

**LIFE SAFETY LOAN AGREEMENT BETWEEN RICE 301 FAMILY
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 RICE 301 FAMILY PROPERTIES, LLC (“Owner”), of 3337 East Mall Drive, Rapid City, SD 57701.

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, Owner has made application to the City to participate in the Life Safety Fund Loan Program for its property at 301 Cambell Street, Rapid City, SD 57701; and

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

WHEREAS, the City deems it in the best interest of the City of Rapid City to enter into an agreement with Owner help ensure that fire sprinkler systems are installed in a building located at 301 Cambell Street 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 in the building located at 308 Cambell Street, Rapid City, South Dakota, the real property being legally described as follows:

**Lot 2 of Rice Valley View Properties, City of Rapid City, Pennington County, South
Dakota**

(hereinafter “Building”).

3. Loan Amount. The City agrees to loan Owner an amount not to exceed Fifty Nine Thousand Four Hundred and Sixty Dollars (\$59,460), 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, Owner 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, Owner 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 seven (7) 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 Fifty Nine Thousand Four Hundred and Sixty Dollars (\$59,460) 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. Owner 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 Owner's eligibility for the yearly interest credit provided by Section 3.28.020 of the Rapid City Municipal Code. If Owner qualifies for the credit in any year, the Finance Director shall send written notice to Owner of the credit amount and the corresponding reduction in payment amount for that year's payments.

9. Default. If Owner 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 Owner. The breach of any other provision of this Agreement by Owner 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. Owner 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. Owner 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 Owner'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.

Dated this _____ day of _____, 2021.

RICE 301 FAMILY PROPERTIES, LLC

By _____
(signature)

(printed name)

Its _____
(title)

Dated this _____ day of _____, 2021.

CITY OF RAPID CITY

Steve Allender, Mayor

ATTEST:

Pauline Sumption, Finance Director

(seal)

EXHIBIT A

Estimated Amortization