

LOAN AGREEMENT

THIS AGREEMENT, is made and entered into on this _____ day of _____, 2016, by and between Soccer Rapid City, a South Dakota a 501(c)(3) nonprofit corporation with its principal place of business at 1733 East Tallent Street, Rapid City, South Dakota 57703, (hereinafter the "Borrower"), and the City of Rapid City, a municipal corporation and political subdivision of the State of South Dakota, located at 300 Sixth Street, Rapid City, South Dakota 57701, (hereinafter the "City").

RECITALS

WHEREAS, City is the owner of certain real property located generally at 3737 Elk Vale Drive and more particularly described as follows:

S464.64 ft OF SE1/4NW1/4NE1/4; S464.64 ft OF NE1/4NE1/4
LESS H1; E1/2SW1/4NE1/4; SE1/4NE1/4, SEC 21, T2N, R8E,
BHM, Rapid City, Pennington County, South Dakota.

(hereinafter the "Land"); and

WHEREAS, Borrower has secured pledges of donations to build various improvements and amenities to the Land for the development of a soccer complex; and

WHEREAS, one such contemplated improvement is the construction and installation of sponsor signage and other amenities that are appropriate at the soccer fields on the Land (hereinafter the "Project"); and

WHEREAS, Borrower has requested a Loan from the City in the amount of Two Hundred Fifty Thousand dollars (\$250,000.00) in order to move forward and complete the Project by the spring of 2016; and

WHEREAS, the City desires to assist in facilitating improvements to the Land, such improvements being a benefit to the public and being a benefit to Borrower as lessee of the Land by making a loan to Borrower for the completion of the Project; and

WHEREAS, But for Borrower's promises to complete the Project and repay the loan, City would not be making a loan to Borrower for the Project; in other words, City has agreed to make such a loan to Borrower in reliance upon Borrower's promise to complete the Project and repay the loan; and

WHEREAS the loan for such improvements shall be repaid by the Borrower from the receipt of pledges from donors; and

WHEREAS, the Common Council of the City of Rapid City has recommended approval for a loan to Borrower in the amount of Two Hundred Fifty Thousand dollars (\$250,000.00) (hereinafter the “Loan”); and

WHEREAS, the parties hereto desire to enter into this Agreement to set forth the terms and conditions under which Borrower will borrow \$250,000.00 from the City and the terms and conditions under which the Loan will be repaid;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions herein set forth, it is agreed as follows:

1. Loan and Agreed Interest Rate. The City shall loan to Borrower and Borrower shall borrow from the City the principal sum of Two Hundred Fifty Thousand dollars (\$250,000.00). Interest shall accrue on the unpaid balance of the principal sum of Two Hundred Fifty Thousand dollars (\$250,000.00) at an annual rate of 3%.

2. Repayment. Borrower shall repay to the City semiannually from pledge donations received by Borrower. The entire outstanding loan balance, including accrued interest, shall be due and payable not later than five years from the date of the execution of this Agreement.

3. Security for Loan Repayment. The repayment of the loan shall be secured by pledge agreements which are payable to the Borrower by donors on a periodic basis. Copies of Donor Agreements held by Borrower shall be provided to City and shall be incorporated by reference as if fully set forth in this document.

4. Periodic Reporting Requirement and Additional Security. It is anticipated that Borrower will obtain additional pledges evidenced by Donor Agreements which pledge receipts are intended to be applied to Project costs. Borrower agrees to report to City semi-annually and in addition upon written request by the City any and all information available about additional pledges, including provision to the City of copies of additional Donor Agreements which shall become additional security under this Agreement upon execution of the same, and are herein incorporated by reference as if fully set forth in this document.

5. Promissory Note. The Loan as herein provided shall be evidenced by a Promissory Note in the form shown on the attached Exhibit A. The Promissory Note shall permit prepayment without penalty or premium.

6. Construction. Borrower shall construct the Project in accordance with all applicable City construction standards, and in accordance with all applicable federal, state, and local laws. The construction of the Project shall follow all bid laws applicable to municipalities.

7. Cost Variations. In the event the actual construction costs vary from the amount of the Loan, the parties agree that actual costs will be paid by the Borrower. The City is not obligated to advance funds in excess of the amount of the Loan as set out in paragraph 1 herein.

8. Project Improvements. All infrastructure Project improvements constructed by the Borrower under this Agreement shall become a fixture upon the Land, and shall become the property of the City upon substantial completion thereof.

9. Further Assurances. The parties agree to execute such other and further documents and instruments, not inconsistent herewith, as may be reasonably necessary to accomplish the intent and purpose of this Agreement.

10. Choice of Law and Venue. The parties agree that the terms of this Agreement and the Promissory Note and along with the rights and obligations of the parties shall be controlled by the laws of the State of South Dakota. Any dispute arising out of this agreement or the Promissory Note shall be litigated only in the Seventh Judicial Circuit Court for the State of South Dakota, located in Rapid City, Pennington County, South Dakota.

11. Merger. This written agreement along with the Promissory Note constitute the entire agreement of the parties. There are no other promises or consideration. All prior negotiations are merged herein or intentionally omitted.

[THIS SPACE INTENTIONALLY LEFT BLANK]

Dated this ____ day of _____, 2016.

CITY OF RAPID CITY

Steve Allender, Mayor

ATTEST:

Finance Officer

(SEAL)

STATE OF SOUTH DAKOTA,)
) ss.
COUNTY OF PENNINGTON.)

On this the _____ day of _____, 2016, before me, the undersigned officer, personally appeared Steve Allender 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 duly authorized to do so, executed the foregoing instrument for the purposes herein 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.

Notary Public, South Dakota

My Commission Expires:

(SEAL)

Dated this _____ day of _____, 2016.

SOC CER RAPID CITY

By: _____

Its: _____

STATE OF SOUTH DAKOTA,)
) ss.
COUNTY OF PENNINGTON.)

On this the _____ day of _____, 2016, before me, the undersigned officer personally appeared _____, who acknowledged himself to be the _____ of Soccer Rapid City, and that as such, being duly authorized to do so, executed the foregoing instrument for the purposes herein contained.

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

Notary Public, _____

My Commission Expires:

(SEAL)