

**CITY OF RAPID CITY
LEASE AGREEMENT WITH
RAPID CITY MIDGET FOOTBALL**

For and in consideration of the terms and conditions hereinafter set forth and the rental payments due hereunder, the City of Rapid City, hereinafter called "City" or "Lessor", and Rapid City Midget Football League, hereinafter referred to as "Lessee", do and hereby enter into this Lease Agreement.

1. Term. The term of this lease shall be for a period of five (5) years commencing January 1, 2007, and terminating on December 31, 2012.

2. Premises. The premises covered by this lease agreement are described as follows:

The Midget Football Building at Star of the West Softball Complex, including all lands within 25 feet of said building that are immediately adjacent thereto lying west of Sedviy Lane, all located in the Lot 4 of Dairyland Subdivision, Rapid City, Pennington County, South Dakota.

As attached in Exhibit A.

3. Rent. The Lessee agrees to pay to the City for the use and occupancy of the above-described premises for the term of this lease, an amount not less than One Dollar (\$1.00) per year during the term of this lease, with the first payment by August 1, 2007. Such rental shall be paid at the Office of the City Finance Officer by August 1st of each year.

It is specifically agreed that failure to pay the rental when due shall constitute a breach of this agreement and shall be considered grounds for termination of the agreement by the City.

4. Extension of Term. The Lessee shall have the option of renewing this lease agreement for one five (5) year period by giving written notice of intention to renew to the Lessor on or before October 1, 2012; provided, however, the terms and conditions shall be subject to

renegotiation by the parties. If agreement cannot be reached on the renegotiation by the parties on or before December 1, 2012, then and in that event this lease shall be terminated and the Lessee shall have no further rights under this lease.

5. Use of the Premises. The Lessee shall use the premises for storage and repair of sporting equipment only. Lessee further covenants that they will abide by and comply with all statutes, ordinances, and municipal regulations relating to the conduct of such events. The Lessee shall not conduct an unlawful business on the premises.

6. Quiet Enjoyment. The Lessee, upon paying the rental and observing the term hereof, shall lawfully, peaceably, and quietly hold, occupy, and enjoy said premises during the term hereof without hindrance, eviction, or molestation by the Lessor or by any person or persons lawfully claiming under the Lessor.

7. Utilities. The Lessee shall pay for all utilities relative to the building.

8. Use of Premises. Lessee shall provide sporting equipment and events to the general public without discrimination as to race, color, sex, creed, religion, ancestry, national origin, or disability and will not permit discrimination against any person or group of persons, in any manner prohibited by local, state, or federal laws. Lessee agrees that in the operation and use of the premises, it will not on the grounds of race, color, sex, creed, religion, ancestry, national origin, or disability, discriminate or permit discrimination against any person or group of persons in any manner.

At no time shall Lessee sell or give away any alcoholic beverages, or allow any alcoholic beverages to be consumed on the premises.

Lessee shall not allow any person to make their residence on the premises, nor shall it permit persons to remain or loiter within the demised premises during the hours of operation.

Lessee shall not use or permit the premises to be used for any other purpose, or for any unlawful immoral or indecent activity. Lessee shall confine its activities to the area rented by it under the terms of this agreement.

9. Alterations, Repairs, or Improvements. Lessee shall not make any alterations, repairs, or improvements to the building or to the area immediately surrounding said building, without obtaining the prior written consent of the Director of Parks & Recreation. Requests to make any alterations, repairs, or improvements shall be made at the expense of Lessee and shall become the property of the City.

Lessee shall not post any signs without obtaining the prior written consent of the Director of Parks and Recreation.

10. Liability and Indemnity. The Lessee agrees to defend, indemnify and save harmless the Lessor from any and all claims, damages, costs, and expenses, including reasonable attorney fees, arising out of or in connection with the conduct or management of the business conducted by the Lessee. Lessor shall not be liable and the Lessee waives all claims for damages to person(s) or property sustained by the Lessee, its agents, servants, invitees, and customers resulting from the condition of the building in which the leased premises are situated or resulting from any accident in or about said building or said leased premises.

11. Insurance. Concessionaire shall purchase and maintain at a minimum the following insurance during the term of this agreement:

A. Worker's Compensation coverage as required by law, including Employer's Liability Insurance of not less than:

Bodily Injury by Accident	\$100,000.00 Each Accident
Bodily Injury by Disease	\$100,000.00 Each Employee
Bodily Injury by Disease	\$500,000.00 Policy Limit

B. Commercial General Liability Insurance with a Combined Single Limit of Liability of not less than:

General Aggregate	\$2,000,000.00
Products and Completed Operations Aggregate	\$1,000,000.00
Personal Injury Each Person	\$1,000,000.00
Advertising Injury Each Person Limit	\$1,000,000.00
Each Occurrence Limit	\$1,000,000.00

C. Commercial Automobile Insurance for owned autos, hired and non-owned automobiles with a combined single limit of not less than One Million Dollars (\$1,000,000.00) each person and One Million Dollars (\$1,000,000.00) aggregate.

D. Commercial Umbrella Insurance providing excess liability over primary coverage of Employer's Liability Commercial General Liability, and Commercial Automobile Liability limits of not less than One Million Dollars (\$1,000,000.00) each occurrence and One Million Dollars (\$1,000,000.00) aggregate.

E. Additional insurance regulations. Each Insurance policy shall include the following conditions by endorsement to the policy:

(i) Each policy shall require that thirty (30) days prior to expiration, cancellation, non-renewal or any material change in coverage or limits, a notice thereof shall be given to City by certified mail to: City Finance Officer, 300 Sixth Street, Rapid City, South Dakota, 57701, or to such address as the City may designate in writing. The Lessee shall also notify City in a like manner within ten (10) days of receipt, of any notices of expiration, cancellation, non-renewal payment of premiums or assessments for any deductibles which all are the sole responsibility and risk of the Lessee.

(ii) Companies issuing the insurance policy or policies shall have no recourse against the City for payment of premiums or assessments for any deductibles that are the sole responsibility and risk of the Lessee.

(iii) The Term "City" shall include all elected officials, boards, commissions, divisions, departments, and officers of the City and

individual members and employees thereof in their official capacities, and while acting on behalf of the City.

(iv) The City shall be endorsed to the required policy or policies as an additional insured.

(v) The policy clause "Other Insurance" shall not apply to any insurance policy coverage currently held by the City, to any future coverage, or to the City's self-insured retentions of whatever nature. Lessee and Lessor each waives any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for the loss of or damage to such waiving party or its property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Lessee and Lessor shall give noticed to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in the lease.

12. Inspection by the City. City shall have the right to make inspections at any reasonable time to ensure compliance with this agreement.

13. Destruction of the Premises. In case the building shall be at any time, wholly or partially, destroyed by fire or other unavoidable casualty so that the leased premises shall be unfit for occupation or use; or in the event this building is wholly or partially, destroyed by any cause whatsoever, excepting the negligence or willful misconduct of the Lessee, rental payments shall be suspended and prorated until such time as the structure is repaired or rebuilt. If the building is damaged, the City shall have no obligation to rebuild or repair.

14. Subletting and Assignments. Lessee shall not sublet the whole or any part of the premises, nor assign, hypothecate, or mortgage the lease agreement, or any or all of its rights hereunder, without the prior written consent of the City. Assignment shall include any transfer of ownership or rights by operation of law or otherwise.

15. Maintenance of Premises. The Lessee shall be responsible for all interior maintenance of the premises, including all interior surfaces, and all filters and other routine

maintenance items. The City shall be responsible for all structural and exterior maintenance, including maintenance of all mechanical and plumbing systems and the electrical supply system. The parties shall coordinate the complete draining of all water lines, toilet bowls, and tanks when the building is closed for the winter so that no damage will be caused by the elements.

16. Equipment. Concessionaire shall furnish and install at his own expense, any equipment, materials, furniture, supplies, etc., required by it for the proper operation of the league. Lessee's equipment shall be placed and installed only upon the written approval of the Director of Parks and Recreation.

17. Surrender of Premises. At the termination of this lease or any renewal thereof, the Lessee shall surrender the premises quietly and peacefully to the Lessor in as good condition as on the date hereof except for normal wear and tear.

18. Breach of Contract. In the event of any breach of any of the terms or provisions of this agreement, the City shall have, in addition to any other recourse, the right to terminate this agreement, to enter and obtain possession of the entire premises, to remove and exclude any and all persons from the premises, and to remove and exclude all property of Lessee therefrom, all without service of notice or resort to legal process and without any legal liability on its part.

19. Non-Discrimination. Lessee shall not on the grounds of race, color, sex, creed, religion, ancestry, national origin, 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.

Dated this 22 day of February, 2007.

CITY OF RAPID CITY

Jim Shaw, Mayor

ATTEST:

Finance Officer

(SEAL)

Rapid City Midget Football

By: Jeff Horan
Its: President

State of South Dakota)

SS.

County of Pennington)

On this the ____ day of _____, 2006, 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 22nd day of February, 2006, before me, the undersigned officer, personally appeared Jeff Horan, who acknowledged himself to be the President of Rapid City Midget Football, and that he/she, 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.

Maureen Paul
Notary Public, South Dakota

My Commission Expires:

(SEAL) 6/25/2008