

ACKNOWLEDGMENT

I, _____, am the _____ (title) and hold authority to bind _____, ("Proposer"), an entity that proposes to purchase and redevelop all or portions of the Property - 500 N Heritage Parkway Tea, SD 57064 Legally Described as;

- The West 370.67 Feet of the North 132.39 Feet of the West Half of the South Half of the South Half of the Northwest Quarter of the Southwest Quarter (W1/2S1/2S1/2NW1/4SW1/4) of Section 25, Township 100 North, Range 51 West of the 5th P.M., Lincoln County, South Dakota, according to the government survey thereof ("the Property").

By signature below, I am making the following binding statements on behalf of the Proposer.

I have reviewed this Acknowledgment, and the documents listed on **Exhibit A** and have shared them with the Proposer's team, including its partners, investors, agents, consultants, architects, designers, consultants, attorneys, realtors, managers, financiers, and such other professionals as the Proposer will use for its proposed development or redevelopment (both of which are referred to as "development" for purposes of this Acknowledgement).

On behalf of the Proposer, I acknowledge, understand, and agree to the following:

SPECIFIC REQUIREMENTS

1. **Exhibit A** contains a non-exhaustive list of documents containing obligations, legal standards, restrictions, and fees applying to the Heritage Parkway Property Project ("Project"). The records, documents or information made available to Proposer through this list, or otherwise, are being provided for informational purposes only and shall be read in the context they were prepared by Tea Housing Redevelopment Commission (THRC) and its staff. The THRC does not warrant the accuracy of any record, document or information made available to Proposer or any of the records or documents. Statements of fact or opinion contained in any record, documents or information made available to Proposer shall not be deemed to be a warranty. Further, Proposer is responsible for its own due diligence despite receiving information and documentation relating to the Property from the THRC. Proposer will independently verify such information provided by the THRC and Proposer releases the THRC from any and all liability, damages and claims associated with Proposer's reliance thereon.
2. Proposer may request City or other public funding or participation for development and, while City will consider such requests, the Proposer is not guaranteed public funding, zoning changes, tax benefits, site or set back variances, fee waivers, or other benefits or privileges. Any requests for financial participation are subject to appropriation by the Tea City Council, in its sole discretion. The THRC is willing to assist the Proposer with requests for public assistance directly to the City of Tea.
3. The Property is offered only on an "AS IS AND WITH ALL FAULTS" basis the same as the property was purchased by the Tea Housing and Redevelopment Commission from a Private Property Owner. (**See Exhibit A, Item 2**) (Closing Documents). To the extent there are other studies and/or test results held by the THRC, the THRC will make such studies available prior to purchase. In addition, Proposer is encouraged to undertake its own independent environmental review, site study, or other review as it deems appropriate and necessary and if it does so, such review will be at Proposer's own expense. Any soil tests or other invasive testing must be arranged in advance through the THRC and an access agreement will be required.

4. In the event Proposer purchases the Property, Proposer will be required to make all arrangements and pay all costs for site preparation and construction including but not limited to those necessary for reviewing and complying with environmental and historical requirements and deed restrictions. In addition to any requirements associated with the specific property offered for sale, development is subject to compliance with adopted City fees, design standards, and ordinances, the same as with other development in the City.
5. The Tea Housing and Redevelopment Commission has removed all structures from the Property at their expense. The City removed and filled in a basement on the property. The property was lightly graded and seeded.
6. The Tea HRC acquired the above described property in 2023 by means of a Quitclaim Deed from a private property owner.
7. A portion of the Property is within a FEMA designated Floodplain, containing both Zone A Flood Fringe and Floodway.
8. As part of the obligations associated with development of the Property, Proposer would be required to pay for all costs for locating or relocating utility and communications facilities and accessory structures, if necessary to suit its needs or as required to meet City standards. In preparing for development, the Proposer will confer with City Engineering to obtain information on the location and costs of City and other utilities
9. Any structures to be constructed as part of the development will be subject to building design standards specific to the City of Tea requirements and must otherwise meet City planning and zoning requirements. Unless otherwise stated in a Development Agreement, any public improvements to be constructed (such as streets, gutters, sidewalks, light poles), are to be constructed at the expense of the Proposer. If they are to be dedicated to the City so that the City is responsible for future maintenance, then the City's Engineering Design Standards and the City's Development Construction Requirements must be met. Developer will provide financial assurance for any public improvements as required by City ordinance (escrow, letter of credit, or corporate surety bond).

STANDARD REQUIREMENTS

10. A Development Agreement with the THRC is required along with a Purchase and Sale Agreement for the Property. Proposer understands the following commitments must be included in addition to any other obligations in the Development Agreement and/or Purchase Agreement:

- a. Proposer will defend, indemnify and hold the THRC and its agents harmless from any and all claims or lawsuits that may rise from the Developer's activities, including the acts or omissions of the Developer, its independent contractors, agents or employees or officers.
- b. Proposer will carry adequate liability, builder's risk, worker's compensation, and other appropriate insurance for the project and add the THRC as an additional insured.
- c. Proposer will obtain payment and performance bonds or other financial

assurance sufficient to guaranty timely performance of all proposed construction and, further, will provide financial assurance as for any public improvements as required by City ordinance.

- d. Proposer will complete the development in a quality and timely manner, with dates to be established in the Development Agreement.
- e. The Proposer will be prohibited from selling the property without the consent of the THRC until such time as the development project is completed. The Development Agreement may not be assigned by Proposer to others without the consent of the THRC.
- f. Measures will be included to ensure timely and quality performance in a manner consistent with and in compliance with any obligations and restrictions in the Development Agreement, Deed, and applicable legal requirements.
- g. Proposer will be responsible for all aspects of its respective project including, but not limited to, procuring all necessary approvals and permits, complying with all environmental, and land use criteria, handling all financing, design, construction, landscaping, drainage, and utility installations, payment of platting, regulatory fees, and taxes, and marketing and management pertinent to its own project.
- h. Any Development Agreement that includes public improvements (streets, sidewalks, streetlights, etc.) must include the commitment to comply with the City of Tea Engineering Design Standards For Public Improvements, and the terms of the Subdivision Construction Agreement and financial assurance.
- i. The final Development Agreement and Purchase Agreement will be deemed public records pursuant to state law and will be available to the public once negotiations have concluded (except for proprietary or confidential information exempt from state law).
- j. Compliance with all applicable local, state, and federal laws, codes, and regulations is required.
- k. The Proposer must commit to fully and completely comply with and respond to all terms, conditions, and requirements in this Acknowledgment.
- l. The Proposer must verify it is a duly qualified, capable, and otherwise bondable business entity.
- m. The Proposer must warrant that all applicable patents and copyrights concerning its Development have been and will be adhered to and that the THRC shall not be held liable for any infringement of those rights.
- n. Proposer's certification that (a) neither the Proposer nor its officers, agents, employees, or independent contractors have a possible conflict of interest preventing it or them from entering into a Purchase Agreement for the Property or a Development Agreement, (b) that none of its officers, agents, employees, or independent contractors is an officer or employee of the Tea Housing Redevelopment Commission, and (c) that if such conflict of interest should arise during any negotiations for the Development Agreement or sale of the Property, the THRC may reject the Proposer's proposal.

- o. Proposer acknowledges the Tea Housing Redevelopment Commission, its officers, directors and employees do not represent Proposer as a client. If Proposer becomes a party to a real estate transaction with the THRC, Proposer understands that the officers, directors and employees of the THRC may be acting as agents for the THRC.

Date

Signature

Printed Name

Proposer Name

Exhibit A

1. Purchase and Sale Agreement for 500 N Heritage Avenue.
2. Closing Documents for the Tea Housing Redevelopment Commission purchase of 500 N Heritage Avenue.
3. Plat of Tracts 1, 2, 3, and 4 of Burlington Northern-Santa Fe 4th Addition to the City of Sioux Falls filed with the Minnehaha County Register of Deeds on September 15, 2015, and Recorded in Book 77 of Plats on page 225 (as corrected by an Affidavit of Correction filed with the Minnehaha County Register of Deeds on Marcy 30, 2016 and Recorded in Book 281 of Misc. on Page 423).
4. Independent Appraisal of 500 N Heritage Avenue
5. City of Tea Subdivision Ordinance and Engineering Design Standards
6. City of Tea Development Fees
7. City of Tea Floodplain Management Ordinance