

**LEASE BETWEEN THE CITY OF RAPID CITY AND MATT KAMMERER FOR
PROPERTY LOCATED ON NORTH ELK VALE ROAD**

This Lease agreement is made as of the _____ day of _____, 2010, by and between the City of Rapid City, 300 Sixth Street, Rapid City, South Dakota 57701 (the "City"), and Matt Kammerer, 22196 Elk Vale Road, Rapid City, South Dakota 57701 (the "Lessee").

For and in consideration of the mutual covenants conditions contained herein, to be kept and performed by the respective parties, the City and Matt Kammerer agree as follows:

The City hereby lease to the Lessee a certain parcel of real property, containing eighty (80) acres, more or less, as shown on Exhibit A, legally described as:

Section Twenty-one (21), Township Two North (T2N), Range Eight East (R8E) of the Black Hills Meridian, Pennington County, South Dakota:

The South Four Hundred Sixty Four and Sixty-Four Hundredths Feet (464.64') of the Southeast Quarter of the Northwest Quarter of the Northeast Quarter (SE1/4NW1/4NE1/4);

The South Four Hundred Sixty Four and Sixty-Four Hundredths Feet (464.64') of the Northeast Quarter of the Northeast Quarter (NE1/4NE1/4) Less Lot H1;

The East Half of the Southwest Quarter of the Northeast Quarter (E1/2SW1/4NE1/4)

The Southeast Quarter of the Northeast Quarter (SE1/4NE1/4).

This lease will allow the Lessee to harvest grass, alfalfa and/or hay which may grow naturally on the property without irrigation of any kind. No water may be diverted to or used directly or indirectly on the property. Grazing will not be permitted on the property. The City retains the right to enter onto the property at any time.

The City expects a minimum of two (2) cuttings during each growing season. The final crops are to be removed from the property no later than October 1st of each year.

The first term of this lease shall be through December 31, 2010. Upon expiration of the initial term, the lease shall automatically renew for four (4) successive one (1) terms, unless either party provides written notice to the other of its intent not to renew the lease thirty (30) days prior to December 31st of that year. This lease shall also be terminable by either party at any time during the year upon sixty (60) days written notice to the other party. The Lessee acknowledges the City may consider selling this property in the future or begin actively using it for a park or other recreational purposes and agrees that it will bring no claims related to the loss of its rights under this lease should the City decide to terminate the lease before the expiration of the full lease term.

All notices or other communications hereunder shall be in writing and shall be deemed given when delivered, and if delivered by mail, shall be sent by first class, postage prepaid, to the parties at the following addresses:

CITY: City of Rapid City
300 Sixth Street
Rapid City, South Dakota 57701
Attention: Parks Director

LESSEE: Matt Kammerer
22196 Elk Vale Road
Rapid City, SD 57701

The parties, by notice given hereunder, may designate any further or different methods of notification and addresses to which notices and communications shall be provided.

As consideration for granting this lease the Lessee shall pay the City \$1,886.03 dollars within thirty (30) days of approval of this lease. If the lease is automatically renewed at the end of any term, the Lessee shall pay the City \$1,886.03 by April 1st of that year. If the City terminates the lease prior to the expiration of the lease term the City agrees to fund a pro rata share of any lease rent payments that have been made by the Lessee. If the Lessee terminates the lease early, or if the termination of the lease occurs after the growing season and the crop has already been harvested, no refund shall be made.

The Lessee agrees to maintain liability insurance coverage suitable to the City and provide proof thereof upon request of the City. The Lessee shall defend, indemnify and otherwise hold the City harmless from any and all liability arising out of its use and occupancy of the leased premises and shall cause the City to be named as an additional insured on all liability policies.

The Lessee may not sublet or otherwise assign its interests under the lease to any other person or entity without the express authorization of the City.

If any section(s), or provision of this lease is declared invalid for any reason whatsoever by any competent court, such invalidity shall not affect any other section(s) or provision of this lease if they can be given effect without the invalid section(s) or provisions.

This lease represents the entire agreement of the parties. No other writing is part of this lease. All other prior representations, writings, oral statements or negotiations have been merged into this document and are either included herein or intentionally excluded.

The parties' rights and obligations under this lease shall be governed by, and construed in accordance with, the laws of the State of South Dakota. Any dispute concerning this lease shall be venued and litigated in the Circuit Court for the Seventh Judicial Circuit, located in Rapid City, Pennington County, South Dakota.

