

**REAL PROPERTY
PURCHASE AGREEMENT**

BETWEEN

**SOUTHWEST METRO EDUCATION COOPERATIVE
SHAKOPEE, MINNESOTA
(THE “SELLER”)**

AND

**EASTERN CARVER COUNTY SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 112
(THE “BUYER”)**

FOR

PROPERTY LOCATED AT

**309 LAKE HAZELTINE DRIVE
CHASKA, MN 55318**

DOCUMENT DRAFTED BY
KNUTSON, FLYNN & DEANS, P.A.
1155 Centre Pointe Drive, Suite 10
Mendota Heights, MN 55120
651.222.2811

THIS **PURCHASE AGREEMENT** (the “Agreement”) is made and entered into as of _____, 2013 (the “Effective Date”), by and between the CARVER-SCOTT EDUCATIONAL COOPERATIVE (“Seller”) and INDEPENDENT SCHOOL DISTRICT NO. 112 (“Buyer”).

In consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Sale and Purchase of Property. Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, the real property located at 309 Lake Hazeltine Drive, Chaska, Minnesota, legally described as Lot 1, Block 1, Crosby Park 2nd Addition, County of Carver, together with all appurtenant rights, privileges and easements belonging thereto, and all buildings and improvements located thereon (collectively, the “Property”).

2. Purchase and Sale. Subject to the terms and conditions hereafter set forth, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller pursuant to the terms of this Agreement, including the following:

- a. Title in fee simple to the Property;
- b. All equipment and fixtures owned by Seller, located at or on the Property and used in connection with the ownership, maintenance and operation thereof;
- c. To the extent they are assignable and approved by Buyer, all Seller’s rights, warranties and benefits under any and all contracts or agreements, such as equipment leases, maintenance, service, management or utility contracts, parking or cross-parking agreements, and other contracts relating to the operation of the Property;
- d. To the extent they are assignable, all right, title and interest of Seller in and to any drawings, plans, building permits, surveys, building inspection approvals and certificates of occupancy relating to the construction of improvements on the Property, and all licenses and permits relating to the ownership and operation of the Property;
- e. To the extent they are assignable, all right, title and interest of Seller in all warranties and guaranties regarding acquisition, construction, design, use, operation, management or maintenance of the Property, including equipment and fixtures;
- f. All records relating to the Property, including equipment and fixtures, and all records regarding management and leasing, real estate taxes, assessments, insurance, tenants, maintenance, repairs, capital improvements and services.

3. Purchase Price; Escrow. The purchase price to be paid by Buyer to Seller for the Property is Four Hundred Sixty-Two Thousand, Eight Hundred Twenty-One and 00/100 Dollars (\$462,821) which is based upon the calculation in the attached **Exhibit A**. After deducting Buyer’s proceeds of ownership from the sale (37.75% or \$174,715), Buyer shall pay to Seller on the Closing Date, Two Hundred Eighty-Eight Thousand, One Hundred Six and 00/100 Dollars (\$288,106) as follows:

a. Earnest money in the amount of Ten Thousand and 00/100 Dollars (\$10,000.00) (the "Earnest Money") shall be deposited by Buyer with _____ Title Company (the "Title Company") within five (5) days after the Effective Date; and

b. The balance of the Purchase Price, as adjusted, shall be paid on the Closing Date (as defined below) in cash or by wire transfer of immediately available funds. The Title Company shall act as escrow agent with respect to the Earnest Money deposit. The fee of the Title Company, if any, with respect to the escrow shall be borne equally by Buyer and Seller; provided, however, upon request by Buyer the Title Company shall deposit the Earnest Money in an interest bearing account and Buyer agrees to pay any fees in relation thereto and shall provide Title Company with a completed IRS W-9 form. The Earnest Money and any accrued interest thereon shall be nonrefundable. If the transaction contemplated by this Agreement closes in accordance with the terms and conditions of this Agreement, at Closing the Earnest Money shall be applied against the Purchase Price. The Title Company shall not disburse the Earnest Money except: (i) in accordance with this Agreement, or (ii) in accordance with written instructions executed by both Buyer and Seller.

4. Conveyance Terms. Upon Buyer's full performance of Buyer's obligations under this Agreement, Seller shall execute and deliver to Buyer a Limited Warranty Deed conveying fee title to the Property to Buyer subject only to:

a. Building, zoning and subdivision statutes, laws, ordinances and regulations;

b. Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any;

c. The lien of real estate taxes and special assessments not yet due and payable;

d. Easements, restrictions and covenants of record that do not materially interfere with existing improvements and Buyer's intended use of the Property.

(hereinafter, collectively, the "Permitted Encumbrances").

5. Buyer's Inspections and Examinations. Buyer's obligations under this Agreement are contingent on:

a. Right of Entry. Buyer shall have the right to examine and inspect the Property until the date that is sixty (60) days after the Effective Date (the "Inspection Period") provided that this Agreement has not been terminated on or prior to the expiration of the Inspection Period. Seller shall allow Buyer, its agents, contractors and employees access to the Property during the Inspection Period without charge and at all reasonable times, with prior notice to Seller, for the purpose of investigation, surveying and non-intrusive testing of the Property. Except as provided herein, Buyer covenants and agrees that Buyer shall pay all costs and expenses of such investigations, examinations, assessments and testing (collectively, "Tests"). Buyer, its agents, contractors and

employees shall perform the Tests upon the Property (i) in a manner so as not to cause damage to the Property or the death or personal injury to any persons; (ii) in a manner that does not disturb any occupants of the Property, if any, or of neighboring properties; and (iii) shall keep the Property free of any liens or third-party claims resulting therefrom. Buyer covenants and agrees that Buyer shall repair and restore any damage to the Property caused by or occurring during Buyer's Tests and shall return the Property to substantially the same condition as existed prior to such entry. At Seller's option, a representative of Seller may accompany Buyer and Buyer's agents during on-site investigation and testing. If the sale contemplated by this Agreement does not close for any reason, Buyer shall promptly deliver to Seller copies of all reports, surveys, letters or other written information generated as a result of Buyer's Tests, excepting architectural studies, all at no cost to Seller. The provisions of this Section 5 shall survive Closing or the termination of this Agreement, whether such termination is effected by Seller or Buyer and are in addition to any remedies set forth in Section 15. Upon expiration of the Inspection Period, the Buyer shall take the Property "AS IS" with no representations or warranties of any kind or nature on the part of the Seller except as specifically provided in this Agreement. Buyer further acknowledges that Buyer has had and will have a full opportunity to perform such physical inspections, environmental and engineering investigations and other due diligence-related undertakings as Buyer deems appropriate.

b. Environmental Reports. Buyer, at its cost, will obtain a Phase I environmental study (the "Phase I"). Within ten (10) days of receipt of said Phase I, Buyer shall notify Seller in writing that Buyer (i) accepts the Phase I and waives any further environmental studies; (ii) intends to cancel this Agreement pursuant to Section 6 herein; or (iii) elects, at Buyer's sole expense, to proceed with further environmental studies, including a Phase II environmental study. In the event Buyer proceeds with a Phase II environmental study (the "Phase II"), Buyer will have ten (10) days after receipt of the Phase II results, but not later than sixty (60) days after the Effective Date, to notify Seller in writing that Buyer (i) accepts the results of the Phase II and waives further environmental studies or (ii) intends to cancel this Agreement. Buyer acknowledges and agrees that Buyer must be satisfied with, or waive, the contingencies in Section 6, or terminate this Agreement in accord with Section 6, by the last day of the Inspection Period.

c. Documents and Materials. Seller agrees, upon request by the Buyer, that it will make available for inspection at a place and time designated by the Seller such documents and materials in the possession of the Seller regarding the Property as may be necessary to facilitate Buyer's inspections, including, but not limited to, all existing environmental assessments or reports relating to the Property, all maps and surveys of the Property, soil boring and other geotechnical reports; and documentation evidencing any governmental actions relating to the Property, including any zoning or building code violations.

6. Buyer's Contingencies. The obligation of Buyer to purchase the Property is conditioned upon satisfaction or waiver by Buyer of each of the conditions set forth in this Section 6.

(a) On or before the expiration of the Inspection Period:

(i) Inspections and Testing. Buyer shall have determined, in Buyer's sole discretion, that it is satisfied with the results of and matters disclosed by Tests, including, but not limited to, soil tests, engineering inspections, feasibility tests and studies, hazardous waste and environmental reviews (including Phase I environmental studies), zoning, code and other governmental requirements, and other tests and inspections, evaluations, assessments, surveys and reviews of the Property, all of which shall be obtained at Buyer's sole cost and expense, unless otherwise provided herein.

(ii) Title. The Title Evidence shall have been found acceptable, or been made acceptable, in accordance with the requirements of Section 9 below.

(b) Buyer shall, within sixty (60) days after the Effective Date, satisfy or waive all conditions or contingencies with respect to the Property, including those in this Section 6. If any condition or contingency under Section 6 or otherwise pertaining to the Property has not been satisfied or waived by Buyer, then Buyer may terminate this Agreement at any time before the expiration of sixty (60) days after the Effective Date by delivery of written notice to Seller and to Title Company. Upon receipt of such notice from Buyer, Title Company shall promptly return to Buyer the Earnest Money and any interest accrued thereon. Upon such return, neither Seller nor Buyer shall have any further rights or obligations under this Agreement, except for those obligations provided for herein which are intended to survive termination of this Agreement. If Buyer fails to terminate the Purchase Agreement by the expiration of the sixtieth (60th) day after the Effective Date, Buyer shall be deemed to have waived all conditions or contingencies with respect to the Property.

7. Possession. On the Closing Date, Seller shall transfer possession of the Property, all books and records pertaining to the operation of the Property during Seller's ownership thereof, all plans, licenses and permits pertaining to the Property, and the originals of all property agreements. Seller shall remove all of its personal property and debris from the Property prior to the Closing Date.

8. Closing. The Closing Date shall occur within thirty (30) days after the expiration of the Inspection Period through an escrow arrangement with the Title Company, or at a time and location mutually agreeable to Buyer and Seller. At the Closing:

a. Seller shall:

(i) execute and/or deliver to Buyer, and make arrangements to file in the appropriate county land records, any documents necessary to establish the

marketability of Seller's title to the Property, subject only to Permitted Encumbrances;

(ii) execute and deliver to Buyer the deed described in Section 4 above;

(iii) deliver to Buyer all equipment and fixtures owned by Seller located at or on the Property and used in connection with the ownership, maintenance and operation of the Property.

(iv) execute and deliver to Buyer or other appropriate party appropriate Federal Income Tax Reporting Forms;

(v) execute and deliver to the closing agent, with a copy to Buyer, a completed Minnesota Department of Health Well Disclosure Certificate, if required;

(vi) execute and deliver to Buyer, and make arrangements to file in the appropriate county land records, the affidavits described in Minnesota Statutes, Sections 116.48, subdivision 6 and 115B.16, subdivision 2, if required;

(vii) execute and deliver to Buyer an affidavit of non-foreign status, containing such information as is required by IRC Section 144(b)(2) and its regulations.

(viii) deliver to Buyer certified copies of Resolutions authorizing the sale and transfer of the Property and designating the officer(s) authorized to sign on behalf of Seller.

(ix) deliver to Buyer the Date Down Certificate described in Section 11;

(x) pay or provide evidence of payment of the following: the cost of providing the Title Commitments (abstracting and title examination fees, and judgment, tax liens and assessment search charges) and the Survey as defined in Section 9(b); the State Deed Tax due upon the execution of the conveyance; the fees due upon recording any documents necessary to place record title in the condition provided for in this Agreement; and, if applicable, levied or pending special assessments pursuant to the provisions of Section 10; and one-half of the Title Company's fee to conduct and insure the Closing of this transaction;

(xi) deliver all plans, licenses and permits pertaining to the Property;

(xii) deliver to Buyer all keys or combinations to all locks on the Property;

(xiii) deliver to Buyer any Abstract of Title to the Property; and

(xiv) deliver any other agreements, documents and instruments necessary or incident to consummation of the transaction contemplated hereby.

b. Buyer shall:

(i) tender the Purchase Price to Seller pursuant to the provisions of Section 3 above;

(ii) pay or provide evidence of payment of the following: the premium for Buyer's owner's policy of title insurance; the fees due upon the recording of the deed from Seller to Buyer; and one-half of Title Company's fee to conduct and insure the Closing of this transaction.

9. Title. Immediately upon execution of this Agreement Seller shall order the following for delivery to Buyer:

a. Title Insurance Commitment and Abstract. Seller shall, at its expense, furnish to Buyer a commitment for a current form of ALTA Owner's Policy of Title Insurance issued by a title insurance company reasonably acceptable to Buyer (the "Title Company"), together with legible copies of all documents, maps or plats referenced therein, in the amount of the Purchase Price (the "Commitment"). The Commitment will commit the Title Company to insure title to the Property and any appurtenant easements, subject only to the encumbrances permitted by Buyer in accordance with the provisions set forth in Section 4.

b. Survey. Buyer shall obtain, at Buyer's expense, a current as-built survey of the Property (the "Survey") prepared by a registered land surveyor certified to Buyer, Buyer's lender and Title Company, showing the location of all improvements; showing all easements, roads, driveways, and identifying the same by recording information; showing all applicable setback lines; showing any encroachments and otherwise meeting ALTA/ACSM standards.

Buyer shall be allowed twenty (20) days after receipt of all of the Commitment and the Survey (collectively, the "Title Evidence") for examination of the same and making of any objections including objections based upon Buyer's intended use of the Property, said objections to be made in writing or deemed to be waived. If any objections are so made, Seller shall use reasonable efforts to correct any valid title objections within sixty (60) days after receipt of said objections. To the extent an objection can be satisfied by the payment of money, Buyer shall have the right to apply a portion of the cash payable to Seller at the Closing to satisfaction of such objection and the amount so applied shall reduce the Purchase Price at Closing. Provided, however, if the cost of correction of such title objections exceeds \$50,000.00, Seller shall have the option of terminating the Purchase Agreement unless Buyer agrees to assume any costs in excess of said \$50,000.00. If such objections are, in Buyer's reasonable judgment, not correctable within sixty (60) days, or if the same are not in fact corrected within sixty (60) days for any reason, then Buyer may, at its option, either:

a. terminate this Agreement pursuant to the procedures set forth in Section 16 below; or

b. notify Seller that Buyer waives Buyer's objections. If Buyer waives Buyer's objections, the matters giving rise to such objections shall be deemed a Permitted Encumbrance and the parties shall fully perform their obligations under this Agreement.

If Buyer does not notify Seller of Buyer's election to terminate this Agreement pursuant to subsection (a) above or waive Buyer's Objections pursuant to subsection (b) above within fifteen (15) days of the expiration of the Inspection Period provided for above, this Agreement shall automatically terminate and Buyer shall deliver an executed and recordable quit claim deed to the Property to Seller.

10. Real Estate Taxes and Special Assessments (if any). Seller shall pay all general real estate taxes on the Property ("Taxes") due and payable in the calendar year prior to the Closing and all prior years. Taxes due and payable in the year of Closing shall be prorated between the parties on a calendar year basis as of the Closing Date, with the Buyer being responsible from and after the Closing Date. Any deferred "green acres" taxes shall be paid by Seller at Closing. Seller shall pay all special assessments levied or pending against the Property prior to the Closing Date. Buyer shall assume all special assessments that first become pending and levied after the Closing Date. If the actual amount of Taxes which are due and payable in the calendar year of Closing is not known as of the Closing Date, the proration shall be based on the amount of Taxes due and payable with respect to the Property in the calendar year preceding the calendar year of Closing, and such calculation shall be final. The provisions of this Section shall survive Closing.

11. Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer.

a. Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents to be signed by it; such documents have been duly authorized by all necessary action on the part of Seller and have been and shall be duly executed and delivered; and such documents are and shall be valid and binding obligations of Seller, enforceable in accordance with their terms.

b. Seller is not a foreign person, foreign partnership, foreign trust or foreign estate as those terms are defined in Section 144 of the Internal Revenue Code;

c. There are no unsatisfied judgments of record against Seller;

d. There are no state or federal tax liens filed against Seller;

e. There has been no labor or materials furnished to the Property for which payment has not been made;

f. There are no unrecorded mortgages, contracts, purchase agreements, options, leases, easements or other agreements or interest relating to the Property;

g. Seller is the fee owner of the Property and that the status of title to the Property and encumbrances thereon will not change prior to Closing;

h. Seller has not received notice of any new public improvement project(s), the cost of which a governmental entity may assess against the Property;

i. To Seller's actual knowledge, there is no action, litigation, governmental investigation, condemnation or administrative proceeding of any kind pending against Seller with respect to the Property or involving any portion of Property, and no third party has threatened Seller with commencement of any such action, litigation, investigation, condemnation or administrative proceeding;

j. Wells. To Seller's actual knowledge, there are no "Wells" on the Property within the meaning of Minnesota Statutes, Chapter 103I, and will so certify on the deed delivered at Closing.

k. Sewage Treatment Systems. To Seller's actual knowledge, sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency, and there are no abandoned "subsurface sewage treatment systems" (within the meaning of Minnesota Statutes, Section 115.55) on the Property.

l. To Seller's actual knowledge, there are no underground or above ground storage tanks of any size or type located on the Property;

m. Methamphetamine. Solely for the purpose of satisfying the requirements of Minnesota Statutes, Section 152.0275, to Seller's actual knowledge, no methamphetamine production has occurred on the Property.

n. To Seller's actual knowledge, there are no Hazardous Substances located on the Property; the Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about Property; and Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substances. For purposes of this Agreement, the term "Hazardous Substance" includes, but is not limited to, substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*, and substances defined as "hazardous wastes," "hazardous substances," "pollutants," or "contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Section 115B.02. The term "hazardous substance" shall also include asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas);

o. Seller represents that, to Seller's actual knowledge, no activity has been undertaken on the Property that would cause or contribute to the discharge of pollutants or of fluids into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions.

As used herein, "Seller's actual knowledge" means only the current actual knowledge of Seller, without conducting any investigations, inquiries or reviews whatsoever beyond those already conducted by Seller, if any.

If, at any time prior to the Closing Date, Seller acquires actual knowledge of events or circumstances which render the representations set forth in this Section 11 inaccurate in any respect, Seller shall immediately notify Buyer, in writing. The representations and, warranties set forth above shall survive the Closing of this transaction for a period of one (1) year and Seller's delivery of a deed to Buyer. Buyer's acceptance of the deed described in this Agreement from Seller and payment of the Purchase Price to Seller with knowledge that one or more of the matters set forth above are not as represented and warranted shall constitute Buyer's waiver or release of any claims due to such misrepresentation or breach of warranty. At the Closing, an authorized representative of Seller shall execute and deliver to Buyer a certificate of Seller certifying that the representations contained in this Section 11 are true as of the Closing Date, if such representations are no longer true, describing, in detail, the reasons why the representations are no longer true (the "Date Down Certificate").

12. Representations and Warranties by Buyer. Buyer represents and warrants to Seller as of the date of this Agreement and as of the Closing Date the following:

(a) Authority. Buyer has the requisite power and authority to enter into and perform this Agreement and those Buyer's Closing documents to be signed by it; such documents have been duly authorized by all necessary action on the part of Buyer and have been and shall be duly executed and delivered; and such documents are and shall be valid and binding obligations of Buyer, enforceable in accordance with their terms.

(b) No Other Representations. Except as set forth in Section 11 of this Agreement, neither Seller nor any real estate broker, agent or other representative of Seller has made any representations or warranties whatsoever regarding this transaction or any fact relating thereto, including, without limitation, the condition of the Property.

(c) Non-Reliance. Except as set forth in Section 11 of this Agreement, Buyer has not relied and will not rely on, and Seller is not liable for or bound by, any express or implied warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto made or furnished by Seller, or any real estate broker or agent representing or purporting to represent Seller, to whomever made or given, directly or indirectly, verbally or in writing, unless specifically set forth herein.

13. Condemnation. If a public or private entity with the power of eminent domain commences condemnation proceedings against all of any part of the Property, Seller shall immediately notify Buyer, and Buyer may, at Buyer's sole option, terminate this Agreement pursuant to Section 16 below. Buyer shall have twenty (20) days from Buyer's receipt of Seller's notice to Buyer to exercise Buyer's termination right. If Buyer does not terminate this Agreement within said twenty (20) day period, the parties shall fully perform their obligations under this Agreement, with no reduction in the Purchase Price, and Seller shall assign to Buyer, on the Closing Date, all of Seller's right, title and interest in any award made or to be made in the condemnation proceedings. Seller shall not designate counsel, appear or otherwise act with

respect to any such condemnation proceedings without Buyer's prior written consent unless Buyer fails to respond within seven (7) days to a request for such written consent.

14. Assignment. Buyer and Seller may not assign their respective rights and obligations under this Agreement to a third party without the written consent of the other party.

15. Default/Remedies. If either party defaults in the performance of any of the obligations under this Agreement, the non-defaulting party may, after written notice to the defaulting party, suspend performance of its obligations under this Agreement, and the rights of the non-defaulting party are as follows:

a. **Buyer's Default.** If Buyer defaults in the performance of any of Buyer's obligations under this Agreement, Seller may:

(i) terminate this Agreement pursuant to Minnesota Statutes, Section 559.21, and retain the Earnest Money and any interest which the Earnest Money has earned as liquidated damages. Seller shall be entitled to retain the Earnest Money only upon Seller's delivery to Buyer of a copy of a Notice of Cancellation of Purchase Agreement which satisfies the requirements of Minnesota Statutes, Section 559.21; an Affidavit of Service stating that the Notice of Cancellation was served upon Buyer and an Affidavit stating that Buyer failed to comply with the requirements of the Notice of Cancellation within the time period set forth in Minnesota Statutes, Section 559.21, or;

(ii) initiate a civil action to compel Buyer's specific performance of Buyer's obligations under this Agreement provided that Seller commences such action within six (6) months of the date of Buyer's default.

The remedies set forth in this Section 15(a) are Seller's sole and exclusive remedies in the event of Buyer's default.

b. **Seller's Default.** If Seller defaults as to Seller's obligation to convey title to the Property pursuant to the terms of this Agreement, Buyer may:

(i) terminate this Agreement pursuant to Section 16 below, and the Earnest Money paid, together with interest thereon, shall be returned to Buyer; or

(ii) initiate a civil action to compel Seller's specific performance of Seller's Obligations under this Agreement provided that Buyer commences such action within six (6) months of the date of Seller's default.

16. Termination of this Agreement. Certain Sections of this Agreement allow Buyer to terminate this Agreement under certain conditions. The following procedures shall govern Buyer's exercise of its termination rights:

a. Buyer shall notify Seller, in writing, of Buyer's intent to terminate this Agreement;

b. Buyer's notice shall recite the Section of this Agreement that authorizes Buyer's termination of this Agreement and shall describe the facts and circumstances Buyer asserts justify termination under the referenced Section;

c. If Seller disputes Buyer's right to terminate this Agreement, Seller shall so notify Buyer, in writing, within seven (7) business days of Seller's receipt of Buyer's notice of termination;

d. If Seller does not dispute Buyer's right to terminate the Agreement, Buyer shall execute and deliver to Seller a recordable quit claim deed evidencing the termination of this Agreement, and on the receipt of such a quit claim deed, Seller shall return or instruct the Title Company to return the Earnest Money and any interest which the Earnest Money has earned to Buyer;

e. If Seller disputes the validity of an attempted termination of this Agreement, either party may initiate a civil action in a court of competent jurisdiction to determine the status of this Agreement.

17. Time. Time is of the essence for all provisions of this Agreement.

18. Survival of Terms. The parties' obligations under this Agreement and the representations and warranties which the parties have recited in this Agreement shall survive Seller's delivery of a deed to Buyer and the Closing of this transaction for a period of one year.

19. Notices. Any notice required or permitted to be given hereunder will be properly given in accordance with this Agreement, if in writing and (i) delivered by hand, (ii) sent by recognized overnight courier (such as Federal Express), or (iii) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed as follows:

If to Seller: Carver-Scott Educational Cooperative
Attention: Darren Kermes
Executive Director
792 Canterbury Road, Suite 211
Shakopee, MN 55379

If to Buyer: Independent School District No. 112
Attention: DeeDee Kahring
Director of Finance and Operations
11 Peavey Road
Chaska, MN 55318

Notice shall be effective, and the time for response to any notice by the other party shall commence to run, one (1) Business Day after any such deposit if by overnight carrier, or three (3) days if by certified or registered mail, or the day after receipt if delivered by hand. Either Seller or Buyer may change its address for the service of notice by giving notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.

20. Full Agreement. Buyer and Seller acknowledge that this Agreement (and attached Exhibits) represents the full and complete agreement of the parties relating to the purchase and sale of the Property and all matters related to the purchase and sale of the Property. This Agreement supersedes and replaces any prior agreements, either oral or written, and any amendments or modifications to this Agreement must be in writing and executed by both parties to be effective.

21. Severability. If any provision of this Agreement is held to be unenforceable or void, such provision shall be deemed to be severable and shall in no way affect the validity of the remaining terms of this Agreement

22. Governing Law. This Agreement is made under the laws of the State of Minnesota and such laws shall control its interpretation.

23. Headings. The headings contained herein are for convenience of reference only and do not affect, define, describe or limit the scope or intent of this Agreement or any of its provisions.

SELLER:

CARVER-SCOTT EDUCATIONAL
COOPERATIVE

By: _____
Its: Chair

By: _____
Its: Clerk

BUYER:

INDEPENDENT SCHOOL DISTRICT NO. 112,
CHASKA, MINNESOTA

By: _____
Its: Chair

By: _____
Its: Clerk

EXHIBIT A

EXPLANATION OF PURCHASE PRICE

The Purchase Price is calculated as follows:

- (a) \$567,121 – The total sum of Five Hundred Sixty-Seven One Hundred Twenty-One Dollars (\$567,121)

MINUS:

- (b) \$104,300 – One Hundred Four Thousand Three Hundred Dollars – Reduction for 70% of Roof replacement cost

TOTAL PURCHASE PRICE:

- (c) \$462,821 – Four Hundred Sixty-Two Eight Hundred Twenty-One Dollars

MINUS:

- (d) \$ 174,715 – One Hundred Seventy-Four Seven Hundred Fifteen Dollars - Buyer's proceeds of ownership (37.75%) from the sale.

TOTAL:

- (e) \$288,106 – Two Hundred Eighty-Eight One Hundred Six Dollars to be paid by Buyer to Seller at Closing.