

## REAL ESTATE PURCHASE AGREEMENT

### Section 1.

#### PARTIES:

The parties to this Real Estate Sale Agreement (hereinafter "Agreement") are Johnson Bar Five Ranch, Inc., of 1500 East 27<sup>th</sup> Street, Rapid City, SD 57703 (hereinafter "Seller"), and the City of Rapid City, 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 agree as follows:

### Section 3.

#### PROPERTY:

The property which is the subject of this agreement is described as follows:

Approximately 106 acres of land, legally described as N $\frac{1}{2}$  of the NE $\frac{1}{4}$ , Less SD highway department yard lot and the NE $\frac{1}{4}$  of the NW $\frac{1}{4}$ , all in Section 30, Township 1 North, Range 8 East of the Black Hills Meridian, Pennington County, South Dakota, subject to reservations, restrictions, covenants, rights-of-way and easements of record.

 **FILE COPY**

**ORIGINAL**

**Section 4.**

**PURCHASE PRICE:**

The purchase price of the real property described in this Agreement is as follows:

1. The purchase price for the approximate 106 acres referred to above is Five Hundred Ninety Thousand Dollars (\$590,000.00).
2. The Five Hundred Ninety Thousand Dollars (\$590,000.00) shall be paid as follows:
  - A. One Hundred Twenty Thousand Dollars (\$120,000.00) shall be paid to Seller on December 31, 2002; and
  - B. Four Hundred Seventy Thousand Dollars (\$470,000.00) shall be paid to Seller on January 2, 2003, without interest.

**Section 5.**

**RETAINED INTEREST:**

Seller retains the right to graze cattle on the real property described in this Agreement as follows:

1. Johnson Bar 5 Ranch, Inc. retains the right to graze cattle on the above property for a period of ten (10) years. After ten (10) years has elapsed, City of Rapid City agrees to place a fence around its property so that Johnson Bar 5 Ranch, Inc., will be able to continue to graze cattle on the portion of property not being utilized by the Rapid City Sanitation and Waste Management site. Any grazing on the real property after ten (10) years has elapsed shall be at the discretion of the City and for a term to be agreed upon.

2. The above real property will be utilized by the City of Rapid City as a buffer zone for a period of ten (10) years which means that the City of Rapid City will not utilize said real estate in any way that adversely affects grazing or the buffer, for the expansion of the Rapid City Sanitary and Waste Management site during said period.

**Section 6.**

**TITLE:**

Seller hereby agrees to deliver to Buyer title insurance in the amount of Five Hundred Ninety Thousand Dollars (\$590,000.00) and the Seller agrees to pay all related costs, 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 7.**

**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 8.**

**POSSESSION:**

Buyer shall receive possession to the property in Section three above at time of closing.

**Section 9.**

**CLOSING:**

Closing shall take place at the office of First American Title Company, Rapid City, South Dakota, on December 31, 2002, at 10:00 a.m. A Warranty Deed and Certificate of Real Estate Value shall be delivered by Seller to Buyer at the time of closing, and the Seller shall pay one-

half of the costs of the requisite closing costs and the entire transfer fee for the deed. Buyer shall pay one-half of the closing costs and the entire recording fees.

**Section 10.**

**COSTS:**

- A. Sellers 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 11.**

**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 12.**

**BINDING EFFECT:**

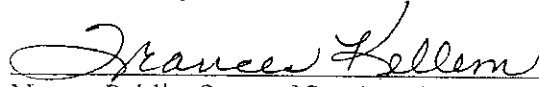
This Agreement shall extend to and be binding upon the heirs, administrators, personal representatives, successors, and assigns of the parties hereto.



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

On this 30<sup>th</sup> day of December, 2002, before me, the undersigned officer, personally appeared Jerry Munson and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City and that he, 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.

  
\_\_\_\_\_  
Notary Public, State of South Dakota  
My Commission Expires: 12-20-05

[SEAL]