

REAL ESTATE PURCHASE AGREEMENT

This Agreement, is made this ____ day of _____, 2008, by and between the CITY OF RAPID CITY (hereinafter "City"), and RIMROCK ESTATES, LLC, (hereinafter "Rimrock").

WHEREAS, Rimrock owns property within the City of Rapid City located adjacent to Highway 44 on the west side of town; and

WHEREAS, the development of the property owned by Rimrock would require significant effort to raise the property out of the floodway; and

WHEREAS, the City of Rapid City has identified the parcel as a piece of property that should be acquired for the protection of the hydraulic floodway; and

WHEREAS, Rimrock is willing to transfer the property to the City for less than fair market value in exchange for the City's acknowledgement of a charitable donation.

NOW, THEREFORE, BE IT AGREED by the parties as follows:

1. Rimrock agrees to transfer by general warranty deed to the City the property legally described as:

Lot One (1) (also in Section 17), Knecht Park Subdivision, Township One North (T1N), Range Seven East (R7E), Section Eight (8), BHM, Rapid City, Pennington County, South Dakota.

The above-described property consists of approximately 4.66 acres.

2. The City agrees to pay Rimrock Two Hundred Fifty Thousand Dollars (\$250,000.00) cash for the property and in addition, to recognize a charitable donation by Rimrock to the City in the amount of Three Hundred Sixty Thousand Dollars (\$360,000.00). The amount of the charitable donation represents the difference between the fair market value of

the property as shown by an appraisal prepared by Ken Simpson dated June 3, 2008, and the Two Hundred Fifty Thousand Dollars (\$250,000.00) cash paid to Rimrock.

3. Prior to closing, Rimrock shall provide to the City a satisfactory policy of buyer's title insurance. In the alternative, Rimrock may provide the City with an attorney's opinion of clear title that is satisfactory to the City Attorney.

4. Rimrock shall pay all closing costs.

5. At least fifteen days prior to closing Rimrock will provide the City with a sworn statement that the property is not contaminated in any way with any hazardous or toxic waste. The obligation of Rimrock under this paragraph is limited to matters within its actual knowledge or matters which should reasonably be known to Rimrock.

6. All real estate taxes and assessments due and owing as of the date of closing shall be paid in full prior to closing. In addition, Rimrock shall pay the prorated portion of the real estate taxes due and owing for 2008. Any other encumbrances on the property must be satisfied by Rimrock prior to closing.

7. The City shall within thirty (30) days of closing the sale on the property execute Section 4 of IRS Form 8283 for the purpose of acknowledging the City's receipt of a charitable donation from Rimrock in the amount of Three Hundred Sixty Thousand Dollars (\$360,000.00).

8. Closing shall be scheduled at a mutually convenient time not later than sixty (60) days from the full execution of this agreement.

9. This agreement and the obligations of the parties arising from or related to this agreement shall be governed by the law of the State of South Dakota without regard to the choice of law provisions.

10. Any litigation arising out of this agreement shall be conducted only in the Seventh Judicial Circuit Court for the State of South Dakota, located in Rapid City, South Dakota. The prevailing party in any litigation shall be entitled to recover its reasonable costs including reasonable attorney's fees.

State of South Dakota)
 ss.
County of Pennington)

On this the 15th day of September, 2008, before me, the undersigned officer personally appeared David Gustafson, who acknowledged himself to be the Managing Partner of RIMROCK ESTATES, LLC, and that he, as such Managing Partner, being authorized so to do, executed the foregoing Real Estate Purchase Agreement for the purposes therein contained by signing the name of RIMROCK ESTATES, LLC by himself as Managing Partner.

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


Notary Public, South Dakota

My Commission Expires: May 15, 2012

(SEAL)