

LEASE AGREEMENT

Lease made as of the _____ day of _____, 2005, by and between the City of Rapid City ("City" or "Lessor"), and Pennington County, South Dakota ("County" or "Lessee").

For and in consideration of the mutual covenants contained in this Agreement, 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:

A portion of Tract 18 of the Rapid City Greenway Tracts, Rapid City, Pennington County, South Dakota, as described on Exhibit "A", attached hereto and incorporated herein by reference.

II.

TERM

The term of this Lease shall be for one (1) year beginning on the 1st day of May, 2005, and ending on the 30th day of April, 2006, and shall automatically renew thereafter on a year to year basis. Notice of intent to terminate shall be provided pursuant to Section VIII hereof.

III.

RENTAL

Lessee agrees to pay to Lessor as rent for the premises the sum of One Dollar (\$1.00) per year as evidence of consideration for this Agreement.

IV.

PURPOSE

The premises shall be used by the County as a half-way house for recovering alcoholics and drug addicts who have been through treatment and were being mainstreamed back to families and as a half-way house for federal and state parolees, probationers, and Veterans Administration (VA) clients. The premises shall in no event be used beyond this purpose, and failure to abide by this term shall allow immediate termination of this Agreement by the City.

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 to the premises.

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

The City may terminate this Lease at any time if the Common Council determines that public necessity or 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 thirty (30) days prior to the date named for such termination.

IX.

DEFAULT OR BREACH

In the event that Lessee shall be in default or deficient 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 regarding the same property which is the subject of this agreement.

CITY OF RAPID CITY

By: _____
Jim Shaw, Mayor

ATTEST:

Finance Officer

(SEAL)

PENNINGTON COUNTY COMMISSIONERS

By: _____
James Kjerstad, Chairman

State of South Dakota)
 ss.
County of Pennington)

On this the _____ day of _____, 2005, 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 Agreement Consenting to Assessed Project 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 _____, 2005, before me, the undersigned officer, personally appeared James Kjerstad, who acknowledged himself to be the Chairman of the Pennington County Commissioners, and that he, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

Notary Public, South Dakota

My Commission Expires:

(SEAL)

Prepared By: CITY ATTORNEY'S OFFICE