

Joe Mahoney

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May 18, 2018

Michael Kerski
Director of Planning & Development
City of Shakopee
485 Gorman Street
Shakopee, MN 55379

**RE: Letter of Intent for
Proposed Purchase and Sale of
Approximately 16.73 Acres
SEQ of Cty Rd 69 & Vierling Drive
Shakopee, MN 55379**

Dear Michael:

This letter of intent outlines the general terms and conditions upon which Opus Development Company, L.L.C. (“Buyer”) desires to negotiate with City of Shakopee (“Seller”) for the purchase and sale of the property described in Paragraph 1 below (“Property”). Except for the items set forth in Section B below, this letter does not constitute a binding agreement or contract. The purpose of this letter is to summarize discussions concerning the purchase and sale of the Property and to set forth a basis upon which the parties may proceed toward the mutual execution of a binding purchase agreement.

A. Based on the foregoing understanding, the parties desire to negotiate a Purchase Agreement with the following terms and conditions:

- | | |
|-------------------|--|
| 1. The Property | The Property consists of approximately 16.73 acres, located on the Southeast corner of County Road 69 and Vierling Drive in Shakopee, MN, as generally depicted on the attached Exhibit “A.” |
| 2. Purchase Price | The Purchase Price will be \$1,750,000.00. |

3. Earnest Money

Buyer will place \$25,000.00 (“Earnest Money”) into an interest-bearing escrow account with First American Title Insurance Company (“Title Company”) within five (5) business days following execution of the Purchase Agreement. The Earnest Money, plus any interest earned thereon, will be refunded to Buyer if Buyer terminates the contract during the Due Diligence Period (described below), or any extension thereof. If Buyer does not terminate the Purchase Agreement during the Due Diligence Period, the Earnest Money, plus any interest earned, will be applied to the Purchase Price.
4. Title and Survey

Within ten (10) days after the date of the Purchase Agreement, Seller will provide Buyer with an ALTA survey satisfactory to Buyer and a title commitment reasonably satisfactory to Buyer issued by the Title Company.
5. Due Diligence Period

Buyer will have a one hundred twenty (120) day Due Diligence Period from the date the Purchase Agreement is fully executed. Seller will cooperate with Buyer and timely provide Buyer with all documents and other materials reasonably requested by Buyer. Buyer may extend the Due Diligence Period for three (3) – thirty (30) day periods by paying \$10,000.00 (“Additional Earnest Money”) per period to the Seller. The Additional Earnest Money will be refundable and applicable to the Purchase Price.
6. Closing

The purchase of the Property will close (“Closing”) within forty-five (45) days after the expiration of the Due Diligence Period.
7. Conditions Precedent

Buyer’s obligation to purchase the Property will be contingent upon Buyer’s determining (in its sole discretion) during the Due Diligence Period that it is satisfied:

 - a. With the results of all environmental investigations, studies and tests completed by an environmental testing firm acceptable to Buyer.
 - b. With the results of all soil and other site engineering investigations, studies and tests, which Buyer deems appropriate.
 - c. With utilities, storm water detention and all on-site and off-site infrastructure to the Property.

- d. With all government approvals desired by Buyer to develop the Property.
- e. With its review of all leases, easement agreements, maintenance agreements, or any other agreements relating to the Property.
- f. With its review of all documents provided to Buyer by Seller.
- g. With its review of the status of title to the Property.
- h. That the Property is suitable to Buyer in accordance with Buyer's development plans.

8. Broker Commission

Buyer and Seller each represent that no real estate broker except Joe Owen with Colliers International (representative of Buyer) was in any way involved in this transaction. Buyer will be responsible for payment of any sales commissions due Buyer's broker Seller will indemnify Buyer against any losses, claims, damages, costs, expenses and liability, which Buyer may incur which arise from any entity claiming a brokerage commission in connection with this transaction.

9. Applications and Approvals

Seller shall cooperate (at no additional cost to Seller) with Buyer's efforts to obtain all permits, approvals and consents including re-zoning necessary for Buyer's intended use of the Property, including the execution of any consents, authority documents, or applications reasonably requested by Buyer.

10. Tree Removal

Buyer will be responsible to remove the necessary trees located on the south boundary of the project and but will not be subject to City Code 151.133 (Tree Preservation Regulations).

B. The following provisions of this letter of intent are binding on Buyer and Seller:

1. Existing Due Diligence Materials

Seller shall provide Buyer, within ten (10) days of Seller's execution of this letter of intent, any and all documents, reports, studies, tests, engineering drawings, surveys or other pertinent materials which Seller has in its possession (or access to) which relate to the Property.

2. Due Diligence
Investigations

Following Seller's execution of this letter of intent, Buyer may, at its own cost and expense, enter the Property to conduct environmental and soil, engineering and other investigations, studies and tests of the Property.

3. Marketing of Property

Seller agrees that for a period of thirty (30) days after the date Seller executes this letter of intent, Seller will not (a) promote the sale of the Property to, or solicit offers to purchase the Property from, other parties and (b) discuss or negotiate with other parties regarding any unsolicited offers received from such other parties.

4. Confidentiality

Seller acknowledges that the general terms and conditions ("Confidential Information") outlined in this letter of intent are confidential, and Seller will not, directly or indirectly, disclose, or permit the disclosure of the Confidential Information to any other persons or entities other than Seller's accountants, attorneys, real estate consultants and agents who have a legitimate need to know such information and who, as a condition precedent to such disclosure, agree to keep the Confidential Information in strict confidence. Seller may disclose Confidential Information to the extent required by law or appropriate judicial order.

If you desire to proceed to negotiate a purchase agreement based upon the forgoing understandings, please sign the duplicate original of this letter in the place provided below and return it to Buyer on or before June 6, 2018. Upon receipt of a countersigned original of this letter from Seller, Buyer will direct its counsel to prepare an initial draft of the purchase agreement, and Buyer and Seller will endeavor to negotiate and execute a purchase agreement within the next 30 days. However, either party may, by written notice to the other party, terminate negotiations at any time for any reason.

Sincerely,

OPUS DEVELOPMENT COMPANY, L.L.C.



Joe Mahoney
Senior Manager



Phil Cattanaach
Senior Director

Agreed to and Accepted By _____:

By: _____

Title: _____

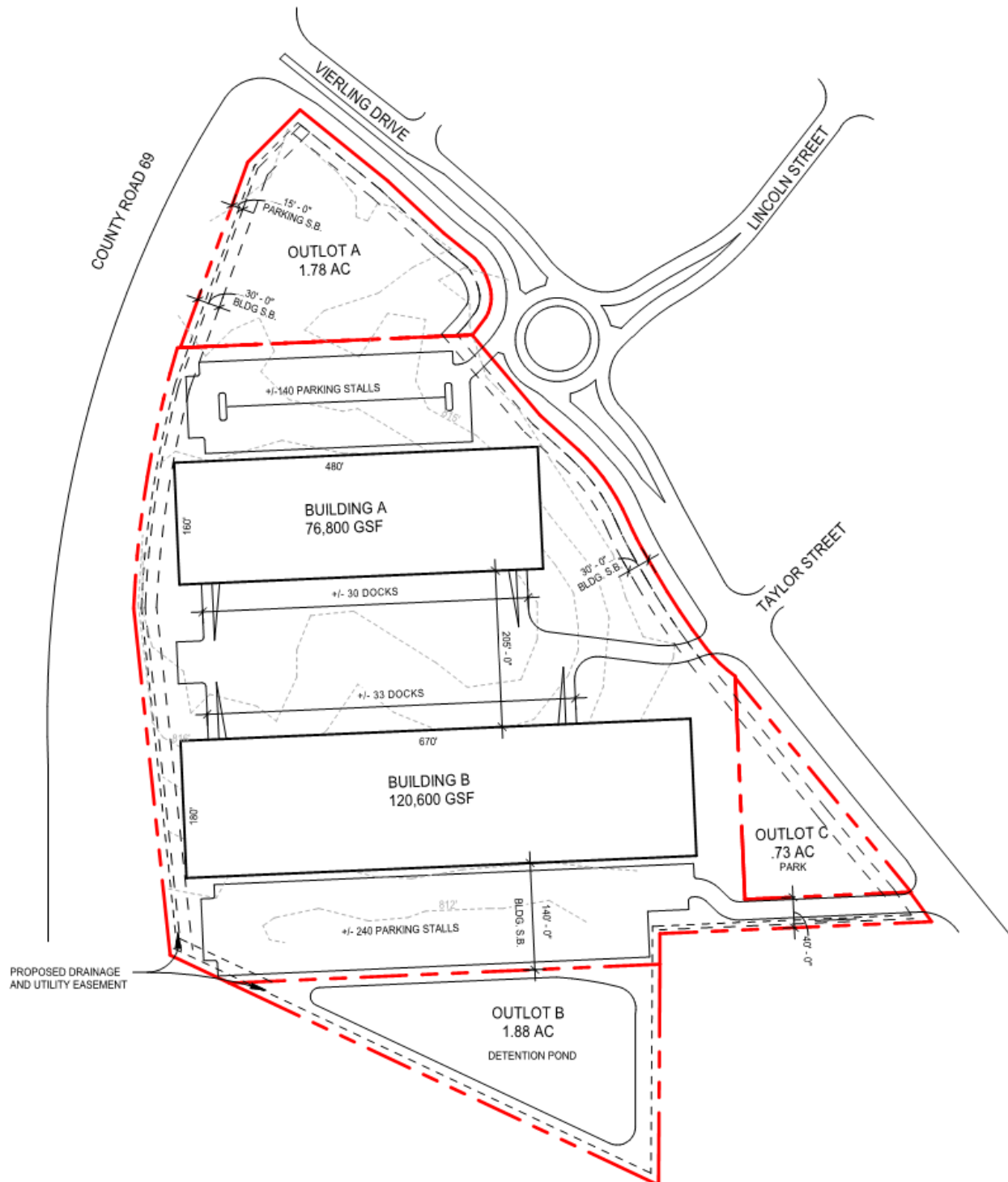
Date: _____

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EXHIBIT "A"
Property



Shakopee Industrial Vierling
Shakopee, MN