

PROMISSORY NOTE

US \$121,000.00

Rapid City, SD

FOR VALUE RECEIVED, Lazy P-6 Land Company, Inc., a South Dakota corporation, of Rapid City, SD (Borrower) promises to pay to the City of Rapid City, Rapid City, South Dakota, (Lender) the principal sum of One Hundred Twenty One Thousand Dollars (\$121,000.00) plus accrued interest. The principal shall be interest-free for a period of five years from the earlier of October 1, 2004 or the date of substantial completion of the construction of Fifth Street from Minnesota Street to Catron Boulevard. For purposes of this agreement, the determination of the substantial completion of the construction of Fifth Street shall be made by the Rapid City Public Works Director. Thereafter, and commencing at the earlier of October 1, 2009 or the beginning of the sixth year following the substantial completion of the construction of Fifth Street, interest shall accrue on the unpaid balance at an annual rate of 1% above the Wall Street Journal Prime Rate determined as of the date interest commences..

Lender hereby accepts that the principal sum represents repayment of an Infrastructure Development Partnership Fund Loan (Loan) to assist in providing adequate public improvements in an area south of Catron Boulevard more specifically described in the Loan and Infrastructure Development Agreement (Agreement).

Borrower shall repay the loan upon the earlier of either (a) approval by the City of a final plat of Borrower's Development Project or (b) ten years from the date of substantial completion of the sewer construction project. In the event final platting of Borrower's development is accomplished in separate phases, then repayment of the principal and accrued interest shall be prorated in accordance with the formula established in Section 2 of the Agreement. Borrower is obligated to repay the City the entire balance of the Loan including accrued interest when the final plat is approved for the last phase of this project.

Payments shall be made to: City of Rapid City Finance Office
300 Sixth Street
Rapid City, SD 57701

Attn: James F. Preston, Finance Officer

If any installment under this note is not paid when due and remains unpaid after a date specified by notice to Borrower, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the note holder. The date specified shall not be less than thirty (30) days from the date such notice is mailed. The note holder may exercise its option to accelerate during any default by Borrower regardless of any prior forbearance. In the event of default, if costs are

incurred to collect this note, the note holder shall be entitled to collect all reasonable costs and expenses of collection allowed by law, including reasonable attorney's fees.

Borrower shall have the right to prepay without penalty all or any portion of the remaining balance of this note at any time after date of execution with interest, if any, computed to the date of such prepayment.

All makers, sureties, guarantors, and endorsers hereby waive presentment, notice of dishonor, and protest hereof. This note shall be the joint and several obligation of all makers, sureties, guarantors, and endorsers, and shall be binding upon them and their successors and assigns.

Any notice to Borrower provided for in this note shall be given by mailing such notice to Borrower at an address designated by written notice from Borrower.

The indebtedness evidenced by this Note is secured by a bank Letter of Credit in accordance with the terms of the Infrastructure Development Partnership Fund Agreement. A copy of this security is herein incorporated by reference as if fully set forth in this document.

This Note has been issued pursuant to, and shall be subject to, the terms, conditions, covenants and agreements set forth in the Agreement.

All documents and agreements between the parties hereto shall be governed by and construed in accordance with the laws of the State of South Dakota.

This agreement shall be binding upon the parties hereto, their heirs, successors, and assigns.

IN WITNESS WHEREOF, the undersigned sets its hand and seal this _____ day of _____, 2003.

ACKNOWLEDGEMENT

LAZY P-6 LAND COMPANY, INC.

City of Rapid City

Finance Officer

President: _____

Secretary: _____

(SEAL)