

March 16, 2017

Lynn Lander  
City Manager  
Aberdeen, SD 57401

Dear Manager Lander:

This is a Letter of Intent (the "LOI") setting forth the general terms upon which the Aberdeen Area Chamber of Commerce ("Buyer") is prepared to purchase from the City of Aberdeen, (collectively "Seller"), the building housing the current Alexander Mitchell Library and the lot upon which it is located.

1. **Beneficial Purpose.** The Chamber is a nonprofit, civic organization dedicated to the betterment of Aberdeen businesses and those in the surrounding area. By selling this property to the Chamber, the City will provide the Chamber with sufficient space to create a gateway visitor center and enter into strategic partnerships. The first of these would be with the Convention and Visitor's Bureau. The Chamber and CVB would co-locate in this facility allowing both entities to make more efficient use of City and their members' funds. This partnership would also enable both entities to better serve the Aberdeen Area. This space would also enable the Chamber to pursue co-location opportunities with other organizations.
2. **Purchase of Real Property.** Buyer is aware that the property has been declared surplus by the City. Buyer is also aware that the City has budgeted \$350,000 as the anticipated revenue from the sale of the property. As a nonprofit, Buyer's funds are limited; however, Buyer has the ability to pay the City the full budgeted amount. Therefore, Buyer proposes to purchase the real property and improvements from the City for \$350,000, which will be paid in cash at closing. There are no financing contingencies on this offer.
3. **Purchase Agreement.** The parties would enter into a Purchase Agreement (the "Agreement") incorporating the provisions of this LOI and containing additional provisions, representations and warranties customary in transactions of this type. The Purchase Agreement would be prepared, negotiated and executed within approximately 30 days from the City's acceptance of this LOI. Buyer's counsel, Siegel, Barnett and Schutz, LLP, of Aberdeen, South Dakota will draft the Agreement and any other necessary documents.

4. **Due Diligence.** The purchase agreement will provide Buyer with a 30 day due diligence period beginning after Seller has signed the Purchase Agreement.
5. **Closing Conditions and Termination.** The sale will be closed within five business days after expiration of the due diligence period or after receipt of the title insurance, whichever is later.
6. **Assignment.** Buyer may assign its interests under this LOI and the Purchase Agreement to an entity formed for the purpose of owning the property.
7. **Environmental & Toxic Waste & Permits.** Seller is not aware of any toxic waste or hazardous waste material on or under the property. Seller represents to the Buyer that the property meets the requirements established by environmental protection agency, and other governmental agencies. On request, Seller will promptly furnish Buyer with a copy of any and all environmental reports and any certificates of compliance regarding the property.
8. **Escrow.** The Purchase Agreement will provide that upon execution of the Agreement, Buyer will deposit in Siegel, Barnett & Schutz trust account \$25,000 as earnest money for this transaction. The earnest money will be credited toward the purchase price and delivered to Seller at Closing.
9. **Payment of Expenses.** Buyer and Seller each will be responsible for their own costs and expenses incurred in connection with the contemplated transaction, including, without limitation, attorney, accountant, appraisal, inspection, testing and any other fees.

This LOI is intended to serve only as an expression of Buyer's intent with respect to the transaction contemplated hereby and neither the City nor the Chamber will have any obligation except as set forth in the Purchase Agreement referred to above.

Dated March 16, 2017.

Aberdeen Area Chamber of Commerce

By: 

Its: President