

**AGREEMENT BETWEEN THE CITY OF RAPID CITY AND SOUTH DAKOTA
DEPARTMENT OF CORRECTIONS TO ALLOW ENGINEERING AND ASSESSMENT
ACTIVITIES TO BE CONDUCTED ON CITY OWNED-LAND THAT IS THE
PROPOSED SITE OF A STATE CORRECTIONAL FACILITY.**

This agreement is entered into by and between the City of Rapid City, a municipal corporation, located at 300 Sixth Street, Rapid City, South Dakota 57701, herein after referred to as the "City," and the South Dakota Department of Corrections, located at 3200 East Highway 34, c/o 500 East Capitol Ave., Pierre, SD 57501, herein after referred to as the "DOC."

WHEREAS, the DOC has proposed to construct a correctional facility (the "Facility") in Rapid City; and

WHEREAS, the DOC and City desire that the location of the Facility take into consideration both the needs of the community and the DOC; and

WHEREAS, the City has proposed that the DOC locate the Facility on City owned land adjacent to the Rapid City Municipal Landfill (the "Landfill"); and

WHEREAS, the parties both agree that this location meets the needs of the DOC and protects the interests of the community; and

WHEREAS, it is the intent of the parties to enter into an agreement for the transfer of this land, under certain conditions, to the DOC for its use as a correctional facility.

NOW THEREFORE, the parties hereby agree as follows:

1. This agreement pertains to a parcel of land currently owned by the City generally located south of the municipal landfill and to the west of State Highway 79 and legally described as:

The North Half of the Northeast Quarter (N ½ of the NE ¼), Less Lots H1, H2 and H3; and the Northeast Quarter of the Northwest Quarter (NE ¼ of the NW ¼) Township One North (T1N), Range Eight East (R8E) of Section 30, Black Hills Meridian, Rapid City, Pennington County, South Dakota.

2. The City agrees that the DOC may perform a full survey of the foregoing property and that the DOC may commence with site evaluation, planning and engineering as needed to determine feasibility of the site for the proposed facility.

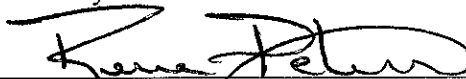
3. The City agrees that the DOC may conduct an environmental assessment and environmental testing of the property described above including but not limited to air quality, and the presence of landfill gases to include methane gas.

4. The DOC recognizes that the property described above is currently used for grazing of livestock by the prior owner of the property in accordance with the City's purchase agreement. The DOC agrees to require its contractor(s) to defend, indemnify and hold the City harmless against all claims which may arise as a result of the negligence, misconduct, error or omission of any officer, agent, consultant or employee of the individual contractor. This

COUNTY OF PENNINGTON)

On this 14th day of August, 2007, before me, the undersigned officer, personally appeared Tim Reich, who acknowledged himself to be the Secretary of the South Dakota Dept. of Corrections and that as such Secretary, being duly authorized to do so, executed the foregoing instrument for the purposes herein contained.

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



Notary Public, State of South Dakota

My Commission Expires: 2/18/11

