

REAL ESTATE PURCHASE AGREEMENT

Section 1.

PARTIES:

The parties to this Real Estate Sale Agreement (hereinafter "Agreement") are Johnson Bar 5 Ranch, Inc., of 1500 East 27th 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.

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.

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 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 in Section three above at time of closing.

SECTION 8.

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 9.

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 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 _____ day of December, 2002.

SELLERS:
JOHNSON BAR 5 RANCH, INC.

By: _____
Charles Johnson
Its: President

BUYER:
CITY OF RAPID CITY

By: _____
Its: _____

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

On this _____ day of December, 2002, before me, the undersigned officer, personally appeared Charles Johnson, who acknowledged himself to be the President of Johnson Bar 5 Ranch, Inc., and that he, as such President authorized so to do, executed the foregoing instrument for the purposes therein contained by signing as such President of Johnson Bar 5 Ranch.

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

[SEAL]

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

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

On this _____ day of December, 2002, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of the City of Rapid City and that he, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing as such _____ 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: _____