

LIFE SAFETY LOAN AGREEMENT BETWEEN TEPEE PROPERTIES LLC AND THE CITY OF RAPID CITY

This Life Safety Loan Agreement (hereinafter “Agreement”) is made by and between the CITY OF RAPID CITY, a South Dakota municipal corporation (“City”), of 300 Sixth Street, Rapid City, SD 57701, and TEPEE PROPERTIES LLC, of 6305 Sun Ridge Road, Rapid City, SD 57702.

WHEREAS, the City has established a Life Safety Fund Loan Program to assist building owners with the installation of sprinkler systems in existing buildings; and

WHEREAS, Tepee Properties LLC has made application to the City to participate in the Life Safety Fund Loan Program; and

WHEREAS, the City’s Life Safety Loan Fund Committee has recommended approval of Tepee Properties LLC’s application; and

WHEREAS, the City deems it in the best interest of the City of Rapid City to enter into an agreement with Tepee Properties LLC to help ensure that fire sprinkler systems are installed in apartment buildings located at 1104 Oriole Drive and 1110 Oriole Drive to facilitate the public’s safety.

NOW THEREFORE, be it agreed by the parties as follows:

1. Recitals. The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference as if fully set forth herein as agreements of the parties.

2. Purpose. The purpose of this Agreement is to promote public safety by providing low cost funds to finance the installation of a fire suppression system at 1104 Oriole Drive and 1110 Oriole Drive, Rapid City, South Dakota, the real property being legally described as follows:

**Lot 1 in Block 8 of Morningside Addition, City of Rapid City, Pennington County,
South Dakota, and**

**Lot 2R in Block 8 of Morningside Addition, City of Rapid City, Pennington County,
South Dakota**

(hereinafter “Buildings”).

3. Loan Amount. The City agrees to loan Tepee Properties LLC an amount not to exceed Seventy-two Thousand Nine Hundred and Forty-five Dollars (\$72,945.00), or eighty percent (80%) of the actual cost of installing a fire suppression system, whichever is less. Before the City of Rapid City will distribute any funds under this Agreement, Tepee Properties LLC

must provide documentation to the City Finance Director of the amount actually expended for the installation of the fire sprinkler system in the Building.

4. Security. Prior to the distribution of the funds by the City of Rapid City, Teepee Properties LLC shall provide the City of Rapid City with a bank-issued letter of credit in a form acceptable to the City Attorney. The amount of the letter of credit shall be equal to the amount of the loan.

5. Interest. The rate of interest on the loan shall be two percent (2%) per annum.

6. Term. The term of the loan shall be five (5) years.

7. Payments. Payments shall be made on or before the dates specified in the amortization schedule, attached hereto and incorporated herein by this reference. Payments shall be made in the amounts shown on Exhibit A. Should the amount of the loan be less than the full Seventy-two Thousand Nine Hundred and Forty-five Dollars (\$72,945.00) as based upon the actual cost of installation, the payment schedule above shall be adjusted by the City's Finance Director to reduce the amount of the payments. A revised amortization schedule shall be prepared by the Finance Director to reflect the adjustments. Such schedule shall be signed by the parties, attached hereto and made a part hereof.

8. Yearly Interest Credit. Teepee Properties LLC shall provide to the City's Finance Director documentation of the cost of the letter of credit required by paragraph 2 for each year of the loan term. Each year following the first year of repayment, the City's Finance Director shall determine Teepee Properties LLC's eligibility for the yearly interest credit provided by Section 3.28.020 of the Rapid City Municipal Code. If Teepee Properties LLC qualifies for the credit in any year, the Finance Director shall send written notice to Teepee Properties LLC of the credit amount and the corresponding reduction in payment amount for that year's payments.

9. Default. If Teepee Properties LLC fails to fully and timely make any payment by its due date, the City shall have the right to draw on the letter of credit to repay the loan in full. Should the letter of credit's terms require a draw in excess of the balance due, the City shall refund any excess, less its costs, expenses and attorney's fees, to Teepee Properties LLC. The breach of any other provision of this Agreement by Teepee Properties LLC shall entitle the City to accelerate the payments due, draw on the letter of credit, and pursue any other legal or equitable remedies available to it.

10. Demolition or Sale of Building. Teepee Properties LLC agrees to provide City with 30 days' notice prior to any proposed sale of the property or demolition of the building. Upon receipt of such notice, City may accelerate the payments due and/or require immediate payment in full for any outstanding amounts owed under this Agreement.

11. Indemnification. Teepee Properties LLC agrees to defend, indemnify and hold the City, its officers, employees and agents harmless from and against any and all liability, personal injury, property damage, costs and expenses (including, without limitation in any way attorneys' fees and expenses of litigation), relating in any way to or arising out of Teepee Properties LLC's

use of the funds loaned pursuant to this Agreement or its installation of a fire suppression system.

12. Binding Effect. The covenants and agreements contained in this Agreement shall apply to, inure to the benefit of and be binding upon the parties hereto and upon their respective successors administrators, executors and assigns.

13. Waivers. The failure by one party to require performance of any provision herein shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself.

14. Amendments. This Agreement may only be amended by a written document duly executed by all parties.

15. Entire Agreement. This Agreement constitutes the entire agreement between the parties, and supersedes all prior negotiations, agreements and understandings, whether oral or written.

16. Counterparts. This Agreement may be executed in counterparts; each such counterpart shall be deemed an original and when taken together with other signed counterparts, shall constitute one Agreement.

17. Headings. The headings and numbering of the different paragraphs of this Agreement are inserted for convenience only and are not to control or affect the meaning, construction or effect of each provision.

18. Construction and Venue. This Agreement shall be interpreted under the laws of the State of South Dakota without regard to provisions on conflict of laws. All litigation under this Agreement shall be take place in the Circuit Court of Pennington County, South Dakota.

[SIGNATURE PAGES FOLLOW]

Dated this _____ day of _____, 2023.

Tepee Properties LLC

By _____

(signature)

(printed name)

Its _____

(title)

State of South Dakota)
 ss.
County of Pennington)

On this the _____ day of _____, 20____, before me, the undersigned officer, personally appeared _____, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged himself/herself to be the _____ of Tepee Properties LLC and as such, being duly authorized to do so, he/she executed the same in the name of Tepee Properties LLC for the purposes therein contained.

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

Notary Public, South Dakota
My Commission Expires:

(SEAL)

Dated this _____ day of _____, 20__.

CITY OF RAPID CITY

Mayor Steve Allender

ATTEST:

Tracy Davis, Interim Finance Director

(seal)

State of South Dakota)

ss.

County of Pennington)

On this the _____ day of _____, 20__, before me, the undersigned officer, personally appeared Steve Allender and Tracy Davis, who acknowledged themselves to be the Mayor and Interim Finance Director, respectively, of the City of Rapid City, a municipal corporation, and that they as such Mayor and Interim Finance Director, being authorized to do so, executed the foregoing Agreement for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Interim Finance Director.

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

(seal)

Notary Public, South Dakota

My Commission Expires: _____