



AGREEMENT

The Two Rivers Authority ("Two Rivers") and American Police Force ("American") hereby enter into this agreement on the 18th day of August, 2009.

WHEREAS, Two Rivers owns a detention center located in Hardin, Montana. Two Rivers desires to have an entity operate the detention center on its behalf.

WHEREAS, American desires to operate the detention center owned by Two Rivers.

THEREFORE, The parties agree that they both desire to enter into an agreement whereby American would operate the detention center owned by Two Rivers. The parties have discussed some of the terms and conditions that would be contained in an operating agreement.

The parties have agreed that American and Two Rivers would enter into a long term operating agreement of the detention center which will be at least ten years in length. American agrees to operate the detention center in accordance with Montana Statutes. American will pay Two Rivers a sponsor's fee of \$5.00 per day based upon the capacity of the detention center. Two Rivers will also receive a sponsor's fee of \$10.00 per day for the training facility that American plans to operate on land owned by Two Rivers.

As part of the operating agreement American will provide Two Rivers sufficient inmate spaces for the City of Hardin, Town of Lodge Grass and County of Big Horn prisoners at no additional cost. American will also allow the Cities and County to utilize the courtroom and adjoining office space at no additional cost.

American will submit to Two Rivers a written proposal for American to provide a police force and all necessary equipment for the operation of the police force in accordance with Montana Statutes for the City of Hardin. The proposal will be provided to Two Rivers within ten days of the date of this agreement. The parties acknowledge that the City of Hardin will have to agree to any proposal before it can become effective. However, American agrees that it will be ready and able to perform in accordance with any proposal within sixty days of notification of approval by the City of Hardin. The City of Hardin will pay the sum of \$250,000 to American for the police force.

American will submit to Two Rivers a written plan and proposal of additional space and facilities that it desires to build upon real estate currently owned by Two Rivers. The plan and proposal shall be submitted to Two Rivers within thirty days of the date of this agreement.

Two Rivers will be the main contact with other private and government entities on behalf of American in connection with all matters related to the training facility and detention center.