

**LIFE SAFETY LOAN AGREEMENT  
BETWEEN RAPID RIVER GALLERY, 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 RAPID RIVER GALLERY, LLC, a South Dakota limited liability company (“Rapid River”), of 910 Main Street, 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, Rapid River 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 Rapid River’s application; and

WHEREAS, the City deems it in the best interest of the City of Rapid City to enter into an agreement with Rapid River to help insure that fire sprinkler systems are installed in the building located at 910 Main Street to facilitate the public 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 910 Main Street, Rapid City, South Dakota (hereinafter “Building”).
3. Loan Amount. The City agrees to loan Rapid River an amount not to exceed Twenty-eight Thousand Dollars (\$28,000) or eighty percent (80%) of the actual cost of installing a fire suppression system in the Building, whichever is less. Before the City will distribute any funds under this agreement, Rapid River must provide documentation of the amount actually expended for the installation of the fire sprinkler system to the City Finance Officer.
4. Security. Prior to the distribution of the funds by the City, Rapid River shall provide the 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 5th day of each month during the term of the loan, beginning March 5, 2013. Payments shall be made in the amounts shown on the amortization schedule attached hereto as Exhibit A and incorporated herein by this reference. Should the amount of the loan be less than the full Twenty-eight Thousand Dollars (\$28,000) as based upon the actual cost of installation, the payment schedule above shall be adjusted by the City's Finance Officer to reduce the amount of the payments. A revised amortization schedule shall be prepared by the Finance Officer to reflect the adjustments. Such schedule shall be signed by the parties, attached hereto and made a part hereof.

8. Yearly Interest Credit. Rapid River shall provide to the City's Finance Officer 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 Officer shall determine Rapid River's eligibility for the yearly interest credit provided by Section 3.28.020 of the Rapid City Municipal Code. If Rapid River qualifies for the credit in any year, the Finance Officer shall send written notice to Rapid River of the credit amount and the corresponding reduction in payment amount for that year's payments.

9. Default. If Rapid River 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 attorneys fees, to Rapid River. The breach of any other provision of this Agreement by Rapid River 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. Indemnification. Rapid River 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 Rapid River's use of the funds loaned pursuant to this Agreement or its installation of a fire suppression system.

11. 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.

12. 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.

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

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

15. **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.

16. **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.

17. **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 \_\_\_\_\_, 2013.

**RAPID RIVER GALLERY, LLC**

By \_\_\_\_\_  
Patrick Roseland, President

State of South Dakota        )  
  ss.  
County of Pennington        )

On this the \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned officer personally appeared Patrick Roseland, who acknowledged himself to be the President of RAPID RIVER GALLERY, LLC, and that he, as such President, being authorized so to do, executed the foregoing Agreement for the purposes therein contained by signing the name of RAPID RIVER GALLERY, LLC by himself as President.

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

(seal)

\_\_\_\_\_  
Notary Public – South Dakota  
My Commission Expires \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

**CITY OF RAPID CITY**

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Finance Officer

(SEAL)

State of South Dakota        )  
  ss.  
County of Pennington        )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned officer, personally appeared Sam Kooiker and Pauline Sumption, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation, and that they, as such Mayor and Finance Officer, being authorized so to do, executed the foregoing Agreement for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Officer.

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

(seal)

\_\_\_\_\_  
Notary Public – South Dakota  
My Commission Expires \_\_\_\_\_

**EXHIBIT A**

Life Safety Loan Agreement Between Red River Gallery, LLC and the City of Rapid City

**Loan Amortization Schedule**

Enter values	
Loan amount	\$ 28,000.00
Annual interest rate	2.00 %
Loan period in years	7
Number of payments per year	12
Start date of loan	2/5/2013
Optional extra payments	

Lender name: \_\_\_\_\_

Loan summary	
Scheduled payment	\$ 357.49
Scheduled number of payments	84
Actual number of payments	84
Total early payments	-
Total interest	\$ 2,029.01

Print No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	3/5/2013	28,000.00	357.49	-	357.49	310.82	46.67	27,689.18	46.67
2	4/5/2013	27,689.18	357.49	-	357.49	311.34	46.15	27,377.84	92.82
3	5/5/2013	27,377.84	357.49	-	357.49	311.86	45.63	27,066.98	138.45
4	6/5/2013	27,066.98	357.49	-	357.49	312.38	45.11	26,753.60	183.55
5	7/5/2013	26,753.60	357.49	-	357.49	312.90	44.59	26,440.70	228.14
6	8/5/2013	26,440.70	357.49	-	357.49	313.42	44.07	26,127.28	272.21
7	9/5/2013	26,127.28	357.49	-	357.49	313.94	43.55	25,813.34	315.76
8	10/5/2013	25,813.34	357.49	-	357.49	314.47	43.02	25,498.87	358.78
9	11/5/2013	25,498.87	357.49	-	357.49	314.99	42.50	25,183.88	401.28
10	12/5/2013	25,183.88	357.49	-	357.49	315.52	41.97	24,868.37	443.25
11	1/5/2014	24,868.37	357.49	-	357.49	316.04	41.45	24,552.33	484.70
12	2/5/2014	24,552.33	357.49	-	357.49	316.57	40.92	24,235.76	525.62
13	3/5/2014	24,235.76	357.49	-	357.49	317.10	40.39	23,918.67	566.01
14	4/5/2014	23,918.67	357.49	-	357.49	317.62	39.86	23,601.04	605.88
15	5/5/2014	23,601.04	357.49	-	357.49	318.15	39.34	23,282.89	645.21
16	6/5/2014	23,282.89	357.49	-	357.49	318.68	38.80	22,964.21	684.02
17	7/5/2014	22,964.21	357.49	-	357.49	319.21	38.27	22,644.99	722.29
18	8/5/2014	22,644.99	357.49	-	357.49	319.75	37.74	22,325.24	760.03
19	9/5/2014	22,325.24	357.49	-	357.49	320.28	37.21	22,004.96	797.24
20	10/5/2014	22,004.96	357.49	-	357.49	320.81	36.67	21,684.15	833.92
21	11/5/2014	21,684.15	357.49	-	357.49	321.35	36.14	21,362.80	870.06
22	12/5/2014	21,362.80	357.49	-	357.49	321.88	35.60	21,040.92	905.66
23	1/5/2015	21,040.92	357.49	-	357.49	322.42	35.07	20,718.50	940.73
24	2/5/2015	20,718.50	357.49	-	357.49	322.96	34.53	20,395.54	975.26
25	3/5/2015	20,395.54	357.49	-	357.49	323.50	33.99	20,072.05	1,009.25
26	4/5/2015	20,072.05	357.49	-	357.49	324.03	33.45	19,748.01	1,042.71
27	5/5/2015	19,748.01	357.49	-	357.49	324.57	32.91	19,423.44	1,075.62
28	6/5/2015	19,423.44	357.49	-	357.49	325.12	32.37	19,098.32	1,107.99
29	7/5/2015	19,098.32	357.49	-	357.49	325.66	31.83	18,772.66	1,139.82
30	8/5/2015	18,772.66	357.49	-	357.49	326.20	31.29	18,446.46	1,171.11
31	9/5/2015	18,446.46	357.49	-	357.49	326.74	30.74	18,119.72	1,201.85
32	10/5/2015	18,119.72	357.49	-	357.49	327.29	30.20	17,792.43	1,232.05
33	11/5/2015	17,792.43	357.49	-	357.49	327.83	29.65	17,464.60	1,261.71
34	12/5/2015	17,464.60	357.49	-	357.49	328.38	29.11	17,136.22	1,290.81
35	1/5/2016	17,136.22	357.49	-	357.49	328.93	28.56	16,807.29	1,319.37
36	2/5/2016	16,807.29	357.49	-	357.49	329.48	28.01	16,477.81	1,347.39
37	3/5/2016	16,477.81	357.49	-	357.49	330.03	27.46	16,147.79	1,374.85

**EXHIBIT A**

Life Safety Loan Agreement Between Red River Gallery, LLC and the City of Rapid City

Part No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
38	4/5/2016 \$	16,147.79 \$	357.49 \$	\$ -	357.49 \$	330.58 \$	26.91 \$	15,817.21 \$	1,401.76 \$
39	5/5/2016 \$	15,817.21 \$	357.49 \$	\$ -	357.49 \$	331.13 \$	26.36 \$	15,486.09 \$	1,428.13 \$
40	6/5/2016 \$	15,486.09 \$	357.49 \$	\$ -	357.49 \$	331.68 \$	25.81 \$	15,154.41 \$	1,453.94 \$
41	7/5/2016 \$	15,154.41 \$	357.49 \$	\$ -	357.49 \$	332.23 \$	25.26 \$	14,822.18 \$	1,479.19 \$
42	8/5/2016 \$	14,822.18 \$	357.49 \$	\$ -	357.49 \$	332.78 \$	24.70 \$	14,489.39 \$	1,503.90 \$
43	9/5/2016 \$	14,489.39 \$	357.49 \$	\$ -	357.49 \$	333.34 \$	24.15 \$	14,156.05 \$	1,528.05 \$
44	10/5/2016 \$	14,156.05 \$	357.49 \$	\$ -	357.49 \$	333.89 \$	23.59 \$	13,822.16 \$	1,551.64 \$
45	11/5/2016 \$	13,822.16 \$	357.49 \$	\$ -	357.49 \$	334.45 \$	23.04 \$	13,487.71 \$	1,574.68 \$
46	12/5/2016 \$	13,487.71 \$	357.49 \$	\$ -	357.49 \$	335.01 \$	22.48 \$	13,152.70 \$	1,597.16 \$
47	1/5/2017 \$	13,152.70 \$	357.49 \$	\$ -	357.49 \$	335.57 \$	21.92 \$	12,817.13 \$	1,619.08 \$
48	2/5/2017 \$	12,817.13 \$	357.49 \$	\$ -	357.49 \$	336.13 \$	21.36 \$	12,481.01 \$	1,640.44 \$
49	3/5/2017 \$	12,481.01 \$	357.49 \$	\$ -	357.49 \$	336.69 \$	20.80 \$	12,144.32 \$	1,661.24 \$
50	4/5/2017 \$	12,144.32 \$	357.49 \$	\$ -	357.49 \$	337.25 \$	20.24 \$	11,807.07 \$	1,681.48 \$
51	5/5/2017 \$	11,807.07 \$	357.49 \$	\$ -	357.49 \$	337.81 \$	19.68 \$	11,469.26 \$	1,701.16 \$
52	6/5/2017 \$	11,469.26 \$	357.49 \$	\$ -	357.49 \$	338.37 \$	19.12 \$	11,130.89 \$	1,720.27 \$
53	7/5/2017 \$	11,130.89 \$	357.49 \$	\$ -	357.49 \$	338.94 \$	18.55 \$	10,791.95 \$	1,738.83 \$
54	8/5/2017 \$	10,791.95 \$	357.49 \$	\$ -	357.49 \$	339.50 \$	17.99 \$	10,452.45 \$	1,756.81 \$
55	9/5/2017 \$	10,452.45 \$	357.49 \$	\$ -	357.49 \$	340.07 \$	17.42 \$	10,112.38 \$	1,774.23 \$
56	10/5/2017 \$	10,112.38 \$	357.49 \$	\$ -	357.49 \$	340.63 \$	16.85 \$	9,771.75 \$	1,791.09 \$
57	11/5/2017 \$	9,771.75 \$	357.49 \$	\$ -	357.49 \$	341.20 \$	16.29 \$	9,430.55 \$	1,807.37 \$
58	12/5/2017 \$	9,430.55 \$	357.49 \$	\$ -	357.49 \$	341.77 \$	15.72 \$	9,088.78 \$	1,823.09 \$
59	1/5/2018 \$	9,088.78 \$	357.49 \$	\$ -	357.49 \$	342.34 \$	15.15 \$	8,746.44 \$	1,838.24 \$
60	2/5/2018 \$	8,746.44 \$	357.49 \$	\$ -	357.49 \$	342.91 \$	14.58 \$	8,403.53 \$	1,852.82 \$
61	3/5/2018 \$	8,403.53 \$	357.49 \$	\$ -	357.49 \$	343.48 \$	14.01 \$	8,060.04 \$	1,866.82 \$
62	4/5/2018 \$	8,060.04 \$	357.49 \$	\$ -	357.49 \$	344.05 \$	13.43 \$	7,715.99 \$	1,880.26 \$
63	5/5/2018 \$	7,715.99 \$	357.49 \$	\$ -	357.49 \$	344.63 \$	12.86 \$	7,371.36 \$	1,893.12 \$
64	6/5/2018 \$	7,371.36 \$	357.49 \$	\$ -	357.49 \$	345.20 \$	12.29 \$	7,026.16 \$	1,905.40 \$
65	7/5/2018 \$	7,026.16 \$	357.49 \$	\$ -	357.49 \$	345.78 \$	11.71 \$	6,680.38 \$	1,917.11 \$
66	8/5/2018 \$	6,680.38 \$	357.49 \$	\$ -	357.49 \$	346.35 \$	11.13 \$	6,334.03 \$	1,928.25 \$
67	9/5/2018 \$	6,334.03 \$	357.49 \$	\$ -	357.49 \$	346.93 \$	10.56 \$	5,987.09 \$	1,938.80 \$
68	10/5/2018 \$	5,987.09 \$	357.49 \$	\$ -	357.49 \$	347.51 \$	9.98 \$	5,639.58 \$	1,948.78 \$
69	11/5/2018 \$	5,639.58 \$	357.49 \$	\$ -	357.49 \$	348.09 \$	9.40 \$	5,291.50 \$	1,958.18 \$
70	12/5/2018 \$	5,291.50 \$	357.49 \$	\$ -	357.49 \$	348.67 \$	8.82 \$	4,942.83 \$	1,967.00 \$
71	1/5/2019 \$	4,942.83 \$	357.49 \$	\$ -	357.49 \$	349.25 \$	8.24 \$	4,593.58 \$	1,975.24 \$
72	2/5/2019 \$	4,593.58 \$	357.49 \$	\$ -	357.49 \$	349.83 \$	7.66 \$	4,243.74 \$	1,982.89 \$
73	3/5/2019 \$	4,243.74 \$	357.49 \$	\$ -	357.49 \$	350.42 \$	7.07 \$	3,893.33 \$	1,989.97 \$
74	4/5/2019 \$	3,893.33 \$	357.49 \$	\$ -	357.49 \$	351.00 \$	6.49 \$	3,542.33 \$	1,996.45 \$
75	5/5/2019 \$	3,542.33 \$	357.49 \$	\$ -	357.49 \$	351.58 \$	5.90 \$	3,190.75 \$	2,002.36 \$
76	6/5/2019 \$	3,190.75 \$	357.49 \$	\$ -	357.49 \$	352.17 \$	5.32 \$	2,838.57 \$	2,007.68 \$
77	7/5/2019 \$	2,838.57 \$	357.49 \$	\$ -	357.49 \$	352.76 \$	4.73 \$	2,485.82 \$	2,012.41 \$
78	8/5/2019 \$	2,485.82 \$	357.49 \$	\$ -	357.49 \$	353.35 \$	4.14 \$	2,132.47 \$	2,016.55 \$
79	9/5/2019 \$	2,132.47 \$	357.49 \$	\$ -	357.49 \$	353.93 \$	3.55 \$	1,778.54 \$	2,020.10 \$
80	10/5/2019 \$	1,778.54 \$	357.49 \$	\$ -	357.49 \$	354.52 \$	2.96 \$	1,424.01 \$	2,023.07 \$
81	11/5/2019 \$	1,424.01 \$	357.49 \$	\$ -	357.49 \$	355.11 \$	2.37 \$	1,068.90 \$	2,025.44 \$
82	12/5/2019 \$	1,068.90 \$	357.49 \$	\$ -	357.49 \$	355.71 \$	1.78 \$	713.19 \$	2,027.22 \$
83	1/5/2020 \$	713.19 \$	357.49 \$	\$ -	357.49 \$	356.30 \$	1.19 \$	356.89 \$	2,028.41 \$
84	2/5/2020 \$	356.89 \$	357.49 \$	\$ -	356.89 \$	356.90 \$	0.59 \$	\$ -	2,029.01 \$