

RECREATION, LIBRARIES AND AUTHORITIES COMMITTEE

12-0591R

RESOLUTION AUTHORIZING THE PURCHASE OF THE PROPERTY
LOCATED AT 3405 CARLTON STREET, DULUTH, MINNESOTA, IN
THE COUNTY OF ST. LOUIS.

CITY PROPOSAL:

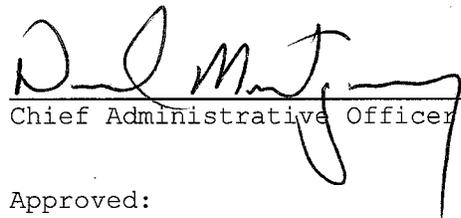
RESOLVED, that the city council hereby authorizes purchase of the property at 3405 Carlton Street, Duluth, Minnesota, in the county of St. Louis. The State of Minnesota legally describes the property as Lots 7, 8, 9 and 10; Block 4, Centredale Addition to Duluth.

The purchase price of the property is \$78,000. Payment will be made from 205(Parks Fund), 130(Community Resources), 1220(Parks Capital), 5520(Buildings & Structures).

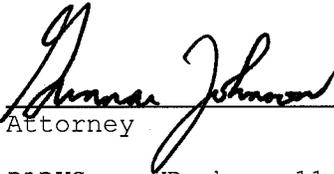
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

PARKS KB:rb 11/19/2012

STATEMENT OF PURPOSE: This resolution is part of a land assemblage packet for expansion of the Wheeler Athletic Complex.

PURCHASE AGREEMENT

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1. Date 10/29/12
2. Page 1 of _____

3. RECEIVED OF City of Duluth
4. _____

5. the sum of _____ Dollars (\$ _____)
6. by CHECK CASH NOTE as earnest money to be deposited upon Final Acceptance of Purchase
(Check one.)

7. Agreement by all parties, on or before the third Business Day after Final Acceptance, in the trust account of listing
8. broker, unless otherwise agreed to in writing, but to be returned to Buyer if Purchase Agreement is not accepted
9. by Seller.

10. Said earnest money is part payment for the purchase of the property located at
11. Street Address: 3405 Carlton Street

12. City of Duluth, County of St. Louis

13. State of Minnesota, legally described as
14. Lots 7, 8, 9 and 10, Block 4, Centredale Addition to Duluth

17. including all fixtures on the following property, if any, owned by Seller and used and located on said property,
18. including but not limited to garden bulbs, plants, shrubs and trees; storm sash, storm doors, screens and awnings;
19. window shades, blinds, traverse and curtain and drapery rods; attached lighting fixtures and bulbs; plumbing
20. fixtures, water heater, heating plants (with any burners, non-fuel tanks, stokers and other equipment used in connection
21. therewith), built-in air-conditioning equipment, electronic air filter, water softener OWNED RENTED NONE,
(Check one.)

22. built-in humidifier and dehumidifier, liquid fuel tank(s) OWNED RENTED NONE and controls (if the
(Check one.)

23. property of Seller), sump pump; attached television antenna, cable TV jacks and wiring; **BUILT-INS:** dishwashers,
24. garbage disposals, trash compactors, ovens, cook-top stoves, microwave ovens, hood fans, intercoms;
25. **ATTACHED:** carpeting; mirrors; garage door openers and all controls; smoke detectors; fireplace screens, doors and
26. heatilators; **AND** the following personal property: _____

27. _____
28. _____
29. _____

30. all of which property Seller has this day agreed to sell to Buyer for sum of (\$ 78,000.00)
31. Seventy Eight Thousand and no/100 Dollars,

32. which Buyer agrees to pay in the following manner:
33. 1. Cash of 100 percent (%) of the sale price, or more in Buyer's sole discretion, which includes the earnest
34. money; PLUS
35. 2. Financing of _____ percent (%) of the sale price, which will be the total amount secured against this property
36. to fund this purchase.

37. Such financing shall be (check one) a first mortgage; a contract for deed; or a first mortgage with
38. subordinate financing, as described in the attached Addendum:

39. Conventional FHA DVA Assumption Contract for Deed Other: Cash
(Check one.)

40. The date of closing shall be December 21st, 20 12.

PURCHASE AGREEMENT

41. Page 2 Date 10/29/12

42. Property located at 3405 Carlton Street

43. This Purchase Agreement IS IS NOT subject to a *Contingency Addendum* for sale of Buyer's property.
-----*(Check one.)*-----

44. (If answer is IS, see attached *Addendum*.)

45. (If answer is IS NOT, the closing of Buyer's property, if any, may still affect Buyer's ability to obtain financing, if financing is applicable.)

47. This Purchase Agreement IS IS NOT subject to cancellation of a previously written purchase agreement
-----*(Check one.)*-----

48. dated _____, 20 _____.

49. (If answer is IS, said cancellation shall be obtained no later than _____, 20 _____.

50. said cancellation is not obtained by said date, this Purchase Agreement is canceled. Buyer and Seller shall immediately

51. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid

52. hereunder to be refunded to Buyer.)

53. Buyer has been made aware of the availability of property inspections. Buyer Elects Declines to have a
-----*(Check one.)*-----

54. property inspection performed at Buyer's expense.

55. This Purchase Agreement IS IS NOT subject to an *Inspection Contingency Addendum*.
-----*(Check one.)*-----

56. (If answer is IS, see attached *Addendum*.)

57. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Seller shall deliver a

58. **Warranty Deed** or **Other:** Trustees **Deed** joined in by spouse, if any, conveying
-----*(Check one.)*-----

59. marketable title, subject to

60. (a) building and zoning laws, ordinances, and state and federal regulations;

61. (b) restrictions relating to use or improvement of the property without effective forfeiture provisions;

62. (c) reservation of any mineral rights by the State of Minnesota;

63. (d) utility and drainage easements which do not interfere with existing improvements;

64. (e) **rights of tenants as follows** (unless specified, not subject to tenancies): _____

65. _____; and

66. (f) **others** (must be specified in writing): _____

67. _____

68. Seller shall pay on the date of closing all real estate taxes due and payable in all prior years including all penalties and
69. interest.

70. **BUYER SHALL PAY** **SELLER SHALL PAY** on date of closing any deferred real estate taxes (e.g., Green
-----*(Check one.)*-----

71. Acres) or special assessments, payment of which is required as a result of the closing of this sale.

72. **BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING** **SELLER SHALL PAY ON**
-----*(Check one.)*-----

73. **DATE OF CLOSING** all installments of special assessments certified for payment, with the real estate taxes due and
74. payable in the year of closing.

75. **BUYER SHALL ASSUME** **SELLER SHALL PAY** on date of closing all other special assessments levied as
-----*(Check one.)*-----

76. of the date of this Purchase Agreement.

77. **BUYER SHALL ASSUME** **SELLER SHALL PROVIDE FOR PAYMENT OF** special assessments pending as
-----*(Check one.)*-----

78. of the date of this Purchase Agreement for improvements that have been ordered by any assessing authorities. (Seller's
79. provision for payment shall be by payment into escrow of two (2) times the estimated amount of the assessments or
80. less, as required by Buyer's lender.)

PURCHASE AGREEMENT

81. Page 3 Date 10/29/12

82. Property located at 3405 Carlton Street

83. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of which is not otherwise herein provided.

85. As of the date of this Purchase Agreement, Seller represents that Seller [] HAS [X] HAS NOT received a notice (Check one.)

86. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed against the property. Any such notice received by Seller after the date of this Purchase Agreement and before closing shall be provided to Buyer immediately. If such notice is issued after the date of this Purchase Agreement and on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay, provide for the payment of or assume the special assessments. In the absence of such agreement, either party may declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer.

95. Buyer shall pay [X] PRORATED FROM DAY OF CLOSING [] 12ths OF [] ALL [] NO real estate taxes due (Check one.)

96. and payable in the year 20 13

97. Seller shall pay [X] PRORATED TO DAY OF CLOSING [] 12ths OF [] ALL [] NO real estate taxes due and (Check one.)

98. payable in the year 20 13. If the closing date is changed, the real estate taxes paid shall, if prorated, be adjusted to the new closing date. Seller warrants taxes due and payable in the year 20 13 shall be [X] FULL- [] PART- [] NON- (Check one.)

100. homestead classification.

101. If part- or non-homestead classification is checked, Seller agrees to pay Buyer at closing \$ toward the non-homestead real estate taxes. Buyer agrees to pay any remaining balance of non-homestead taxes when they become due and payable. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which is not otherwise herein provided. No representations are made concerning the amount of subsequent real estate taxes.

106. POSSESSION: Seller shall deliver possession of the property no later than immediately after closing. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HEREIN from the property by possession date.

109. PRORATIONS: All interest; unit owners' association dues; rents; and charges for city water, city sewer, electricity and natural gas shall be prorated between the parties as of date of closing. Buyer shall pay Seller for remaining gallons of fuel oil or liquid petroleum gas on the day of closing, at the rate of the last fill by Seller.

112. TITLE AND EXAMINATION: As quickly as reasonably possible after Final Acceptance of this Purchase Agreement: (a) Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or Buyer's designated title service provider; and (b) Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including but not limited to title searches, title examinations, abstracting, a title insurance commitment or an attorney's title opinion at Buyer's selection and cost and provide a copy to Seller.

118. Seller shall use Seller's best efforts to provide marketable title by the date of closing. Seller agrees to pay all costs and fees necessary to convey marketable title including obtaining and recording all required documents, subject to the following:

121. In the event Seller has not provided marketable title by the date of closing, Seller shall have an additional 30 days to make title marketable, or in the alternative, Buyer may waive title defects by written notice to Seller. In addition to the 30-day extension, Buyer and Seller may, by mutual agreement, further extend the closing date. Lacking such extension, either party may declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer.



PURCHASE AGREEMENT

130. Property located at 3405 Carlton Street

131. **SUBDIVISION OF LAND:** If this sale constitutes or requires a subdivision of land owned by Seller, Seller shall pay
132. all subdivision expenses and obtain all necessary governmental approvals. Seller warrants that the legal description
133. of the real property to be conveyed has been or shall be approved for recording as of the date of closing. Seller warrants
134. that the buildings are or shall be constructed entirely within the boundary lines of the property. Seller warrants that
135. there is a right of access to the property from a public right-of-way. These warranties shall survive the delivery of the
136. deed or contract for deed.

137. **MECHANIC'S LIENS:** Seller warrants that prior to the closing, payment in full will have been made for all labor, materials,
138. machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with
139. construction, alteration or repair of any structure on, or improvement to, the property.

140. **NOTICES:** Seller warrants that Seller has not received any notice from any governmental authority as to condemnation
141. proceedings, or violation of any law, ordinance or regulation. If the property is subject to restrictive covenants, Seller
142. warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any
143. such notices received by Seller shall be provided to Buyer immediately.

144. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage or acreage of land or improvements provided
145. by Seller, third party, or broker representing or assisting Seller are approximate. Buyer shall verify the accuracy of
146. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.

147. **ACCESS:** Seller agrees to allow reasonable access to the property for performance of any surveys or inspections
148. agreed to herein.

149. **RISK OF LOSS:** If there is any loss or damage to the property between the date hereof and the date of closing for any
150. reason, including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the property
151. is destroyed or substantially damaged before the closing date, this Purchase Agreement is canceled, at Buyer's option,
152. by written notice to Seller or licensee representing or assisting Seller. If Buyer cancels this Purchase Agreement,
153. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and
154. directing all earnest money paid hereunder to be refunded to Buyer.

155. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.

156. **ENTIRE AGREEMENT:** This Purchase Agreement, any attached exhibits and any addenda or amendments signed
157. by the parties shall constitute the entire agreement between Seller and Buyer and supersedes any other written or
158. oral agreements between Seller and Buyer. This Purchase Agreement can be modified or canceled only in writing
159. signed by Seller and Buyer or by operation of law. The parties agree the electronic signature of any party on any document
160. related to this transaction constitute valid, binding signatures. All monetary sums are deemed to be United States
161. currency for purposes of this Purchase Agreement. Buyer or Seller may be required to pay certain closing costs, which
162. may effectively increase the cash outlay at closing or reduce the proceeds from the sale.

163. **FINAL ACCEPTANCE:** To be binding, this Purchase Agreement must be fully executed by both parties and a copy
164. must be delivered.

165. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (calendar or Business Days as specified)
166. following the occurrence of the event specified and includes subsequent days (calendar or Business Days as specified)
167. ending at 11:59 P.M. on the last day.

168. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays or state or federal holidays unless
169. stated elsewhere by the parties in writing.

170. **DEFAULT:** If Buyer defaults in any of the agreements herein, Seller may cancel this Purchase Agreement, and any
171. payments made hereunder, including earnest money, shall be retained by Seller as liquidated damages and Buyer
172. and Seller shall affirm the same by a written cancellation agreement.

173. If Buyer defaults in any of the agreements hereunder, Seller may terminate this Purchase Agreement under the
174. provisions of MN Statute 559.21. If either Buyer or Seller defaults in any of the agreements hereunder or there exists
175. an unfulfilled condition after the date specified for fulfillment, either party may cancel this Purchase Agreement under
176. MN Statute 559.217, Subd. 3. Whenever it is provided herein that this Purchase Agreement is canceled, said language
177. shall be deemed a provision authorizing a Declaratory Cancellation under MN Statute 559.217, Subd. 4.

178. If this Purchase Agreement is not canceled or terminated as provided hereunder, Buyer or Seller may seek actual
179. damages for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to
180. specific performance, such action must be commenced within six (6) months after such right of action arises.



PURCHASE AGREEMENT

181. Page 5 Date 10/29/12

182. Property located at 3405 Carlton Street

183. **BUYER HAS THE RIGHT TO A WALK-THROUGH REVIEW OF THE PROPERTY PRIOR TO CLOSING TO**
184. **ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF**
185. **THIS PURCHASE AGREEMENT.**

186. BUYER HAS RECEIVED A (check any that apply): SELLER'S PROPERTY DISCLOSURE STATEMENT OR A
187. SELLER'S DISCLOSURE ALTERNATIVES FORM.

188. **DESCRIPTION OF PROPERTY CONDITION:** See *Seller's Property Disclosure Statement* or *Seller's Disclosure*
189. *Alternatives* for description of disclosure responsibilities and limitations, if any.

190. **BUYER HAS RECEIVED THE INSPECTION REPORTS, IF REQUIRED BY MUNICIPALITY.**

191. BUYER ACKNOWLEDGES THAT NO ORAL REPRESENTATIONS HAVE BEEN MADE REGARDING THE CONDITION
192. OF THE PROPERTY.

193. (Check appropriate boxes.)

194. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

195. CITY SEWER YES NO / CITY WATER YES NO

196. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

197. SELLER CERTIFIES THAT SELLER DOES DOES NOT KNOW OF A SUBSURFACE SEWAGE TREATMENT
(Check one.)

198. SYSTEM ON OR SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit,
199. see *Subsurface Sewage Treatment System Disclosure Statement*.)

200. **PRIVATE WELL**

201. SELLER CERTIFIES THAT SELLER DOES DOES NOT KNOW OF A WELL ON OR SERVING THE
(Check one.)

202. PROPERTY. (If answer is **DOES** and well is located on the property, see *Well Disclosure Statement*.)

203. THIS PURCHASE AGREEMENT IS IS NOT SUBJECT TO A SUBSURFACE SEWAGE TREATMENT SYSTEM
(Check one.)

204. AND WELL INSPECTION CONTINGENCY ADDENDUM. (If answer is **IS**, see attached *Addendum*.)

205. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**
206. **RECEIVED A WELL DISCLOSURE STATEMENT AND/OR A SUBSURFACE SEWAGE TREATMENT SYSTEM**
207. **DISCLOSURE STATEMENT.**

208. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
209. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained
210. by contacting the local law enforcement offices in the community where the property is located or the Minnesota
211. Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at
212. www.corr.state.mn.us.

213. **HOME PROTECTION/WARRANTY PLAN:** Buyer and Seller are advised to investigate the various home protection/
214. warranty plans available for purchase. Different home protection/warranty plans have different coverage options,
215. exclusions, limitations and service fees. Most plans exclude pre-existing conditions. (Check one.)

216. A Home Protection/Warranty Plan will be obtained and paid by BUYER SELLER to be issued by _____
(Check one.)

217. _____ at a cost not to exceed \$ _____

218. There will be no Home Protection/Warranty Plan as part of this Agreement.

PURCHASE AGREEMENT

219. Page 6 Date 10/29/12

220. Property located at 3405 Carlton Street

221.

NOTICE

222. Lynn Beechler (Licensee)

is [X] Seller's Agent [] Buyer's Agent [] Dual Agent [] Facilitator. (Check one.)

223. Lynn Beechler Realty (Real Estate Company Name)

224. Lynn Beechler (Licensee)

is [] Seller's Agent [] Buyer's Agent [] Dual Agent [X] Facilitator. (Check one.)

225. Lynn Beechler Realty (Real Estate Company Name)

226. THIS NOTICE DOES NOT SATISFY MINNESOTA STATUTORY AGENCY DISCLOSURE REQUIREMENTS.

227.

DUAL AGENCY REPRESENTATION

228. PLEASE CHECK ONE OF THE FOLLOWING SELECTIONS:

229. [X] Dual Agency representation DOES NOT apply in this transaction. Do not complete lines 230-246.

230. [] Dual Agency representation DOES apply in this transaction. Complete the disclosure in lines 231-246.

231. Broker represents both the Seller(s) and the Buyer(s) of the property involved in this transaction, which creates a
232. dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because
233. the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for
234. either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).
235. Seller(s) and Buyer(s) acknowledge that

236. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will
237. remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other
238. information will be shared;

239. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and

240. (3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of
241. the sale.

242. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker
243. and its salesperson to act as dual agents in this transaction.

244. Seller _____ Buyer _____

245. Seller _____ Buyer _____

246. Date _____ Date _____

247. OTHER:

This offer is contingent on City Council approved by November 26, 2012

248.

249.

250.

251.

252.

253.

254.

255.

256.

257.

PURCHASE AGREEMENT

258. Page 7 Date 10/29/12

259. Property located at 3405 Carlton Street

260. **ADDENDA AND PAGE NUMBERING:** Attached addenda are a part of this Purchase Agreement.

261. Enter total number of pages of this Purchase Agreement, including addenda, on line two (2) of page one (1).

262. **NOTE: Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement and should not be part of the page numbering.**

264. I, the owner of the property, accept this Purchase Agreement and authorize the listing broker to withdraw said property from the market, unless instructed otherwise in writing.
268. **I have reviewed all pages of this Purchase Agreement.**

I agree to purchase the property for the price and on the terms and conditions set forth above
I have reviewed all pages of this Purchase Agreement.

269. If checked, this Purchase Agreement is subject to attached **Counteroffer Addendum**.

271. **X** _____
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

272. **X** _____
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

273. **X** _____
(Marital Status)

X _____
(Marital Status)

274. **X** _____
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

275. **X** _____
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

276. **X** _____
(Marital Status)

X _____
(Marital Status)

277. **FINAL ACCEPTANCE DATE:** _____ The Final Acceptance Date
278. is the date on which the fully executed Purchase Agreement is delivered.

279. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
280. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

281. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE ARBITRATION**
282. **DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT, WHICH IS AN OPTIONAL,**
283. **VOLUNTARY AGREEMENT AND IS NOT PART OF THIS PURCHASE AGREEMENT.**

284. **SELLER(S)** _____ **BUYER(S)** _____

285. **SELLER(S)** _____ **BUYER(S)** _____

**BUYER FACILITATOR
SERVICES AGREEMENT**

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1. Date 10/29/12

2. Page 1 of _____ pages

3. **DEFINITIONS:** Buyer is City of Duluth (Buyer).

4. Broker is Lynn Beechler Realty (Broker).
(Real Estate Company Name)

5. Buyer gives Broker the **EXCLUSIVE** **NONEXCLUSIVE** right to provide the services specified below. This
(Check one.)

6. Agreement starts on October 24th, 2012, and ends at 11:59 p.m. on January 30th,

7. 2013.

8. This Agreement may only be canceled by written mutual agreement of the parties.

9. **BROKER'S OBLIGATION:** Buyer understands that Broker is not representing Buyer as Buyer's agent and owes Buyer no fiduciary duties other than as specified in this Agreement. Buyer understands that confidential information about price, terms and motivation for pursuing the transaction given to Broker shall be kept confidential unless Buyer instructs Broker in writing to disclose specific information. Broker shall deal honestly with all parties. Broker shall use reasonable efforts and professional knowledge and skills to assist Buyer in locating or purchasing property. Broker shall comply with Minnesota law regarding escrow of funds related to the sale or purchase of property. Broker must disclose to potential purchasers all material facts as defined in MN Statute 82.68, Subd. 3, pertaining to the property, of which Broker is aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property. Broker may represent or work with other potential buyers for the same property before, during and after the expiration of this Agreement. Other potential buyers may consider, make offers or purchase through Broker the same or similar properties as Buyer is seeking to acquire.

20. Broker shall (check all that apply):

- 21. provide Buyer with information about available properties.
- 22. provide Buyer with information about comparable sales.
- 23. show Buyer available properties requested by Buyer.
- 24. assist Buyer with information on the types and availability of financing.
- 25. assist in the preparation of the *Purchase Agreement*.
- 26. provide Buyer with information about other service providers related to the real estate transaction (e.g., home inspectors, real estate closers).
- 27. assist the parties in completing the transaction.
- 28. provide the following additional services:

30.

31.

32.

33.

34.

35.

36.

**BUYER FACILITATOR
SERVICES AGREEMENT**

37. Page 2

38. **BUYER'S OBLIGATION:** Buyer shall provide Broker with necessary documents to facilitate this transaction. Buyer
39. shall promptly furnish to Broker accurate and relevant personal financial information to ascertain Buyer's ability to
40. Purchase property, if requested. Buyer shall cooperate with Broker in finding a property to Purchase. After a purchase
41. agreement has been accepted by seller, Buyer is legally obligated to Purchase the property. If Buyer refuses to close
42. the Purchase for any reason other than the failure of seller to perform, subject to relevant contingencies, Buyer shall
43. pay Broker all compensation due under this Agreement.

44. **NOTICE: THE COMPENSATION FOR THE PURCHASE, LEASE, RENTAL OR MANAGEMENT OF REAL**
45. **PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S**
46. **CLIENT.**

47. **BROKER'S COMPENSATION:**

48. _____ Buyer agrees to pay Broker a retainer fee of \$ NA at the commencement of this
49. Agreement, which fee shall be kept by Broker whether or not Buyer Purchases property. The retainer fee
50. shall apply toward satisfaction of any obligation to compensate Broker.

51. _____ Buyer shall pay Broker, as Broker's compensation, NA percent (%) of the selling price or
52. \$ _____, whichever is greater, if Buyer Purchases or agrees to Purchase a property
53. during the term of this Agreement.

54. _____ Buyer authorizes Broker to negotiate and receive compensation paid by seller or broker representing or
55. assisting seller. Any such compensation accepted by Broker from seller, or broker representing or assisting
56. seller, **SHALL** **SHALL NOT** reduce any obligation of Buyer to pay the compensation by the amount
57. _____
(Check one.)
57. received by seller or broker.

58. _____ Other _____
59. _____

60. If, within 120 days (*not to exceed six (6) months*) after the expiration of this Agreement, Buyer Purchases
61. property which either Broker or licensee assisting Buyer has physically shown Buyer or in which Buyer has made an
62. affirmative showing of interest to Broker or licensee assisting Buyer before the expiration of this Agreement, as long as
63. Broker has identified this property on a written list Broker gives to Buyer within 72 hours after the expiration of this
64. Agreement, then Buyer shall still pay the compensation noted herein, even if Buyer Purchases property without Broker's
65. assistance.

66. Buyer understands that Buyer does not have to pay Broker's compensation if Buyer signs another valid buyer
67. representation contract or facilitator services agreement after the expiration or cancellation of this Agreement, under
68. which Buyer is obligated to compensate another licensed real estate broker.

69. **CLOSING SERVICES:**

70. **NOTICE: THE REAL ESTATE BROKER, LICENSEE ASSISTING BUYER OR REAL ESTATE CLOSING AGENT**
71. **HAS NOT EXPRESSED AND, UNDER APPLICABLE STATE LAW, MAY NOT EXPRESS OPINIONS**
72. **REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.**

73. After a purchase agreement for the property is signed, arrangements must be made to close the transaction. Buyer
74. understands that no one can require Buyer to use a particular person in connection with a real estate closing and that
75. Buyer may arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

76. Buyer's choice for closing services. (*Initial one.*)

77. _____ Buyer wishes to have Broker arrange for closing services.
(Buyer) (Buyer)

78. _____ Buyer shall arrange for a qualified closing agent or Buyer's attorney to conduct the closing.
(Buyer) (Buyer)

**BUYER FACILITATOR
SERVICES AGREEMENT**

80. **ADDITIONAL COSTS:** Buyer acknowledges that Buyer may be required to pay certain closing costs, which may
81. effectively increase the cash outlay at closing.

82. **PRIVATE INSPECTION/WARRANTY:** Broker recommends that Buyer obtain a private home inspection to satisfy
83. himself/herself with the physical condition of the property. Furthermore, there are warranty programs available for some
84. properties which warrant the performance of certain components of a property, which warranty programs Buyer may
85. wish to investigate prior to the Purchase of any specific property.

86. **NOTICE: IN THE EVENT A FACILITATOR BROKER OR LICENSEE, WORKING WITH A BUYER, SHOWS A
87. PROPERTY LISTED BY THE SAME FACILITATOR BROKER OR ANY OF ITS LICENSEES, PURSUANT
88. TO A WRITTEN EXCLUSIVE RIGHT TO SELL LISTING CONTRACT, THEN THE FACILITATOR BROKER
89. OR LICENSEE MUST ACT AS A SELLER'S BROKER. A SELLER'S BROKER MUST ACT IN THE
90. SELLER'S BEST INTEREST. IN THAT CASE, THE BUYER WILL NOT RECEIVE ADVICE AND COUNSEL
91. FROM THE BROKER OR LICENSEE.**

92. **OTHER POTENTIAL BUYERS:** Buyer understands that other potential buyers may consider and/or make offers to
93. purchase through Broker the same or similar properties as Buyer is seeking to Purchase. Buyer consents to Broker
94. representing such other potential buyers before, during and after the expiration of this Agreement.

95. **PREVIOUS AGENCY RELATIONSHIPS:** Broker or licensee assisting Buyer may have had a previous agency
96. relationship with a seller of a property Buyer is interested in Purchasing. Buyer acknowledges that Buyer's Broker or
97. licensee assisting Buyer is legally required to keep information regarding the ultimate price and terms the seller would
98. accept and the motivation for selling confidential, if known.

99. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
100. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be
101. obtained by contacting the local law enforcement offices in the community where the property is located,
102. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections Web site at
103. www.corr.state.mn.us.

104. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to this
105. transaction constitute valid, binding signatures.

106. **CONSENT FOR COMMUNICATION:** Buyer authorizes Broker and its representatives to contact Buyer by mail, phone,
107. fax, e-mail or other means of communication during the term of this Agreement and anytime thereafter.

108. **OTHER:** _____
109. _____

110. **ACCEPTED BY:** Lynn Beechler Realty **BY:** *Lynn Beechler*
(Real Estate Company Name) (Licensee)

111. Date Signed: November 13, 2012

112. **ACCEPTED BY:** _____ **ACCEPTED BY:** _____
(Buyer) (Date) (Buyer) (Date)

113. _____ (Address) _____ (Address)

114. _____ (Phone) _____ (Phone)

115. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND BROKER.**
116. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**



SELLER'S DISCLOSURE ALTERNATIVES

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1. Date 08/13/12

2. Page 1 of _____ pages

3. Property located at 3405 Carlton Street

4. City of Duluth, County of St. Louis, State of Minnesota.

5. **NOTICE**

6. Sellers of residential property, with limited exceptions, are obligated to satisfy the requirements of MN Statutes 513.52 through 513.60. To comply with the statute, Seller must provide either a written disclosure to the prospective Buyer (see Seller's Property Disclosure Statement) or satisfy one of the following two options:

9. (Select one option only.)

10. 1) **QUALIFIED THIRD-PARTY INSPECTION:** Seller shall provide to prospective Buyer a written report that
11. discloses material information relating to the real property that has been prepared by a qualified third party.
12. "Qualified third party" means a federal, state or local governmental agency, or any person whom Seller or
13. prospective Buyer reasonably believes has the expertise necessary to meet the industry standards of practice
14. for the type of inspection or investigation that has been conducted by the third party in order to prepare the
15. written report.

16. Seller shall disclose to prospective Buyer material facts known by Seller that contradict any information
17. that is included in a written report, or material facts known by Seller that are not included in the
18. report.

19. The inspection report was prepared by _____

20. _____

21. and dated _____

22. Seller discloses to Buyer the following material facts known by Seller that contradict any information included
23. in the above referenced inspection report.

24.

25.

26.

27.

28.

29. Seller discloses to Buyer the following material facts known by Seller that are not included in the above
30. referenced inspection report.

31.

32.

33.

34.

35.

36. 2) **WAIVER:** The written disclosure required may be waived if Seller and prospective Buyer agree in writing. Seller
37. and Buyer hereby waive the written disclosure required under MN Statutes 513.52 through 513.60.

38. Waiver of the disclosure required under MN Statutes 513.52 through 513.60 does not waive, limit or
39. abridge any obligation for Seller disclosure created by any other law.

40. ORIGINAL COPY TO LISTING BROKER; COPIES TO SELLER, BUYER, SELLING BROKER.

SELLER'S DISCLOSURE ALTERNATIVES

42. Property located at 3405 Carlton Street

43. **OTHER REQUIRED DISCLOSURES:**

44. **NOTE:** In addition to electing one of the above alternatives to the material fact disclosure, Minnesota law also
45. requires sellers to provide other disclosures to prospective buyers, such as those disclosures listed below.
46. Additionally, there may be other required disclosures by federal, state, local or other governmental entities
47. that are not listed below.

48. **A. SUBSURFACE SEWAGE TREATMENT SYSTEM DISCLOSURE:** (A subsurface sewage treatment system
49. disclosure is required by MN Statute 115.55.) (Check appropriate box.)

50. Seller certifies that Seller DOES DOES NOT know of a subsurface sewage treatment system on or serving
51. the above-described real property. (If answer is DOES, and the system does not require a state permit, see
52. *Subsurface Sewage Treatment System Disclosure Statement*.)

53. There is a subsurface sewage treatment system on or serving the above-described real property.
54. (See *Subsurface Sewage Treatment System Disclosure Statement*.)

55. There is an abandoned subsurface sewage treatment system on the above-described real property.
56. (See *Subsurface Sewage Treatment System Disclosure Statement*.)

57. **B. PRIVATE WELL DISCLOSURE:** (A well disclosure and Certificate are required by MN Statute 103I.235.)
58. (Check appropriate box.)

59. Seller certifies that Seller does not know of any wells on the above-described real property.

60. Seller certifies there are one or more wells located on the above-described real property.
61. (See *Well Disclosure Statement*.)

62. Are there any wells serving the above-described property that are not located on the property? Yes No

63. Contaminated Well: Is there a well on or serving the property that contains contaminated water? Yes No

64. To your knowledge, is the property in a Special Well Construction Area? Yes No

65. Comments: _____

66. **C. VALUATION EXCLUSION DISCLOSURE:** (Required by MN Statute 273.11, Subd. 16)

67. There IS IS NOT an exclusion from market value for home improvements on this property. Any valuation
68. exclusion shall terminate upon sale of the property, and the property's estimated market value for property tax purposes
69. shall increase. If a valuation exclusion exists, Buyers are encouraged to look into the resulting tax
70. consequences.

71. Additional comments: _____

72. _____

73. **D. METHAMPHETAMINE PRODUCTION DISCLOSURE:**

74. (A methamphetamine production disclosure is required by MN Statute 152.0275, Subd. 2 (m).)

75. Seller is not aware of any methamphetamine production that has occurred on the property.

76. Seller is aware that methamphetamine production has occurred on the property.
77. (See *Methamphetamine Production Disclosure Statement*.)

78. **E. NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The property may be in or near an airport safety zone
79. with zoning regulations adopted by the governing body that may affect the property. Such zoning regulations are
80. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such
81. zoning regulations affect the property, you should contact the county recorder where the zoned area is located.

82. **ORIGINAL COPY TO LISTING BROKER; COPIES TO SELLER, BUYER, SELLING BROKER.**

SELLER'S DISCLOSURE ALTERNATIVES

84. Property located at _____ 3405 Carlton Street _____

85. F. _____ Buyer has had the opportunity to review page four (4) of this Agreement.
(Initial) (Initial)

86. G. NOTICE REGARDING CARBON MONOXIDE DETECTORS:

87. MN Statute 299F.51 requires Carbon Monoxide Detectors to be located within ten (10) feet from all sleeping
88. rooms. Carbon Monoxide Detectors may or may not be personal property and may or may not be included in the
89. sale of the home.

90. H. NOTICE REGARDING PREDATORY OFFENDER INFORMATION: Information regarding the predatory
91. offender registry and persons registered with the predatory offender registry under MN Statute 243.166
92. may be obtained by contacting the local law enforcement offices in the community where the property is
93. located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections
94. web site at www.corr.state.mn.us.

95. I. SELLER'S STATEMENT:

96. (To be signed at time of listing.)
97. Seller(s) hereby authorizes any licensee(s) representing or assisting any party(ies) in this transaction to provide
98. a copy of this Disclosure to any person or entity in connection with any actual or anticipated sale of the property.

99. _____ 8/12/12 _____
(Seller) Everet Strongren Estate (Date) (Seller) (Date)

100. J. BUYER'S ACKNOWLEDGEMENT:

101. (To be signed at time of purchase agreement.)
102. I/We, the Buyer(s) of the property, acknowledge receipt of this SELLER'S DISCLOSURE ALTERNATIVES form
103. and agree to the seller's disclosure option selected in this form. I/We further agree that no representations regarding
104. material facts have been made, other than those made in this form.

105. _____ (Buyer) _____ (Date) _____ (Buyer) _____ (Date)

106. K. ADDITIONAL DISCLOSURES:

107.
108.
109.

110. L. SELLER'S ACKNOWLEDGEMENT:

111. (To be signed at time of purchase agreement.)
112. AS OF THE DATE BELOW, I/we, the Seller(s) of the property, state that the material facts are the same, except
113. for changes as indicated below, which have been signed and dated.

114.
115.
116.

117. _____ (Seller) _____ (Date) _____ (Seller) _____ (Date)

118. ORIGINAL COPY TO LISTING BROKER; COPIES TO SELLER, BUYER, SELLING BROKER.



120. M. OTHER INFORMATION:

121. **WATER INTRUSION AND MOLD GROWTH:** Recent studies have shown that various forms of water intrusion
122. affect many homes. Water intrusion may occur from exterior moisture entering the home and/or interior moisture
123. leaving the home.

124. Examples of exterior moisture sources may be

- 125. • improper flashing around windows and doors,
- 126. • improper grading,
- 127. • flooding,
- 128. • roof leaks.

129. Examples of interior moisture sources may be

- 130. • plumbing leaks,
- 131. • condensation (caused by indoor humidity that is too high or surfaces that are too cold),
- 132. • overflow from tubs, sinks or toilets,
- 133. • firewood stored indoors,
- 134. • humidifier use,
- 135. • inadequate venting of kitchen and bath humidity,
- 136. • improper venting of clothes dryer exhaust outdoors (including electrical dryers),
- 137. • line-drying laundry indoors,
- 138. • houseplants—watering them can generate large amounts of moisture.

139. In addition to the possible structural damage water intrusion may do to the property, water intrusion may also result
140. in the growth of mold, mildew and other fungi. Mold growth may also cause structural damage to the property.
141. Therefore, it is very important to detect and remediate water intrusion problems.

142. Fungi are present everywhere in our environment, both indoors and outdoors. Many molds are beneficial to humans.
143. However, molds have the ability to produce mycotoxins that may have a potential to cause serious health problems,
144. particularly in some immunocompromised individuals and people who have asthma or allergies to mold.

145. To complicate matters, mold growth is often difficult to detect, as it frequently grows within the wall structure. If you
146. have a concern about water intrusion or the resulting mold/mildew/fungi growth, you may want to consider having
147. the property inspected for moisture problems before entering into a purchase agreement or as a condition of your
148. purchase agreement. Such an analysis is particularly advisable if you observe staining or any musty odors on the
149. property.

150. For additional information about water intrusion, indoor air quality, moisture or mold issues, go to the Minnesota
151. Association of REALTORS® web site at www.mnrealtor.com.

152. **LISTING BROKER AND LICENSEES MAKE NO REPRESENTATIONS AND ARE**
153. **NOT RESPONSIBLE FOR ANY CONDITIONS EXISTING IN THE PROPERTY.**

154. **ORIGINAL COPY TO LISTING BROKER; COPIES TO SELLER, BUYER, SELLING BROKER**

**ADDENDUM TO PURCHASE AGREEMENT
DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND LEAD-BASED
PAINT HAZARDS**

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1. Date 08/13/12

2. Page _____

3. Addendum to Purchase Agreement between parties, dated _____,
4. pertaining to the purchase and sale of the property at 3405 Carlton Street
5. _____

6. Section I: Lead Warning Statement

7. *Every buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified*
8. *that such property may present exposure to lead from lead-based paint that may place young children at risk of*
9. *developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including*
10. *learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also*
11. *poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide*
12. *the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's*
13. *possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible*
14. *lead-based paint hazards is recommended prior to purchase.*

15. Seller's Disclosure (initial)

16. VP (a) Presence of lead-based paint and/or lead-based paint hazards.
17. (Check one below.)

18. Known lead-based paint and/or lead-based paint hazards are present in the housing
19. (explain):

20. House built prior to 1978 so lead based paint is probable.

21. Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

22. _____ (b) Records and reports available to the seller.
23. (Check one below.)

24. Seller has provided Buyer with all available records and reports pertaining to lead-based paint
25. and/or lead-based paint hazards in the housing (list documents below):
26. _____

27. Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards
28. in the housing.

29. Buyer's Acknowledgment (initial)

30. _____ (c) Buyer has received copies of all information listed under (b) above.

31. _____ (d) Buyer has received the pamphlet, *Protect Your Family from Lead in Your Home*.

32. _____ (e) Buyer has (check one below):

33. Received a 10-day opportunity (or mutually agreed-upon period) to conduct a risk assessment
34. or inspection for the presence of lead-based paint and/or lead-based paint hazards (if checked,
35. see Section II on page 2); or

36. Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-
37. based paint and/or lead-based paint hazards.

ADDENDUM TO PURCHASE AGREEMENT
DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND LEAD-BASED
PAINT HAZARDS

38. Page _____

39. Property located at 3405 Carlton Street

40. **Real Estate Licensee's Acknowledgement** (initial)

41. LB (f) Real estate licensee has informed Seller of Seller's obligations under 42 U.S.C. 4852(d) and is aware
42. of licensee's responsibility to ensure compliance.

43. **Certification of Accuracy**

44. The following parties have reviewed the information above and certify, to the best of their knowledge, that the information
45. provided by the signatory is true and accurate.

46. [Signature] 8/12/12 _____
(Seller) Everet Strongren Estate (Date) (Buyer) (Date)

47. _____
(Seller) (Date) (Buyer) (Date)

48. [Signature] 8-12 _____
(Real Estate Licensee) Lynn Beechler (Date) (Real Estate Licensee) (Date)

49. **Section II: Contingency** (Initial only if first box under (e) is checked in Buyer's Acknowledgment above.)
50. This contract is contingent upon a risk assessment or an inspection of the property for the presence of lead-
51. based paint and/or lead-based paint hazards to be conducted at Buyer's expense. The assessment or inspection
52. shall be completed within ten (10) _____ calendar days after Final Acceptance of the Purchase Agreement.
(Check one.)
53. This contingency shall be deemed removed, and the Purchase Agreement shall be in full force and effect, unless Buyer or
54. real estate licensee representing or assisting Buyer delivers to Seller or real estate licensee representing or assisting
55. Seller, within three (3) calendar days after the assessment or inspection is timely completed, a written list of the specific
56. deficiencies and the corrections required, together with a copy of any risk assessment or inspection report. If Seller
57. and Buyer have not agreed in writing within three (3) calendar days after delivery of the written list of required corrections
58. that: (A) some or all of the required corrections will be made; or (B) Buyer waives the deficiencies; or (C) an adjustment to
59. the purchase price will be made; this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a
60. Cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid hereunder to
61. be refunded to Buyer. It is understood that Buyer may unilaterally waive deficiencies or defects, or remove this contingency,
62. providing that Buyer or real estate licensee representing or assisting Buyer notifies Seller or real estate licensee
63. representing or assisting Seller of the waiver or removal, in writing, within the time specified.

TLX:SALE-2 (8/09)

