

FACILITIES COMMITTEE
Tuesday, May 25, 2010 10:30 AM

Boardroom / Teleconference
1820 Xenium Ln N
Minneapolis, MN 55441-3790

Agenda

1. North Education Center (NEC) Facilities Committee Agenda for May 25, 2010
Closed Session
2. Purchase Agreement
3. Special Ed MDE Monitor Exit Information
Presenter: Laura Keller-Gautsch

PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2010, by and between **INTERMEDIATE SCHOOL DISTRICT NO. 287**, a body politic and corporate under the laws of the State of Minnesota ("Buyer"), and **INDEPENDENT SCHOOL DISTRICT NO. 281**, a body politic and corporate under the laws of the State of Minnesota ("Seller").

WHEREAS, Seller is the fee simple owner of a tract or parcel of land situated in Hennepin County, Minnesota, and comprising approximately 20 acres, all as more particularly described on **Exhibit A** attached hereto ("Seller's Property"), together with various improvements thereon, including without limitation the Hosterman school building located at 5530 Zealand Avenue North, New Hope, Minnesota (the "Hosterman Building"); and

WHEREAS, pursuant to that Lease, dated June 19, 2009 (the "Hosterman Lease"), by and between Seller, as landlord, and Buyer, as tenant, Buyer currently leases from Seller the Hosterman Building wherein Buyer operates the Sun-Hosterman School, consisting of special education programming for grade levels from kindergarten through twelfth grade (the "Sun-Hosterman School"); and

WHEREAS, Buyer wishes to purchase the westerly 10.01 acres of Seller's Property (the "Development Parcel"), as depicted as "Option C" of **Exhibit B** attached hereto (the "Site Plan"), including without limitation the Hosterman Building and such other improvements as shall be located on or in the Development Parcel (all such improvements collectively referred to herein as the "Improvements"), for purposes of demolition of the Hosterman Building and redevelopment of the Development Parcel (that portion of the Seller's Property, excluding the Development Parcel, hereinafter referred to as the "Retained Parcel"); and

WHEREAS, in connection with the aforementioned demolition of the Hosterman Building and redevelopment of the Development Parcel, Buyer wishes to terminate its lease of the Hosterman Building and temporarily lease, and relocate the Sun-Hosterman School to, Seller's Sandburg Middle School building located at 2400 Sandburg Lane, Golden Valley, MN (the "Sandburg Middle School Property") until construction of Buyer's new facility on the Development Parcel has been completed;

WHEREAS, in furtherance of the foregoing, Seller has agreed to sell and Buyer has agreed to purchase the Development Parcel, all on the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. **Purchase of Development Parcel.** Seller hereby agrees to sell and Buyer hereby agrees to purchase the Development Parcel free and clear of liens and encumbrances (except such encumbrances or other exceptions as may be waived or consented to by Buyer) pursuant to in this Agreement (collectively, "Permitted Exceptions"), including the following:

(a) The Development Parcel, together with all buildings and improvements constructed or located on the Development Parcel, and all easements and rights of every kind and nature benefiting or appurtenant to the premises; and

(b) Subject to Seller's salvage rights pursuant to Section 21(a) of this Agreement, all of the personal property owned by Seller that is abandoned on the Development Parcel or in the Hosterman Building as of the Closing Date (the "Personal Property").

2. Purchase Price, Manner of Payment, and Allocation. The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Development Parcel shall be One Million One Hundred Seventy-five Thousand and No/100ths Dollars (\$1,175,000.00). The Purchase Price shall be payable as follows:

(a) Fifty Thousand and No/100ths Dollars (\$50,000.00) as earnest money ("Earnest Money") upon execution of this Agreement, payable directly by Buyer, which Earnest Money shall be held by First American Title Insurance Company ("Title") in an interest bearing account in accordance with an escrow agreement among Buyer, Seller, and Title.

(b) The balance of the Purchase Price in the amount of One Million One Hundred Twenty-five Thousand and No/100ths Dollars (\$1,125,000.00), in cash or by wire transfer of U.S. funds (subject to such further allocations and adjustments as are specified in Section 5 of this Agreement to the extent not separately paid outside of the Closing (provided reasonable evidence of such payments is furnished to all parties and Title on or before the Closing) to be received in the trust account of Title in US Bank National Association, a national banking association, before 4:00 p.m. on the Closing Date (as herein defined).

3. Closing and Possession. The parties shall close this transaction on or before the earlier of the following (the "Closing Date"): (i) within 30 days after Buyer obtains all necessary approvals from the City of New Hope (the "City") for the split of Seller's Property; or (ii) the later of (i) October 15, 2010, or (ii) such other date as to which the parties may in their mutual discretion choose to extend the Closing Date, pursuant to a writing duly executed by both Buyer and Seller. The closing ("Closing") shall be held at the offices of Henson & Efron, P.A., in Minneapolis, Minnesota, or at such other place as may be agreed upon.

(a) Seller's Closing Obligations. On the Closing Date, Seller shall execute and deliver to Buyer the following (collectively "Seller's Closing Documents") in form reasonably satisfactory to Buyer:

(i) A Warranty Deed (the "Deed"), in the form attached hereto as **Exhibit C**, conveying the Development Parcel to Buyer, free and clear of all encumbrances (excluding Permitted Exceptions), and subject to restrictive covenants on use and disposition of the Development Parcel.

(ii) A Bill of Sale, conveying the Personal Property to Buyer, free and clear of all encumbrances;

(iii) An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Development Parcel; that there has been no skill, labor or material furnished to the Development Parcel for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Development Parcel; together with whatever standard owner's affidavit and indemnity which may be required by Title to issue an Owner's Policy of Title Insurance with the standard exceptions waived;

(iv) A non-foreign affidavit, properly executed and in recordable form, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and Internal Revenue Service regulations;

(v) A Designation Agreement (the "Designation Agreement") designating the "reporting person" for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594;

(vi) A Well Certificate in the form required by law disclosing all wells located on the Development Parcel;

(vii) If the Development Parcel contains or contained a storage tank, an affidavit with respect thereto, if required by Minnesota Statutes Section 116.48;

(viii) If there exists an "individual sewage treatment system", as that term is defined under Minnesota Statutes Section 115.55, a certificate of compliance with respect thereto, dated not greater than three years prior to the Closing Date;

(ix) A Termination Agreement, terminating the Hosterman Lease (the "Termination Agreement");

(x) A Lease Agreement (the "Sandburg Lease"), pursuant to which Buyer, as tenant, shall lease from Seller, as landlord, the Sandburg Middle School Property on a month-to-month basis from June 14, 2010 until completion of construction of Buyer's facility on the Development Parcel, which is estimated to be completed by August 1, 2012, with monthly rent payments of \$85,103.30;

(xi) A Right of First Refusal Agreement (the "Right of First Refusal Agreement"), in the form attached hereto as **Exhibit D**, pursuant to which Seller shall be granted rights of first refusal with respect to any sale or other disposition by Buyer, and by any successor in interest to Buyer, of all or any portion of the Development Parcel;

(xii) All other documents, if any, as may be reasonably necessary to satisfy Seller's obligation to correct Buyer's Objections under Section 6 of this Agreement; and

(xiii) A Clerk's Certificate attaching thereto the resolutions of Seller's school board authorizing Seller to enter into this Agreement and perform Seller's obligations hereunder, and under all other deeds, documents and other agreements executed and delivered in connection herewith.

(b) **Buyer's Closing Obligations.** On the Closing Date, Buyer shall perform the following obligations and execute and deliver to Seller, in form reasonably satisfactory to Seller, the following documents (collectively "Buyer's Closing Documents"):

(i) Subject to such allocations, prorations and adjustments as are provided for in this Agreement, the Purchase Price;

(ii) Such Affidavits of Purchaser, Certificates of Value or other documents as may be reasonably required by Title in order to record the Seller's Closing Documents and issue the Title Insurance Policy required by this Agreement.

(iii) A perpetual easement over and across a portion of the Development Parcel, granting the Seller unrestricted access to Seller's fiber optic manhole and related fiber optics system, all in form and substance as shall be reasonably acceptable to Buyer and Seller.

(iv) The Designation Agreement;

(v) The Termination Agreement;

(vi) The Sandburg Lease;

(vii) The Right of First Refusal Agreement; and

(viii) A Clerk's Certificate attaching thereto the resolutions of Buyer's school board authorizing Buyer to enter into this Agreement and perform Buyer's obligations hereunder, and under all other deeds, documents and other agreements executed and delivered in connection herewith.

4. Pre-Closing Obligations. At least five business days prior to the Closing Date, Seller and Buyer shall use best efforts to furnish to the other a draft of each document, instrument, statement, report, or commitment such party is required to deliver at the Closing.

5. Allocations, Prorations and Adjustments. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

(a) Seller shall pay for all costs of the Title Evidence obtained and furnished by Seller pursuant to Section 6(a) below. Buyer shall pay for all costs of Title Evidence obtained and furnished by Buyer pursuant to Sections 6(b) below. Seller and Buyer shall each pay one-half of all costs of Title Evidence obtained and furnished by Buyer pursuant to Section 6(c) below. Buyer shall also pay the premium for any owner's title policy. Seller and Buyer shall each pay one-half of any reasonable and customary closing fee and charge imposed by any closing agent designated by Title.

(b) Seller shall pay all state deed tax regarding the Warranty Deed to be delivered by Seller under this Agreement. Buyer shall pay all Mortgage Registry Tax regarding the recording of any mortgage securing any Buyer's loan.

(c) General real estate taxes attributable to the Development Parcel, if any, payable in the calendar year preceding the calendar year in which the Closing occurs, and all years prior thereto, shall be paid by Seller. General real estate taxes attributable to the Development Parcel, if any, payable in the calendar year within which the Closing occurs shall be prorated by Seller and Buyer as of the Closing Date based upon a calendar fiscal year. General real estate taxes attributable to the Development Parcel, if any, payable in the calendar year following the calendar year in which the Closing occurs, and all years subsequent thereto, shall be paid by Buyer. Seller shall pay all deferred real estate taxes which may become payable as a result of the sale contemplated hereby.

(d) Scheduled installments of special assessments levied against the Seller's Property and due and payable in the calendar year preceding the calendar year in which the Closing occurs, and all years prior thereto, will be paid by Seller. With respect to special

assessments as shall be levied, pending or constituting a lien against the Seller's Property in the calendar year in which the Closing occurs and thereafter, the following shall apply:

(i) Seller and Buyer shall jointly submit to and file with the City a written application or request for a proportionate split, allocation, assumption and continuation of the then remaining assessments, as of the Closing Date and after giving effect to the sale of the Development Parcel by the Seller to Buyer, until such assessments shall be paid in full in accordance with the terms thereof;

(ii) In the event of a favorable response by the City to such application or request, thereby allowing such proportionate split, allocation, assumption and continuation of the then remaining assessments, and after giving effect thereto by the City, Seller and Buyer shall be and remain separately responsible for their proportionate share of such then remaining assessments, such that (A) scheduled installments of special assessments levied against the Development Parcel and due and payable in the calendar year in which the Closing occurs shall be prorated by Seller and Buyer as of the Closing Date based upon a calendar fiscal year; (B) scheduled installments of special assessments levied against the Development Parcel and due and payable in the calendar year subsequent to the calendar year in which the Closing occurs, and all years subsequent thereto, shall be paid by Buyer; and (C) scheduled installments of special assessments levied against the Retained Parcel and due and payable in the calendar year in which the Closing occurs, and in the calendar year subsequent to the calendar year in which the Closing occurs, and all years subsequent thereto, shall be paid by Seller; and

(iii) In the event of an unfavorable response by the City to such application or request, thereby requiring an acceleration of such then remaining assessments, the then remaining unpaid balance of the then remaining assessments attributable to the Development Parcel shall be prorated between Seller and Buyer as of the Closing Date, prior to giving effect to such acceleration, and Seller and Buyer shall pay in full at Closing their respective share of such unpaid balance of the then remaining assessments.

(e) Seller shall pay the cost of recording all documents necessary to place record title in the condition warranted and represented by Seller in this Agreement and to cure title objections, if any. Buyer shall pay the cost of recording all other documents.

(f) All operating costs of the Development Parcel, shall be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such operating costs as are payable before the Closing Date, and Buyer pays that part of such operating costs as are payable from and after the Closing Date.

(g) Buyer shall pay all broker and attorney fees incurred by any brokers or attorneys employed by or on behalf of Buyer in connection with this transaction.

(h) Seller shall pay all broker and attorney fees incurred by any brokers or attorneys employed by or on behalf of Seller in connection with this transaction.

6. Evidence of Title and Title Examination. Seller and Buyer shall obtain and furnish to each other the following (collectively the "Title Evidence"):

(a) As soon as possible, and in any event within fifteen days after the execution of this Agreement by both parties, Seller shall furnish an abstract of title (the

“Abstract”) or commitment for an owner’s title insurance policy (the “Commitment”) issued by Title insuring title to the Seller’s Property, in the amount of the Purchase Price. In the case of a Commitment, the Commitment shall include proper searches covering bankruptcies, state and federal judgments and liens and levied and pending special assessments. The Commitment shall also be accompanied by copies of all recorded documents affecting the Seller’s Property.

(b) In the event Seller furnishes an Abstract for Seller’s Property pursuant to Section 6(a) above, in lieu of a Commitment, then within fifteen days after receipt of the Abstract, Buyer shall obtain the Commitment for its own benefit and promptly furnish the same to Seller. The Commitment shall include proper searches covering bankruptcies, state and federal judgments and liens and levied and pending special assessments. The Commitment shall also be accompanied by copies of all recorded documents affecting the Seller’s Property.

(c) Within 20 days after the receipt by Buyer of the Commitment pursuant to Section 6(a) or (b) above, Buyer shall obtain for its own benefit, and cause to be simultaneously furnished to Seller, a current ALTA survey of the Seller’s Property, fully depicting therein both the Development Parcel (conforming in all material respects to the Development Parcel, as depicted in the Site Plan) and the Retained Parcel, prepared by a duly licensed land surveyor in Minnesota (the “Survey”). The Survey shall show all then existing improvements to the Seller’s Property, shall include certified legal descriptions for the Development Parcel and the Retained Parcel, certified to Buyer, Seller and Title, and shall set forth and contain such other certifications as Seller, Buyer or Title may reasonably require.

(d) Buyer shall have 15 days after receipt of both the Commitment and the Survey to furnish to Seller all written objections (the “Buyer’s Objections”) to the form or content of title to the Development Parcel. Buyer’s failure to make Buyer’s Objections within such 15-day period shall constitute a waiver of such Buyer’s Objections. Seller shall have 60 days after receipt of such Buyer’s Objections to have such objections removed or satisfied, during which period the Closing shall be postponed.

If Seller shall fail to have such Buyer’s Objections removed or satisfied within such 60-day period, Buyer may, at its sole election: (i) terminate this Agreement without any liability on its part in which event the Earnest Money with accrued interest shall be promptly paid over to Buyer; (ii) if the Buyer’s Objections are liens (other than assessments which have been proportionately split, allocated, assumed and continued pursuant to Section 5(d)(ii) of this Agreement) that may be removed by the payment of sums of money, take title to the Development Parcel pursuant to the terms of this Agreement, and discharge any such liens and deduct the same from the cash due and payable to Seller on the Closing Date (provided, however, if any such liens are disputed by Seller, and if so requested by Seller, Seller and Buyer shall escrow with Title from the Purchase Price not less than 125 percent of the aggregate then unpaid amount of such disputed liens, inclusive of interest and penalties, if any, and Seller shall have 120 days following the Closing Date within which to deliver to Title duly executed releases of such liens in full, after which, and in the absence of Title’s receipt of such lien releases, Title shall be directed under the terms of such escrow to automatically pay and discharge all such liens up to the amount so escrowed, with any deficiency to be promptly paid by Seller to Buyer and any surplus to be promptly remitted by Title to Seller), or (iii) waive such Buyer’s Objections in writing and proceed to closing with the understanding that such uncured Buyer’s Objections shall be deemed Permitted Exceptions at closing. Seller agrees to use Seller’s reasonable efforts to remove or satisfy promptly any such Buyer’s Objections at Seller’s sole cost and expense.

7. Operation Prior to Closing. During the period from the date of Seller's acceptance of this Agreement to the Closing Date (the "Executory Period"), Seller shall operate and maintain the Development Parcel in the ordinary course of business, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. However, Seller shall execute no contracts, leases, or other agreements regarding the Development Parcel during the Executory Period that are not terminable on or before the Closing Date, without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion.

8. Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are contingent upon satisfaction of each of the following conditions:

(a) Buyer shall have obtained, on or before the Contingency Date, the authorization by Buyer's board of the execution and delivery by Buyer of, and performance by Buyer under, this Agreement.

(b) Buyer shall have determined, subject to Seller's Approved Environmental Disclosures (as hereinafter defined) as to which Buyer hereby waives all objections, on or before the Contingency Date, that it is satisfied with the results of and matters disclosed by any soil tests, well tests, engineering inspections, and hazardous waste and environmental reviews of the Development Parcel, all such tests, inspections and reviews (except such studies, assessments, reviews, and reports as shall have been furnished to Buyer under Section 8(d)(ii), below) to be obtained at Buyer's sole cost and expense, and written notice of such determination shall have been furnished to Seller. For purposes of this Agreement, Seller's "Approved Environmental Disclosures" shall mean the collective reference to the following: (i) that AHERA Re-Inspection Report, dated August 31, 2009, by Braun Intertec Corporation (Project BL-09-02136) (the "Braun Report"); and (ii) those certain email exchanges, dated April 19, 2010, between Jim Gerber, on behalf of Seller, and Thomas Shultz, on behalf of Buyer, pursuant to which Seller and Buyer have agreed that (A) any hazardous materials removal by Braun Intertec, in its capacity as Seller's abatement contractor and pursuant to the Braun Report, is unlikely to eliminate the potential for asbestos-containing, lead-containing, or other hazardous materials which remain concealed (collectively referred to as the "Concealed Hazardous Materials") and which may be encountered during demolition of the Hosterman Building, and as to which Buyer has acknowledged and agreed that the removal of such Concealed Hazardous Materials, and associated cost, shall be accomplished and borne by Buyer in connection with, and as part of, Buyer's demolition of the Hosterman Building; and (B) there currently exists an underground storage tank on or in the Development Parcel, the removal of which in accordance with applicable law, and associated cost, shall be undertaken and borne by the Seller.

(c) Buyer shall have obtained, on or before the Contingency Date, at Buyer's sole cost and expense, and with Seller's reasonable cooperation, a lot split of Seller's Property, consistent in all respects with the boundary designations for the Development Parcel and Retained Parcel, as required to be shown on the Final Survey, said costs and expenses to include without limitation all such costs and expenses for compliance with any platting requirements for Seller's Property, or other approvals, as may be required by the City or otherwise for purposes of achieving a legal split of the Seller's Property into two distinct tax parcels. Seller shall reasonably cooperate with Buyer in obtaining said approvals and shall consent to any necessary setback variance to the extent that such setback variances are

determined by Seller, in Seller's sole and absolute discretion, to not adversely impact the Retained Parcel.

(d) Seller shall have performed the following:

(i) Seller shall allow Buyer, and Buyer's agents, access to the such of the Seller's Property as shall comprise the Development Parcel without charge and at all reasonable times for the purposes of Buyer's investigation and testing of the Development Parcel, provided that Buyer shall furnish to Seller such written hold harmless, indemnification and restoration agreements as Seller may reasonably request, and provide a liability insurance certificate to Seller naming Seller as an additional insured, in an amount equal to \$1,000,000.00; and

(ii) Within 20 days following the date of this Agreement, Seller shall deliver to Buyer true and correct copies of all surveys, environmental reports and assessments, geotechnical reports and all other existing records of Seller relating to the Development Parcel.

The "Contingency Date" shall be 60 days from and after the date of this Agreement. If any of the contingencies set forth above have not been satisfied on or before the Contingency Date, then this Agreement may be terminated, at Buyer's option, by written notice delivered from Buyer to Seller at any time on or before the Contingency Date. Seller agrees to extend the Contingency Date with respect to the City approval contingency specified in paragraph (c) of this Section in the event that Buyer's application(s) have not been acted upon by the City by the Contingency Date. In that event, the Contingency Date shall be extended until the earlier of (A) October 15, 2010, or (ii) such other date as to which the parties may in their mutual discretion choose to extend the Closing Date, or (B) 10 days after the date that the City acts on the Buyer's applications. Upon such termination, the Earnest Money and any interest accrued thereon shall be paid over to Buyer and upon such payment, neither party shall have any further rights or obligations regarding this Agreement or the Development Parcel. All the contingencies set forth in this Section 8 are specifically stated and agreed to be for the sole and exclusive benefit of the Buyer and the Buyer shall have the right, at its sole option, to waive any contingency by written notice to Seller.

9. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that:

(a) Seller has the requisite legal capacity to enter into and perform this Agreement, and those Seller's Closing Documents and Other Closing Documents signed by Seller; that such documents do not conflict with or result in a violation of any agreement, judgment, order or decree of any court or arbiter to which Seller is a party; that such documents are valid and binding obligations of Seller, enforceable in accordance with their terms.

(b) Seller owns the Development Parcel in fee simple.

(c) Seller is not, to the best of Seller's actual knowledge and belief, in default concerning any of Seller's obligations or liabilities regarding the Development Parcel.

(d) Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

(e) There is no action, litigation, investigation, condemnation or proceeding of any kind pending or to the actual knowledge of Seller threatened against Seller or any portion of the Development Parcel.

(f) The Seller certifies and warrants that there are no "individual sewage treatment systems" on the Development Parcel, as that term is defined by Minnesota Statutes Section 115.55. In addition, Seller will disclose at closing all wells located on the Development Parcel, and Buyer shall be responsible for any and all costs incurred in sealing or capping the wells.

(g) To Seller's actual knowledge, and except as otherwise disclosed in Section 8(b) of this Agreement, no above ground or underground tanks are located in or about the Development Parcel, or have been located under, in or about the Development Parcel and have subsequently been removed or filled. To the extent storage tanks exist on or under the Development Parcel, and have not been removed on or before the Closing Date, such storage tanks have been or shall be duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable federal, state and local statutes, regulations, ordinances and other regulatory requirements.

(h) To the best of Seller's knowledge, and except as otherwise disclosed as part of Seller's "Approved Environmental Disclosures", no toxic or hazardous substances or wastes, pollutants, or contaminants, including without limitation, asbestos, lead paint, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products and any hazardous substances as defined in any Environmental Law (collectively, "Hazardous Substances") have been generated, treated, stored, transferred from, released or disposed of, otherwise placed, deposited in or located on the Development Parcel in violation of any Environmental Law, nor to the best of Seller's knowledge, has any activity been undertaken on the Development Parcel that would cause or contribute to the Development Parcel being a treatment, storage or disposal facility within the meaning of any Environmental Law. The term "Environmental Law" shall mean any and all federal, state and local laws, statutes, codes, ordinances, regulations, rules, policies, consent decrees, judicial orders, administrative orders or other requirements relating to the environment or to human health and safety associated with the environment, as currently in effect.

(i) To the best of Seller's knowledge, and except as otherwise disclosed as part of Seller's "Approved Environmental Disclosures", there have been no discharges, releases or threatened releases of Hazardous Substances from the Development Parcel, and to the best of Seller's knowledge, there are no Hazardous Substances or conditions in or on the Development Parcel that may support a claim or cause of action under any Environmental Law.

(j) To the best of Seller's knowledge, and except as otherwise disclosed as part of Seller's "Approved Environmental Disclosures", the Development Parcel is not now and never has been listed on any list of sites contaminated with Hazardous Substances, nor used as a landfill, dump, disposal or storage site for Hazardous Substances.

All representations and warranties listed above shall terminate one hundred eighty (180) days from and after the Closing Date.

10. Buyer's Representations and Warranties. Buyer is an intermediate school district under the laws of the State of Minnesota; Buyer has the requisite power and authority to enter into and perform this Agreement and those Closing Documents and Other Documents signed,

If to Buyer: Intermediate District 287
1820 Xenium Lane North
Plymouth, MN 55441
Attn: Superintendent

With copy to: Sarah J. Sonsalla, Esq.
Kennedy & Graven Chartered
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

Notice shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, 10 days prior to the effective date of such change.

16. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

17. Modification. No verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

18. Binding Effect. This Agreement binds and benefits the parties and their successors and assigns.

19. Controlling Law. This Agreement has been made under the laws of the State of Minnesota.

20. Remedies. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement and retain the Earnest Money and interest paid as Seller's liquidated damages, time being of the essence of this Agreement. The termination of this Agreement (and retention of the Earnest Money and interest paid) will be the sole remedies available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer shall have the right (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money and interest paid), or (ii) to enforce and recover from Seller specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money and interest paid), or the enforcement and recovery from Seller of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages.

21. Seller's Additional Pre-closing and Post Closing Rights and Obligations.

(a) Hosterman Building Hazardous Materials and Underground Storage Tank Removal. Within 30 days from and after the date of this Agreement, and at Seller's sole cost and expense, Seller shall make reasonable efforts to submit for public bid, and contract with, a hazardous materials contractor for purposes of conducting removal and remediation of such

hazardous materials (excluding Concealed Hazardous Materials) as are located in the Hosterman Building and the Development Parcel and identified in the Braun Report as being within any of the AHERA Hazard Categories, as expressly set forth in the Braun Report. Seller shall also be responsible for removal of the underground storage tank that is located on the Development Parcel. Seller shall require Seller's hazardous materials contractor (the "Hazardous Materials Contractor") to commence and complete the foregoing hazardous materials removal and remediation on or before July 16, 2010. Seller shall complete the removal of the underground storage tank or before July 9, 2010. Buyer's commencement of demolition of the Hosterman Building shall commence no earlier than the day immediately following Seller's completion of the foregoing hazardous materials removal and remediation and underground storage tank removal.

(b) Hosterman Building Salvage. At all times from and after the date of this Agreement, through and including the day immediately preceding Buyer's commencement of demolition of the Hosterman Building (the "Removal Deadline"), the following shall apply:

(i) Seller shall be entitled to leave personal property within the Hosterman Building for subsequent removal, prior to the Removal Deadline, by Seller. During such period, (A) Buyer shall ensure that the Hosterman Building is and remains fully locked and secured from entry by third parties not expressly granted rights of entry by Buyer; and (B) Seller shall be entitled to reasonable access to the Hosterman Building for purposes of removing any and all such personal property, and in connection therewith Seller shall furnish to Buyer such written hold harmless and indemnification agreements as Buyer may reasonably request. As of the Removal Deadline, or upon such other date as Seller and Buyer may mutually agree in writing, the following shall apply: (1) Seller's right to access the Hosterman Building shall terminate; (2) all then remaining personal property of Seller, as may be located therein, shall be deemed abandoned by Seller and shall become the property of Buyer; and (3) Buyer may, in Buyer's sole discretion, keep and retain any such abandoned personal property, or dispose of such personal property separately or in connection with Buyer's demolition of the Hosterman Building. Seller shall also be entitled to remove those items from the Hosterman Building as are described in Exhibit E attached hereto (collectively with any personal property temporarily left by Seller in the Hosterman Building as to which Seller wishes to remove prior to the Removal Deadline, referred to herein as "Seller's Removal Property"). Buyer shall notify Seller in writing of the demolition date of the Hosterman Building at least thirty days prior to said demolition date. Removal must be completed by Seller on or prior to the Removal Deadline.

(c) Storm Water Ponding/Drainage. Buyer shall be responsible for satisfying any and all storm water ponding and drainage requirements associated with the Development Parcel as follows: (i) any and all storm water ponding requirements as may be imposed by the City, or otherwise required as a result of Buyer's redevelopment of the Development Parcel, shall be satisfied solely by the Buyer on the Development Parcel and without resort by Buyer to any of the Retained Parcel; and (ii) any and all off-site drainage as may be imposed or permitted by the City, or otherwise required as a result of Buyer's redevelopment of the Development Parcel (including without limitation storm water drainage from the Development Parcel to the City's storm water drainage system), shall be satisfied solely by the Buyer on the Development Parcel and without resort by Buyer to any of the Retained Parcel.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the date first written above.

BUYER:

INTERMEDIATE SCHOOL DISTRICT NO. 287

By: _____

Its: Chair

By: _____

Its: Clerk

SELLER:

INDEPENDENT SCHOOL DISTRICT NO. 281

By _____

Its _____

EXHIBIT A

Legal Description of Seller's Property

The North Half (N $\frac{1}{2}$) of the South Half (S $\frac{1}{2}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 6, Township One Hundred Eighteen (118), Range Twenty-one (21), except that part thereof lying Easterly of a line drawn parallel to and four hundred ninety-four and sixty one-hundredths (494.60) feet Westerly from the East line of said Southeast Quarter (SE $\frac{1}{4}$).

EXCEPT: The West Thirty (30) feet of the North one-half (N $\frac{1}{2}$) of the South one-half (S $\frac{1}{2}$) of the Southeast One Quarter (SE $\frac{1}{4}$) of Section 6, Township 118, Range 21 lying East of the extension Northerly of the center line of Zealand Avenue as platted as Begin Addition, for purposes of a public street and for the construction and maintenance of all incidental uses thereof such as but not limited to curbs, gutters, sewer, electricity, gas, water and other utilities.

Subject to road as excepted in Deed shown as recorded in Book 1658 of Deeds, page 171.

Subject to any easements, zoning ordinances and regulations and restrictions of record.

EXHIBIT B

Site Plan

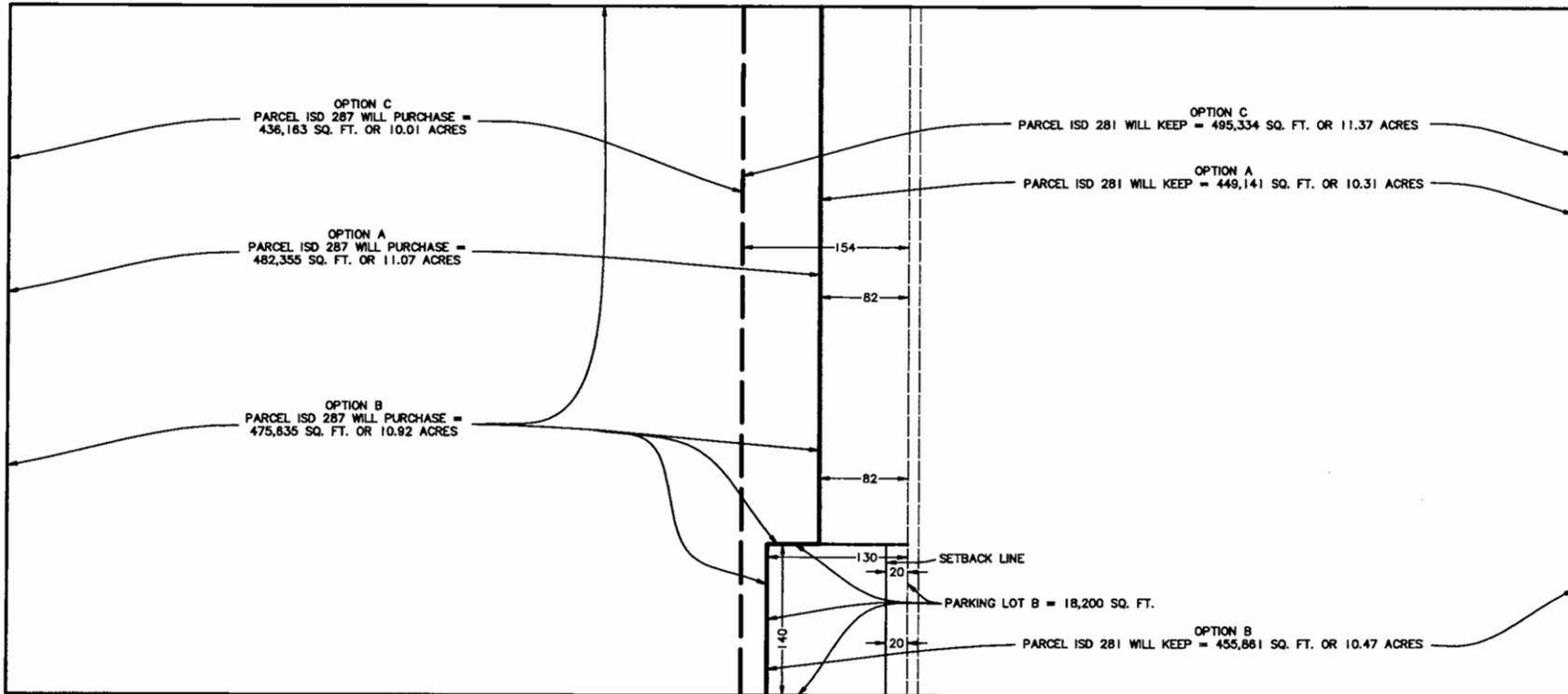


EXHIBIT C

Warranty Deed

EXHIBIT D

Right of First Refusal Agreement

EXHIBIT E

Seller's Removal Property

1. Seller's personal property;
2. All copper piping located within the Hosterman Building;
3. See Exhibit E-1 attached hereto.

WARRANTY DEED

STATE DEED TAX DUE HERON: \$_____

Date: _____, 2010

FOR VALUABLE CONSIDERATION, **INDEPENDENT SCHOOL DISTRICT NO. 281**, a body politic and corporate under the laws of the State of Minnesota, Grantor, hereby conveys and warrants to **INTERMEDIATE SCHOOL DISTRICT NO. 287**, a body politic and corporate under the laws of the State of Minnesota, Grantee, real property in Hennepin County, Minnesota, described as follows:

See Exhibit A attached hereto.

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

See Exhibit B attached hereto.

(collectively referred to herein as the "Property").

[THE SELLER CERTIFIES THAT THE SELLER DOES NOT KNOW OF ANY WELLS ON THE DESCRIBED REAL PROPERTY.]

Grantee hereby covenants and warrants for Grantee and Grantee's heirs, devisees, personal representatives, successors, transferees and assigns, and for the benefit of Grantor and Grantor's successors and assigns, that, except as, and until, otherwise agreed in a writing duly executed by and between Grantee and Grantor, and duly recorded against the Property with the County Recorder in and for the County of Hennepin, State of Minnesota, Grantee shall not use, or permit the use of, the Property, in whole or in part, whether as a solitary campus or location or together with one or more other campuses or locations, and whether individually or in concert or affiliation with one or more other persons or entities, as a charter school, private school, sectarian school, or other reasonably similar institution of learning.

[The balance of this page has been intentionally left blank.]

EXHIBIT A

Legal Description

[To Be Inserted]

EXHIBIT B

Exceptions

1. [To Be Inserted]

ESCROW AGREEMENT

This ESCROW AGREEMENT is dated as of the ____ day of _____, 2010, by and among **INDEPENDENT SCHOOL DISTRICT NO. 281**, a body politic and corporate under the laws of the State of Minnesota ("Seller"), **INTERMEDIATE SCHOOL DISTRICT NO. 287**, a body politic and corporate under the laws of the State of Minnesota ("Buyer"), and **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation (the "Escrow Agent").

RECITALS

WHEREAS, Seller is the fee simple owner of a tract or parcel of land situated in Hennepin County, Minnesota, and comprising approximately 20 acres, all as more particularly described on **Exhibit A** attached hereto ("Seller's Property");

WHEREAS, Seller and Buyer have entered into a Purchase Agreement dated _____ (the "Purchase Agreement"), under which the Buyer has agreed, subject to the conditions stated therein, to purchase the westerly 10.01 acres of Seller's Property (the "Property"), as depicted as "Option C" of **Exhibit B** attached hereto (the "Site Plan");

WHEREAS, Seller and Buyer want to provide that the "Earnest Money" (as that term is defined in the Purchase Agreement) payable under the Purchase Agreement be deposited in escrow with the Escrow Agent in order to facilitate implementation of the terms and provisions of the Purchase Agreement as such terms and provisions govern the receipt, retention, administration, and delivery of the Earnest Money thereunder.

Accordingly, the parties hereto agree as follows:

1. **APPOINTMENT OF ESCROW AGENT.**

Seller and Buyer hereby irrevocably appoint the Escrow Agent, as escrow agent, to receive, hold, administer, and deliver the Escrowed Funds (as defined below) in accordance with this Escrow Agreement, and Escrow Agent hereby accepts its appointment, all subject to and upon the terms and conditions set forth herein.

2. **DEPOSIT OF ESCROWED FUNDS AND CREATION OF ESCROW.**

2.1 Simultaneously with the execution of this Agreement, Buyer has delivered to Escrow Agent the sum of Fifty Thousand and No/100ths Dollars (\$50,000.00) representing the Earnest Money called for under the Purchase Agreement (the "Escrowed Funds").

2.2 Escrow Agent shall deposit the Escrowed Funds into an interest bearing trust account pursuant to investment instructions to be mutually agreed upon by the parties. In the absence of any such mutual investment instructions, or until such time as such investment instructions are agreed upon, Escrow Agent shall invest the Escrowed Funds in interest bearing accounts through such financial institution as may be reasonably acceptable to Buyer and Seller. Escrow Agent agrees to hold the Escrowed Funds in accordance with the terms of this Agreement.

3. ADMINISTRATION OF ESCROW.

Escrow Agent shall hold the Escrowed Funds until the earlier of (a) the date Buyer successfully closes its acquisition of the Property as contemplated by the Purchase Agreement; (b) the termination of the Purchase Agreement as evidenced by a notice to the Escrow Agent signed by both parties or their attorneys (the "Termination Agreement"); provided, however, if (i) for any reason the closing does not occur, (ii) no Termination Agreement is received by Escrow Agent and (iii) either party makes a written demand upon Escrow Agent for payment of all or any portion of the Escrowed Funds, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within ten (10) business days after the giving of such notice, Escrow Agent is hereby authorized to make such payment in accordance with such demand. If Escrow Agent does receive such written objection within such ten (10) day business period or if for any other reason Escrow Agent in good faith shall elect not to make such payment, Escrow Agent shall continue to hold such amount until otherwise directed by written instructions from the parties to this Escrow Agreement or a final judgment of a court or Escrow Agent can remit the Escrowed Funds as otherwise provided in Section 5 of this Escrow Agreement; or (c) the termination of the Purchase Agreement following a default by Buyer, carried out in accordance with the requirements of applicable law.

4. NOTICES.

Any notice required to be given to Seller, Buyer or Escrow Agent pursuant to this Agreement shall be in writing and shall be deemed duly given: (i) on the date of personal delivery; (ii) one business day following dispatch by Federal Express or equivalent or (iii) three (3) business days after mailing certified or registered mail, postage prepaid, return receipt requested, to respective addresses of the parties set out below:

If to Seller: Robbinsdale Area Schools
4148 Winnetka Avenue N.
New Hope, MN 55427
Attn: _____

With copy to: Jeffrey D. Carpenter, Esq.
Henson & Efron, P.A.
220 South 6th Street
Minneapolis, MN 55402

If to Buyer: Intermediate District 287
1820 Xenium Lane North
Plymouth, MN 55441
Attn: Sandra Lewandowski

With copy to: Sarah J. Sonsalla, Esq.
Kennedy & Graven Chartered
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

If to Escrow Agent: First American Title Insurance Company
1900 Midwest Plaza West
801 Nicollet Mall
Minneapolis, Minnesota 55402-2504
Attn: _____

Any party, by notice given as aforesaid, may change the address to which subsequent notices are to be sent to such party.

5. LIMITED DUTIES OF ESCROW AGENT.

The sole duties of Escrow Agent shall be those described herein, and Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with the requirements of law or the terms and conditions of any other agreements among said parties. Escrow Agent may conclusively rely upon and shall be protected in acting upon any notice, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Escrow Agent's part. Escrow Agent may consult the advice of counsel with respect to any issue concerning the interpretation of its duties hereunder. Buyer and Seller hereby acknowledge such fact and indemnify and hold harmless Escrow Agent from any action taken by it in good faith in reliance thereon. Escrow Agent shall have no duty or liability to verify any such notice, consent, order or other document, and its sole responsibility shall be to act as expressly set forth in this Agreement. Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement. If any dispute arises with respect to the disbursement of any monies, Escrow Agent may continue to hold the same or commence an action in interpleader and in connection therewith remit the same to a court of competent jurisdiction pending resolution of such dispute, and the parties hereto hereby indemnify and hold harmless Escrow Agent for any action taken by it in good faith in execution of its duties hereunder.

6. TERMINATION.

Upon distribution of the Escrowed Funds as provided in Section 3 above, the Escrow Agent shall thereupon be released and discharged from any and all further obligations in connection with this Escrow Agreement.

7. FEES.

Escrow Agent waives any fee for serving as Escrow Agent.

8. RESIGNATION OF ESCROW AGENT.

The Escrow Agent may at any time resign by delivering the Escrowed Funds to a successor escrow agent designated by Buyer and Seller in writing, or to any court of competent jurisdiction, whereupon the Escrow Agent shall be discharged of and from any further obligation arising in connection with this Escrow Agreement.

9. MISCELLANEOUS.

9.1 Benefit and Binding Effect. This Agreement shall be binding upon and inure to the benefit of each party hereto, and its successors and assigns.

9.2 Further Assurances. The parties shall execute any other documents that may be necessary and desirable to the implementation and consummation of this Agreement.

9.3 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Minnesota.

9.4 Headings. The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

9.5 Amendment. This Agreement cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and which is signed by all the parties hereto.

9.6 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

9.7 Entire Agreement and Severability. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as though the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been duly executed by Seller, Buyer and the Escrow Agent as of the date first written above.

BUYER:

INTERMEDIATE SCHOOL DISTRICT NO. 287

By: _____

Its: Chair

By: _____

Its: Clerk

SELLER:

INDEPENDENT SCHOOL DISTRICT NO. 281

By _____

Its _____

ESCROW AGENT:

**FIRST AMERICAN TITLE INSURANCE
COMPANY**

By _____

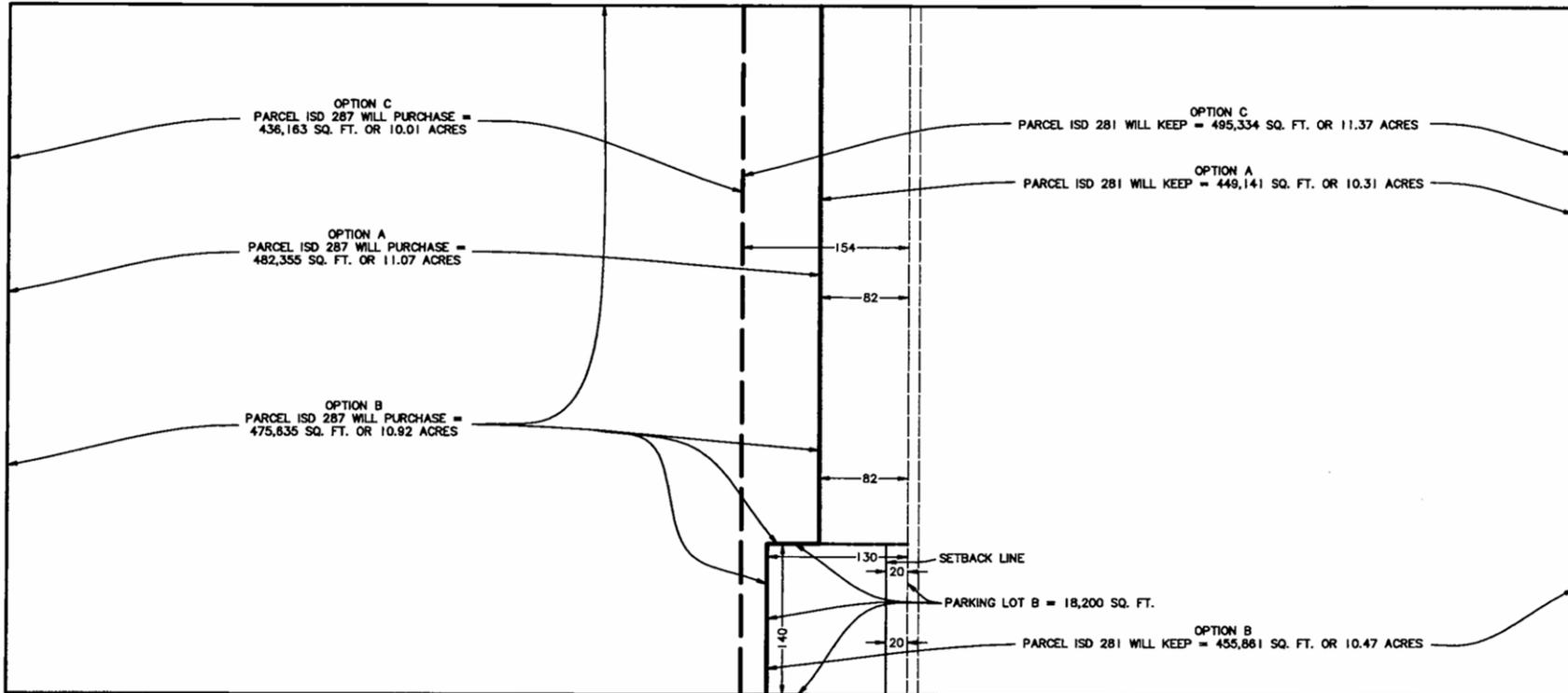
Its _____

EXHIBIT A

Seller's Property Legal Description

EXHIBIT B

Site Plan



RIGHT OF FIRST REFUSAL AGREEMENT

THIS AGREEMENT is entered into as of the _____ day of _____ 2010, between **INTERMEDIATE SCHOOL DISTRICT NO. 287**, a body politic and corporate under the laws of the State of Minnesota ("Optionor"), and **INDEPENDENT SCHOOL DISTRICT NO. 281**, a body politic and corporate under the laws of the State of Minnesota ("Optionee").

1. **Property.** In consideration of an option fee of One and No/100 Dollars (\$1.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Optionor grants Optionee, subject to all the terms and conditions hereinafter set forth, a right of first refusal ("the Right") to purchase fee title to all or any portion of a tract or parcel of land situated in Hennepin County, Minnesota, and comprising [10.1] acres, all as more particularly described on Exhibit A attached hereto, together with all improvements thereon and all easements appurtenant thereto ("the Property") (in each case, that portion of the Property as is subject to an "Offer" (as such term is defined in Section 2 below) shall be referred to herein as the "Option Property").

2. **Exercise of Right.** In the event that Optionor shall hereafter receive from a third party (in each case, an "Offeror") a bona fide offer to purchase fee title to the Option Property (an "Offer") and shall desire to accept such Offer, Optionor shall prior to accepting such offer deliver written notice (the "Option Notice") to Optionee which attaches, and otherwise sets forth all terms and conditions of such Offer, including without limitation the purchase price (in each case, the "Purchase Price"), after which, the following shall apply:

(a) Until such time as the "Exercise Period" (as hereinafter defined) expires without any timely exercise of the Right by Optionee in accordance with Section 2(b) below, or unless otherwise agreed in a writing duly executed by both Optionor and Optionee, Optionor hereby covenants and agrees, for itself and its successors and assigns, then neither Optionor, nor any successor in right or interest to Optionor shall convey any interest in the Option Property in derogation of Optionee's rights and interests set forth herein, or of Optionor's obligations hereunder, and Optionor shall neither accept such Offer nor sell the Option Property other than to Optionee;

(b) Optionee may exercise the Right by delivering written notice thereof to Optionor within sixty (60) days following Optionee's receipt of the Option Notice (the "Exercise Period"). In the event that Optionee shall exercise its Right as provided in this Section 2(b), Optionee shall purchase the Option Property from Optionor, and Optionor shall sell the Option Property to Optionee, on the same terms and conditions as those set forth in Optionor's notice

(c) regarding the Offer, except for such other and additional terms and conditions as are set forth herein; and

(d) In the event that Optionee shall not timely exercise its Right as provided in this Section 2, then Optionor shall be free to accept the Offer and sell the Option Property to such Offeror, whereupon this Agreement shall be of no further force and effect as to such Option Property.

3. Inspection of Option Property. Commencing as of the date of commencement of the Exercise Period, and unless otherwise agreed in a writing duly executed by both Optionor and Optionee, the following shall apply:

(a) Optionee may, upon five (5) days advance notice to Optionor, and without unreasonable interference with, or disruption to, Optionor's use and enjoyment of the Option Property, conduct such inspections and environmental testing of the Option Property as Optionee reasonably deems necessary; and

(b) Optionor shall, not later than ten (10) days following the date of commencement of the Exercise Period, deliver to Optionee for inspection, true and correct copies of all surveys, environmental reports and assessments, geotechnical reports and all other existing records of Optionor relating to the Option Property.

4. Closing. In the event that Optionee shall exercise its Right as provided by Section 2, then a closing of the sale (in each case, the "Closing") shall take place at the offices of Henson & Efron, P.A., in Minneapolis, Minnesota, or at such other place as may be agreed upon, within thirty (30) days after the Right is exercised by Optionee. In each case, the date of the Closing shall be referred to herein as the "Closing Date".

5. Conveyance. On the Closing Date, upon receiving the balance of the Purchase Price, Optionor shall deliver to Optionee the following:

(a) A Warranty Deed, duly executed by Optionor, transferring fee simple title to the Option Property to Optionee, subject to easements, restrictions and encumbrances as may then be of record; provided, however, if any such encumbrances are liens that may be removed by the payment of sums of money, Optionee may take title to the Option Property pursuant to the terms of this Agreement, and discharge any such liens and deduct the same from the cash due and payable to Optionor on the Closing Date (provided, however, if any such liens are disputed by Optionor, and if so requested by Optionor, Optionee and Optionor shall escrow with First American Title Insurance Company or any other title company mutually acceptable to Optionor and Optionee ("Title") from the Purchase Price not less than 125 percent of the aggregate then unpaid amount of such disputed liens, inclusive of interest and penalties, if any, and Optionor shall have 120 days following the Closing Date within which to deliver to Title duly executed releases of such liens in full, after which, and in the absence of Title's receipt of such lien releases, Title is hereby directed to automatically pay and discharge all such liens up to the amount so escrowed, with any deficiency to be promptly paid by Optionor to Optionee and any surplus to be promptly remitted by Title to Optionor);

(b) An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Optionor or the Option Property; that there has been no skill, labor or material furnished to the Option Property for which payment has not been made or for which mechanics' liens could be filed; and

that there are no other unrecorded interests in the Option Property; together with whatever standard owner's affidavit and indemnity which may be required by Title to issue an Owner's Policy of Title Insurance with the standard exceptions waived; and

(c) A certification of non-foreign status that is sufficient to make Optionee exempt from the withholding requirements of Section 1445 of the Internal Revenue Code. That certification shall be given by Optionor under penalties of perjury and shall meet the requirements for certifications of non-foreign status that are set forth in Section 1445 of the Internal Revenue Code and the regulations promulgated under that section by the Internal Revenue Service.

6. Allocations, Prorations and Adjustments. Optionor and Optionee agree to the following prorations and allocation of costs regarding this Agreement:

(a) Optionor shall pay all state deed tax regarding the Warranty Deed to be delivered by Optionor under this Agreement. Optionee shall pay all Mortgage Registry Tax regarding the recording of any mortgage securing any Optionee's loan.

(b) General real estate taxes attributable to the Option Property, if any, payable in the calendar year preceding the calendar year in which the Closing occurs, and all years prior thereto, shall be paid by Optionor. General real estate taxes attributable to the Option Property, if any, payable in the calendar year within which the Closing occurs shall be prorated by Optionor and Optionee as of the Closing Date based upon a calendar fiscal year. General real estate taxes attributable to the Option Property, if any, payable in the calendar year following the calendar year in which the Closing occurs, and all years subsequent thereto, shall be paid by Optionee. Optionor shall pay all deferred real estate taxes which may become payable as a result of the sale contemplated hereby.

(c) Scheduled installments of special assessments levied against the Option Property and due and payable in the calendar year preceding the calendar year in which the Closing occurs, and all years prior thereto, will be paid by Optionor. Scheduled installments of special assessments levied against the Option Property and due and payable in the calendar year within which the Closing occurs will be prorated by Optionor and Optionee as of the Closing Date based upon a calendar fiscal year. Scheduled installments of special assessments levied against the Option Property and due and payable in the calendar year following the calendar year in which the Closing occurs, and all years thereafter, will be paid by Optionee.

(d) Optionor shall pay the cost of recording all documents necessary to place record title in the condition warranted and represented by Optionor in this Agreement.

(e) All operating costs of the Option Property, shall be allocated between Optionor and Optionee as of the Closing Date, so that Optionor pays that part of such operating costs as are payable before the Closing Date, and Optionee pays that part of such operating costs as are payable from and after the Closing Date.

(f) Optionor shall pay all broker and attorney fees incurred by any brokers or attorneys employed by or on behalf of Optionor in connection with this transaction.

(g) Optionee shall pay all broker and attorney fees incurred by any brokers or attorneys employed by or on behalf of Optionee in connection with this transaction.

7. Other Expenses. Optionee shall be solely responsible for paying all other expenses arising out of or in any way connected with the Closing.

8. Real Estate Commissions. Optionee warrants to Optionor that neither Optionee nor any of its agents or employees have used, or shall use, the services of any broker of finder as to the transaction evidenced by this Agreement and that Optionee shall indemnify and defend Optionor against the claims of any broker or other intermediaries claiming to have had any dealings, negotiations, or consultations with Optionee as to this Agreement or the sale of the Option Property.

9. Possession. Optionor shall deliver possession of the Option Property to Optionee on the Closing Date.

10. Notices. Unless expressly stated otherwise, all notices from one party to the other that are required under this Agreement shall be in writing. Written notice either shall be personally delivered or shall be sent, postage prepaid, by certified mail, return receipt requested, in which event such notice shall be deemed given when postmarked. Notices should be sent to the parties at the following addresses, unless a party gives written notice to the other party that notices should be sent to it at another address:

If to Optionor: Intermediate District 287
1820 Xenium Lane North
Plymouth, MN 55441
Attn: Sandra Lewandowski

With copy to: Sarah J. Sonsalla, Esq.
Kennedy & Graven Chartered
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

If to Optionee: Robbinsdale Area Schools
4148 Winnetka Avenue N.
New Hope, MN 55427
Attn: Lonnie Smith

With copy to: Jeffrey D. Carpenter, Esq.
Henson & Efron, P.A.
220 South 6th Street
Minneapolis, MN 55402

11. Default. If either Optionor or Optionee default under this Agreement, the nondefaulting party shall have the right to enforce and recover from the defaulting party specific performance of this Agreement, in which event the defaulting party shall be liable to the nondefaulting party for all of the nondefaulting party's costs of enforcement, including without limitation nondefaulting party's attorneys fees and expenses.

12. Miscellaneous. This Agreement is the entire contract between Optionor and Optionee as to the purchase and sale of the Property, and no representations, inducements,

promises, understandings, or agreements, whether express or implied or whether oral or written, made before the execution of this Agreement will change its terms or have any effect thereon. This Agreement may be changed only by a writing that has been signed by both the parties. A party shall not be deemed to have made a waiver under this Agreement as to any right, privilege, obligation, condition, default, or breach unless it does so in writing. The failure of a party to take action under this Agreement shall not be considered a waiver and shall not prevent that party from enforcing any provision of this Agreement. The invalidity or unenforceability of one provision of this Agreement will not affect the validity or enforceability of the other provisions hereof. The captions in this Agreement have been written solely for the convenience of the parties and shall not be considered when interpreting this Agreement. The terms and conditions of this Agreement shall both bind and benefit the successors and assigns of the parties.

IN WITNESS WHEREOF, Optionor and Optionee have executed this Agreement as of the date first written above.

OPTIONOR:

INTERMEDIATE SCHOOL DISTRICT NO. 287

By: _____
Its: Chair

By: _____
Its: Clerk

OPTIONEE:

INDEPENDENT SCHOOL DISTRICT NO. 281

By _____
Its _____

EXHIBIT A

Legal Description