

PREPARED BY: Larry M. Von Wald  
P. O Box 9579  
Rapid City, SD 57709  
(605) 721-2800

## **CITY OF RAPID CITY GROUND LEASE AGREEMENT WITH FMLC, INC.**

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to be paid annually on September 1<sup>st</sup> of each year during the duration of this Lease, the receipt and sufficiency of which is hereby acknowledged, the CITY OF RAPID CITY, a municipal corporation, of 300 Sixth Street, Rapid City, SD 57701, hereinafter called "City" or "Lessee", and FMLC, INC., a South Dakota corporation, of 23773 Pine Haven Drive, Rapid City, SD 57702-4770, hereinafter referred to as "Lessor", do and hereby enter into this Lease Agreement.

1. The real property which is the subject of this Lease is approximately 3 acres in size and is legally described as:

The Northwest Quarter (NW $\frac{1}{4}$ ), including the vacated portion of E. Mall Drive, less the Northeast Quarter of the Northeast Quarter of the Northwest Quarter (NE $\frac{1}{4}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$ ), less Lots AR, B and C all within Section 29 of Township Two North (T2N), Range Eight East (R8E), of the Black Hills Meridian, Rapid City, Pennington County, State of South Dakota.

2. This lease is entered into for the purpose of allowing the City to construct, occupy, and utilize the "North Street Fire Station" on the premises prior to the Lessor obtaining a final plat of the property. In the event that any of the above-described property is used for any purpose other than a municipal purpose, this lease shall automatically be terminated as to all of such property without any action required to be taken by or on behalf of the Lessor.

3. Within 60 days of the Lessor obtaining the final plat of the property, fee title of the property shall transfer to the City by warranty deed, and the Lease shall expire.

4. The term of the Lease shall be for a period of ninety-nine (99) years commencing upon execution of this Agreement. The Lease shall terminate at such time as the ownership of the property is transferred from the Lessor to the Lessee. It is understood, acknowledged and agreed that the fair market value of the property, at the execution hereof, is \$4.75 per square foot.

5. The Lessor and Lessee agree that for the use of the above-described property for

the term of this Lease, the rent shall be \$1 per year, payable on the 1<sup>st</sup> day of September of each year.

6. The City of Rapid City agrees that the Lessor shall be held harmless from any and all liability arising from the use of the described premises by the City or its agents or employees or other persons using the premises with the City's permission.

7. This Agreement shall be governed by the laws of the State of South Dakota and any action to determine the rights and obligations of the parties shall be venued in the Seventh Judicial Circuit Court in Rapid City, Pennington County, South Dakota.

Dated this 6<sup>th</sup> day of August, 2009.

FMLC, INC.

By: Charles H. Lien

Its: Cham BOD

CITY OF RAPID CITY

\_\_\_\_\_  
Alan Hanks, Mayor

ATTEST:

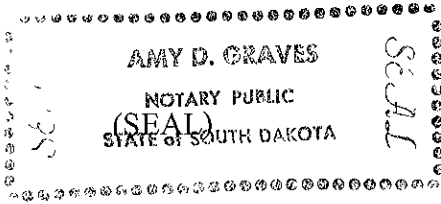
\_\_\_\_\_  
Finance Officer

(SEAL)

State of South Dakota        )  
  )ss.  
County of Pennington        )

On this the 6<sup>th</sup> day of August, 2009, before me, the undersigned officer personally appeared Charles H. Lien, who acknowledged <sup>himself</sup> to be the Cham. BOD of FMLC, INC., and that she, as such Cham. BOD, being authorized so to do, executed the foregoing Lease Agreement for the purposes therein contained by signing the name of FMLC, INC. by ~~herself~~ <sup>himself</sup> as Cham. BOD.

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



*Amy D Graves*  
Notary Public, South Dakota  
My Commission Expires: **My Commission Expires**  
**January 30, 2012**

State of South Dakota        )  
                                      )ss.  
County of Pennington        )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 2009, before me, the undersigned officer, personally appeared Alan Hanks 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 Lease Agreement 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.

(SEAL)

\_\_\_\_\_  
Notary Public, South Dakota  
My Commission Expires: \_\_\_\_\_