

COMMERCIAL LEASE AGREEMENT

This Lease Agreement is made and entered into the _____ day of _____, 2003, by and between SAFETY PLAZA of Rapid City, South Dakota hereinafter referred to as (“Lessor”) and CITY OF RAPID CITY of Rapid City, South Dakota, hereinafter referred to as (“Lessee”), the singular to include plural.

WITNESSETH, in consideration of rents agreed to be paid by the Lessee and the covenants to be paid by the Lessee and the covenants to be performed by the Lessee, and in consideration of the mutual and reciprocal covenants flowing between the parties, Lessor does hereby lease, let and rent unto the Lessee the following described premises of 1402 W. Rapid City Street and 1410 W. Rapid Street, Rapid City, South Dakota 57701.

I. **PURPOSE**

Lessee leases the property for the lawful purpose of operating an ambulance service.

II. **TERM**

The term of this Lease is two (2) year(s) commencing on the 1st day of March, 2003, and ending on the last day of February, 2004. Any extension of this Lease beyond September 30, 2003, shall be subject to mutual agreement of all parties and the Lease extension shall be agreed by the parties prior to December 1, 2003. Upon termination of this Lease, Lessee agrees to deliver quiet and peaceful possession to Lessor.

III. **RENT**

Lessee agrees to pay as rent for the above-described premises the sum of Thirty-five Thousand Seven Hundred Dollars (\$35,700.00) per year, payable at Two Thousand Nine Hundred Seventy-five Dollars (\$2,975.00) per month, commencing on March 1, 2003, and payable on the first day of each month thereafter during the term of this Lease. If the rent is not received on or before the 4th day of each month, the Lessee agrees to pay Ten Dollars (\$10.00) per day late fee for each day not received after the first day of the month due. During the term of this Lease or any renewal thereof, the monthly rental amount may be increased up to six percent (6%) annually of the amount of rent then in effect.

IV.
TAXES

Lessor shall pay all real estate property taxes and assessments which may be assessed against or levied upon such property during the term of this Lease.

V.
ALTERATIONS AND IMPROVEMENTS

Lessor agrees that Lessee may erect on the building a sign(s) subject to compliance with the City sign regulations and upon the agreement of Lessor that upon the termination of said Lease, said sign(s) will be removed and any damage resulting from the removal of such sign(s) shall be repaired at Lessee's expense. Any sign to be erected must be approved by Lessor prior to erection and must be color coordinated with the premises. The sign(s) must be maintained in such a manner as not to distract from the appearance of the premises.

It is agreed that the Lessor may display a sign on the leased premises during the lease term or any renewal thereof offering the premises for sale or rent and by exhibit, the premises for such purpose at reasonable hours during the said period.

Lessor agrees that any changes made by Lessee, such as changing walls and other remodeling made after approval by the Lessor, will remain as is at the end of the Lease term and the Lessee is not required to return those changes back to the original condition.

Lessee shall obtain Lessor's written consent before making any structural changes to the premises.

VI.
MAINTENANCE AND REPAIR

The Lessee agrees, at its own expense, to be responsible for any snow removal within six (6) feet of the building premises.

Lessor agrees to maintain and repair the exterior of the building leased herein, including the roof and exterior walls, and to maintain the structure of the building. Lessor agrees to repair plumbing to the extent of normally required repairs. Lessor agrees to maintain the interior walls, ceiling, floor, and floor covering when repairs are made necessary because of faulty construction or Lessor's failure to keep the structure in proper repair.

Lessee shall maintain and repair the interior of said premises at Lessee's own expense in at least as good a condition as the same now are and at the expiration of this Lease, shall return said premises in a condition at least as good as they now are, reasonable wear and tear and damage by the elements alone excepted. Lessee shall keep the leased premises free from all dirt and other refuse matter, and shall repair, using

licensed, reputable firms or persons, all damages to equipment and to plumbing caused by the negligence of Lessee, its agents, servants, and employees. The Lessee is only required to repair any damage to the leased premises during the term of the Lease occasioned by the Lessee's negligence and is not required to repair any physical damages caused by storms, acts of God, or other similar incidents.

Lessee agrees to be responsible for the cost of installing any fire alarms, fire extinguishers, sprinkler systems, and smoke alarms required by the laws, ordinances, and regulations of the City of Rapid City, County of Pennington and state and/or federal governments. Lessor shall be responsible for all other changes required by laws, ordinances, and regulations of Rapid City, Pennington County, and state and/or federal governments unless the cost is prohibitive, in which case Lessor shall have the right to cancel the Lease without further obligations to Lessee.

VII. **RIGHT OF ENTRY/INSPECTION**

The Lessee agrees to permit Lessor or Lessor's agents to inspect or examine the leased premises at any reasonable time, and to permit Lessor to make such repairs to the leased premises which Lessor may deem desirable or necessary for its safety or preservations, and which Lessor has not covenanted herein to do or has failed so to do.

VIII. **INSURANCE**

The Lessee agrees that it will at its own expense, procure and maintain liability insurance in a responsible company or companies authorized to do business in the State of South Dakota, in amounts of not less than \$300,00 for any one person injured, and \$500,000 for any one accident, and with the limits of \$25,000 for property damage, protecting the Lessor against such claim, damages, costs or expenses on account of injury to any person or persons, by reason of such casualty, accident, or other happening on or about the demised premises during the term thereof. Certificates or copies of said policies naming the Lessor and providing for fifteen (15) days notice to the Lessor before cancellation, shall be delivered to the Lessor within thirty (30) days from the date of the beginning of the term of this Lease.

Each party hereby releases the other from any claim for recovery for loss or damage to any of their property which is insured under valid and collectible policies to the extent of any recovery collectible under such insurance. It is further agreed that this waiver shall apply only when permitted by the applicable policy or insurance.

Each of the parties hereto will procure from the carrier of insurance on their property an endorsement on all their policies of insurance carried by them, substantially in the following language: "It is hereby stipulated that this insurance shall not be invalidated." Or to procure from such carriers of insurance, such other prescribed form

of endorsement which will protect the parties hereto from any right of subrogation and liability in the event of such loss.

Lessor shall be responsible for insuring the leased premises against fire and other extended peril casualty losses; provided the Lessee shall be responsible for insuring all contents owned by Lessee against fire and other peril casualty losses.

IX.
AS IS

The Lessee acknowledges that it has inspected the building leased herein and Lessee agrees to assume the leased premises in its present condition with Lessor to be under no obligation to make any changes in the leased premises. The Lessor agrees that there are no warranties, oral or written made by the Lessor to the Lessee, except as stated in this Lease Agreement.

X.
UTILITIES

Lessee shall pay, in addition to the rent provided for herein, all electrical, gas, and other utility charges incurred by Lessee in or on the leased premises.

XI.
ASSIGNMENT

Lessee agrees not to assign this Lease or sublet the premises leased hereunder or any part thereof, during the term of this Lease without written consent of the Lessor.

XII.
LIENS

Lessee agrees not to permit any liens, encumbrances, or judgments of any kind or nature to exist on or to attach to the subject premises at any time during the term of this Lease.

Lessee agrees that development of the property or any improvements or alterations made to said property shall be accomplished in a manner which will prevent the attachment or filing of any mechanic's, materials, laborer's, or other liens or encumbrances against the property. In the event any such lien or encumbrances shall be filed against the property, Lessee shall either promptly pay the lien, or pursuant to SDCL 44-9-26, demand the foreclosure of the lien or, at the option of Lessor, provide an undertaking or bond for the amount of the lien or encumbrance; shall appear and defend any such foreclosure action at his sole cost and expense; and shall pay any final judgment rendered in any such foreclosure action with fifteen (15) days following entry thereof. In the event Lessee shall desire to appeal any judgment for the foreclosure of any such lien,

he shall provide Lessor with proof that appropriate steps have been take to prevent the execution of any judgment during the pendency of any appeal.

XIII. **DEFAULT**

In the event of the failure of the Lessee to timely make any of the rental payments provided for herein, or to fulfill any of the covenants herein contained, then at the option(s) of the Lessor, they may give notice of their intention to cancel the said Lease and re-enter and take possession of the premises. If any of said delinquent rental payments and late fees are not made and completed or full compliance with the Lease be not made by Lessee within thirty (30) days written notice of the aforesaid declaration to Lessee by Lessor, then Lessor may re-enter and take possession of the premises without further obligation to Lessee without such re-entry working a forfeiture of the rents to be paid hereunder and the covenants to be performed by the Lessee. If Lessee fails to cure any default within the aforementioned thirty (30) days curative period, then Lessee shall forthwith immediately vacate said premises and give peaceable possession thereof to the Lessor.

Forbearance on the part of Lessor with regard to Lessee's default or failure to make timely payments or perform any of the covenants hereof shall not constitute a waiver of Lessor's right to strictly enforce the provisions and covenants hereof as to any other subsequent default or failure.

XIV. **HOLD HARMLESS**

The Lessee agrees to hold the Lessor harmless from any responsibility or liability of any kind or character arising out of the use and occupation of the leased premises by the Lessee causing or inflicting injury and/or damage to any person or property, happening, or done in, upon or about the leased premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part by the Lessor or any person claiming through or under the Lessor, during the term of this Lease except any liability arising from Lessor's negligence.

XV. **GOVERNING LAW**

Lessee shall and does hereby agree to abide by and conform to all of the laws, ordinances, and regulations of the City of Rapid City, County of Pennington, State of South Dakota, and the federal government pertaining to the use and occupancy of the leased premises.

XVI.
TIME

The parties acknowledge and agree that time is of the essence of this agreement.

XVII.
BINDING UPON HEIRS, SUCCESSORS, AND ASSIGNS

The foregoing Lease Agreement shall be binding upon the parties hereto, their heirs, executors, assigns, administrators, and legal representatives.

XVIII.
PAYMENTS AND NOTICES

Lessee shall forward all rental payments and any other notices to:

SAFETY PLAZA
1406 West Rapid Street
Rapid City, South Dakota 57701

Any notice to be given to Lessee hereinafter shall be mailed to the following person at the address indicated:

CITY OF RAPID CITY
300 Sixth Street
Rapid City, South Dakota 57701

The undersigned agree that any written notice mailed to the above address shall constitute valid notice to all of the undersigned. Notices given in accordance with these provisions shall be deemed received when mailed.

XIX.
RIGHT OF EXECUTION

If Lessor is a corporation or a partnership, each individual executing this Lease on behalf of said corporation or partnership, represents and warrants that it is duly authorized to execute and deliver this Lease on behalf of said corporation or partnership with a duly adopted resolution by the Board of said corporation, and that this Lease is binding, or with the unanimous consent of the partnership, that this Lease is binding upon said corporation(s) or partnership in accordance with the terms of such resolution or partnership agreement.

State of South Dakota)
 SS.
County of Pennington)

On this the ____ day of _____, 2002, before me, the undersigned officer, personally appeared Jerry Munson 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)