

REAL ESTATE PURCHASE AGREEMENT

Section 1.

PARTIES:

The parties to this Real Estate Sale Agreement (hereinafter "Agreement") are Jeffery and Terri Haverly d/b/a Kids Kastle West, LLC of 22983 Candlelight Drive, Rapid City, SD 57703 (hereinafter "Seller"), and the City of Rapid City, 300 Sixth Street, Rapid City, SD 57709-2110, (hereinafter "Buyer").

Section 2.

PURPOSE:

The Seller owns the real property described in Section 3 hereof and wishes to sell the property to the Buyer and the Buyer agrees to purchase the property from the Seller.

NOW THEREFORE, for good and valuable consideration and based upon the mutual covenants and conditions contained in this Agreement, the receipt and sufficiency of which is hereby acknowledged by the Seller and Buyer, the parties agree that this Agreement shall govern their transaction and further agree as follows:

Section 3.

PROPERTY:

The property which is the subject of this agreement is located at 4504 West Chicago Street, Rapid City, South Dakota and is legally described as follows:

Tract Q of Lot 2 of Grays Subdivision, Rapid City, Pennington County, South Dakota as shown on Exhibit "A" which has been attached hereto and incorporated herein by this reference.

Section 4.

PURCHASE PRICE:

The purchase price of the real property described in this Agreement is One Hundred

Eighty Five Thousand Four Hundred Dollars (\$185,400.00). The Buyer will pay to the Seller the purchase price at the time of closing.

Section 5.

TITLE:

Seller hereby agrees to deliver to Buyer a recordable warranty deed, showing good and merchantable title in Seller, free and clear of any and all encumbrances, except any and all reservations, restrictions, covenants, rights-of-way and easements of record against the property.

Section 6.

TAXES AND ASSESSMENTS:

Taxes are to be prorated to date of possession between Seller and Buyer. Seller warrants there are no unpaid assessments recorded or unrecorded on the property.

Section 7.

POSSESSION:

Buyer shall receive possession to the property at time of closing.

Section 8.

CLOSING:

Closing shall take place, on or before December 31, 2004, at such time and place as the parties mutually agree. The parties agree to use Old West Escrow Co. of Rapid City as an escrow agent for disbursement of the One Hundred Eighty Five Thousand Four Hundred Dollars (\$185,400.00) between the Seller and the mortgage holder on the property. The Buyer shall pay the \$100 fee that Old West Escrow will charge for this service. In addition, the Buyer shall pay any other closing costs, the transfer fee for the deed and the recording fees.

Section 9.

COSTS:

- A. Buyer will prepare the initial legal documents needed for this transfer.
- B. Closing costs will be handled in the matter set forth above entitled Closing.

Section 10.

INTEGRATION:

This writing constitutes the entire Agreement between the parties and there are no other oral or collateral agreements or understandings of any kind or character except those contained herein. This Agreement may be changed or modified only by written agreement signed by the parties.

Section 11.

BINDING EFFECT:

This Agreement shall extend to and be binding upon the heirs, administrators, personal representatives, successors, and assigns of the parties hereto.

Section 12.

HEADINGS:

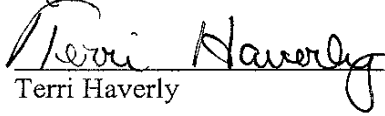
The headings used for each paragraph herein are for descriptive purposes only.

Dated this 7 day of ~~December, 2002~~ ^{September, 2004}.

SELLERS:



Jeffery Haverly



Terri Haverly

BUYER:

CITY OF RAPID CITY

By: _____
Jim Shaw, Mayor

ATTEST:

Finance Officer

(SEAL)
STATE OF SOUTH DAKOTA)
)§§
COUNTY OF PENNINGTON)

On this 7 day of ~~August~~ ^{September}, 2004, before me, the undersigned officer, personally appeared Jeffery Haverly and Terri Haverly, personally known to me or sufficiently proven, who acknowledged for themselves that they signed the foregoing instrument for the purposes therein contained.

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

Margaret Paul
Notary Public, State of South Dakota
My Commission Expires: 10/25/2009

[SEAL]

STATE OF SOUTH DAKOTA)
)§§
COUNTY OF PENNINGTON)

On this _____ day of December, 2002, before me, the undersigned officer, personally appeared Jim Shaw and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City 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 as such Mayor and Finance Officer of the City of Rapid City.

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

[SEAL]

Notary Public, State of South Dakota
My Commission Expires: _____

Rapid City Geographic Information System

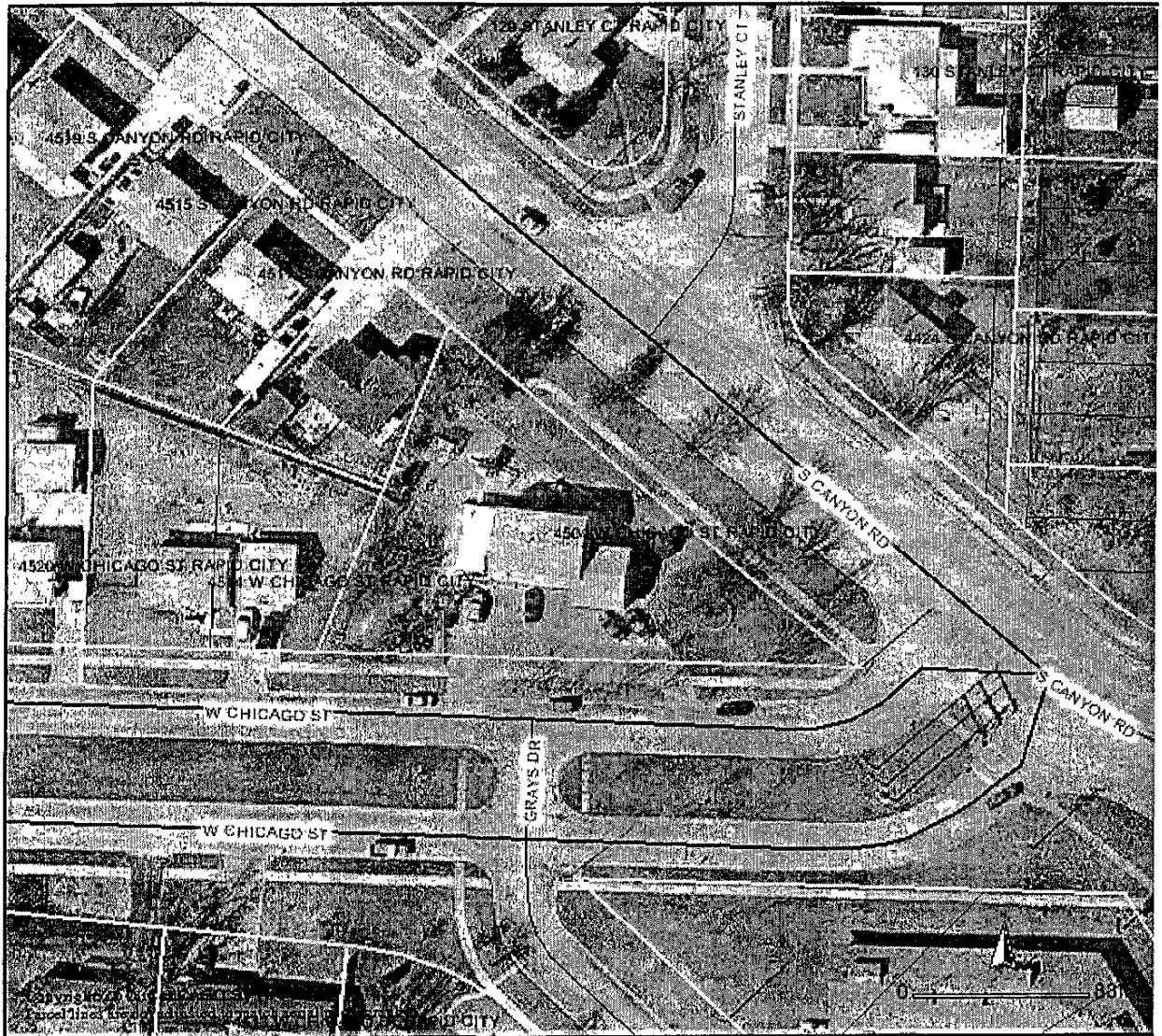


Exhibit "A"