

LEASE AGREEMENT

Lease made as of the _____ day of _____, 2000, by and between the City of Rapid City ("City" or "Lessor"), and Oakland Development Company, of Time Square Plaza, 103B New York Street, Rapid City, South Dakota ("Lessee").

For and in consideration of the mutual covenants herein contained, the City hereby leases to Lessee and Lessee hires and takes from the City the property hereinafter described as the demised premises subject to the terms, conditions, and stipulations herein provided.

I.

DEMISED PREMISES

The demised premises leased to the Lessee shall consist of:

Beginning at a point south 77° 30' East a distance of 25 feet from the Southwest Corner of Lot 1 of Lot B of Lot RU-306 of the Original Townsite in the SW¹/₄ of the SE¹/₄of Section 36, Township 2 North, Range 7 East of the Black Hills Meridian, which is the Northwest corner of lease property,

thence South 12° 30' West a distance of 130 feet to the Southwest corner of lease property,

thence South 77° 30' East a distance of 450 feet to the Southeast corner of lease property,

thence North 12° 30' East a distance of 130 feet to the Northeast corner of lease property,

thence North 77° 30' West a distance of 450 feet to the Northwest corner of lease property and the point of beginning.

All of said lease property located in Block 49, Original Town, in the S¹/₂of the SE¹/₄of Section 36, Township 2 North, Range 7 East of the Black Hills Meridian, in Rapid City, Pennington County, South Dakota.

Said property is in the process of being replatted within Tract 25 of Rapid City Greenway Tracts.

SUBJECT NEVERTHELESS TO:

- 1) Any state of facts an accurate survey may show;
- 2) Any state of facts a personal inspection would show;
- 3) Any defects of title, easements, restrictions, covenants, and mechanic's liens affecting the title to the premises immediately before acquiring of title by Lessor;
- 4) Rights and easements, if any, in favor of any public utility company, including but not limited to gas, electric, water and telephone and to any sewer easements.

II.

TERM

The term of this Lease shall be for five (5) years beginning on the _____ day of July, 2000, and ending on the _____ day of _____, 2005. Following the initial term of this Lease, it shall be automatically renewed for four (4) additional periods of five (5) years each unless either party shall have given the other party sixty (60) days' written notice of termination.

III.

RENTAL

Lessee agrees to pay to Lessor as rent for the premises the sum of One Thousand Two Hundred Ten Dollars (\$1,210.00) beginning on the first day of October, 2000, and annually thereafter until the termination of this Lease without delay, deduction, or default. The rent shall be increased by one percent (1%) annually beginning with the October, 2001 payment.

IV.

PURPOSE

The premises shall be used by Lessee as a parking lot; provided, however, Lessee shall not permit parking on said lot between the hours of 2:00 o'clock, a.m., and 5:00 o'clock, a.m.

V.

IMPROVEMENTS

Lessee shall make no changes, alterations, or improvements without prior written consent of Lessor.

VI.

REPAIRS AND MAINTENANCE

The Lessee represents that it has inspected and examined the demised premises and accepts it in its present condition. Lessee shall provide day-to-day maintenance and minor and major repair to damage caused by reasonable wear and tear by the elements.

VII.

ASSIGNMENT AND MORTGAGE

Neither the demised premises nor any portion of it shall be sublet nor shall this Lease or any interest in it be assigned, hypothecated, or mortgaged by Lessee and any attempt at assignment, subletting, hypothecation, or mortgaging of this Lease shall be of no force or effect and shall confer no rights upon any assignee, sublessee, mortgagee, or pledgee.

VIII.

TERMINATION BY LESSOR

Lessor may terminate this Lease at any time it should be determined by its special representative that public necessity and convenience require it to do so by serving upon Lessee in the manner subsequently provided a written notice of its election to so terminate, which notice shall be served at least sixty (60) days prior to the date named for such termination.

IX.

DEFAULT

In the event that Lessee shall be in default of any payment of rent or in the performance of any of the terms and conditions agreed to be kept and performed by Lessee, then and in that event Lessor may terminate and end this lease immediately and Lessor may enter upon the premises and remove all property and Lessee shall not be entitled to any money paid or any

part of that money in the event Lessor shall bring an action to enforce any of the terms of this Lease or to obtain possession of the premises by reason of any default of Lessee or otherwise. Lessee agrees to pay Lessor all costs of such legal action.

X.

WAIVER

Waiver by Lessor of any default in performance by Lessee of any of the terms, covenants, or conditions contained here shall not be deemed a continuing waiver of that default or any subsequent default.

XI.

COMPLIANCE WITH LAWS

Lessee agrees to comply with all laws, ordinances, rules, and regulations that may pertain to the demised premises and their use.

XII.

LESSOR MAY ENTER

Lessee agrees that Lessor, its agents or employees, may enter upon the premises at any time during the term or any extension of it for the purpose of inspection, digging test holes, making surveys, taking measurements, and doing similar work deemed necessary by Lessor.

XIII.

PREVIOUS AGREEMENT SUPERCEDED

This Lease supercedes any previously existing lease agreement between the parties regarding the same property which is the subject of this agreement.

XIV.

Lessee recognizes that the leased premises lie within a flood hazard area and accepts said premises at its own risk. Lessee shall hold the City harmless from any damage or liability arising out of the use of the premises by Lessee or its agents, employees, invitees, permittees, successors, and assigns. Lessee shall keep in force during the term of this lease a policy of public liability insurance, with the City named as an additional insured, in the amount of One Million Dollars (\$1,000,000.00).

CITY OF RAPID CITY

By: _____
Mayor

ATTEST:

Finance Officer

(SEAL)

OAKLAND DEVELOPMENT
COMPANY

By: _____
Its: _____

State of South Dakota)
 SS.
County of Pennington)

On this the _____ day of _____, 2000, before me, the undersigned officer, personally appeared Jim Shaw and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation,

and that they as such Mayor and Finance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Officer.

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

Notary Public, South Dakota

My Commission Expires:

(SEAL)

State of South Dakota)
 SS.
County of Pennington)

On this the ____ day of _____, 2000, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of Oakland Development Company, a corporation, and that he, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as _____.

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

Notary Public, South Dakota

My Commission Expires:

(SEAL)