

PURCHASE AGREEMENT

1. **PARTIES.** This Purchase Agreement ("Purchase Agreement") is entered into this ____ day of _____, 2019, by and between Peter Nguyen and Phuong Nguyen, married to each other (together "Seller") and the Economic Development Authority for the City of Shakopee, Minnesota, a public body corporate and politic under the laws of the State of Minnesota ("Buyer").

2. **SALE OF PROPERTY.** Seller is the owner of that certain real estate ("Property") located at 313 1st Avenue West, Shakopee, Scott County, Minnesota and legally described as follows:

East 10 feet of Lot 3, and all of Lot 4, Block 7, CITY OF SHAKOPEE

3. **OFFER/ACCEPTANCE.** In consideration of the mutual agreements herein contained, Buyer offers and agrees to purchase and Seller agrees to sell and hereby grants to Buyer the exclusive right to purchase the Property and all buildings, improvements, and fixtures thereon, together with all appurtenances, including, but not limited to, plant, shrubs, trees, and grass.

4. **NO PERSONAL PROPERTY INCLUDED IN SALE:** There are no items of personal property or fixtures owned by Seller and currently located on the Property included in the Purchase Price for purposes of this sale.

5. **PURCHASE PRICE AND TERMS:**

A. **PURCHASE PRICE:** The total Purchase Price ("Purchase Price") for the Property is Two Hundred Twelve Thousand and No/100ths Dollars (\$212,000.00).

B. **MOVING EXPENSES:** The sum of Thirteen Thousand Dollars (\$13,000.00) to reimburse Seller for Seller's moving expenses ("Moving Expenses") shall be paid by Buyer to Seller at Closing.

C. **TERMS:**

(1) **BALANCE DUE SELLER:** Buyer agrees to pay the Purchase Price and Moving Expenses to Seller by check or wire transfer on the Closing Date ("Closing").

(2) **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed conveying marketable title to the Property to Buyer, subject only to the following exceptions:

a. Building and zoning laws, ordinances, and state and federal regulations.

- b. Reservation of minerals or mineral rights to the State of Minnesota, if any.
- c. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.
- d. Title defects waived by Buyer pursuant to paragraph 6 below.

6. CONTINGENCIES. This Purchase Agreement is contingent upon the following:

- A. The Buyer's inspection of the Property and environmental testing (if deemed necessary by the Buyer) and the Buyer receiving reports related to all appropriate due diligence, including without limitation conducting soil borings and testing on the Property, that are satisfactory to the Buyer; and
- B. Condition of title being satisfactory to the Buyer following the Buyer's examination of title as provided in Section 11 of this Purchase Agreement.

The Buyer shall have until the Closing Date (as defined herein) to remove the foregoing contingencies. The contingencies listed above at A and B are solely for the benefit of the Buyer and may be waived by the Buyer. If the contingencies are duly satisfied or waived (as applicable), then the Buyer and the Seller shall proceed to close the transaction as contemplated herein. If, however, one or more of the contingencies is not satisfied, or is not satisfied on time, and is not waived (as applicable) by the Buyer, this Purchase Agreement shall thereupon be void, at the option of the Buyer. If this Purchase Agreement is voided by the Buyer, the Buyer and the Seller shall execute and deliver to each other a termination of this Purchase Agreement.

7. DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER.

- A. Warranty Deed free and clear of encumbrances subject only to the exceptions stated in paragraphs 5 (C) (2)(a), (b), (c), and (d) of this Purchase Agreement.
- B. Standard form Affidavit of Seller.
- C. Well disclosure certificate, if required.
- D. An affidavit of the Seller confirming that the Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended
- E. Waiver of Relocation Benefits in the form attached hereto as Exhibit A.
- F. Such other documents as may be reasonably required by Buyer's title examiner or title insurance company.

8. CLOSING DATE. The closing of the sale of the Property shall take place on or before April 30, 2019 (the "Closing Date"), or sooner by agreement of the parties. The closing shall take place at the offices of the Buyer, or at another location agreed to by the parties.

9. REAL ESTATE TAXES.

- A. Seller will pay at or prior to closing all real estate taxes due and payable in 2018 and prior years on the Property, including any delinquent real estate taxes.
- B. Real estate taxes due and payable in 2019 shall be prorated as of the date of closing between Buyer and Seller. If the amount of real estate taxes due and payable in 2019 is not available on the date of closing, the pro-rated taxes will be based on the amount of real estate taxes due and payable in 2018.

10. SPECIAL ASSESSMENTS.

- A. Seller shall pay on or prior to closing the balance of all special assessments levied for payment in 2018 and prior years. Buyer shall pay all special assessments pending or levied for payment with real estate taxes payable in 2019.
- B. Seller shall pay any deferred real estate taxes or special assessments, payment of which is required as a result of the Closing of this sale.
- C. As of the date of this Purchase Agreement, Seller has not received a notice of hearing for a new public improvement project from any governmental assessing authority, the costs of which project may be assessed against the Property.
- D. Notwithstanding any other provision of this Purchase Agreement, Seller shall at all times be responsible to pay special assessments, if any, for delinquent sewer or water bills, removal of diseased trees prior to the date of this Purchase Agreement, snow removal, or other current services provided to the Property by the assessing authority while Seller is in possession of the Property.

11. MARKETABILITY OF TITLE. Buyer shall, within a reasonable time after execution of this Purchase Agreement by both parties, obtain a commitment for title insurance or other evidence satisfactory to Buyer ("Title Evidence") for the Property. Buyer shall have ten (10) business days after receipt of a fully executed purchase agreement and the Title Evidence to examine the same and to deliver written objections to title, if any, to Seller. Seller shall have 10 days after receipt of Buyer's written objections to title (or such later date as the parties may agree upon) to make title marketable, at Seller's expense ("Title Clearance Period"). In the event that title to the Property cannot be made marketable or is not made marketable by Seller by the expiration of the Title Clearance Period, then, at the option of Buyer, Buyer may terminate this Purchase Agreement in accordance with paragraph 6(B) of this Purchase Agreement.

12. CLOSING COSTS AND RELATED ITEMS.

A. **SELLER'S COSTS.** The Seller shall be responsible for the following closing costs and related items: (1) all recording fees and charges relating to the filing of any instrument required to make title marketable; and (2) its own legal and accounting fees associated with this transaction.

B. **BUYER'S COSTS.** The Buyer shall be responsible for the following closing costs and related items: (1) any fees incurred for updating the title; (2) any state deed tax, conservation fee or other federal, state or local documentary or revenue stamps or transfer tax with respect to the warranty deed to be delivered by the Seller; (3) the cost of any survey of the Property required by the Buyer; (4) the cost of preparing the title commitment and all premiums required for issuance of the title insurance policy; (5) any fees for standard searches with respect to the Seller and the Property; (6) the fees of any soil tests, environmental assessments, inspection reports, appraisals, or other tests or reports ordered by the Buyer; (7) recording fees and charges related to the filing of the warranty deed; (8) all closing fees charged by the title company and any escrow fees charged by any escrow agent engaged by the parties in connection with this Purchase Agreement; and (9) its own legal and accounting fees associated with this transaction.

13. POSSESSION. Seller agrees to deliver possession of the Property on the Closing Date.

14. DISCLOSURE; INDIVIDUAL SEWAGE TREATMENT SYSTEM. Seller discloses that there is **not** an individual sewage treatment system on or serving the Property. If there is an individual sewage treatment system on or serving the Property, Seller discloses that the system is **not** in use. In the event there is a sewage treatment system, a map of said location of the system is attached.

15. WELL DISCLOSURE.

- ☐ Seller discloses that there is a well on or serving the Property. A well disclosure Certificate accompanies this Purchase Agreement; or
☐ Seller does not know of a well on the Property.

16. SELLER'S WARRANTIES. Seller warrants that the buildings, if any, are entirely within the boundary lines of the Property. Seller warrants that there is a right of access to the Property from a public right-of-way. Seller warrants that there has been no labor or materials furnished to the Property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the Property. Seller represents that Seller has good and marketable simple title interest to the Property and no consents or approvals from any third parties are required. Seller represents that there are no third parties in possession of the Property, or any part thereof; and that there are no leases, oral, or written, affecting the Property or any part thereof. Seller agrees that Seller will not enter into a lease for the Property after the date of this Purchase Agreement. Seller agrees to pay all charges for sewer, water, electric, gas, rubbish removal, Internet, cable/satellite television, and any other utility charges incurred prior to closing and during Seller's occupancy of the Property pursuant to the Escrow and Occupancy Agreement. These warranties shall survive the Closing of this transaction.

17. RELOCATION BENEFITS. Seller acknowledges this transaction is not made under threat of condemnation by Buyer, Seller agrees that the Moving Expenses payment for the transaction contemplated by this Purchase Agreement, is in full satisfaction of all relocation benefits and assistance to which Seller may be eligible. Seller agrees to waive any and all additional relocation benefits, assistance and services to which Seller might otherwise be eligible. Seller agrees to provide to Buyer at closing an executed waiver of relocation benefits in substantially the form of the attached Exhibit A.

18. NO MERGER OF REPRESENTATIONS, WARRANTIES. All representations and warranties contained in this Purchase Agreement shall not be merged into any instruments or conveyance delivered at closing, and the parties shall be bound accordingly.

19. ENTIRE AGREEMENT; AMENDMENTS. This Purchase Agreement constitutes the entire agreement between the parties and no other agreement prior to this Purchase Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein. Any purported amendment to this Purchase Agreement shall not be effective unless it shall be set forth in writing and executed by both parties or their respective successors or assigns.

20. BINDING EFFECT; ASSIGNMENT. This Purchase Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns. Buyer shall not assign its rights and interest hereunder without notice to Seller.

21. NOTICE. Any notice, demand, request or other communication which may or shall be given or served by the parties shall be deemed to have been given or served on the date the same is deposited in the United States Mail, registered or certified, postage prepaid and addressed as follows:

SELLER: Peter Nguyen
Phuong Nguyen
4524 104th Ave N,
Brooklyn Park, MN 55443

BUYER: Economic Development Authority
for the City of Shakopee, Minnesota
Attn: Michael Kerski
485 Gorman Street
Shakopee, MN 55379

AGENT: Kennedy & Graven, Chartered
Attn: Julie Eddington
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

22. BROKER COMMISSIONS. Buyer and Seller each represent and warrant to the other that there is no broker involved in this transaction with whom either has negotiated or to whom the

representing party has agreed to pay a broker commission or finder's fee in connection with negotiations for purchase or sale of the Property. Buyer and Seller agree to indemnify, defend, and hold the other party harmless against any and all claims of brokers, finders, or the like, and against the claims of all third parties, claiming any right to commission or compensation by or through acts of the indemnifying party or its partners, agents, or affiliates in connection with this Purchase Agreement. The indemnifying party's indemnity obligations shall include all damages, losses, costs, liabilities, and expenses, including reasonable attorneys' fees and litigation costs, which may be incurred by the other party.

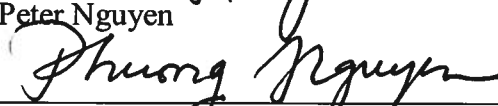
23. METHAMPHETAMINE DISCLOSURE. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

24. SPECIFIC PERFORMANCE. This Purchase Agreement may be specifically enforced by the parties, provided that any action for specific enforcement is brought within six months after the date of the alleged breach. This paragraph is not intended to create an exclusive remedy for breach of this agreement; the parties reserve all other remedies available at law or in equity.

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IN WITNESS WHEREOF, the parties have executed this agreement as of the date written above.

SELLER

By 
Peter Nguyen
By 
Phuong Nguyen

BUYER

Economic Development Authority for the City of
Shakopee, Minnesota

By _____
Jay Whiting
Its President

By _____
William H. Reynolds
Its Executive Director

EXHIBIT A

WAIVER OF RELOCATION BENEFITS

We, the undersigned, acknowledge that we met with a representative of the Economic Development Authority for the City of Shakopee, Minnesota (EDA) on _____, 2019. The representative, _____, explained that in the event that the EDA acquires our property located at 313 1st Avenue West, Shakopee, Minnesota, we may be entitled to certain relocation benefits, in addition to the amount of money being paid to us to acquire our property. These benefits may include:

1. **Moving Expenses:**

- a. A payment for actual reasonable moving expenses; or
- b. A fixed payment determined in accordance with the applicable schedule approved by the Federal Highway Administration.

2. **Replacement Housing Payment:**

A 180-day homeowner is eligible to receive a replacement housing payment to cover the following costs:

- a. If the homeowner must pay more to buy a comparable replacement home than homeowner receives for the property, then homeowner may be compensated for the difference.
- b. Homeowners may be entitled to compensation for incidental and closing expenses related to the purchase of a decent, safe, and sanitary replacement home, such as recording fees, title insurance, appraisal, and inspection fees.
- c. If a homeowner must pay a higher interest rate on a mortgage to finance the purchase of a replacement home than the rate on the mortgage of the property, then homeowner may be entitled to compensation for increased mortgage interest costs.

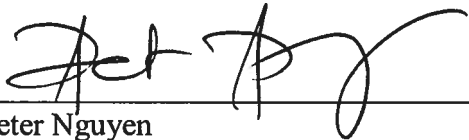
3. **Other Relocation Assistance:**

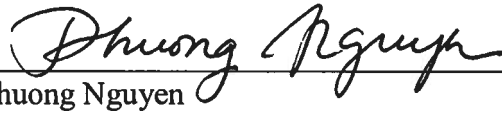
This includes referrals and other assistance to help the owner(s) relocate to a comparable decent, safe, and sanitary dwelling. These payments and services are required under the regulations of the Department of Housing and Urban Development (HUD). The owner(s) cannot be required to move from his/her home unless he/she is given reasonable opportunities to relocate to a comparable decent, safe and sanitary dwelling unit that he/she can afford.

Finally, it was explained to us that the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, entitles us to these relocation benefits; and if we sign this waiver, we will be waiving those relocation benefits.

After having these benefits explained to me, we agree to waive them. In signing this waiver, we acknowledge that no threats have been made to us, either expressly or by implication, that our property will be taken from us through condemnation. If after signing this waiver, we attempt to collect relocation benefits, we will have to prove that, contrary to what we are agreeing to in this waiver, our waiver of relocation benefits was not entered into voluntarily. This waiver is conditioned upon the Economic Development Authority for the City of Shakopee, Minnesota purchasing our property for the gross purchase price of \$212,000.00 and payment of \$13,000.00 in moving expenses. If this commitment to us is not fulfilled, this waiver is null and void.

3/28/19
Date

By 
Peter Nguyen

By 
Phuong Nguyen

WITNESS:
