

STANDARD PURCHASE AGREEMENT

This Purchase Agreement is entered into on 8/11/2025 by and between
Luverne Economic Development Authority (LEDA), a MN Municipal Corporation
("Seller") at 305 E Luverne Street, PO Box 659, Luverne, MN 56156
 and Dikun Properites MN LLC, a SD Limited Liability Company
 ("Buyer") at 24668 S Garfield Ave, Dell Rapids, SD 57022
 as ☐ joint tenants ☐ tenants in
common.

1. **The Sale.** Seller agrees to sell and Buyer agrees to purchase the property legally described as:

Lot One (1) of Mayes Fourth Addition to the City of Luverne, County of Rock, State of Minnesota

The parties understand that this tract of land is vacant, so there are no warranties given by Seller except the Warranty of good title.

The parties further understand that this Purchase Agreement is subject to a Development Agreement signed by the parties which is attached hereto and made a part hereof.

(the "Property") located at (Street Address)
City of Luverne, County of ROCK, State of Minnesota, including
all plants, garden bulbs, shrubs and trees,

***** BARELAND *****

IF ANY, located on the
Property which are the property of Seller; and also that personal property, if any (described in
that agreement attached hereto as Exhibit and made a part hereof), all of which
property Seller has this day sold to Buyer for the sum of: Thirty thousand fifty six dollars and
NO/100-----(\$30,056.00)----- Dollars which Buyer agrees to pay in the following
manner: Earnest money of \$2,500.00 (in the form of ☐ cash ☐ note ☒ check) and
\$27,556.00 cash on or before 9/1/2025 and the balance of \$0.00
which shall be financed in the manner shown on the financing addendum attached for:

☐ Conventional ☐ FHA ☐ DVA ☐ Assumption ☐ Contract for Deed ☐ Other _____
_____.

2. **Addenda.** Attached are three (3) addenda which are made a part of this Agreement.
3. **Deed/Title.** Subject to performance by Buyer, Seller hereby agrees to execute and deliver to Buyer, a Warranty Deed, to be joined in by spouse, if any, and any other necessary joint owners conveying marketable title to the Property subject only to the following exceptions: (1) Building and zoning laws, ordinances, state and federal regulations; (2) Restrictions relating to use or improvement of the Property without effective forfeiture provision; (3) Reservation of any minerals or mineral rights to the State of Minnesota; (4) Utility and drainage easements which do not interfere with present improvements; (5) Rights of tenants, if any (must be specified on addendum); (6) Others (must be specified on addendum).
4. **Real Estate Taxes.** On 9/1/2025, the date of closing (the "Closing"):
- a. **Current Year.** Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of taxes due and payable in the year 2025.
- Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of the annual installment of special assessments due and payable in the year 2025.
- ☒ Buyer shall assume ☐ Seller agrees to pay all municipal special assessments levied and pending.
- b. **Previous Years.**
- ☒ All ☒ real estate taxes ☒ assessments from previous years have been paid in full.
- ☐ Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of taxes unpaid for the year(s) 2024.
- ☐ Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of the annual installment of special assessments unpaid for the year 2024.

☒ Buyer shall assume ☐ Seller agrees to pay all municipal special assessments levied and pending for previous years.

c. Subsequent Years. Buyer shall assume payment for all taxes due and payable commencing in the year 2026 and thereafter.

d. Deferred Taxes. Any deferred real estate taxes (e.g., Green Acres) or other special assessments, the payment of which becomes mandatory as a result of this sale, shall be paid 100 % by Seller and 0 % by Buyer.

e. Pending Assessments. As of the date of this Agreement, Seller has / has not received a notice for any new project from assessing authorities, the costs of which may be assessed against the Property. If Seller receives any such notice after the date of this Agreement, and before Closing, Seller will provide such notice to Buyer immediately. If such notice is issued after the date of this Agreement but before closing, Buyer shall assume payment of 0% of any such assessments, and Seller shall provide for payment on the closing date of 100% of such assessments. If such assessments exceed N/A, then either party may agree in writing to assume, pay, or provide for such amounts by the date of closing. In the absence of such agreement, either party may declare this Agreement null and void; the parties shall immediately sign a Cancellation of Purchase Agreement in confirmation and direct all earnest money paid be refunded to Buyer.

f. Homestead Status. Seller warrants that taxes due and payable in the year 2025 will be ☐ full ☐ part ☒ non-homestead classification. If not fully homesteaded, Seller agrees to pay Buyer \$ N/A at Closing toward non-homestead real estate taxes. Neither Seller nor Seller's Agent make representations concerning the amount of future real estate taxes.

5. **Warranties.** Seller warrants that buildings, if any, are entirely within the boundary line of the Property. Seller warrants that there is a right of access to the Property from a public right-of-way. These warranties shall survive the delivery of deed or Contract for Deed. Seller warrants that the Property is directly connected to: ☐ city sewer ☐ city water to provide water quality testing results if required by a governing authority and/or lender.

Seller warrants that Seller has not received any notice from any governmental authority as to condemnation proceedings, or violations of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller warrants that Seller has not received any notice from any person or authority about a breach of these covenants. Any such notices received by Seller shall be provided immediately to Buyer.

Seller warrants that before the Closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools furnished within the 120 days immediately before the closing in connection with construction, alteration, or repair of any structure on, or improvement to, the Property.

6. **Inspections.** Buyer is aware of the option of having an inspection of the property performed. Buyer ☐elects ☒declines to have such an inspection performed at Buyer's expense. If Buyer does elect, Seller agrees to allow reasonable access to the Property for any surveys or inspections agreed to herein.

☐If checked, this Purchase Agreement is subject to the attached Inspection Contingency Addendum.

Buyer has the right to a walk-through inspection prior to closing to establish that the Property is in substantially the same condition as it was on the date of this Agreement. Seller agrees to notify Buyer in writing immediately if any substantive changes from any prior representations or after the date of this Agreement occur, regarding the Property's condition.

Buyer has received any inspection reports required by the municipality.

7. **Subsurface Sewage Treatment System; Private Well(s).** As required by law, Buyer has received:

- ☒ a separate well disclosure statement or a statement that no well exists on the Property, and
☒ a separate septic system disclosure or a statement that no septic system exists on or serves the Property.

If the property includes a subsurface sewage treatment system, Seller agrees to provide a licensed inspector's Subsurface Sewage Treatment System report or notice that the system complies with applicable regulations if required by a governing authority and/or lender. **NOTICE:** A valid certificate of compliance for the Septic System may satisfy the obligation. Seller is not obligated to upgrade, repair, or replace the septic system, notwithstanding its condition, unless otherwise agreed to in this Agreement.

☐ If checked, this Agreement is subject to a Subsurface Sewage Treatment System and Well Inspection Contingency Addendum.

8. **Possession.** Seller agrees to deliver possession not later than ☒ Closing ☐ 9/1/2025 (the "Possession Date"). All interest, city water and sewer charges, electricity and natural gas charges, homeowners association dues, fuel oil and liquid petroleum gas shall be pro-rated between the parties as of N/A. Seller agrees to remove all debris and all personal property not included herein from the Property before Possession Date.

9. **Title & Examination.** Seller shall, within a reasonable time after acceptance of this Agreement, surrender any Abstract of Title or Registered Property Abstract (the "Abstract") together with copies of any owner's title insurance policy for the Property in Seller's possession to Buyer or Buyer's agent. The parties agree to split equally the cost of a Title Insurance Policy for the property.

Buyer shall have ten business days following the receipt of the Abstract to examine or retain the services of a third party to examine the title and provide Seller with written Title Objections or, at Buyer's own expense, to make an application for a title insurance policy and notify Seller of said application. Following receipt of the Commitment for Title Insurance (the "Title Commitment"), Buyer shall have ten (10) days to provide the Seller with a copy of the Title Commitment together with the insurer's Title Objections. Any Title Objections not delivered to Seller within the ten days will be deemed waived. Such waiver shall not, however, be deemed to be a waiver of Seller's covenant to deliver a statutory Warranty Deed unless delivery of a

Warranty Deed is not specified in this Agreement. Further, Buyer's purchase of title insurance is not to be deemed a waiver of the right to demand delivery of good and marketable title of record from Seller at Closing.

Seller shall use Seller's best efforts to provide marketable title by the closing date. If Seller has not provided marketable title by Closing:

- a. Seller shall have an additional 30 days to make title marketable; or
- b. Buyer may waive title defects by written notice to Seller.

The parties may thereafter agree to extend the date of closing an additional 30 days to accommodate such efforts by Seller.

If the closing date is not extended, either party may declare this Agreement null and void, the parties shall immediately sign a cancellation of purchase agreement in confirmation, and earnest money will be refunded to Buyer. If this Agreement is voided for Seller's failure to provide marketable title, neither party shall be liable for damages.

Should Buyer wish to have the Abstract of Title updated, such cost shall be

☒ paid by Buyer.

☐ paid by Seller.

☐ prorated _____% by Buyer and _____% by Seller.

The parties understand that this agreement for the allocation of these costs is subject to requirements of Buyer's Lender and RESPA.

10. **Default.** If title is marketable or is corrected within said time, and Buyer defaults in any of the agreements herein, Seller may terminate this Agreement, and on such termination all payments made hereunder shall be retained by Seller and Agent, as their respective interests may appear, as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this Agreement, provided this Agreement is not terminated and action to enforce specific performance is commenced within six months after such right of action arises. In the event Buyer defaults in his performance of the terms of this Agreement, and Notice of Cancellation is served upon the Buyer pursuant to Minn. Stat. § 559.21, the termination period shall be thirty (30) days as permitted by Minn. Stat. § 559.21, subd. 4.

11. **Risk of Loss.** If there is any loss or damage to the Property before the closing date for any reason, all risk of loss shall be on Seller. If the Property is substantially damaged or destroyed before Closing, Buyer may cancel this Purchase Agreement by providing written notice to Seller or Seller's agent. If Buyer cancels the Purchase Agreement, the parties shall immediately sign a cancellation of Purchase Agreement in confirmation, and earnest money will be refunded to Buyer.
12. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information about the predatory offender registry and persons registered in it under Minn. Stat. § 243.166 can be obtained by contacting the local law enforcement offices in the community where the property is located, or the Minnesota Department of Corrections at (651) 642-0200 or at its website, www.corr.state.mn.us.
13. **Acceptance.** Buyer understands and agrees that this sale is subject to acceptance by Seller in writing. Agent is not liable or responsible on account of this Agreement, except to return or account for the earnest money.
14. **Dual Agency Disclosure.** If applicable, see attached Addendum. ☐
15. **Lead Paint Disclosure.** (Check one of the following:) ***** BARELAND *****
☐ Seller represents that the dwelling was constructed on the Property in 1978 or later.
☐ Seller represents that the dwelling was constructed on the Property before 1978. (If such housing is located on the Property, attached and made a part of this Agreement is "LEAD PAINT ADDENDUM FOR HOUSING CONSTRUCTED BEFORE 1978".)
16. **Airport Zoning Disclosure.** If airport zoning regulations affect this real property, a copy of these adopted regulations can be reviewed or obtained at the office of the county recorder where the zoned area is located.
17. **Radon Disclosure.** As required by Minnesota law, the Seller has previously provided Buyer with the Radon Disclosure Statement in accordance with Minn. Stat. § 144.496.
18. **Subdivision of Land.** If this sale involves a subdivision of land owned by Seller, Seller shall pay all expenses and obtain the required government approvals. Seller warrants that the legal description of the real property to be conveyed has been or shall be approved by the date of Closing.

19. **Entire Agreement.** This Purchase Agreement, and any attached exhibits, addenda, or amendments signed by the parties, constitute the entire agreement between Buyer and Seller. This Agreement can only be modified in writing signed by Buyer and Seller. Buyer or Seller may be required to pay certain closing costs which effectively reduce the proceeds from sale or increase cash outlay at closing.

20. **Other.**

☐ If checked, this Purchase Agreement is subject to the attached Counteroffer Addendum

I, the owner of the Property, accept this Agreement and the sale hereby made.
LUVERNE ECONOMIC DEVELOPMENT AUTHORITY:

I agree to purchase the Property for the price and on the terms and conditions set forth above.
DIKUN PROPERTIES MN LLC

SELLER Date
PATRICK T. BAUSTIAN, President

BUYER Date
PETER DIKUN, Member

SELLER Date
JILL WOLF, Secretary

BUYER Date

☐ If checked, dual agency representation is present in this transaction. The parties have been provided with a separate disclosure by the agent pursuant to Minn. Stat. § 82.67.

Delivery of all papers and monies shall be made at the office of:

Company Vander Kooi Law Offices Selling Agent N/A

Address 127 E. Main, P.O.Box 746 City Luverne State MN Zip 56156

THIS IS A LEGALLY BINDING CONTRACT.
IF NOT UNDERSTOOD, SEEK LEGAL ADVICE.