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1-15-03

**RAPID CITY AREA
SCHOOL DISTRICT 51/4**
300 Sixth Street
Rapid City, South Dakota 57701-2724

**Assistant Superintendent
Business Affairs
(605) 394-4026**



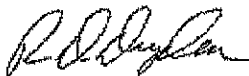
January 15, 2003

Jim Preston, Finance Officer
City of Rapid City
300 Sixth Street
Rapid City SD 57701

Dear Jim:

Enclosed is a signed copy of the reimbursement agreement between Rapid City Area School District No. 51-4 and City of Rapid City, South Dakota.

Sincerely,



R.D. Dryden
Business Manager

RDD/kl

Enclosure

*Copied
KLN
1-15-03*

REIMBURSEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 27 day of December , 2002, between RAPID CITY SCHOOL DISTRICT NO. 51-4, 300 6th Street, Rapid City, South Dakota 57701, hereinafter referred to as the "District", and CITY OF RAPID CITY, SOUTH DAKOTA, 300 6th Street, Rapid City, South Dakota 57701, hereinafter referred to as "City";

WITNESSETH:

WHEREAS, the District entered into an agreement with Lifeways, Inc., 2107 Juniper Street, Rapid City, South Dakota 57702 for provision of alcohol, tobacco and other drug prevention services; and

WHEREAS, the City has agreed that it will share a portion of the cost thereof;

WHEREAS, the District has agreed that it will make payment of the sums due Lifeways, Inc., and

WHEREAS, the City has agreed that it will reimburse the District for a portion of such costs;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. Payment by City for Services. The City agrees that it will reimburse the District for a portion of the cost of the services to be provided by Lifeways, Inc. pursuant to that certain Contract for Alcohol, Tobacco, and Other Drug Prevention Services entered into between Lifeways, Inc., and the District, a true and correct copy of which is marked Exhibit A, attached hereto and incorporated herein by this reference. Such reimbursement shall be as follows:

Contract year January 1, 2003 through June 30, 2003

City of Rapid City -- \$25,000

Rapid City Area Schools -- \$25,000

State of South Dakota -- \$138,745.50

Contract year July 1, 2003 through June 30, 2004

Rapid City Area Schools -- \$50,000

State of South Dakota -- \$352,491


Contract year July 1, 2003 through December 31, 2003

City of Rapid City -- \$25,000

2. Dates of Reimbursement. The City's reimbursement to the District shall commence January 15, 2003, in the amount of Twenty-Five Thousand and 00/100 Dollars (\$25,000) and Twenty-Five Thousand and 00/100 Dollars (\$25,000) on August 15, 2003. The parties agree that, in the event funds are not made available by appropriate budget action of the City, this Agreement shall be modified to reflect changed funding, or, in the event no funding is made available, to terminate the City's obligation for payments hereunder.

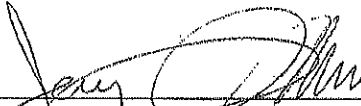
Dated this 27 day of Dec., 2002.


RAPID CITY AREA SCHOOL DISTRICT
51-

By  /Al Campbell
Its President

By  /R. D. Dryden
Its Business Manager

CITY OF RAPID CITY,
SOUTH DAKOTA

By  /Jerry Munson
Its Mayor

By  /Jim Preston
Its Finance Officer