

AGENDA
REGULAR WHITEWOOD COUNCIL MEETING
February 2, 2026, 5:30 PM
CITY HALL

1. CALL THE MEETING TO ORDER.
2. ROLL CALL
3. APPROVE MINUTES from Regular Meeting on January 20, 2026.
4. APPROVE THE CLAIMS.
5. APPROVE THIRD AMENDMENT TO THREE PEAKS WATER ASSOCIATION.
6. PAYING FOR CPR/FIRST AIDE/AED TRAINING FEES.
7. MR. WORMSTADT PRESENTATION/QUESTIONS.
8. COMPLIANCE WITH THE CITY'S STATEMENT OF ETHICAL CONDUCT AND USE OF CITY AUTHORITY.
9. APPROVE PERFORMANCE EVALUATION FORMS.
10. APPROVE PURCHASE OF WELL NO. 4 ELECTRICAL COMPONENT.
11. DEPARTMENT REPORTS.

• Police Department	Library Board	Street Department
• Water Department	Finance Commission	Liquor Commission
• Sewer Department	Parks Department	Economic Development
• ADA Commission	Railroad Authority	NH Waste Management
• Emergency Management		Historic Dist. Commiss.
12. PUBLIC COMMENTS
13. EXECUTIVE SESSION FOR PERSONNEL MATTERS PURSUANT TO SDCL 1-25-2 (1).
14. NEXT REGULAR COUNCIL MEETING - *Tuesday*, February 17, 2026, at 5:30pm
15. ADJOURN

REGULAR WHITEWOOD COUNCIL MEETING**January 20, 2026**

The Whitewood City Council met in regular session on Tuesday the 20th of January 2026 at City Hall. Mayor Mitch Harmon called the meeting to order at 5:30 pm, with Council members Roxie Cooper, Jeremy Noren, Sara Fitzgerald, Ken Noren, Jerry Davidson, and Shelbi Bulat present. City Attorney Fitzgerald, Police Chief Bach, Public Works Werlinger and Finance Officer Heckenlaible were also present.

Action 2026-008

Motion by J. Noren, seconded by Davidson, to approve the minutes from the regular meeting on January 5, 2026, All members present voting yes, motion carried.

Action 2026-009

Motion by Cooper, seconded by Fitzgerald, to approve the claims as presented. Roll call, all members present voting yes, motion carried.

CLAIMS- JANUARY 20, 2026**GENERAL LEDGER**

DELTA DENTAL- Employee Dental Insurance	554.70
HEALTH POOL OF SD- Employee Health Insurance	8,966.43
UNITED HEALTH CARE- Employee Life Insurance	46.80
TOTAL	\$9,567.93

GENERAL FUND

A&B BUSINESS SOLUTIONS- Police	59.99
A&J SUPPLY- Police 34.98, Shop 13.98, Streets 71.49	120.45
ALL TRAFFIC SOLUTIONS- Traffic Suite Support	3,825.00
AMAZON CAPITAL- Bldg Insp	51.75
BH PIONEER	169.64
BH ENERGY- HH 140.94,	
BLUEPEAK- Police 368.64, City Hall 444.01	812.66
BUTTE ELECTRIC- Exit Lights	530.60
MONTANA DAKOTA- Hale Hall 306.51, Police 193.78, City Hall 127.04, Shop 136.94	764.27
MONUMENT HEALTH- Police	100.00
PERFORMANCE AUTOMATICAS-Sander Starter	721.10
REPUBLIC NATIONAL- January Liquor	695.44
SOUTHERN GLAZERS- January Liquor	1,908.48
ADVANCED ENGINEERING- General Engineering	1,636.00
BH ENERGY- HH 140.94,CH 108.89,Police 240.88,Shop 282.73,Parks 136.60,Lights 1198.36	2,108.40
TOTAL	\$13,503.78

LIBRARY

A&B BUSINESS SOLUTIONS	131.95
AMAZON CAPITAL	454.37
BH ENERGY	105.20
MONTANA DAKOTA	24.09
TOTAL	\$715.61

WATER/SEWER FUNDS

A&J SUPPLY	56.60
BUTTE ELECTRIC- Booster Station 805.72, Treatment Plant 1911.88	2,717.60
DAN'S DUMPSTERS	100.00
MONTANA DAKOTA- Well 4 Gen 66.57, Booster Station 186.42	252.99
SD ONE CALL	1.05
ADVANCED ENGINEERING- Treatment Plant Upgrade	11,648.00
BH ENERGY	1,960.62
TOTAL	\$16,736.86

AUTOMATIC PAYMENTS

USDA RURAL DEVELOPMENT- Storm Sewer	1,226.50
USDA RURAL DEVELOPMENT- Laurel Stret Project	3,254.00
EFTPS- Payroll Taxes 01/9/26	8,199.79
TOTAL	\$12,680.29

Action 2026-010

Motion by J. Noren, seconded by Bulat, to donate \$500 to post-prom Sturgis. Roll call, all members present voting yes, motion carried.

Action 2026-011

Motion by J. Noren, seconded by K. Noren, to approve the \$1,350.00 quote from Hills' Tree Service, LLC, for the removal of the large cottonwood tree on the corner of Laurel and Meade Street. Roll call, all members present voting yes, motion carried.

Action 2026-012

Motion by K. Noren, seconded by J. Noren, to approve the \$46,252.75 quote from Spearfish Equipment for a used mini excavator with an extra bucket and an extended warranty. Roll call, all members present voting yes, motion carried.

Action 2026-013

Motion by K. Noren, seconded by Fitzgerald, to approve the following resolution. Roll call, all members present voting yes, motion carried.

A RESOLUTION ESTABLISHING THE SALARIES FOR 2026.

WHEREAS, SDCL 9-14-28 requires that the governing body of every municipality shall fix and determine by ordinance or resolution, the amount of all salaries and compensation of all municipal officers and the time at which the same shall be paid;
And

WHEREAS, the City council shall publish the salaries for compliance with the provisions of SDCL,

NOW, THEREFORE, BE IT RESOLVED by the City council that the following resolution, repealing all prior salary and wage resolutions, be passed, and approved. The Mayor and Council shall be paid once a month, and/or all other officers and employees shall be paid bi-weekly (26 weeks) at the following yearly salary or hourly wage.

	Officer/Employee	Yearly	Hourly
Mayor	Harmon, Mitch	\$6,600.00	
Council	Bulat, Shelbi	\$5,400.00	
	Davidson, Jerry	\$5,400.00	
	Cooper, Roxie	\$5,400.00	
	Noren, Ken	\$5,400.00	
	Noren, Jeremy	\$5,400.00	
Building Inspector	Cooper, John	\$3,600.00	
City Attorney	Fitzgerald, John	\$6,600.00	
Finance Officer	Heckenlaible, Cory		\$28.38
Part-time Finance/PW	Bestgen, Jessica		\$21.59
Police Chief	Bach, Josh		\$30.00
Police Officer	Dykes, Taylor		\$25.00
Police Officer	Spencer, Anthony		\$27.00
Police Officer	Hebdah, Joseph		\$25.00
Water/Wastewater Oper	Daniels, Derek		\$25.40
Water/Wastewater Oper	Werlinger, David		\$25.94
Water/Wastewater Oper	Cooper, John		\$24.11
Head Librarian	Terhune, Deb		\$19.52
Library Aide	Smith, Olyn		\$16.43
Library Aide	Morgan, Racine		\$15.00
Library Aide	Willson, Donna		\$15.00
Library Aide	Huffman, Sandra		\$13.58
Library Aide	Walker, Esther		\$13.58

BE IT FURTHER RESOLVED that the Mayor and Council shall determine all foregoing salaries and wages.

Dated this 20th day of January 2026.

CITY OF WHITEWOOD

BY: _____
MITCHELL U. HARMON _____
MAYOR

ATTEST

CORY HECKENLAIBLE
WHITEWOOD FINANCE OFFICER

Action 2026-014

Motion by K. Noren, seconded by J. Noren, to approve applying for the SDML Workers Compensation grant for a new trench box. All members present voting yes, motion carried.

Action 2026-015

Motion by Davidson, seconded by Cooper, to approve a \$1,000 donation to the Whitewood Senior Citizen Center. All members present voting yes, motion carried.

Action 2026-016

Motion by Bulat, seconded by Fitzgerald, to approve an update to Article IX, Personnel Records, Section 9.4, Performance Evaluations, in the employee handbook. Roll call, all members present voting yes, motion carried.

Action 2026-017

Motion by Bulat, seconded by Cooper, to enter into Executive Session for personnel matters pursuant to SDCL 1-25-2 (1) and legal matters pursuant to SDCL 1-25-2 (3), at 5:53 PM. All members present voting yes, motion carried.

At 6:15 PM, Mayor Harmon announced the Executive Session had ended.

There being no further business, the meeting was adjourned at 6:15 PM.

MITCHELL U. HARMON
Mayor

Attest:

CORY HECKENLAIBLE
Finance Officer

CLAIMS- February 2, 2026

ESTIMATED WAGES -FEBRUARY 2026 (2 pay periods)

MAYOR	550.00
COUNCIL	2,250.00
CITY ATTORNEY	1,000.00
BUILDING INSPECTOR	300.00
CHIEF OF POLICE- Josh Bach	4,800.00
POLICE OFFICER- Anthony Spencer	4,320.00
POLICE OFFICER- Dykes	4,000.00
POLICE OFFICER- Hebda	4,000.00
WASTE/WATER OPERATOR- DJ Werlinger	4,150.40
WASTE/WATER OPERATOR- Derek Daniels	4,064.00
WASTE/WATER OPERATOR- John Cooper	3,857.60
LIBRARIAN – Deb Terhue	2,147.20
LIBRARY ASST.- Donna Willson	648.00
LIBRARY ASST- Sandy Huffman	648.00
LIBRARY ASST.- Racine Morgan	238.88
LIBRARY ASST.- Olyn Smith	197.16
FINANCE OFFICER – Cory Heckenlaible	4,540.80
FINANCE & PW- Jessica Bestgen	2,374.90
TOTAL	\$44,086.94

GENERAL LEDGER

SD DEPT REVENUE & REGULATION- Garbage Tax	354.80
CITY OF WHITEWOOD- Take Deposit for Bills- Weeks, Marcol, Emme	270.00
SD RETIREMENT- Employee Retirement	6,729.68
TOTAL	\$7,354.48

GENERAL FUND

WASTE CONNECTIONS- Garbage Collection	5,910.96
A&B BUSINESS SOLUTIONS- Police 171.37, City Hall 235.63	407.00
ALL NET CONNECTIONS- Server & City Hall	159.25
AT&T	435.30
RUNNINGS SUPPLY- Shop	45.97
FORD CREDIT- Pickup	1,237.44
POST PROM- Donation	500.00
REPUBLIC NATIONAL- January Liquor	2,247.33
SOUTHERN GLAZERS- January Liquor	1,525.22
SPEARFISH EQUIPMENT- Mini-Excavator	23,126.36
STURGIS AUTO PARTS	103.74
WARNE CHEMICAL- Ice Melt	169.86
WW CHAMBER- Membership	50.00
WW SENIOR CITIZEN CENTER- Donation	1,000.00
WELLS FARGO VISA- Vision 33.52, CityHall 52.04, Bldg Official Membership 50.00	135.56
TOTAL	\$37,053.99

LIBRARY

ALL NET CONNECTIONS	45.50
AMAZON CAPITAL- Supplies & Books	318.82
DEB TERHUNE- Supplies	136.95
MONTANA DAKOTA	87.51
WW CHAMBER- Membership	50.00
TOTAL	\$638.78

WATER/SEWER FUNDS

DAKOTA PUMP- Booster Station	1,887.76
HAWKINS CHEMICAL	683.85
MIDCONTINENT TESTING	66.00
POSTMASTER	461.00
SPEARFISH EQUIPMENT- Mini-Excavator	23,126.39
WESTERN DAKOTA REGIONAL WATER- 2026 Dues	375.00
WELLS FARGO VISA	76.90
ALLIED CONSTRUCTION- Booster Station Gutters	550.00
TOTAL	\$27,226.90

AUTOMATIC PAYMENTS

USDA RURAL DEVELOPMENT- Water Project Loan	4,028.00
USDA RURAL DEVELOPMENT- Trunk Sewer Project	1,057.00
EFTPS- Payroll Taxes 01/23/26	5,784.95
TOTAL	\$10,869.95

Cory Heckenlaible

From: City of Whitewood Library
Sent: Tuesday, January 20, 2026 4:22 PM
To: Cory Heckenlaible
Subject: ??

Hi,

I am having a CPR/First Aid/AED training/certification on Feb 16 that Jerry Davidson is teaching. We can have 15 students at a cost of \$30 each, \$450 total.

Would the city entertain paying the fees for this? I have 2 library staff that want to attend, will offer to the school staff and other city employees next, then the public. I am concerned that the \$30 fee may keep some people from attending.

If so, do we put on next agenda?

Thanks,

Deb Terhune
Director
Whitewood Public Library
605.269.2616

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THIRD AMENDMENT TO WATER SERVICE AGREEMENT

This Third Amendment to the Water Service Agreement ("Amendment") between Three Peaks Water Association, LLC, a South Dakota limited liability company (the "Water Association"), and the City of Whitewood, a municipal corporation organized under the laws of the State of South Dakota (the "City") is dated January ___, 2026.

Background:

- A. The Water Association (as successor to Spearfish Mountain Ranch LLC ("SMR")) and the City are parties to that certain Amended and Restated Spearfish Mountain Ranch LLC Water Service Agreement dated January 19, 2023 as amended by First Amendment to and Assignment of Water Service Agreement dated December 18, 2023 and then further amended by the Second Amendment to Water Service Agreement dated February 27th 2024 (collectively, the "Water Service Agreement") under which the City agreed to provide water to the property described in the Water Service Agreement under the terms and conditions stated in the Water Service Agreement. The Water Agreement resulted from SMR and the City working together to secure SMR's right to purchase water for the benefit of certain residential communities created by SMR and located adjacent to or in the vicinity of the City.
- B. Omitted from all of the aforementioned documents above is the fact that a booster pump was required in order to deliver water from the City's source to the Association's storage tanks for distribution, and therefore Spearfish Mountain Ranch, LLC, predecessor in interest to Three Peaks Water Association, LLC, constructed and installed, a "Pump House," also known as a "Booster Station," (referred to in this document as "Pump House") between the City of Whitewood Reservoir and the Association's master meter, at its own cost and expense, for the benefit of the property described in the Water Service Agreement.
- C. The City of Whitewood has incurred electrical bills, gas bills, repair bills and otherwise has sustained damage to the building by virtue of vandalism committed against the building. The City intends to purchase and install a security system to

guard against damage in the future. To date the City of Whitewood has incurred total costs of \$21,837.24. This represents \$16,304.42 in electrical expenses, \$884.79 in natural gas expenses, \$675.63 in regular repairs, \$172.43 in supplies and the cost of a security camera system, in the amount of \$3,799.97.

- D. Unrelated from the expenses, the City of Whitewood was under the incorrect assumption that the Water Association owned the pump house or held the pump house in trust until a certain number of incidental construction items were completed. At the time in which these items were completed the City would accept ownership. These incidental items are commonly known as "punch list items." The Water Association never believed it owned or held the Pump House in trust for the City of Whitewood but rather believed the City always owned the pump house.
- E. The President of the Board of Directors of the Water Association was not aware of the damage to the Pump House. The Water Association believes the Pump House should not be an expense to the City of Whitewood.
- F. Therefore the Three Peaks Water Association and the City of Whitewood desire to modify the Water Service Agreement to address the matters described above and any other related or agreed-upon modifications as hereinafter set forth.

Agreement-

In consideration of the mutual covenants and promises contained in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree and covenant as follows:

COSTS:-

1a. Electrical and Gas Costs: At each regular billing cycle, the City of Whitewood shall invoice the Water Association for reimbursement of the Pump House's separately metered electrical costs and gas costs as billed by the utility providers, without markup. The City will pay the electrical costs and gas costs and then send an invoice along with a copy of the utility provider's bill to the Water Association. The Water Association shall then remit payment to the City of Whitewood by check or ACH for reimbursement of that cost within 30 days of receipt of the City's invoice.

1b. Regular Repair and Supply Costs: The City of Whitewood shall maintain, repair, and replace the Pump House and all components thereof as necessary to

keep them in good working order and in accordance with good industry practice for potable water system facilities, subject to reimbursement to the extent provided herein. Any regular repair or regular maintenance costs or supply costs of the pump house will be paid promptly by the City. Within 30 days of payment, the City of Whitewood will invoice the Water Association for reimbursement of the City's reasonable costs. Each invoice shall be accompanied by copies of paid invoices documenting the costs incurred. If the City reasonably anticipates that the cost of any single repair or replacement will exceed \$5,000.00 [FIVE THOUSAND DOLLARS AND ZERO CENTS, the City shall consult with the Association before proceeding with such repair or replacement. The Water Association will provide reimbursement to the City within 30 days of receipt of the City's invoice. "Regular repair or regular maintenance costs" means all costs for repairing, maintaining, or replacing components of the Pump House that were installed on or before January 1, 2025, and that require service or replacement in the ordinary course during the useful life of the Pump House. "Supply costs" means costs for items consumed within 12 months by virtue of the operation of the pump house.▪

1c. Extraordinary Costs: The addition of new equipment or fixtures which does not replace existing equipment, which was installed by January 1, 2025 will be paid for by the City of Whitewood without reimbursement from the Water Association.

1d. Insurance/Casualty: The City of Whitewood shall maintain property and liability insurance adequate to cover the Pump House, its equipment and operations, naming the Association as an additional insured, beginning immediately after this agreement is signed. In the event of a casualty to the Pump House, the City shall, at its sole cost and expense and without reimbursement from the Association, repair or replace the Pump House as necessary to continue providing water services in accordance with the Water Service Agreement, as hereby amended.

1e. Historical Expenses: Notwithstanding the definitions and provisions of this Amendment the Water Association has agreed to pay the City of Whitewood its past expenditures in the amount of \$21,837.24. This represents \$16,304.42 in electrical expenses, \$884.79 in natural gas expenses, \$675.63 in regular repairs, \$172.43 in supplies and the cost of a security camera system, in the amount of \$3,799.97. The Water Association agrees to pay this amount in full within 12 twelve months after the signing of this amendment.▪

1f. Quit Claim: The Water Association quit claims any and all right title in interest in the Pump House including the physical structure in which it is housed and all related fixtures and equipment. Execution of a formal and recordable Quit Claim Deed shall follow the execution of this agreement. The Quit Claim deed is meant to formalize and terminate any claim of ownership or control Three Peaks Water Association, its successors or predecessors in interest would have as to the Pump House, and any of its fixtures. Although the Pump House is located on City-owned property, the Quit Claim Deeds are being executed as a precautionary measure to eliminate any residual misunderstanding that may have arisen from the fact that the Association funded its construction.

2. Binding Effect. This Amendment is binding on and will inure to the benefit of the parties hereto and their respective successors and assigns. This amendment leaves all provisions of the previous agreements which do not specifically conflict with this amendment intact.

2a. Recording: A memorandum of this the Water Services Agreement as amended by this Amendment in the form attached to this Amendment as Exhibit A, as well as the quit claim deed, shall both be recorded in the Lawrence County Register of Deeds Office by the City Attorney for the City of Whitewood immediately after both documents have been executed.

3. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the state of South Dakota.▪

4. Severability. In the event any section, or any sentence within any section, is declared by a court of competent jurisdiction to be void or unenforceable, such sentence or section shall be deemed severed from the remainder of this Amendment and the balance of this Amendment shall remain in full force and effect.▪

5. Term. The term of the water agreement is modified to be a perpetual agreement and not a 10 year agreement with rights to extend. The City however retains the right to reduce water services in the event of a City shortage under the terms provided for in the Water Service Agreement.

5a. Water Quantity Guarantee: The City covenants that it shall at all times maintain the quantity of water entering the pump house from the City's water

storage necessary to ensure that the pump house is able to deliver 250 two-hundred fifty (250) gallons per minute of water to the Association's meter, and (500) five-hundred gallons per minute when the pump system so requires for maintenance of adequate volume within the Association's tanks, except during periods when the City is unable to furnish such quantity due to a disruption or insufficiency in the City's own water system. This flow-rate covenant is measured at the pump house to the Association's meter. The City further covenants that it shall not agree to furnish water from this pump house to any other party if doing so would compromise the City's ability to maintain the 250-500 gallons-per-minute delivery capacity.

5b. Separate Meter: Any water sold, delivered, purchased or transferred to any party from the pump house shall be separately metered and shall not result in any increased costs or reduction in quality of the water sold to the Water Association. If the City provides water from the Pump House to any other party, the City shall promptly notify the Association, and the parties shall agree on a fair and equitable revised allocation of costs previously borne solely by the Association, to reflect that the Association is no longer the exclusive beneficiary.

6. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatories to the original or the same counterpart. Any counterpart of this Amendment that has attached to it separate signature pages, which altogether contain the signatures of all parties, shall for all purposes be deemed a fully executed instrument. A copy of this Amendment sent by executed by pdf or by electronic signature such as, by way of example only, DocuSign or Adobe Sign, shall be deemed an original for all purposes and the electronic signature of a party shall have the same effect as an original signature.

[The Signature Page Follows]

Signed:

Three Peaks Water Association, LLC, a
South Dakota limited liability company

By: Gerard J. Keating
President, Board of Directors

CITY OF WHITEWOOD, a South Dakota
Municipal Corporation

By: Mitch Harmon
The City of Whitewood
Its Mayor

ATTEST

By:

City Finance Officer

EXHIBIT A
MEMORANDUM OF WATER SERVICES AGREEMENT

REFERENCE ATTACHED MEMORANDUM OF WATER SERVICE AGREEMENT

Prepared by:

John M. Fitzgerald

PO Box 1231

Rapid City, SD 57709-1231

Phone 605 519 1118

john@cityofwhitewoodattorney.com

MEMORANDUM OF WATER SERVICE AGREEMENT

THIS MEMORANDUM OF WATER SERVICE AGREEMENT (“Memorandum”) is made as of the ____ day of January, 2026, by and between the **City of Whitewood**, a municipal corporation organized under the laws of the State of South Dakota (“**City**”), and **Three Peaks Water Association, LLC**, a South Dakota limited liability company (“**Association**”), successor to Spearfish Mountain Ranch LLC.

1. **Purpose.** This Memorandum is executed solely for the purpose of giving public notice of the existence of the Spearfish Mountain Ranch, LLC Water Service Agreement, dated October 21, 2021, Amended and Restated Spearfish Mountain Ranch LLC Water Service Agreement dated January 19, 2023, as amended by First Amendment to and Assignment and Assumption of Water Service Agreement dated December 18, 2023; Second Amendment to Water Service Agreement dated February 27, 2024; and Third Amendment to Water Service Agreement dated January ___, 2026 (collectively, the “**Water Service Agreement**”).

2. **Property Affected.** The Water Service Agreement establishes a defined service area within which the City is obligated to provide water service, all as more fully set forth in Water Service Agreement. Certain owners of parcels located within the service area have elected to sign this Memorandum solely to consent to the recording of this Memorandum against their respective parcels, for the limited purpose of providing constructive notice of Water Service Agreement as it relates to those parcels. By signing this Memorandum, no owner assumes any obligations or grants any rights beyond those already existing under Water Service Agreement. The legal descriptions of the parcels for which recordation consent has been provided are attached hereto as **Exhibits A through C** and incorporated herein by reference.

3. **Key Provisions of Water Service Agreement.** The following are summaries of selected covenants of the City contained in the Water Service Agreement; they are illustrative only and are not intended to enumerate all covenants or obligations:

a. **Potable Water Supply.** The City is obligated to sell and deliver potable water to the Association that meets the same standards as water delivered within the City limits.

b. **Number of Connections.** The Water Association shall be entitled to a minimum of 133 water connections within the service area covered by the Water Service Agreement.

c. Perpetual Term. The term of the Water Service Agreement is perpetual.

d. Water Quantity Guarantee. The City covenants that it shall at all times maintain the quantity of water entering the pump house from the City's water storage necessary to ensure that the pump house is able to deliver 250 two-hundred fifty (250) gallons per minute of water to the Association's meter, and (500) five-hundred gallons per minute when the pump system so requires for maintenance of adequate volume within the Association's tanks, except during periods when the City is unable to furnish such quantity due to a disruption or insufficiency in the City's own water system. This flow-rate covenant is measured at the pump house to the Association's meter. The City further covenants that it shall not agree to furnish water from this pump house to any other party if doing so would compromise the City's ability to maintain the 250-500 gallons-per minute delivery capacity.

4. No Obligations Imposed on Lot Owners. The Water Service Agreement is an agreement solely between the City and the Association, and this Memorandum is being recorded for the limited purpose of providing public notice of that agreement so that current and future owners of lots within the defined service area are aware of the source of their water service. Nothing contained in this Memorandum, nor in its recordation, shall be construed as imposing any obligations of the Association under the Water Service Agreement upon any owner of a lot within the service area. This Section 4 shall not be construed to relieve any owner from its separate obligation to the Water Association to pay for water service furnished to its individual property.

5. No Expansion of Obligations. This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Water Service Agreement, the terms of which are incorporated herein by reference. In the event of any inconsistency between the terms of the Water Service Agreement and this instrument, the terms of the Water Service Agreement shall prevail.

[The Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

CITY OF WHITEWOOD, a South
Dakota Municipal Corporation

By: Mitch Harmon
The City of Whitewood Its
Mayor

ATTEST

By:

City Finance Officer

STATE OF SOUTH DAKOTA)
: ss
COUNTY OF _____)

On this ____ day of _____, 2026, before me, the undersigned officer, personally appeared Mitch Harmon, Mayor of the City of Whitewood, a South Dakota municipal corporation, and Cory Heckenlaible, its Chief Finance Officer, who acknowledged themselves to be the duly authorized officers of said municipal corporation and that they, as such Mayor and Chief Finance Officer, being authorized to do so, executed the foregoing instrument on behalf of the City of Whitewood for the purposes therein contained.

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

Notary Public
My Commission Expires: _____

THREE PEAKS WATER ASSOCIATION, LLC,
a South Dakota limited liability company

By: Gerard J. Keating
President, Board of Directors

STATE OF SOUTH DAKOTA) : ss
COUNTY OF _____)

On this ____ day of _____, 2026, before me, the undersigned officer, personally appeared Gerard Keating, known to me or satisfactorily proven to be the Manager of Three Peaks Water Association, LLC, a South Dakota limited liability company, and acknowledged that he executed the foregoing instrument for the purposes therein contained on behalf of the company.

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

Notary Public
(SEAL)
My Commission Expires: _____

**CONSENT OF
SPEARFISH MOUNTAIN RANCH HOMEOWNERS ASSOCIATION, INC.
(ON BEHALF OF SPEARFISH MOUNTAIN RANCH)**

Spearfish Mountain Ranch Homeowners Association, Inc., a South Dakota nonprofit corporation (the “**Association**”), acting by and through its duly authorized officers and in its representative capacity on behalf of all property owners within the development commonly known as Spearfish Mountain Ranch, which is legally described on Exhibit A hereto (the “**Development**”), hereby executes this Consent for the purpose of evidencing its approval of the recording of the Memorandum against the Development and acknowledging that the Memorandum may encumber the Development in accordance with its terms.

IN WITNESS WHEREOF, the Association has caused this Consent to be executed by its duly authorized officer as of the _____ day of _____, 2026.

SPEARFISH MOUNTAIN RANCH HOMEOWNERS ASSOCIATION, INC.,
a South Dakota nonprofit corporation

By: _____
Name: _____
Title: _____

STATE OF SOUTH DAKOTA)
: ss
COUNTY OF _____)

On this _____ day of _____, 2026, before me, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of Spearfish Mountain Ranch Homeowners Association, Inc., a South Dakota nonprofit corporation, and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation.

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

Notary Public
(SEAL)
My Commission Expires: _____

**CONSENT OF SPEARFISH MOUNTAIN RANCH LLC
(ON BEHALF OF THREE PEAKS RANCH)**

Spearfish Mountain Ranch LLC, a Delaware limited liability company (the “**Declarant**”), holder of declarant rights under that certain Three Peaks Ranch Declaration of Restrictive Covenants dated March 6, 2024, recorded March 8, 2024 in the Office of the Lawrence County Register of Deeds as Document No. 2024-00945, as amended (the “**Declaration**”), and acting pursuant to the authority granted to Declarant therein, hereby executes this Consent for the purpose of evidencing its approval of the recording of the foregoing Memorandum against the property subject to the Declaration, which is commonly known as “Three Peaks Ranch” or “Three Peaks Estates” and is legally described on Exhibit B hereto (the “**Development**”) and acknowledging that the Memorandum may encumber the Development in accordance with its terms.

IN WITNESS WHEREOF, Declarant has caused this Consent to be executed by its duly authorized representative as of the _____ day of _____, 2026.

SPEARFISH MOUNTAIN RANCH LLC,
a Delaware limited liability company

By: _____

Name: Gerard Keating

Title: Manager

STATE OF SOUTH DAKOTA)
: ss
COUNTY OF _____)

On this _____ day of _____, 2026, before me, the undersigned officer, personally appeared Gerard Keating, known to me or satisfactorily proven to be the Manager of Spearfish Mountain Ranch LLC, a Delaware limited liability company, and acknowledged that he executed the foregoing instrument for the purposes therein contained on behalf of the company.

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

Notary Public
(SEAL)
My Commission Expires: _____

CONSENT OF
WILDFLOWER ESTATES HOMEOWNERS ASSOCIATION, INC.
(ON BEHALF OF WILDFLOWER ESTATES)

Wildflower Estates Homeowners Association, Inc., a South Dakota nonprofit corporation (the “**Association**”), acting by and through its duly authorized officers and in its representative capacity on behalf of all property owners within the development commonly known as Wildflower Estates, which is legally described on Exhibit C hereto (the “**Development**”), hereby executes this Consent for the purpose of evidencing its approval of the recording of the Memorandum against the Development and acknowledging that the Memorandum may encumber the Development in accordance with its terms.

IN WITNESS WHEREOF, the Association has caused this Consent to be executed by its duly authorized officer as of the _____ day of _____, 2026.

Wildflower Estates Homeowners Association, Inc.,
a South Dakota nonprofit corporation

By: _____
Name: _____
Title: _____

On this _____ day of _____, 2026, before me, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of Wildflower Estates Homeowners Association, Inc., a South Dakota nonprofit corporation, and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation.

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

Notary Public
(SEAL)
My Commission Expires:

EXHIBIT A
LEGAL DESCRIPTION OF SPEARFISH MOUNTAIN RANCH

Township 6 North, Range 4 East of the Black Hills Meridian, Lawrence County, South Dakota:
Section 19: SE1/4NE1/4, N1/2SE1/4, N1/2S1/2SE1/4, LESS AND EXCEPT THE
S1/2S1/2S1/2N1/2S1/2SE1/4.

Section 20: SW1/4 and S1/2NW1/4.

Section 20: SE1/4, EXCEPTING therefrom platted lots and dedicated streets in Whitewood Forest Addition and Whitewood Forest Addition #2, also EXCEPTING therefrom Tract Y including Tract A of the SW1/4NW1/4 of Section 21 and the unplatte portions of the SE1/4NE1/4 and N1/2SE1/4 of Section 20, all located in T6N, R4E, B.H.M., Lawrence County, South Dakota, according to Plat Document No. 2020-5672.

Section 29:

N1/2N1/2N1/2NW1/4NW1/4,

NE1/4NW1/4 LESS AND EXCEPT THE W1/2W1/2W1/2SW1/4NE1/4NW1/4;
AND LESS AND EXCEPT THE W1/2W1/2SW1/4NW1/4NE1/4NW1/4;
AND LESS AND EXCEPT THE W1/2SW1/4NW1/4NE1/4NW1/4;

SE1/4NW1/4 LESS AND EXCEPT W1/2SW1/4SE1/4NW1/4; AND LESS AND EXCEPT THE
S1/2SW1/4NW1/4SE1/4NW1/4; AND LESS AND EXCEPT THE
W1/2NW1/4SW1/4NW1/4SE1/4NW1/4; AND LESS AND EXCEPT THE
W1/2W1/2NW1/4NW1/4SE1/4NW1/4;

NW1/4NE1/4; W1/2NE1/4NE1/4; W1/2SW1/4NE1/4; W1/2E1/2SW1/4NE1/4;
NE1/4NE1/4SW1/4NE1/4; N1/2SE1/4NE1/4SW1/4NE1/4; N1/2S1/2SE1/4NE1/4SW1/4NE1/4;
W1/2SW1/4SW1/4SE1/4NE1/4SW1/4NE1/4; W1/2W1/2W1/2E1/2SE1/4SW1/4NE1/4;
N1/2NE1/4NE1/4NE1/4; N1/2S1/2NE1/4NE1/4NE1/4; W1/2W1/2SE1/4NE1/4NE1/4;
SW1/4SW1/4NE1/4NE1/4NE1/4;

AND

Tract Y including Tract A of the SW1/4NW1/4 of Section 21 and the unplatte portions of the SE1/4NE1/4 and N1/2SE1/4 of Section 20, all located in T6N, R4E, B.H.M., Lawrence County, South Dakota, according to Plat Document No. 2020-5672.

EXHIBIT B
LEGAL DESCRIPTION OF THREE PEAKS RANCH

Section 19: S1/2S1/2S1/2NW1/4SW1/4SE1/4, S1/2S1/2SW1/4NE1/4SW1/4SE1/4,
SW1/4SW1/4SE1/4, NW1/4SE1/4SW1/4SE1/4, NW1/4NE1/4SE1/4SW1/4SE1/4,
S1/2NE1/4SE1/4SW1/4SE1/4, S1/2SE1/4SW1/4SE1/4, SW1/4SW1/4SE1/4,
S1/2NE1/4NE1/4SW1/4SE1/4SE1/4, S1/2N1/2NW1/4NW1/4SE1/4SE1/4SE1/4,
SE1/4NE1/4NE1/4SW1/4SE1/4SE1/4, S1/2N1/2N1/2SE1/4SE1/4SE1/4,
NE1/4SE1/4NE1/4SW1/4SE1/4SE1/4, S1/2N1/2SE1/4SE1/4SE1/4,
S1/2S1/2N1/2SW1/4SE1/4SE1/4, S1/2S1/2SE1/4SE1/4;

Section 30: S1/2S1/2NE1/4NE1/4, SE1/4NE1/4;

Section 29: S1/2N1/2N1/2NW1/4NW1/4, W1/2SW1/4NW1/4NW1/4NE1/4NW1/4,
S1/2N1/2NW1/4NW1/4, S1/2NW1/4NW1/4, SW1/4NW1/4SW1/4NE1/4NW1/4, SW1/4NW1/4,
NW1/4NW1/4SE1/4NW1/4, S1/2NE1/4NW1/4SE1/4NW1/4, S1/2NE1/4NE1/4SE1/4NW1/4,
S1/2N1/2N1/2SW1/4NE1/4, S1/2NW1/4SE1/4NW1/4, S1/2N1/2SW1/4NE1/4SE1/4NW1/4,
S1/2SW1/4NE1/4SE1/4NW1/4, SE1/4NE1/4SE1/4NW1/4, S1/2NW1/4SW1/4NE1/4,
SW1/4NE1/4SW1/4NE1/4, N1/2SE1/4NE1/4SW1/4NE1/4, N1/2S1/2SE1/4NE1/4SW1/4NE1/4,
W1/2SE1/4SE1/4SE1/4NE1/4SW1/4NE1/4, S1/2SE1/4NW1/4, SW1/4SW1/4NE1/4,
W1/2SE1/4SW1/4NE1/4, W1/2W1/2W1/2E1/2SE1/4SW1/4NE1/4, E1/2NW1/4NW1/4SW1/4,
NE1/4NW1/4SW1/4, E1/2SW1/4NW1/4SW1/4, NE1/4SW1/4, E1/2NW1/4SE1/4SW1/4,
NE1/4SE1/4SW1/4, E1/2SE1/4SE1/4SW1/4, NW1/4NW1/4SE1/4, W1/2NE1/4NW1/4SE1/4,
W1/2NW1/4NW1/4NE1/4NE1/4NW1/4SE1/4, S1/2N1/2NE1/4NE1/4NW1/4SE1/4,
S1/2NE1/4NE1/4NW1/4SE1/4, SE1/4NE1/4NW1/4SE1/4, S1/2N1/2N1/2NW1/4NE1/4SE1/4,
S1/2N1/2NW1/4NE1/4SE1/4, S1/2N1/2NW1/4NE1/4SE1/4,
S1/2NW1/4NE1/4NE1/4SE1/4, S1/2N1/2NE1/4SE1/4, S1/2NW1/4SE1/4, S1/2NE1/4SE1/4,
SW1/4SE1/4, SE1/4SE1/4;

All Located in Township 6 North, Range 4 East of the Black Hills Meridian, Lawrence County,
South Dakota. Containing 516.48 Acres more or less.

EXHIBIT C
LEGAL DESCRIPTION OF WILDFLOWER ESTATES

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31 of Wild Flower Estates, formerly the S1/2SW1/4, EXCEPT the highway right of way in Book 280, Page 187, and EXCEPT Lot H1 of the S1/2SW1/4, AND that portion of the SE1/4 lying south of Lots H2 and H3 (a/k/a I-90 right of way) of the SE1/4, and EXCEPT the railroad right of way as conveyed in Book 79, Page 114, and EXCEPT the highway right of way conveyed to Lawrence County, Book 273, Page 59, and EXCEPT the highway right of way conveyed to State of South Dakota, in Warranty Deed Book 280, Page 240, ALL LOCATED in Section 17, Township 6 North, Range 4 East of the Black Hills Meridian, Lawrence County, South Dakota, as shown on the plat filed in Document No. 2023-5401.