

## MEMORANDUM

**TO:** Dr. Theresa Battle - Superintendent  
Lisa Rider – Executive Director of Business Services

**FROM:** Stacie Kvilvang – Ehlers

**DATE:** April 28, 2022

**SUBJECT:** Purchase Agreement – Metcalf

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On February 24 and March 10, 2022, the Board considered an offer to purchase the above referenced facility. After consideration, the Board directed staff and attorneys to finalize a purchase agreement (the “Agreement”) for the transaction. Below are the main terms of the purchase agreement:

**Buyer:** Syndica, LLP.

**Purchase Price:** \$12,300,000

**Earnest Money:** \$50,000 deposited upon execution of a Purchase Agreement with Commercial Partners Title. Interest, if any, accrues to Buyer.

\$10,000 of earnest money per Approval Period extension (up to two 30-day extensions).

Upon land use approvals, an additional \$50,000 will be deposited. These dollars and any previous dollars (\$50,000 plus any for extensions noted above) will be non-refundable but credited to Buyer at closing (if 2 closings, applied at 2<sup>nd</sup> closing).

If Buyer defaults, all non-refundable earnest money will be released to District. If the District defaults, then the earnest money is refunded to the Buyer.

**Financing:** Cash

**Due Diligence:** 90 Days from execution of a Purchase Agreement to work with the City of Eagan on its conceptual planning, zoning, and other City processes to assess the feasibility of City approval of proposed project.

District to provide access to the Buyer and its employees and contractors upon reasonable advance notice by Buyer to investigate the property

Buyer may terminate the Purchase Agreement at any time for any reason upon written notification to the District.

**Approval Period:** Upon satisfactory Due Diligence Period, the Buyer has 120 days to obtain all necessary approvals from the City.

Buyer may extend the Feasibility Period for two (2) 30-day periods with written notice and additional earnest money. \$10,000 of earnest money per extension (applied to purchase price as noted above).

- Closing Date:** No later than 60 days after successful Approvals Period as extended by any extension period or as otherwise mutually agreed upon, but no later than 80 calendar days following the end of the Approvals Period. Closing to take place at the District's offices.
- Closing Costs:** Buyer and Seller to pay all customary closing costs.
- Taxes:** Prorated to date of closing (\$0 since property is tax exempt)
- Assessments:** Seller to pay any existing or pending (\$0 since none are levied or pending)
- Commissions:** Buyer to pay real estate commissions of 2% to Colliers who represents the Buyer
- Title:** Buyer to obtain title commitment and survey at its cost. Buyer has 10 days after receipt to review and provide written objections to title and the District. If title cannot be made marketable by expiration of the Due Diligence Period, Buyer may terminate the purchase agreement and the earnest money will be returned to the Buyer.
- Demolition:** Within 120 days of Closing, Buyer shall obtain a demolition permit and shall substantially complete demolition within 180 days. If Buyer fails to obtain a permit within 120 days or fails to substantially complete the demolition within 180 days, following 30 days written notice, the District can enter the property to complete the demolition and any costs incurred will be paid by the Buyer.
- Miscellaneous:** Buyer acknowledges buying the property "As Is" with no right of reduction in purchase price
- District will not enter into any service contracts that can't be terminated within 30 days' notice
- Covenants:** Declaration of restrictive covenant or deed restriction to be filed for the property restricting buyer from using the property as a public, private, or charter school providing general education instruction for any students that are K-12 unless the school is in conjunction with or consented to by the District.

Please contact me at 651-697-8506 with any questions.