

**LEASE AGREEMENT  
CITY OF LEAD  
PUBLIC LAND**

This Agreement, between the CITY OF LEAD, a municipal corporation of the State of South Dakota, of 801 West Main Street, Lead, South Dakota 57754; hereinafter referred to as “CITY” or “LESSOR”, and LIL’S COFFEE CO, hereinafter referred to as “LESSEE”.

**RECITALS**

**Whereas**, the CITY is the owner of the real property described as the Manuel Brothers Parking Lot, in the City of Lead, South Dakota, hereinafter referred to as “Manuel Brothers Parking Lot” or “Parking Lot” and proposes to provide space to LESSEE for the operation of a coffee hut in said property; and

**Whereas**, LESSEE will operate the coffee hut in the Manuel Brothers Parking Lot;

**Now, therefore**, in consideration of the mutual covenants set out, the parties agree as follows:

1. **DESCRIPTION OF THE PREMISES**—The City hereby agrees to allow LESSEE to place and operate a 12’ x 24’ coffee hut in an area approved by the Lead City Commission in the Manuel Brothers Parking Lot. The leased area will not exceed 3 parking spaces.
2. **TERM OF LEASE**—The term of the lease shall be for a period from January 6, 2025 to January 4, 2027, and may be renewed by the Lead City Commission.
3. **RENT**—LESSEE shall pay to the CITY the amount of two hundred and thirty dollars (\$200) per month to lease the above-described premises, to be paid by the 10<sup>th</sup> day of each month. If the lease commencement date does not fall on the first day of the month, the first month’s rent shall be prorated based on the actual number of days leased in that month.
4. **NOISE**—LESSEE agrees to follow City of Lead noise ordinance regulations.
5. **UTILITIES**—LESSEE will be responsible for any at all utilities, including but not limited to water. CITY shall provide electrical

- power access. LESSEE shall be responsible for and shall pay its prorated share of electrical costs monthly. Electrical charges shall vary with usage and shall be billed directly from Black Hills Energy, with payment from the LESSEE made to the City of Lead at City Hall concurrently with the monthly lease by the 10<sup>th</sup> day of each month.
6. **GREY WATER**—LESSEE agrees to properly dispose of all grey water.
  7. **REMOVAL OF FUNDS AND SIGNAGE**—LESSEE shall remove all funds from the premises on a daily basis. LESSEE shall provide signage in a prominent location notifying the public that no cash or funds are stored overnight on premises.
  8. **CONTROL OF PARKING LOT AND NOTICE OF MODIFICATIONS**—CITY retains control over the use, maintenance, and operation of the parking lot and reserves the right to modify daily use, layout or access to the parking lot. CITY shall provide LESSEE with seven (7) days' written notice prior to implementing any such modifications, unless emergency circumstances require otherwise.
  9. **INDEMNIFICATION**—LESSEE shall indemnify the CITY, its officers, agents and employees from any and all claims and demands of third persons for personal injury including death and/or property damage arising out of acts or omissions of LESSEE, its officers, agents, employees, representative and contractors, customers, guests, invitees and other persons doing business with LESSEE.
  10. **INSURANCE**—CITY shall maintain its current insurance coverage on the premises and its own property. LESSEE agrees to maintain insurance in an amount to protect its personal property investment and its use of the premises and shall not look to the CITY for recovery for any damages to any person or personal property under control by LESSEE.
  11. **LIABILITY INSURANCE**—LESSEE shall secure and maintain a general liability insurance policy, naming the CITY as an additional insured, in an amount not less than one million dollars (\$1,000,000) against any and all claims and demands of third persons for personal injury including death and/or property damage arising out of the acts or omissions of LESSEE, its officers, employees, agents, representatives and customers, guests, invitees and other persons doing business with LESSEE.

**12.TERMINATION**—This agreement may be terminated by the CITY at its option if any one or more of the following events shall occur:

- a. The transfer, assignment or subletting of any of LESSEE's rights or interests hereunder or any voluntary or involuntary changes in the ownership thereof without the written consent of the City of Lead.
- b. By or pursuant to, or under any authority of any legislative act, resolution or rule, or any order or decree of any court or government board, agency or officer having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all, or substantially all, of the property of LESSEE, and such possession or control shall continue in effect for more than ten (10) days.
- c. Any lien is filed against the premises because of any act or omission of LESSEE and is not removed within a reasonable period of time.
- d. LESSEE shall voluntarily abandon, desert, vacate or discontinue its operations on the premises.
- e. LESSEE shall fail duly and punctually to pay lease fees or to make any other payment required hereunder then due to City
- f. LESSEE shall fail to comply with any of its obligations hereunder.

**13.NOTICE OF DEFAULT**—Before CITY shall be authorized to terminate this Agreement, it shall give LESSEE written notice of the default by certified mail at LESSEE's address as set forth herein and shall give LESSEE ten (10) days in which to cure such default; provided, however, that when the curing of any such default would obviously require more than the (10) days, CITY shall give LESSEE such additional time as reasonably may be necessary to cure the default.

**14.EXCLUSIVITY**—With respect to the described premises, LESSEE shall have the exclusive right to operate and maintain the coffee hut facilities at a location to be designated by the CITY. Once the location is designated the CITY does, however, expressly reserve the right to require LESSEE to relocate its coffee hut to other areas within the parking lot. This agreement shall not be construed to prohibit or limit the operation of other similar business with the City of Lead.

Dated this \_\_\_\_\_ day of January, 2026

LESSOR:

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CITY OF LEAD

BY: Dustin Heupel, Mayor

Dated this \_\_\_\_\_ day of January, 2026

LESSEE:

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Lil's Coffee Co

BY: Lily Simek, Owner

ATTEST:

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Billie Jo Ryan, Finance Officer

(Seal)