

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT made and entered into this _____ day of June, 2002, by and between Youth and Family Services, hereinafter referred to as "Seller," and City of Rapid City, South Dakota, hereinafter referred to as "Buyer,"

W I T N E S S E T H:

WHEREAS, Seller is the owner of certain real property located at, 120 East Adams Street and 202 East Adams Street , and legally described as:

LOT TWO (2) OF BLOCK TWENTY-ONE (21), LOT THREE REVISED (3R) AND LOT FOUR REVISED (4R) OF BLOCK SIX (6), WISE'S ADDITION, LOCATED IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (SW1/4NW1/4) OF SECTION THIRTY-ONE (31), TOWNSHIP TWO NORTH (T2N), RANGE EIGHT EAST (R8E) OF THE BLACK HILLS MERIDIAN, RAPID CITY, PENNINGTON COUNTY, SOUTH DAKOTA

which real property, together with the improvements thereon is hereinafter referred to as the "Property;" and

WHEREAS, Seller desires to sell and transfer the Property to Buyer, and Buyer desires to purchase the Property from Sellers,

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, the parties agree as follows:

1. Conveyance _____ Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase the Property from Seller on the terms and conditions set forth in this Purchase Agreement.

2. Purchase Price In consideration of the conveyance of the Property by Sellers, Buyer agrees to pay to Seller the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00), payable to Seller as follows:

- (a) \$1,000,000.00 upon closing of this agreement; and
- (b) \$500,000.00 to be paid on January 2, 2003.

3. Covenants of Seller _____ Seller covenants, warrants and represents as follows:

- (a) Sellers are the owners of all right, title and interest in and to the Property and have the legal right and ability to transfer and convey all such right, title and interest in and to the Property.
- (c) Seller shall, at closing, convey the Property to Buyer in fee simple, by good and sufficient warranty deed, free and clear of all encumbrances.

- (c) Seller shall furnish to Buyer, at closing, a policy of title insurance evidencing good and merchantable title of record, free and clear of all encumbrances except as agreed to by the Buyer. The cost of title insurance shall be paid by Seller.
- (d) Seller shall maintain the Property in a condition comparable to its present condition and Sellers shall keep the Property in a reasonably clean condition.

5. Contingencies Closing of this agreement is contingent upon Seller and Buyer entering into a lease agreement for the Property for a term of Twenty (20) years with annual lease payments of One (\$1.00) per year. Such lease agreement shall also include the option for Seller to repurchase the property from Buyer at the end of the lease term for One Dollar (\$1.00). If Seller and Buyer fail to gain approval for such lease agreement, this Agreement shall be terminated.

6. Possession Buyers shall be entitled to possession of the Property immediately upon the closing of this agreement.

7. Closing The date of closing of this agreement shall be on or before _____, 2002.

8. Costs. Closing costs and fees shall be by the Seller.

9. Benefit This agreement shall inure to the benefit of and be binding upon the parties and also upon their respective heirs, representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have hereunto executed this agreement on the date and year first above written.

SELLER

BUYER

YOUTH AND FAMILY SERVICES

CITY OF RAPID CITY, SOUTH DAKOTA

By: _____

By: _____

Its: _____

Attest: _____