

**LEASE AGREEMENT BETWEEN CITY OF RAPID CITY
AND BLACK HILLS SPORTS, INC.**

For and in consideration of the mutual promises and agreements contained herein, the City of Rapid City ("City"), a municipal corporation, agrees to lease to Black Hills Sports, Inc., (Lessee), a non-profit corporation of the State of South Dakota, a specified area to operate a youth baseball program subject to the following terms and conditions:

1. Consideration. City hereby leases to Lessee the below described premises for the sum of one Dollar(s) (\$ 1.00) per year and other good and valuable consideration, including but not limited to, maintenance of general grounds, construction of incidental improvements, administration, responsibility for mowing of the fields, and responsibility for all electrical bills. Said sum is payable to the City of Rapid City on or before the first day of January of each succeeding year.

2. Term. The term of this agreement is from Jan. 1, 2002 to Jan. 1, 2012.

3. Premises. The premises leased by the City to the Lessee are described on Exhibit "A", attached hereto and incorporated herein by reference.

4. Surrender of Premises. Lessee agrees to surrender the premises, or any part thereof, in the event it is necessary for expansion or utilization of public park facilities, and they further agree to abandon the premises, or any part thereof, in the event the demand is made by the United States government, State of South Dakota, or City of Rapid City. It further agrees to abandon the premises, or any part thereof, whenever ordered to do so by a court of law or whenever the City is ordered to terminate said agreement by an order of any court.

5. Use. Lessee shall have priority but non-exclusive use of the premises during the lease period, subject to the terms of this lease, for the purpose of operating a youth baseball program. Lessee agrees that the City may use the premises when the same is not required for use by Lessee, and such use by the City shall not be inconsistent with the normal usage of said premises.

6. Use by Others. Lessee will not allow other persons or organizations to use the premises under this Lease without the express written consent of the Public Works Director or his/her designee. However, upon the direction of the Public Works Director or his/her designee, Lessee shall allow other persons or organizations to use the premises if the premises are not in bona-fide use by the Lessee. In keeping with the best interests of the community and equitable access to all City recreation facilities, Lessee agrees to negotiate in good faith as to the use of the premises by others. The maintenance costs for such use shall be determined by Lessee and the authorized user; provided, however, that the Public Works Director will determine said costs if the parties are unable to agree.

7. Maintenance. Lessee agrees to maintain said premises under the authority of the Public Works Director or his designee. Lessee agrees to repair or replace any property damaged willfully by Lessee's members or invitees which occurs while the premises are in use by Lessee. Lessee agrees to be responsible for policing the premises and to pick up and make ready for city collection of all trash, debris, and waste material of every nature, including mowing of weeds, resulting from the use of the premises by itself or any spectators in attendance at such premises. Lessee agrees to provide its own trash receptacles for use at the premises. Lessee agrees to be responsible for the preparation of the playing fields prior to all scheduled game days. Lessee also

agrees to place all collected trash, debris, and waste in a designated location for removal by the City of Rapid City.

City, at its own expense, agrees to provide unique or unusual maintenance and routine maintenance to the infrastructure, including but not limited to, repair of broken water mains, sewer, storm sewer and all repairs and surface maintenance of parking lots. City agrees to provide water to the premises for the purpose of watering the playing field grass. City specifically reserves the right to restrict water usage under this agreement if water restrictions are placed on other water users within the City.

8. Mowing. Lessee shall mow the playing fields on a substantially weekly basis during the season. The Superintendent of Parks can mow the fields and charge Lessee at the rate of twenty-five dollars (\$25.00) per hour for each person and machine used, provided that the Superintendent of Parks: (1) determines the need for mowing; (2) gives Lessee three (3) days notice of his intent to do so if Lessee fails to mow; and (3) determines he has the available personnel and equipment. Should the City Parks Department not have the available personnel and equipment, the Superintendent of Parks can arrange for a private contractor to mow at the expense of Lessee.

9. Construction Approval. Construction and other improvements at the leased areas shall be in conformity with the regulatory codes of the City and subject to the approval of the Public Works Director or his designee. Any permanent improvements or fixtures constructed by the Lessee in the leased area shall be considered the property of the City.

10. Expense. City shall assume no expenses as a result of this lease or any of the operations of the Lessee. Lessee agrees to pay its own administration expenses, including but not limited to, employees, lights and electricity, grounds crew, office supplies, equipment, and

secretarial fees. Lessee agrees that the electric utilities will be metered in the name of and billed directly to Lessee and that all expenses incurred by it shall be paid within thirty (30) days of due date.

11. Public Accounting. Lessee agrees to make available to the City upon request a public accounting of its financial transactions. Such accounting shall be in the form of a report of income and expense and balance sheet of its assets and liabilities.

12. Termination. If Lessee shall dissolve or abandon the use of the premises for one season or fail to meet its consideration requirements as set forth in Section 1 of this lease without approval from the City, this lease shall be terminated and Lessee shall have no further rights hereunder. If Lessee changes the character of its operation significantly from that of a non-profit corporation, then it shall have no further rights under this lease.

13. Liability. Lessee agrees that the City shall be held harmless from any and all liability arising from any operation or use under this lease of the described premises by it or its agents or employees or any other person using the premises. Lessee agrees to purchase or provide and maintain bodily injury and property damage insurance for each occurrence of injury or damage in the minimum amount of One Million Dollars (\$1,000,000). The City shall be named an additional insured in said policy or policies, and Lessee shall furnish to the City evidence of insurance by a certificate of insurance of required coverage.

14. Assignment or Subletting. This lease shall not be assigned nor the premises sublet by Lessee except on written consent and approval of the City.

15. Concession, Advertising, and Naming Rights. Lessee shall have the right to operate concessions for the sale of beverages, food, programs, and other items usually sold in the public parks. Lessee also agrees to be responsible for cleaning and maintaining the concession

area. Lessee shall have the right to sell advertising space on the inside of the fences enclosing the playing fields and all revenue derived from concessions and advertising shall belong to Lessee; provided, however, that any permits required shall be obtained and all regulations and City ordinances shall be followed. Lessee shall have no naming rights over the premises unless specifically approved by the Common Council of the City of Rapid City.

16. Parking. Lessee agrees that it will permit no vehicular parking within the leased areas except in those areas as may be designated for parking by the Public Works Director or his designee.

17. City Authority. All matters pertaining to the terms of this lease shall be subject to the powers of the City Council and its designated authorized agents consistent with the laws of the State of South Dakota.

18. Change of Contacts and Officers. Lessee agrees to notify the Director of Public Works and the City Finance Officer of any changes in the officers of Lessee within thirty (30) days after said change. Attached to and incorporated by reference into the terms of this agreement are the names and addresses of the current office holders of Lessee.

19. Non-Discrimination. Lessee shall not on the grounds of race, color, sex, creed, religion, ancestry, national origin, sexual preference, or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by local, state, or federal laws. Lessee further agrees to comply with any requirements made to enforce the foregoing which may be required of or by the City.

20. Relationship Between the Parties. This lease does not create any employee/employer relationship between the City and Lessee, its agents or employees.

21. Integration. The parties agree that this agreement constitutes the entire understanding between them and that there are no other oral or collateral leases or understandings of any kind or character except those contained herein.

Dated this ____ day of _____, _____.

CITY OF RAPID CITY

By: _____
Mayor

ATTEST:

Finance Officer

(SEAL)

Black Hills Sports, Inc.
(NAME OF LESSEE)

Richard L Stone

By: Richard L. Stone
Its: President

State of South Dakota)

SS.

County of Pennington)

On this the ____ day of _____, _____, before me, the undersigned officer, personally appeared ~~Terry Munsen & Jim 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)

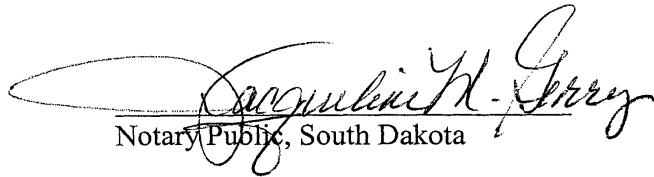
State of South Dakota)

SS.

County of Pennington)

On this the 19th day of February, 2002, before me, the undersigned officer, personally appeared Richard W. Stone, who acknowledged himself to be the PRESIDENT of Black Hills Sports and that he, as such PRESIDENT, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Richard W. Stone by himself as PRESIDENT.

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


Notary Public, South Dakota

My Commission Expires: **My Commission Expires**
July 15, 2006

(SEAL)

Prepared By: CITY ATTORNEY'S OFFICE

LEASE

This Lease is made and entered into this 1st day of January, 2002, by and between **BLACK HILLS SPORTS, INC.**, a South Dakota corporation, hereinafter called "Lessor," and **BASEBALL PARENTS, INC.**, a South Dakota corporation, hereinafter called "Lessee," both of Rapid City, South Dakota.

1. PURPOSE

The purpose of this Lease agreement is to set forth the terms and conditions upon which the Lessor leases to the Lessee the following described property:

All of Lessor's interest in and to Sioux Park (Floyd Fitzgerald) Stadium located in Rapid City, South Dakota, on Canyon Lake Drive, consisting of a baseball park, grandstand facilities, bathrooms, and the lights and all other property used in connection with the operation of the same as a baseball park, except therefrom the concession stand and concession stand operation and the right to collect park advertising, including the advertising on the baseball park fences.

2. TERM

The term of this Lease shall be for ten (10) years, commencing January 1, 2002, and ending January 1, 2012, subject only to Lessor's obtaining a lease with the City of Rapid City, South Dakota, that includes a like period of time.

3. CAPITAL IMPROVEMENTS

No capital improvements over Five Hundred Dollars (\$500.00) shall be undertaken unless agreed upon by both parties.

4. CONCESSION AND ADVERTISING

After the expense of operation of the concession stand and outfield fence advertising, the parties agree to divide equally the net proceeds derived from the concession stands and the sale of advertising on fence signs during the term of this Lease.

5. SALE OF ADVERTISING

Each party agrees to sell Fifty Percent (50%) of the advertising for the fence signs.

6. UTILITIES, MAINTENANCE, AND REPAIR

The Lessee shall pay for all utility expenses and costs associated with grounds keeping on the baseball field. All other maintenance and repair shall be divided equally between the parties.

7. YIELDING UP OF THE PREMISES

At the termination of this Lease, the Lessee shall yield up the premises quietly and peaceably to the Lessor in as good a condition as the date of the execution of this Lease, reasonable wear and tear and ordinary depreciation excepted.

8. DEFAULT

Lessor shall have the right to inspect the premises at any time and in the event that Lessee shall be in default of any of the obligations to be performed by it under this agreement and such default shall continue unremedied for a period of thirty (30) days, Lessor shall have the right at its option to cancel this

Lease agreement and reenter and take possession of said leased premises without forfeiting any rights under this Lease agreement.

9. MISCELLANEOUS ADDITIONAL PROVISIONS

The parties understand and agree that this Lease is specifically subject to the following additional provisions:

- (a) Lessee shall be responsible for watering and fertilizing the baseball field;
- (b) Except for the concession stand, Lessee shall be responsible for the winterization of the entire baseball park to protect the premises during the off-season;
- (c) Lessor will insure the concession stand for liability and premises damage and the scoreboard for any damage suffered. Lessee shall be responsible for all other liability insurance on the premises and Lessee shall hold Lessor harmless for any cause of action brought against Lessor or any of the Board of Directors of Lessor regarding the operation of the baseball field;
- (d) Lessee shall be entitled to all gate receipts derived from the sale of tickets and shall have additional right to sell and retain all proceeds from baseball programs, souvenirs, and promotions;
- (e) Neither party shall have any right to sublease said facility or to engage in any other endeavor upon the premises except the playing of baseball games without the written approval of both Lessor and Lessee;

(f) Lessee shall be entitled to the exclusive use of the premises each Fourth of July, together with those days immediately preceding and following, for the purposes of holding its annual Firecracker Tournament.

10. TIME IS OF THE ESSENCE

Time shall be deemed of the essence of this agreement and the parties hereto agree that this agreement shall be binding upon them, their heirs, successors, and assigns.

In witness whereof, the parties have executed this agreement on the 1st day of January, 2002.

LESSOR:

BLACK HILLS SPORTS, INC.

BY: Richard L. Stone

(SEAL)

ITS: President

LESSEE:

BASEBALL PARENTS, INC.

BY: Scott D. Angelsen

(SEAL)

ITS: President

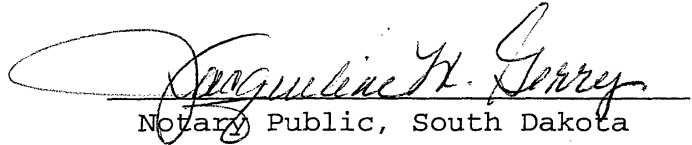
State of South Dakota:

ss

County of Pennington :

On this 1st day of January, 2002, before me, the undersigned, personally appeared RICHARD W. STONE, who acknowledged himself to be the President of Black Hills Sports, Inc., a corporation, and that he, as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof I hereunto set my hand and official seal.



Notary Public, South Dakota

(SEAL)

My Commission Expires **My Commission Expires July 15, 2006**

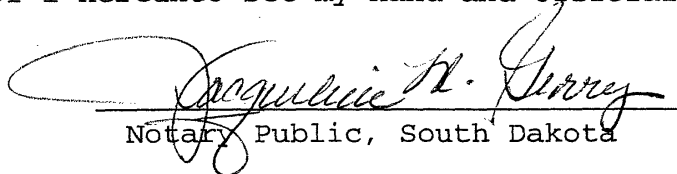
State of South Dakota:

ss

County of Pennington :

On this 1st day of January, 2002, before me, the undersigned, personally appeared SCOTT D INGALLSON, who acknowledged himself to be the President of Baseball Parents, Inc., a corporation, and that he, as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof I hereunto set my hand and official seal.



Notary Public, South Dakota

(SEAL)

My Commission Expires **My Commission Expires July 15, 2006**

Black Hills Sports Board of Directors

Marland H. Richard
4024 Oakmont Court
Rapid City, SD 57702

Richard L. Stone
President
1910 Audubon Circle
Rapid City, SD 57702
343-1914 (H)
Pat Hall
Vice President
2700 West Main Street
Rapid City, SD 57702

Terry Hofer
3001 Palmer Drive
Rapid City, SD 57702

David A. Ploof
301 San Marco Blvd.
Rapid City, SD 57702

Rick A. Sebbo
Secretary
Box 9303
Rapid City, SD 57709

Greg A. Eisland
4020 Jackson Blvd.
Rapid City, SD 57702

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE
02/20/02

PRODUCER
Schmid Insurance Agency, Inc.
P.O. Box 166

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

Rapid City SD 57709

INSURERS AFFORDING COVERAGE

INSURED Black Hills Sports, Inc.
PO Box 9451

Rapid City, SD 57709

INSURER A: American States Ins.
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	01CC14001050	05/21/2001	05/21/2002	EACH OCCURRENCE \$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				FIRE DAMAGE (Any one fire) \$200,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	01CC140010	05/21/01	05/21/02	COMBINED SINGLE LIMIT (Ea accident) \$500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Location: Sioux Park BB Field, Canyon Lake Drive & Sheridan Lake Rd., Rapid City, SD

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER: _____

CANCELLATION

CITY OF RAPID CITY
300 6TH STREET
RAPID CITY, SD 57701

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Spencer K. Kish