

8/14/2019

Economic Development Authority
City of Shakopee
Attn: Michael Kerski
485 Gorman Street South
Shakopee, MN 55379



RE: Proposal to Purchase Property at Vierling Drive W and Taylor Street, Shakopee, MN

Mr. Kerski,

I am pleased to submit the following proposal for the purchase of land at the location stated above. The following represents the basic terms and conditions of the proposal:

Buyer: MWF Properties, LLC or its assigns.

Seller: Economic Development Authority for the City of Shakopee

Property: Approximately 3.658 acres of land identified as Scott County Parcel ID #274730030 to be further defined by legal description in a Purchase Agreement to be prepared after acceptance of this proposal.

Purchase Price: Five Hundred Thousand Dollars (\$500,000.00).

Closing: Within thirty (30) calendar days after the Contingency Date and waiver of all contingencies.

Earnest Money: \$20,000.00 to be credited against the Purchase Price. Earnest Money will be deposited in an interest bearing trust account with First American Title Insurance Company.

Escrow Terms: Twenty Thousand Dollars (\$20,000.00) of the Earnest Money is fully refundable to Buyer through the Contingency Date. After the Contingency Date, the Earnest Money becomes non-refundable (except in the event of Seller default) but applicable to the purchase price. The full amount of the Earnest Money and accrued interest is refundable in the event of Seller default at any time prior to closing. If Buyer completes its due diligence, elects to go forward and fails to close this transaction by the Closing date, all of the Earnest Money is non-refundable except for situations of default, condemnation, title corrections, damage to or destruction of the property.

Seller's Documentation: Within fourteen (14) days after the effective date of a purchase agreement, Seller shall provide to Buyer all property information in its possession, including land surveys, soils tests, environmental reports, existing leases, and inspection reports.

Due Diligence Period & Contingencies: Buyer will have until December 1st, 2020 (the "Contingency Date") to complete its due diligence and satisfy the following additional contingencies:

1. Environmental
2. Soils
3. Survey
4. Title
5. Governmental Approvals

6. Necessary Financial Approvals

Seller agrees to cooperate fully with Buyer in obtaining any necessary governmental approvals for the Property prior to the Contingency Date. Additionally, Seller shall allow Buyer access to the Property to complete all necessary inspections and due diligence.

Extension Options: Buyer shall have the option to extend the Contingency Date by up to two, 90-day periods. Buyer shall notify Seller in writing before the Initial Contingency Date if it intends to implement the first extension, and before the adjusted Contingency Date if it intends to implement the second extension. Upon implementing each Contingency Extension, Buyer shall deposit an additional Ten Thousand Dollars (\$10,000.00) into the Earnest Money account with First American Title. Those funds shall be non-refundable but credited against the Purchase Price at closing.

Purchase Agreement: Buyer will prepare, at its expense, a Purchase Agreement to be reviewed, negotiated in good faith and executed by Buyer and Seller.

Closing Costs: Buyer will pay for a title insurance commitment and Buyer will pay the insurance premium. Seller will pay for transfer taxes and state deed taxes. Buyer to pay recording costs. Closing fees to be split 50/50. Property taxes and Assessments to be paid current and prorated as of the date of closing. All other items to be determined and negotiated, but generally based upon custom and practice.

Real Estate Commission: Buyer is not represented in this transaction by a broker or other commission-based professional. Seller to pay all sales commissions, if any, associated with this transaction.

Confidentiality: Seller agrees to keep the transaction contemplated hereby confidential and not to disclose the particulars of the transaction or information concerning Buyer's development proposals to third parties unless such parties have a need to know and agree to keep such information in confidence.

Acceptance: This purchase agreement term sheet is open for acceptance until the close of business September 14th, 2019. Upon acceptance of this proposal, and until such time as a Purchase Agreement is executed by and between Buyer and Seller, Seller will not solicit, make, accept, negotiate, or otherwise pursue any offers for the sale or purchase of the property.

If the above basic terms and conditions are acceptable, please indicate by signing below and returning one (1) original to our attention. We will then proceed towards finalizing a Purchase Agreement. Should you have any questions, please do not hesitate to call. We look forward to working with you.

Sincerely,
MWF Properties, LLC

Chris Stokka

Acknowledged and Agreed:

By: _____

Date: _____