

MEMORANDUM OF UNDERSTANDING

WHEREAS, both parties seek to enter into a mutually beneficial arrangement whereby the City of Rapid City will allow Colin Treeby and John Rock access to the City Landfill so that they may bag compost purchased from the City Landfill for retail sale and in addition be allowed to use the City's trademarked name in selling the compost they have bagged, and

WHEREAS, this Memorandum of Understanding is necessary to clarify the terms of this arrangement.

NOW THEREFORE, be it resolved that the City of Rapid City, Colin Treeby and John Rock agree to the following terms and conditions:

1. The City will sell to Treeby and Rock as much compost as they request, at the retail price per ton that the City charges all other customers who purchase compost. However, in no event will the City be required to provide to Treeby and Rock more compost than the Landfill is able to produce. This is not an exclusive relationship, as it is understood that the City Landfill will continue to sell compost to other customers.
2. The City will allow Treeby and Rock, as well as any people employed by them to access the City Landfill so that they may bag and load the City's compost that they have purchased for further retail sale. The City will have the final decision as to the location at which Treeby and Rock may operate on the Landfill property. If it becomes necessary for any reason, the City will also have the authority to revoke permission for Treeby and Rock to have access to the Landfill property. Prior to being allowed access to the Landfill Treeby and Rock will need to provide to the City a certificate of insurance indicating that they have obtained liability insurance with a minimum policy limit of \$100,000.
3. Treeby and Rock will be responsible for the hiring of their own employees and the purchase of their own materials and equipment. They are also responsible for any injuries or damages caused by their employees or as a result of their operations.
4. The City will allow Treeby and Rock to use the name "Black Hills Black Gold" as well as any pictures, symbols or writing associated with that name in marketing the City's compost for retail sale. Treeby and Rock agree that the City owns the name "Black Hills Black Gold" as well as any pictures, symbols or writing associated with that name and waive any and all claims to this name. The City will be responsible for the application and trademarking of this name.
5. Either party can terminate this agreement upon thirty days notice to the other party. However, this section shall not prevent the City from denying Treeby and Rock access to the Landfill without thirty days notice should that action be deemed necessary by the City.

MEMORANDUM OF UNDERSTANDING, Agreement Between the City of Rapid City and Colin Treeby and John Rock, P.2.

Dated this ____ day of _____, 2004.

CITY OF RAPID CITY

Colin Treeby

Mayor

John Rock

ATTEST:

Finance Officer