyon Springs Preserve will transfer the water system, the water system's accounts, the water permit and any of the personal or real property of the water system to the third party as directed by First Interstate.

E. The District is a South Dakota Sanitary District established and existing under South Dakota law. The District boundaries include the Subdivision area.

F. District wishes to acquire real property including common lots, utility lots and well lots currently owned by First Interstate and the water system owned Canyon Springs Preserve for the purpose of providing water and sewer services within the District's boundaries.

G. First Interstate Bank has agreed to convey the necessary real property to the District on the terms and conditions here set forth without charge for the District's assumption of various responsibilities under this Agreement.

H. Canyon Springs Preserve has agreed to convey the water system real property and personal property to the District on the terms and conditions here set forth without charge for the District's assumption of various responsibilities under this Agreement.

SECTION ONE – TRANSFER OF PERSONAL PROPERTY AND REAL PROPERTY

A. At closing, Canyon Springs Preserve shall convey the water system personal property, real property and easements, hereinafter referred to together as "Water System Operation Assets," set forth in Exhibit A attached hereto to District, free and clear of encumbrances.

B. First Interstate Bank shall convey the personal property, real property and easements across the real property listed in Exhibit B attached hereto and hereinafter referred to together as "Infrastructure Assets" to District, free and clear of encumbrances. As to the personal property listed in Exhibit B, it is understood by the parties First Interstate makes no representations that it possesses rights to these items and any bill of sale conveys only what interest First Interstate possesses.

1. First Interstate acknowledges that prior to District accepting the Assets, First Interstate must complete certain improvements and projects on the property. If these improvements and projects are not completed by First Interstate by the time of transfer, First Interstate shall still retain the obligation to make such improvements and complete such projects. The projected cost and any unforeseen increase in cost in making the improvements or completing the project will be paid by First Interstate. First Interstate agrees to make the following improvements and complete the following projects at its cost:

- a) Finish installation of drain fields #9a, #10, #14, #13 & #12 which will complete all subdivision drain fields currently designed for the system, and upon transfer First Interstate Bank will have no further duty or liability to construct new or additional drain fields;
- b) Complete Construction of the Bike Path to the extent required under existing Letters of Credit; and,
- c) Install Trash Guards on ten (10) culverts.

2. If First Interstate has not completed its construction obligations as set forth in Section One, subsection B.1 by closing, First Interstate shall transfer all completed infrastructure at Closing. Upon First Interstate completing the construction of the remaining items, First Interstate shall then transfer the completed infrastructure to the District. The District will assume no obligations for maintenance or maintaining any of the infrastructure until transferred by First Interstate to the District. Transfer of all infrastructure will be "AS IS" with First Interstate providing no warranty or guarantee on the infrastructure. First Interstate as part of the transfer will transfer all warranties and contractual rights First Interstate has or received from any contractor involved in construction of the infrastructure. First Interstate shall also provide all written contracts, construction plans or as built information it received on the infrastructure. On any improvements not yet completed by First Interstate, the District and First Interstate may work together as they see fit to ensure completion of the improvement.

3. First Interstate will complete all of the construction projects listed above no later than October 31, 2015 unless the District shall agree to extend the construction timeline.

4. First Interstate Bank agrees, in good faith, to consider a loan request, if asked, for continued construction to the water system. The Bank shall examine the request with the necessary loan requirements, and attempt, to the amount allowable under its standard lending practices to fund to said construction. The Bank agrees to endeavor to promptly examine and consider the loan in light of the relationship between the parties, and will attempt to loan said moneys on a reasonable term and rate based upon the then applicable rate environment.

SECTION TWO – OBLIGATIONS OF DISTRICT

A. Water System. On complete transfer of the Water System Operation Assets and Infrastructure Assets to the District (except for the infrastructure projects First Interstate has yet to complete), District shall assume the obligations to run the water system, collect fees, and manage the system. District agrees it shall only charge five thousand dollars (\$5,000) for hook up fee to any person hooking up to the water system after January 1, 2013 and before January 1, 2015 and will not charge any additional fees during this time for the right to hook up to the water system. The hook up fee will be a charge for the right to connect to the District's water system and will not include any infrastructure, equipment, services, or construction related to connecting to the District's water system which shall be the user's responsibility. For any user that has hooked up since January 1, 2013 that has not paid a hook up fee or any user that has not paid a monthly user charge to Canyon Spring Preserve or First Interstate Bank, the District shall charge a \$5,000 hook up charge and shall be entitled to collect the monthly user charges. Any hook up charges that have been collected during 2013 by Canyon Spring Preserve or First Interstate shall be accounted for and remitted to the District at time of closing.

B. **Drain Fields and Sewer Systems.** Upon transfer of the drain field lots and Infrastructure Assets, except for the infrastructure projects First Interstate has yet to complete, the District shall assume the obligations to maintain these lots and drain fields. Upon completion of the drain fields by First Interstate and the transfer of the drain fields to the District, District shall assume responsibility and obligations going forward after the completion of construction. First Interstate shall have access after closing to any of the real estate transferred to the District to the extent needed to complete any infrastructure.

C. **Ongoing Build Out of the Water System.** The District further acknowledges that there is a need to continue building out of the Water System and has received and reviewed CETEC Engineering Services Report of November 30, 2012 and the CETEC Business Development Plan of June 13, 2013 and KLJ Report of October 31, 2012. The District agrees to pursue the build out in order to allow the continuation of building in the Subdivision in a timely manner. The District retains its discretion on how to complete the build out, to determine alternatives to the CETEC and KLJ recommendations and timing of any build out. The District is not required to build out the entire infrastructure discussed or suggested by KLJ or CETEC as long as the District build out does not prevent additional home construction in the Subdivision.

D. The District shall retain all statutory powers it possesses under state or federal law to control activities within the District, manage the water system and the sewer system, regulate activities within the District and set rates for services. This Agreement in no way limits the District's powers except for maintaining a set hook up charge as set forth in Section Two of this Agreement and the District's commitment to continue to build out the system in a way that it does not prevent continued home construction in the area.

SECTION THREE – GOOD TITLE, LIENS AND WARRANTIES

A. **First Interstate.** First Interstate owns, of record or otherwise, all legal title and beneficial and equitable interest in and to all of the Infrastructure Assets. First Interstate Bank has no knowledge of any mortgages, liens, security interests, pledges, encumbrances, leases, agreements, covenants, charges, restrictions, options, joint ownership or adverse claims or rights whatsoever on the property to be transferred to the District. All assets transferred by First Interstate will be transferred “AS IS WITH ALL FAULTS,” and First Interstate will make no warranties or representations regarding the transferred assets.

B. **Canyon Springs Preserve.** Canyon Springs Preserve owns, of record or otherwise, all legal title and beneficial and equitable interest in and to all of the Water System Operation Assets. Canyon Springs Preserve has, and on the Closing Date will have, good and marketable title to all of the Water System Operation Assets, free and clear of any and all mortgages, liens, security interests, pledges, encumbrances, leases, agreements, covenants, charges, restrictions, options, joint ownership or adverse claims or rights whatsoever and will transfer free and clear title to the District. All assets transferred by Canyon Springs Preserve will be transferred “AS IS WITH ALL FAULTS” and Canyon Springs Preserve makes no representations or warranties regarding the transferred assets. Further Canyon Springs makes no representation or warranty relative to any aspects of development of the property in which the Water System is located nor

anything in the ground relative to the Water System and any claims against Canyon Springs Preserve in that regard are hereby waived. Canyon Springs Preserve does, however, hereby assign to District any rights Canyon Springs Preserve may otherwise have against others relative to any development or installation issues involved in the Water System that may arise in the future and still remain actionable.

C. General. Except for those issues or defects disclosed to the District, neither First Interstate nor Canyon Springs Preserve knows of any defects or needed repairs in the water system that is currently operating or the regional sewer septic systems. At the time of transfer, all real property will be transferred using a Quit Claim Deed in a form agreeable to the District. All personal property will be transferred by Bill of Sale in a form acceptable to the District.

SECTION FOUR - TRANSFERS OF PERMITS AND LICENSE

Canyon Springs Preserve and First Interstate will transfer all local, state or federal permits associated with the operation of the water system including, but not limited to the water permit number 2576-2 and the certification of the water system obtained through the State of South Dakota. Canyon Springs Preserve will execute the transfer documents attached hereto as **Exhibit C** for the transfer of the water permit and the certificate of authority and will execute any other documents the District may hereinafter deem necessary to transfer any license or permit used in the operation of the water system or the septic systems.

SECTION FIVE – PARTIES BOUND

First Interstate Bank, Canyon Springs Preserve and District each binds itself and its respective successors and assigns to the faithful performance of all of the terms and conditions imposed in this purchase agreement and agreed to by the respective parties.

SECTION SIX – PURCHASER CONTINGENCIES PRECEDENT TO CLOSING

Closing on this Purchase Agreement is contingent upon the following the contingencies being satisfied:

1. The District having the water System Operation Assets or Infrastructure Assets inspected and determining the inspection does not reveal deficiencies the District determines are unacceptable. This inspection shall be completed within two weeks of the date of this agreement or it will be deemed waived.
2. Receipt of a satisfactory Owners and Encumbrance report obtained by First Interstate Bank from First American Title.

SECTION SEVEN - TERMINATION

A. Termination of Agreement. The parties may terminate this Agreement as provided below:

1. The parties may terminate this Agreement by mutual written consent at any time prior to Closing.
2. District may terminate this Agreement by giving written notice to First Interstate Bank and Canyon Springs Preserve on or before the Closing if it is determines one of the Purchaser contingencies have not or cannot be met;
3. District may terminate this Agreement by giving written notice to First Interstate Bank and Canyon Springs Preserve at any time prior to the Closing if First Interstate Bank or and Canyon Springs Preserve has breached any representation, warranty, or covenant contained in this Agreement and the breach has continued after notice of such breach; and
4. First Interstate Bank may terminate this Agreement by giving written notice to District at any time prior to the Closing in the event District has breached any representation, warranty, or covenant contained in this Agreement, and the breach has continued after notice to District by First Interstate Bank.

B. Effect of Termination. Each party's right of termination under this section is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of the right of the right of termination shall not be an election of remedies. If this Agreement is terminated pursuant to this section, all further obligations of the parties under this Agreement shall terminate.

SECTION EIGHT – TRANSACTION COSTS

A. District's Costs: District shall pay the following costs of closing this transaction:

1. Fees and disbursements of District's counsel and any expenses incurred by District or its representatives in inspecting or evaluating the Property;
2. All surveying of any easements of real property, including the mapping of easements for purposes of recording; and,
3. All recording fees.

B. First Interstate's costs: First Interstate Bank shall pay the following costs of closing this transaction:

1. All fees and disbursement of First Interstate Bank's counsel incurred in connection with closing this transaction;
2. Costs of and Owners and Encumbrance report obtained from First American Title on all Real Property transferred by First Interstate Bank; and,
3. All transfer fees.

C. Canyon Springs Preserve costs: Canyon Springs Preserve will pay all fees and disbursements of its counsel and any expense incurred by Canyon Springs Preserve or its representatives in closing this transaction or transferring the documents.

SECTION NINE – REAL PROPERTY TAXES

All taxes on the property through Closing will be paid pro rata.

SECTION TEN – VENUE AND CHOICE OF LAW

This Agreement shall be controlled by the laws of the state of South Dakota. Any disputes over this Agreement or any action arising out of this Agreement shall be venued in South Dakota Circuit Court, Pennington County, South Dakota.

SECTION ELEVEN – INSURANCE AND RISK OF LOSS

The risk of loss or damage to the property from fire, storm, act of God or other casualty shall be borne by First Interstate and Canyon Spring Preserve up to Closing. The District will assume responsibility for all insurance on the property after Closing that is transferred to it at Closing. For those projects not yet completed by First Interstate by Closing, should First Interstate require a contractor to name it as an additional insured for any construction, First Interstate will also require the contractor name the District as an additional insured.

SECTION TWELVE – ENTIRE AGREEMENT; MODIFICATION

This instrument contains the entire agreement of the parties with respect to the subject matter hereof, all previous agreements and discussions relating to the same or similar subject matter being merged herein. The parties acknowledge and agree that neither of them has made any representations with respect to the subject matter of this Agreement or any representations inducing the execution and delivery hereof except as specifically set forth herein. Each of the parties hereto acknowledges that it has relied on its own judgment in entering into this Agreement. This Agreement may not be changed, amended, or modified including specifically the provisions of this paragraph, except by a writing signed by both parties hereto. The provisions of this paragraph may not be changed, amended, modified, terminated, or waived as a result of any failure to enforce any provision or the waiver of any specific breach or breaches thereof or any course of conduct of the parties.

SECTION THIRTEEN – BINDING EFFECT AND BENEFIT

This Agreement shall inure to the benefit of, and shall be binding upon, the parties, their heirs, executors, and administrators, successors and permitted assigns.

SECTION FOURTEEN – PARTIAL INVALIDATION

If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions contained herein. In such event, this Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were limited to the minimum extent whereby such terms would be valid, legal and enforceable. If such limitation is not possible, this Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were severed and not included herein, unless the result of such limitation or severance would result in such a material change as to cause completion of the transaction contemplated herein to be unreasonable.

SECTION FIFTEEN – WAIVER

No waiver of a breach or violation of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach.

SECTION SIXTEEN – EXHIBITS AND SCHEDULES

All Exhibits, Schedules and documents referred to in this Agreement shall be incorporated herein by any reference thereto as if fully set out.

SECTION SEVENTEEN – NO ASSUMED LIABILITIES

District shall assume no liabilities or obligations including contractual obligations of First Interstate Bank or Canyon Springs Preserves unless specifically assumed within this Agreement.

SECTION EIGHTEEN – POSSESSION, CLOSING DATE

District shall have possession of the Property conveyed herein on the Closing date. Closing shall occur on or before November 22, 2013 at the office of Gunderson, Palmer, Nelson & Ashmore, LLP, 506 Sixth Street, Rapid City, SD.

SECTION NINETEEN – ORIGINAL COPIES

This agreement is executed in triplicate. The parties have executed this agreement at Rapid City, South Dakota, the day and year first above-written.

REMAINDER OF THE PAGE LEFT BLANK

First Interstate Bank

By _____

Title _____

Sr Vice Pres.

Attest:

Secretary

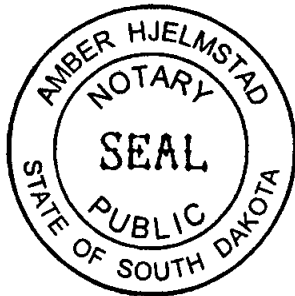
State of South Dakota

County of Pennington) ss.

On this the 29th day of October, 2013, before me, the undersigned officer, personally appeared Mark Benson, who acknowledged himself to be a Sr. Vice Pres. of **First Interstate Bank**, and that (s)he, being authorized so to do, executed the foregoing instrument in the capacity and for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

(SEAL)



Amber Hjelmstad

Notary Public

My Commission Expires: 9/15/2017

Canyon Springs Sanitary & Water District

By Mike Tubie

Title President

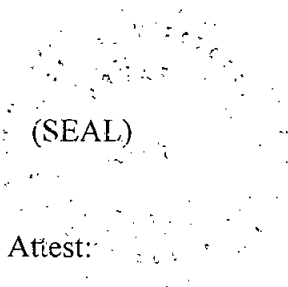
Attest:

Pat Heener
Secretary

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

On this the 27th day of September, 2013, before me, the undersigned officer, personally appeared Mike Tubie, who acknowledged him self to be a President of **Canyon Springs Sanitary & Water District**, and that (s)he, being authorized so to do, executed the foregoing instrument in the capacity and for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Tubie
Notary Public
My Commission Expires: **My Commission Expires**
September 11, 2015

Attest:

Secretary

Canyon Springs Preserve, LLC

By: *Edde Rykema*

Title: MEMBER-MANAGER

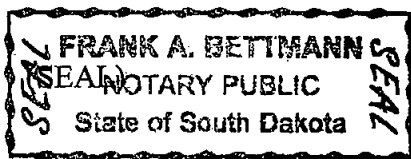
Attest:

Secretary

State of South Dakota)
County of PEARLINGTON) ss.

On this the 18th day of November, 2013, before me, the undersigned officer, personally appeared Edde Rykema, who acknowledged himself to be a Member/Manager of Canyon Springs Preserve, LLC and that (s)he, being authorized so to do, executed the foregoing instrument in the capacity and for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



Frank A. Bettmann
Notary Public – South Dakota
My Commission Expires: 1/6/18

EXHIBITS

Exhibit A - Water System Operation Assets

Exhibit B – List of Infrastructure Assets

Exhibit C – Transfer Documents

Exhibit A - Water System Operation Assets

Canyon Springs Preserve will convey to the District by means of a Quit Claim Deed the following real property to include all fixtures and structures thereon:

Common Areas 1-18, Utility Lots 1 and 2, Block 1 of Canyon Springs Preserve, previously part of a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22, SW1/4 of Section 23 all in Township 2 North, Range 6 East of the Black Hills Meridian, Pennington County, South Dakota.

Canyon Springs Preserve will convey to the District by Bill of Sale all interest it has in the following property:

All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System or for the sewage systems.

All equipment, to include the mechanical parts for the well, the pipes and large water tank, located in the Subdivision used by the Water System or for the sewage systems.

All chemicals stored at any location used by the Water or Sewer System.

All funds in the Water System or Canyon Springs Preserve bank account, including all deposits or prepayments made by any of the customers of the Water or Sewer System.

The fountain for the entrance to the subdivision.

Any refunds due the Water System.

All contractual warranties for any Water System or Sewer System equipment or infrastructure.

All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

Exhibit B – List of Infrastructure Assets

First Interstate Bank will convey to the District by means of a Quit Claim Deed the following real property to include all fixtures and structures thereon:

Common Areas 1-18, Utility Lots 1 and 2, Block 1 of Canyon Springs Preserve, previously part of a tract of land located within the S1/2SE1/4 and NE1/4SE1/4 of Section 22, SW1/4 of Section 23 all in Township 2 North, Range 6 East of the Black Hills Meridian.

First Interstate Bank will convey to the District by Bill of Sale any interest it may have in the following property:

All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System or for the sewage systems.

All equipment, to include the mechanical parts for the well, the pipes and large water tank, located in the Subdivision used by the Water System or for the sewage systems.

All chemicals stored at any location used by the Water or Sewer System.

All funds in the Water System or Canyon Springs Preserve bank account, including all deposits or prepayments made by any of the customers of the Water or Sewer System.

The fountain for the entrance to the subdivision.

Any refunds due the Water System.

All contractual warranties for any Water System or Sewer System equipment or infrastructure.

All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

Exhibit C – Transfer Documents

See Bill of Sale - Canyon Springs Preserve, LLC, a/k/a Canyon Springs, LLC to Canyon Springs Sanitary & Water District

See Quit Claim Deed - Canyon Springs Preserve, LLC, a/k/a Canyon Springs, LLC to Canyon Springs Sanitary & Water District

See Bill of Sale – First Interstate Bank to Canyon Springs Sanitary & Water District

See Quit Claim Deed - First Interstate Bank to Canyon Springs Sanitary & Water District

See Bill of Sale - Canyon Springs Preserve, LLC to First Interstate Bank

See Quit Claim Deed - Canyon Springs Preserve, LLC to First Interstate Bank

Prepared by:
Talbot J. Wiczorek
GUNDERSON, PALMER,
NELSON & ASHMORE, LLP
P. O. Box 8045
Rapid City, SD 57709-8045
(605) 342-1078

QUIT CLAIM DEED

CANYON SPRINGS PRESERVE, LLC, a South Dakota limited liability company, of 1128 Flormann Street, Rapid City, South Dakota 57701, Grantor, for and in consideration of One Dollar (\$1) and other good and valuable consideration, hereby conveys and quitclaims to **FIRST INTERSTATE BANK**, a South Dakota banking corporation, of 333 West Boulevard, Suite 100, Rapid City, South Dakota 57702, Grantee, all interest, including after-acquired title, in the following-described real estate in Pennington County, South Dakota:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559, together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

Exempt from Transfer Fee Pursuant to SDCL § 43-4-22(18)

Dated this _____ day of _____, 2013.

CANYON SPRINGS PRESERVE, LLC

By _____
Eddie Rypkema, Member

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

On this the _____ day of _____, 2013, before me, the undersigned officer, personally appeared Eddie Rypkema, who acknowledged himself to be a Member of CANYON SPRINGS PRESERVE, LLC, a limited liability company, and that he, as such Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained

In witness whereof, I hereunto set my hand and official seal.

Notary Public, South Dakota

(SEAL)

My Commission Expires: _____

CERTIFICATE OF REAL ESTATE VALUE [SDCL 7-9-7(4)]

COURTHOUSE USE ONLY

Book _____ Page _____

Ratio Card No. _____

State of South Dakota, County of PENNINGTON

Seller(s): CANYON SPRINGS PRESERVE, LLC

Name

Phone Number

Mailing

Address 1128 FLORMANN STREET

Street/Box Number

RAPID CITY

City

SD 57701

State/Zip Code

Buyer(s): FIRST INTERSTATE BANK

Name

Phone Number

Current

Mailing 333 WEST BLVD, SUITE 100

Address Street/Box Number

RAPID CITY

City

SD 57702

State/Zip Code

NEW

Mailing

Address _____

Street/Box Number

City

State/Zip Code

OWNER OCCUPIED – THIS BOX TO BE COMPLETED BY BUYER ONLY

These items are important to complete for property to continue to be classified as owner occupied for a lower property tax rate.

Property is currently classified as owner-occupied

YES ☐ NO ☐

Property will be occupied by buyer on _____ (date)

YES ☐ NO ☐

Property will be principal residence of buyer on the above stated date

YES ☐ NO ☐

Do you own any other residential property in the United States?

YES ☐ NO ☐ If yes, state location _____

Signature (BUYER ONLY) _____

Legal Description (Please include the number of acres for unplatted properties)

SEE ATTACHED

(1) Date of Instrument _____

(2) Type of Instrument:

Contract for Deed ☐Warranty Deed ☐Executor's Deed ☐Mineral Deed ☐Quit Claim Deed ☒Trustee's Deed ☐Administrator's Deed ☐Gift ☐

Other (specify) _____

(3) Items Involved in Transaction

(a) Was this property offered for sale to the general public YES ☐ NO ☒(b) Relationship between buyer and seller? YES ☐ NO ☒(c) Was this property sold by owner ☒ agent ☐

(d) Actual Consideration Exchanged: \$-0-

(e) Adjusted price paid for real estate: \$-0-

(actual consideration less amount paid for major items of personal property which are listed below)

In the blanks below, list any major items of personal property and their value which were included in the total purchase price (i.e. furniture, inventory, crops, leases, franchises): _____

(4) Was there Buyer Financing YES ☐ NO ☒ If yes, items (a) and (b) below MUST be completed

(a) Type of Buyer Financing – check where applicable

Conventional Bank Loan ☐Like Kind Exchange ☐Cash Sale ☐Assumed Mortgage ☐FHA, FmHA, SDHA Loan ☐Farm Credit Service ☐Contract for Deed ☐ [must complete part (b)]Other ☐(b) Contract for Deed YES ☐ NO ☐ (If yes, MUST complete items below)

Down Payment \$ _____

Monthly/Yearly Payment \$ _____

No. of Payments _____

Interest Rate _____%

Balloon Payment \$ _____

Signature of seller, Buyer, or agent of _____

Date _____

LEGAL DESCRIPTION:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559, together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

BILL OF SALE

Canyon Springs Preserve, LLC, a/k/a Canyon Springs, LLC, a South Dakota limited liability company, of 1128 Flormann Street, Rapid City, South Dakota 57701, Seller, for and in consideration of One and no/100 Dollar (\$1) and other good and valuable consideration, agrees to grant, convey and transfer to **Canyon Springs Sanitary & Water District**, a governmental subdivision of South Dakota, of 8787 North Emerald Ridge Road, Rapid City, South Dakota 57702, Buyer, all rights, title, and interest in the following property:

1. All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System or for the sewage systems.
2. All equipment, to include the mechanical parts for the well, the pipes and large water tank, located in the Subdivision used by the Water System or for the sewage systems.
3. All chemicals stored at any location used by the Water or Sewer System.
4. All funds in the Water System or Canyon Springs Preserve bank account, including all deposits or prepayments made by any of the customers of the Water or Sewer System.
5. The fountain for the entrance to the subdivision.
6. Any refunds due the Water System.
7. All contractual warranties for any Water System or Sewer System equipment or infrastructure.
8. All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

Canyon Springs Preserve is making no warranty regarding the above transferred tangible assets and District is taking the above tangible assets "as is" and "where is" with all faults.

IN WITNESS WHEREOF, the parties have hereunto set their hands the ____ day
of _____, 2013.

SELLER:

**Canyon Springs Preserve, LLC
a/k/a Canyon Springs, LLC**

BY: _____

ITS: _____

Prepared by:
Talbot J. Wieczorek
GUNDERSON, PALMER,
NELSON & ASHMORE, LLP
P. O. Box 8045
Rapid City, SD 57709-8045
(605) 342-1078

QUIT CLAIM DEED

CANYON SPRINGS PRESERVE, LLC, a South Dakota limited liability company, of 1128 Flormann Street, Rapid City, South Dakota 57701, Grantor, for and in consideration of One Dollar (\$1) and other good and valuable consideration, hereby conveys and quitclaims to **CANYON SPRINGS SANITARY & WATER DISTRICT**, a governmental subdivision of South Dakota, 8787 North Emerald Ridge Road, Rapid City, SD 57702, Grantee, all interest, including after-acquired title, in the following described real estate in Pennington County, South Dakota:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927;

Together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

Exempt from Transfer Fee Pursuant to SDCL § 43-4-22(18)

Dated this _____ day of _____, 2013.

CANYON SPRINGS PRESERVE, LLC

By _____
Eddie Rypkema, Member

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

On this the _____ day of _____, 2013, before me, the undersigned officer, personally appeared Eddie Rypkema, who acknowledged himself to be a Member of CANYON SPRINGS PRESERVE, LLC, a limited liability company, and that he, as such Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained

In witness whereof, I hereunto set my hand and official seal.

Notary Public, South Dakota

(SEAL)

My Commission Expires: _____

CERTIFICATE OF REAL ESTATE VALUE [SDCL 7-9-7(4)]COURTHOUSE USE ONLY
Book _____ Page _____
Ratio Card No. _____

State of South Dakota, County of Pennington

Seller(s): **Canyon Springs Preserve, LLC**

Name

Phone Number

Mailing

Address 1128 Flormann Street
Street/Box NumberRapid City SD 57701
City State/Zip CodeBuyer(s): **Canyon Springs Sanitary & Water District**

Name

Phone Number

Current

Mailing 8787 North Emerald Ridge Road
Address Street/Box NumberRapid City SD 57702
City State/Zip Code**NEW**Mailing _____
Address Street/Box Number

City State/Zip Code

OWNER OCCUPIED – THIS BOX TO BE COMPLETED BY BUYER ONLY

These items are important to complete for property to continue to be classified as owner occupied for a lower property tax rate.

Property is currently classified as owner-occupied

YES ☐ NO ☐

Property will be occupied by buyer on _____ (date)

YES ☐ NO ☐

Property will be principal residence of buyer on the above stated date

YES ☐ NO ☐

Do you own any other residential property in the United States?

YES ☐ NO ☐ If yes, state location _____

Signature (BUYER ONLY) _____

Legal Description (Please include the number of acres for unplatted properties)

SEE ATTACHED

(1) Date of Instrument _____

(2) Type of Instrument:

Contract for Deed ☐Warranty Deed ☐Executor's Deed ☐Mineral Deed ☐

Quit Claim Deed x

Trustee's Deed ☐Administrator's Deed ☐Gift ☐

Other (specify) _____

(3) Items Involved in Transaction

(a) Was this property offered for sale to the general public YES ☐ NO X(b) Relationship between buyer and seller? YES ☐ NO X(c) Was this property sold by owner ☐ agent ☐

(d) Actual Consideration Exchanged: \$-0-

(e) Adjusted price paid for real estate: \$-0-

(actual consideration less amount paid for major items of personal property which are listed below)

In the blanks below, list any major items of personal property and their value which were included in the total purchase price (i.e. furniture, inventory, crops, leases, franchises): _____

(4) Was there Buyer Financing YES ☐ NO X ☐ If yes, items (a) and (b) below MUST be completed

(a) Type of Buyer Financing – check where applicable

Conventional Bank Loan ☐ Like Kind Exchange ☐
Cash Sale ☐ Assumed Mortgage ☐
FHA, FmHA, SDHA Loan ☐ Farm Credit Service ☐
Contract for Deed ☐ (must complete part (b))
Other ☐(b) Contract for Deed YES ☐ NO ☐ (If yes, MUST complete items below)Down Payment \$ _____
Monthly/Yearly Payment \$ _____ Interest Rate _____ %
No. of Payments _____ Balloon Payment \$ _____

Signature of seller, Buyer, or agent of _____

Date _____

LEGAL DESCRIPTION

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE¼SW¼ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE¼SW¼ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility

Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927;

BILL OF SALE

First Interstate Bank, a South Dakota banking corporation, of 333 West Boulevard, Suite 100, Rapid City, South Dakota 57701, Seller, for and in consideration of One and no/100 Dollar (\$1) and other good and valuable consideration, agrees to grant, convey and transfer to **Canyon Springs Sanitary & Water District**, a governmental subdivision of South Dakota, of 8787 North Emerald Ridge Road, Rapid City, South Dakota 57702, Buyer, all rights, title, and interest in the following property:

1. All fixtures located within the Canyon Spring Preserve Subdivision area or on real property within the boundaries of the Subdivision used by the Water System, for road work, or for the sewage systems.
2. All equipment located in the Subdivision used by the Water System, for road work, or for the sewage systems.
3. All equipment stored off-site that is used by the Water or Sewer System for maintaining the roads.
4. All chemicals stored at any location used by the Water or Sewer System.
5. All funds in any Water System or Canyon Springs Preserve bank accounts, including all deposits or prepayments made by any of the customers of the Water or Sewer System.
6. Any refunds due the Water System.
7. All contractual warranties for any Water System or Sewer System equipment or infrastructure.
8. All water permits, water rights, certifications, certificates of operation, or certificates of authority connected to either the Water or Sewer System.

First Interstate Bank is making no warranty regarding any ownership interest in the above property and Canyon Springs Sanitary & Water District is taking the above property "as is" and "where is".

IN WITNESS WHEREOF, the parties have hereunto set their hands the ____day
of_____, 2013.

SELLER:

First Interstate Bank

BY: _____

ITS: _____

Prepared by:
Talbot J. Wieczorek
GUNDERSON, PALMER,
NELSON & ASHMORE, LLP
P. O. Box 8045
Rapid City, SD 57709-8045
(605) 342-1078

QUIT CLAIM DEED

FIRST INTERSTATE BANK, a Montana banking corporation, of 333 West Boulevard, Suite 100, Rapid City, South Dakota 57701, Grantor, for and in consideration of One Dollar (\$1) and other good and valuable consideration, hereby conveys and quitclaims to **CANYON SPRINGS SANITARY & WATER DISTRICT**, a governmental subdivision of South Dakota, of 8787 North Emerald Ridge Road, Rapid City, SD 57702, Grantee, all interest, including after-acquired title, in the following-described real estate in Pennington County, South Dakota:

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927;

Together with all improvements and appurtenances thereon and subject to easements, rights of way, restrictions, reservations, declarations, and covenants of record.

Exempt from Transfer Fee Pursuant to SDCL § 43-4-22(18)

Dated this _____ day of _____, 2013.

FIRST INTERSTATE BANK

By _____

Title _____

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

On this the _____ day of _____, 2013, before me, the undersigned officer, personally appeared _____, who acknowledged h_____self to be the _____ of FIRST INTERSTATE BANK, a corporation, and that _____he, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained

In witness whereof, I hereunto set my hand and official seal.

Notary Public, South Dakota

(SEAL)

My Commission Expires: _____

CERTIFICATE OF REAL ESTATE VALUE [SDCL 7-9-7(4)]COURTHOUSE USE ONLY
Book _____ Page _____
Ratio Card No. _____

State of South Dakota, County of Pennington

Seller(s): First Interstate Bank

Name

Phone Number

Mailing

Address 333 West Boulevard, Suite 100

Street/Box Number

Rapid City
City

SD

57701

State/Zip Code

Buyer(s): Canyon Springs Sanitary & Water District

Name

Phone Number

Current

Mailing 8787 North Emerald Ridge Rd

Address Street/Box Number

Rapid City SD

City

57702

State/Zip Code

NEW

Mailing _____

Address Street/Box Number

City

State/Zip Code

OWNER OCCUPIED – THIS BOX TO BE COMPLETED BY BUYER ONLY

These items are important to complete for property to continue to be classified as owner occupied for a lower property tax rate.

Property is currently classified as owner-occupied

YES ☐ NO ☐

Property will be occupied by buyer on _____ (date)

YES ☐ NO ☐

Property will be principal residence of buyer on the above stated date

YES ☐ NO ☐

Do you own any other residential property in the United States?

YES ☐ NO ☐ If yes, state location _____

Signature (BUYER ONLY) _____

Legal Description (Please include the number of acres for unplatted properties)

SEE ATTACHED

(1) Date of Instrument _____

(2) Type of Instrument:Contract for Deed ☐Warranty Deed ☐Executor's Deed ☐Mineral Deed ☐

Quit Claim Deed x

Trustee's Deed ☐Administrator's Deed ☐Gift ☐

Other (specify) _____

(3) Items Involved in Transaction(a) Was this property offered for sale to the general public YES ☐ NO ☒(b) Relationship between buyer and seller? YES ☐ NO ☒(c) Was this property sold by owner ☐ agent ☐

(d) Actual Consideration Exchanged: \$-0-

(e) Adjusted price paid for real estate: \$-0-

(actual consideration less amount paid for major items of personal property which are listed below)

In the blanks below, list any major items of personal property and their value which were included in the total purchase price (i.e. furniture, inventory, crops, leases, franchises): _____

(4) Was there Buyer Financing YES ☐ NO ☒ If yes, items (a) and (b) below MUST be completed**(a) Type of Buyer Financing – check where applicable**Conventional Bank Loan ☐ Like Kind Exchange ☐Cash Sale ☐ Assumed Mortgage ☐FHA, FmHA, SDHA Loan ☐ Farm Credit Service ☐Contract for Deed ☐ [must complete part (b)]Other ☐**(b) Contract for Deed YES ☐ NO ☐ (If yes, MUST complete items below)**

Down Payment \$ _____

Monthly/Yearly Payment \$ _____

No. of Payments _____

Interest Rate _____%

Balloon Payment \$ _____

Signature of seller, Buyer, or agent of _____

Date _____

LEGAL DESCRIPTION

Common Area 1 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom that portion of Common Area 1 in Block 1 of Canyon Springs Preserve located in the NE¼SW¼ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

That portion of Common Area 1 in Block 1 of Canyon Springs Preserve, located in the NE¼SW¼ of Section 23, T2N, R6E BHM, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, EXCEPTING therefrom Lot 89 in Block 1 and Lot 4A in Block 1, both in Canyon Springs Preserve, as shown on the plat filed in DOC #: A201204559; and

Common Area 2, Common Area 3, Common Area 4, Common Area 5, Common Area 6, Common Area 7, Common Area 8, Common Area 9, Common Area 10, Common Area 11, Common Area 12, Common Area 13, Common Area 16, Utility Lot 1, and Utility

Lot 2, all in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190; and

Common Area 14 and Common Area 15 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in Plat Book 33, Page 190, and as corrected by Affidavit of Correction recorded August 14, 2006, in Book 160, Page 8697, and

Common Area 17 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201204559; and

Common Area 18 in Block 1 of Canyon Springs Preserve, Pennington County, South Dakota, as shown on the plat filed in DOC #: A201304927.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
PMB 2020
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
www.denr.sd.gov

January 16, 2014

2576-2

Talbot Wieczorek
Gunderson, Palmer, Nelson & Ashmore LLP
PO Box 8045
Rapid City SD 57709-8045

Dear Mr. Wieczorek:

On December 2, 2013, on behalf of Canyon Springs Sanitary & Water District, you filed an ownership change for Water Permit No. 2576-2.

The ownership change has been completed. Water Permit No. 2576-2, formerly held by Canyon Springs LLC is now listed in the name of Canyon Springs Sanitary & Water District.

Enclosed for your records is Receipt No. 06508 in the amount of \$50. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Genny McMath". The signature is written in a cursive, flowing style.

Genny McMath
Water Rights Program
(605) 773-3352
email: genny.mcmath@state.sd.us

enclosure

Report of Examination of Works and/or Application of Water to Beneficial Use For Permit No. 2576-2

I have this day, **October 20, 2015**, made a thorough examination of the water use system constructed by **Canyon Springs Sanitary & Water District** of Permit No. **2576-2**, bearing the priority of **2/2/2006** authorizing the diversion of **0.27** cu. ft. per second of the waters from two wells for **suburban housing development** purposes, in **Pennington** County.

Inspection contact & relationship to permit holder, if applicable: **Pat Havener (2127 Diamond Oak Place, Rapid City, SD 57702)**
President, Canyon Springs HOA
Well address (8787 North Emerald Ridge Road)

A. Works used to divert the water:

Well Information:

- 1) Well Drilling Firm: Taylor Drilling
- 2) No. of Wells 1
- 3) Depth(s) 558 feet
- 4) Well log No

Comments: Well log was not included in DENR permit file. Well log was obtained from Taylor Drilling and is included with this report as a PDF file.

Casing:

- 1) Diameter 12 3/4" 0 - 31', 8 5/8" 0 - 271', 7" 258 - 558'
- 2) Length 558 feet
- 3) Type Steel

Screen:

- 1) Type Steel (1/2" torch cut slots)
- 2) Length 258 feet (300' - 558')
- 3) Static water level 240 feet

Pump:

- 1) Make Grundfos
 - 2) Model 85S200
 - 3) Size 6"
 - 4) Capacity 110 GPM
 - 5) Press @ Well Head 100 PSI
- Motor:** HP rating 20 hp

B. Works used to transport water to place of use:

- 1) Type PVC
- 2) Size 12 & 8 inch mains
- 3) Length -- feet

C. Works used to apply water to beneficial use:

PVC pipeline distribution system

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by : NO
- 2) Exceptions to compliance are: **Permit 2576-2 issued for two wells. Only the well located in the SE1/4, SW1/4 Section 23, T2N, R6E has been developed (10/2006).**

E. Condition and Location:

1. The system is in good condition with the point(s) of diversion located as follows:
Lat/Lon – N 44.11481, W 103.36573 which is located approximately 1,322' north and 1,807' east of the SW ¼ Section 23, T2N, R6E.
2. The works are capable of diverting and conveying to the place of use 0.25 cu. ft. per second (110 gpm) of water which is to be used for suburban housing development and the license should be issued for 0.25 cfs.
3. All structures, wells and lands on map Yes

F. Comments or other permit(s) associated with the project:

Permit is issued for 20 year term. Canyon Springs is required to report annually the amount of water withdrawn. The 2013 & 2014 reports are not included in DENR's 2576-2 file. Per emails to Karen Schlaak, from Clearwater Consulting & Mgmt., the 2013 usage was 4,373,500 gal. and the 2014 usage was 5,094,100 gals.



Steven Quissell
Water Rights Inspector
DENR, Water Rights Program

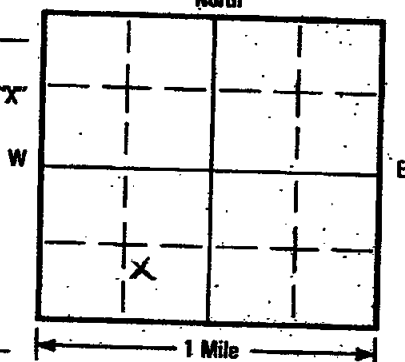
Date report completed: 10/20/2015

SOUTH DAKOTA WATER WELL COMPLETION REPORT

07-92

Location SE 1/4 SW 1/4 Sec 23 Twp 2N Rg 6E
County Pennington

Please mark well location with an "X"



Well Completion Date

10-2-06

LOCATION:

Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)? _____ ft. from _____ (identify source)

PROPOSED USE:

Housing Development
☒ Domestic/Stock ☐ Municipal ☐ Business ☐ Test Holes
☐ Irrigation ☐ Industrial ☐ Institutional ☐ Monitoring well

METHOD OF DRILLING:

Air Rotary + DHH

CASING DATA:

☒ Steel ☐ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>48 LB/FT</u>	<u>12 3/4 IN</u>	<u>0 FT</u>	<u>31 FT</u>	<u>17 1/2 IN</u>
<u>28 LB/FT</u>	<u>8 5/8 IN</u>	<u>0 FT</u>	<u>271 FT</u>	<u>11 IN</u>
<u>23 LB/FT</u>	<u>7 IN</u>	<u>258 FT</u>	<u>558 FT</u>	<u>7 7/8 IN</u>

GROUTING DATA

Grout Type	No. of Sacks	Grout Weight	From	To
<u>Cement</u>	<u>24</u>	<u>15 lb/gal</u>	<u>0 ft</u>	<u>31 ft</u>
<u>Cement</u>	<u>15</u>	<u>15 lb/gal</u>	<u>0 ft</u>	<u>271 ft</u>

Describe grouting procedure pressure grouted
through casing

SCREEN: ☒ Perforated pipe ☐ Manufactured

Diameter 7 IN Length 250 FEET

Material steel w/ torch-cut slots

Slot Size 1/2" Set From 300 Feet to 558 Feet

Other information _____

Well Owner: Jim Schud

Business Name: Schud Construction

Address: 2605 Commerce Rd.

Rapid City SD 57202

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>topsoil</u>	<u>0</u>	<u>2</u>
<u>silt + boulders</u>	<u>2</u>	<u>18</u>
<u>SS yellow</u>	<u>18</u>	<u>25</u>
<u>LS yel, br, tan, red + pink</u>	<u>25</u>	<u>210</u>
<u>mostly clay yellow</u>	<u>210</u>	<u>265</u>
<u>same SS + LS yel, br, tan</u>		
<u>LS white</u>	<u>265</u>	<u>273</u>
<u>LS white, yel, buff</u>	<u>273</u>	<u>558</u>

STATIC WATER LEVEL 240 Feet

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced Flowrate _____ GPM

Can well be completely shut in? _____

WELL TEST DATA:

☐ Pumped Describe: _____
☐ Bailed air developed
☐ Other _____

Pumping Level Below Land Surface

558 ft. After 1 Hrs. pumped 200 + GPM

ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate _____ GPM

REMARKS

This well was drilled under license # 331

And this report is true and accurate.

Drilling firm Taylor Drilling Co

Signature of License Representative: _____

Signature of Well Owner or Equitable Property Holder: _____

Date: _____

WAS A PACKER OR SEAL USED? ☐ YES ☒ NO

If so, what material? _____

Describe packer(s) and location? _____

DISINFECTION: Was well disinfected upon completion?

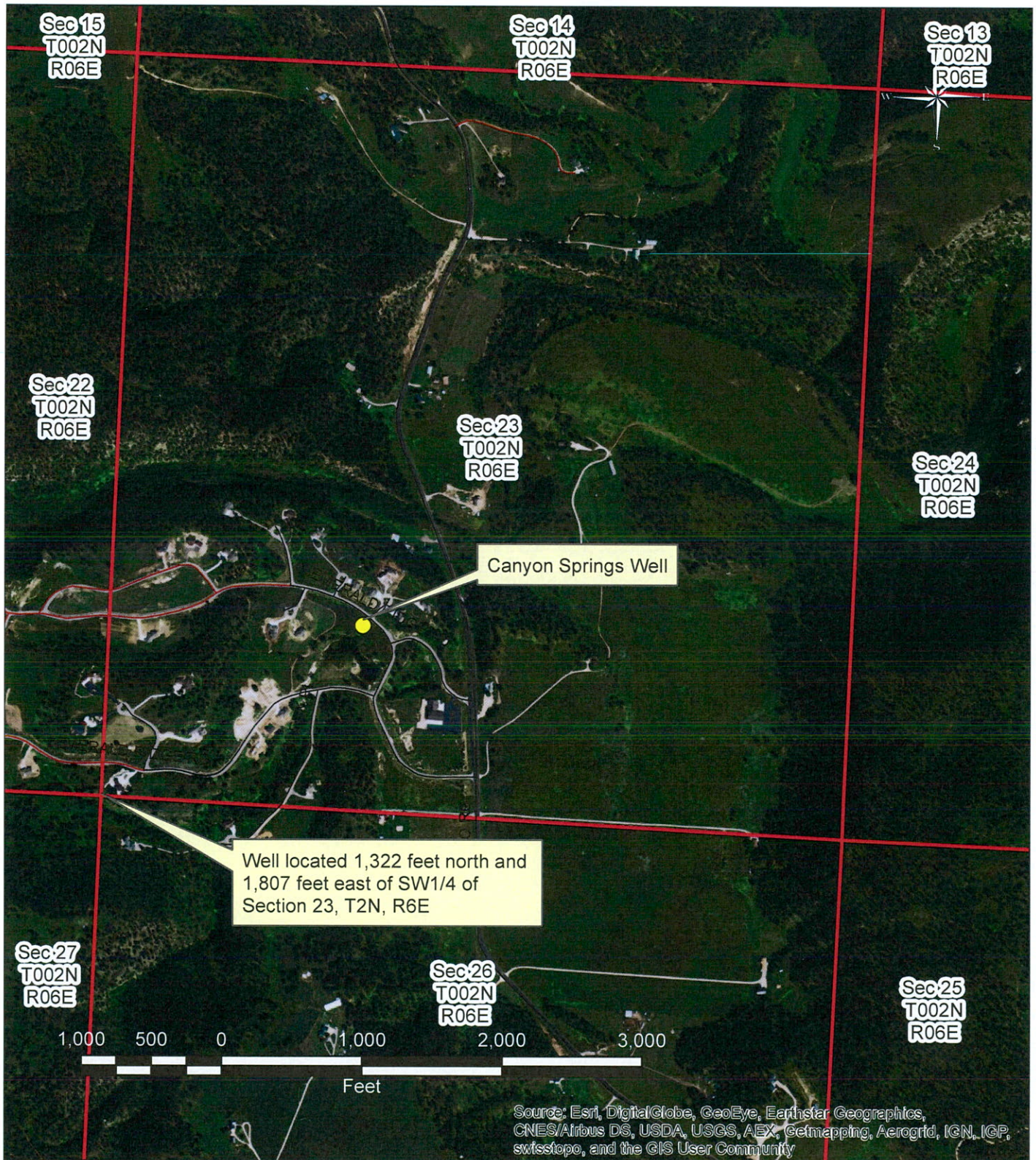
X YES. How: chlorine solution

____ NO, Why Not? _____

Laboratory sent to for water quality analysis

no pump

Water Right #2576-2
Canyon Springs Sanitary & Water District
10/20/2015



Steven Quissell
Water Rights Inspector
DENR Water Rights Program



Water Right #2576-2
Canyon Springs Sanitary & Water District
10/20/2015



Steven Quissell
Water Rights Inspector
DENR Water Rights Program





Canyon Springs Sanitary & Water District Well.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

2576-2

DEC 22 2015

Canyon Springs Sanitary & Water District
Pat Haverner – President
2127 Diamond Oak Place
Rapid City SD 57702

Dear Mr. Haverner:

Enclosed is Water License No. 2576-2 . This is the final water right document completing your process of obtaining a Water Right. Also, included with your license is a map prepared by the staff engineer who conducted the investigation.

As long as you use the water beneficially, as stated in the Water License, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Sincerely,

Jeanne Goodman, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures

STATE OF SOUTH DAKOTA
WATER LICENSE NO. 2576-2

(1) Canyon Springs LLC made Application No. 2576-2, February 2, 2006 for a water permit to divert 0.27 cubic feet of water per second from two wells (Madison Aquifer), Pennington County, South Dakota for suburban housing development purposes. Permit No. 2576-2, with a priority date of February 2, 2006 was approved May 8, 2006 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before May 8, 2011 and for the application to beneficial use of water on or before May 8, 2015.

On December 2, 2013, Permit No. 2576-2 was transferred to Canyon Springs Sanitary & Water District, c/o Pat Haverner, President, 2127 Diamond Oak Place, Rapid City SD 57702.

(2) The water supply system has been completed and water applied to beneficial use in accordance with South Dakota State Law. Pursuant to South Dakota Codified Law 46-5-30.1, the holder and/or owner of Water Right No. 2576-2 is issued a license, bearing a priority date of February 2, 2006 to appropriate 0.25 cubic feet of water per second from one well (Madison Aquifer) for suburban housing development use.

The diversion point is located: approximately 1,322 feet north and 1,807 feet east of the SW corner Section 23-T2N-R6E (SE 1/4 SW 1/4).

(3) This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Permit No. 2576-2 including the following qualifications:

- In accordance with SDCL 46-1-14 and 46-2A-20, Permit No. 2576-2 is issued for a 20-year term. Pursuant to SDCL 46-2A-21, the 20-year term may be deleted at any time during the 20-year period or following its expiration. If the 20-year term is not deleted at the end of the term, the permit may either be cancelled or amended with a new term limitation of up to twenty years. Permit No. 2576-2 may also be cancelled for nonconstruction, forfeiture, abandonment, or three permit violations pursuant to SDCL 46-1-12, 46-5-37, 46-5-37.1 and ARSD 74:02:01:37.
- The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
- The well authorized by Permit No. 2576-2 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28. *The well was drilled by Taylor Drilling Co in 2006. A copy of the log is on file with the Water Rights Program.*
- The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Madison Aquifer.



Jeanne Goodman, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

DEC 22 2015

date



Schlaak, Karen

From: Clearwater Consulting <consultclearwater@gmail.com>
Sent: Monday, January 23, 2023 11:46 AM
To: Schlaak, Karen
Subject: Re: [EXT] 2022 Gallons (Canyon Springs Sanitary District #9121)

Karen,

You can send all future correspondence to the following address:

Canyon Springs Preserve Sanitary District
Joshua Valder
9285 N. Emerald Ridge Rd.
Rapid City, SD 57702

Thanks,

Dylan



E: Consultclearwater@gmail.com

P: 605-786-4366

W: www.bhclearwater.com

On Mon, Jan 23, 2023 at 10:41 AM Schlaak, Karen <Karen.Schlaak@state.sd.us> wrote:

Good Morning,

The letter I sent out January 5th to Canyon Springs Sanitary District, 2127 Diamond Oak Place, Rapid City SD was just returned by the PO. What is a current mailing address for Canyon Springs Sanitary District?

Thanks,

Kare

From: Clearwater Consulting <consultclearwater@gmail.com>
Sent: Tuesday, January 10, 2023 2:58 PM
To: Schlaak, Karen <Karen.Schlaak@state.sd.us>; Mike Jubie <mjubie@me.com>
Subject: [EXT] 2022 Gallons (Canyon Springs Sanitary District #9121)

Karen,