

LEASE

I

PARTIES:

The parties to this lease are Frank Washburn, Rapid City, South Dakota, hereinafter called "Landlord", and the City of Rapid City, a municipal corporation, Rapid City, South Dakota, hereinafter called "Tenant".

II

PURPOSE:

The purpose of this Lease is to fix the terms and conditions under which the Landlord agrees to lease to the Tenant and the Tenant agrees to lease from the Landlord the real estate described in Article III hereof.

III

LEASED PREMISES:

The premises to be leased from the Landlord to the Tenant is described as follows:

Lot Three (3), Block Seven (7), Blakes Addition, Rapid City, Pennington County, South Dakota, or located at: 21 East Philadelphia, Rapid City, South Dakota.

IV

DAMAGE DEPOSIT:

Tenant will pay to Landlord the sum of Eight Hundred Fifty Dollars (\$850.00) as a damage deposit on the premises. This deposit will be returned to Tenant at the termination of this Lease if the subject premises are in the original condition in which the Tenant assumed possession, ordinary wear and tear excepted.

V

RENTAL:

As rental for the above-described property, the Tenant agrees to pay the sum of Eight Hundred Fifty Dollars (\$850.00) per month during the term of this lease commencing on June 15, 2001.

VI

TERM:

The initial term of this lease shall commence on June 15, 2001, and shall expire September 30, 2001, unless sooner terminated.

Following the initial term of this lease it shall be automatically renewed for two successive one (1) year terms unless either party shall have given the other party written notice of its intent to terminate. This lease may be terminated by either party giving sixty (60) days' written notice to the other party.

VII

USE:

It is understood and agreed that Tenant's use of the property shall be for office space and storage for the Weed and Seed operations.

VIII

MAINTENANCE AND REPAIR

The Tenant shall be responsible for routine maintenance and cleaning of the interior of the building; the Landlord shall be responsible for the exterior maintenance, including lawn, snow, ice, and shrubs, and maintenance and repair of utility systems, lighting, heating, air conditioning, and garbage.

IX

UTILITIES:

Tenant shall be responsible for paying the gas and electric utilities for the premises.

X

INSURANCE:

Tenant 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). Landlord shall be named an additional insured in said policy or policies, and Tenant shall furnish to the Landlord evidence of insurance by a certificate of insurance of required coverage.

XI

INDEMNIFICATION:

The Tenant agrees to indemnify and save the Landlord harmless from all penalties, claims, demands, liabilities, expenses, and losses of whatever nature arising from the Tenant's use of the property described in Article III hereof except those which shall result from the default or negligence of the Landlord.

XII

REDELIVERY UPON TERMINATION:

Upon the termination of this Lease or the expiration of the term hereof, the Tenant agrees to vacate and surrender the premises described in Article III hereof to the Landlord in the original condition in which the Tenant assumed possession, ordinary wear and tear excepted.

XIII

DEFAULT:

In the event the Tenant defaults in the performance of any of the terms, covenants, conditions, or obligations assumed by it under this Lease, the Landlord shall have the option of giving the Tenant thirty (30) days written notice of the nature of such default by certified mail. If the Tenant fails to cure such default within such thirty (30) day period, the Landlord shall have the option of terminating the Lease.

XIV

INTEGRATION:

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

XV

BINDING EFFECT:

The parties agree that this Lease shall extend to and be binding upon them, their heirs, administrators, executors, successors, and assigns.

Dated this _____ day of _____, 2001.

“LANDLORD”

Frank Washburn

“TENANT”

CITY OF RAPID CITY

By: _____
Jerry Munson, Mayor

ATTEST:

Finance Officer

(SEAL)

State of South Dakota)
 SS.
County of Pennington)

On this the _____ day of _____, 2001, before me, the undersigned officer, personally appeared Frank Washburn, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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 _____, 2001, 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)