

Non-Code Ordinance

By: Administration
Introduced: June 11, 2018
Public Hearing: June 25, 2018
Adopted: June 25, 2018
Yes: Burney, Dryden, Graham, Harvey, Ledford, O'Barr
No: None
Absent: None

**City of Wasilla
Ordinance Serial No. 18-21**

An Ordinance Of The Wasilla City Council Authorizing The Sale Of The Meta Rose Square Property Located At 290 N. Yenlo Street In The Amount Of \$975,000, To Richard and Tyan Payne, Under WMC 5.32.100, Sale Or Lease Of Public Lands; Authorizing The Mayor To Execute And Deliver A Contract For The Sale; And Providing For Related Matters.

WHEREAS, a Letter of Intent to Purchase the Meta Rose Square property located at 290 N. Yenlo Street was provided to the administration on May 17, 2018 by Richard and Tyan Payne in the amount of \$975,000; and

WHEREAS, WMC 5.32.100.A.1(e) provides that the Mayor may, with approval of the City Council by ordinance, negotiate a sale or exchange of city land without public auction or sealed bid if for a particular, stated purpose in the best interests of the City, and the Council approves the sale with appropriate findings and conditions; and

WHEREAS, the Meta Rose Square property was purchased by the City in 2009 for \$1.5 million with the intent to consider the site for a new public library; and

WHEREAS, the Meta Rose Square property was eventually found not suitable for a new library, and a new library was constructed in 2016; and

WHEREAS, on February 22, 2016, the City Council awarded a contract to Jack White Commercial & RE/MAX Dynamic of the Valley real estate agents to assist in the marketing and sale of the Meta Rose Square property; and

WHEREAS, on November 20, 2017 the administration received an updated Summary Appraisal Report for the Meta Rose Square property showing the Estimated Market Value Lease Fee Interest “As Is” at \$975,000; and

WHEREAS, WMC 5.32.030 Appraisal Required, states that no land shall be sold or exchanged for less than the approved minimum appraised or assessed value; and

WHEREAS, it is in the best interest of the city to sell the Meta Rose Square property and return it to the private sector for management and use; and

WHEREAS, the following finding is hereby declared by the City Council:

1. The November 10, 2017 Summary Appraisal Report is approved in accordance with WMC 5.32.030, and the Meta Rose Square property is best managed and used by the private sector; and

WHEREAS, the following conditions of sale are hereby declared by the City Council:

1. The Buyer’s due diligence period shall be 30 days.
2. The Earnest Money deposit shall be \$20,000.
3. The Commission shall be 5 percent.
4. Seller shall provide Buyer all available building documents and reports for Buyer’s due diligence.
5. A Phase 1 Environmental Report and Building Condition Report shall be at the Buyer’s expense.

NOW, THEREFORE, BE IT ORDAINED, by the Wasilla City Council:

Section 1. Classification. This is a non-code ordinance.

Section 2. Authorization of Sale. Based upon the findings stated above, the City is authorized to sell the Meta Rose Square property located at 290 N. Yenlo Street in the amount of \$975,000 to Richard and Tyan Payne subject to the conditions stated above.

Section 3. Authorization of Purchase and Sale Agreement. The Mayor is authorized, empowered and directed to develop with the counterparty a Purchase and Sale Agreement on behalf of the City, and from and after execution and delivery of said document, the Mayor is hereby authorized, empowered and directed to carry out and comply with provisions of the agreement.

Section 4. Authority of Officers. The Mayor is authorized and directed to do and perform all things and determine all matters not determined by this ordinance, to the end that the City may carry out its obligations under the Purchase and Sale Agreement and ordinance.

Section 5. Effective date. This ordinance shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council on June 25, 2018.


BERT L. COTTLE, Mayor

ATTEST:


JAMIE NEWMAN, MMC, City Clerk

[SEAL]

CITY COUNCIL LEGISLATION STAFF REPORT

Ordinance Serial No. 18-21: An Ordinance Of The Wasilla City Council Authorizing The Sale Of The Meta Rose Square Property Located At 290 N. Yenlo Street In The Amount Of \$975,000 To Richard and Tyan Payne, Under WMC 5.32.100, Sale Or Lease Of Public Lands; Authorizing The Mayor To Execute And Deliver A Contract For The Sale; And Providing For Related Matters.

Originator: Public Works Director

Date: May 23, 2018

Agenda of: June 11, 2018

Route to:	Department Head	Signature	Date
X	Public Works Director		5/25/18
X	Finance Director		5.29.18
X	Deputy Administrator		5/30/18
X	City Clerk		5/31/18

Reviewed by Mayor Bert L. Cottle:  5/31/2018

Fiscal Impact: yes or no \$922,483.50 (net income)

Account name/number: Proceeds of Asst Disp./Sales of Gen. CP Assets 001-0000-392.10-00

Attachments: Ordinance Serial No. 18-21 (3 pages); Purchase and Sales Agreement (9 pages); Counter-Offer to Letter of Intent (2 pages)

Summary Statement: This ordinance is presented in accordance with WMC 5.32.100.A.1(e) for the sale of the Meta Rose Square property. The administration received a Letter of Intent (Purchase and Sales Agreement) to purchase the property on May 17, 2018 by Richard and Tyan Payne in the amount of \$975,000. The offer was reviewed by the City’s real estate agents and they recommended a few changes to the proposed conditions of sale. The recommended conditions of sale have been incorporated into this ordinance. The offer is the minimum that can be accepted in accordance with WMC 5.32.030 Appraisal Required. This ordinance declares that the stated purpose of the sale is to return the property to the private sector for management and use.

The following are the last 2 years of actual revenue and expenses for this property:

Fiscal Year	Revenue	Expenses
2016	\$166,441	\$90,400
2017	\$175,227	\$100,254

This does not reflect indirect costs of City wages and salaries that are expended managing the property. In addition, the City has not been able to sustain full occupancy of the leased spaces.

The Meta Rose Square property was purchased for \$1.5 million in 2009. The proceeds of the sale would be allocated as specified below based on the funding sources of the 2009 purchase:

State of Alaska-Stimulus Funding	\$213,770
Land Bank	\$50,000
General Fund	\$658,713.50
Total Proceeds	\$922,483.50

It is noted that the Stimulus Funding may need to be returned to the State of Alaska through Grant #ARRA 800273. Once a sale occurs, the Administration will confirm the status of the grant with the State of Alaska and determine if funds need to be returned. The allocation of proceeds will be presented to the City Council in a separate action once the disposition of the Stimulus Funding is determined.

Recommended Action: Adopt ordinance.

Purchase and Sale Agreement (Residential)

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Dated 05/17/2018 Brokerage Names _____ AK MLS ID # _____ Brokerage Ph _____
 Listing Brokerage: Jack White Commercial 175 (907) 563-5500
 Selling Brokerage: Keller Williams Realty Alaska Group of Eagle River 1019 (907) 696-6500
 MLS # 16-4353

Licensee Names	License #	Direct Ph	Cell Ph	Email Address
Listing 1: <u>Andrew Ingram</u>	<u>15964</u>	_____	<u>(907) 830-7319</u>	<u>andrewingram@ak.net</u>
Listing 2: <u>Terry Ellis</u>	<u>3608</u>	_____	<u>(907) 232-6821</u>	<u>terry@terryellisalaska.com</u>
Selling 1: <u>Cody D Morey</u>	<u>18637</u>	<u>(907) 222-7653</u>	<u>(931) 561-9483</u>	<u>cody@realestateproak.com</u>
Selling 2: _____	_____	_____	_____	_____

Licensee Relationships: The Seller and Buyer acknowledge the following:

- a) **Listing Licensee 1** is representing the Seller only (may assist the Buyer); or is assisting both the Buyer and Seller as a Neutral Licensee; or is assisting the Seller without representation.
- Listing Licensee 2** is representing the Seller only (may assist the Buyer); or is assisting both the Buyer and Seller as a Neutral Licensee; or is assisting the Seller without representation.
- b) **Selling Licensee 1** is representing the Buyer only (may assist the Seller); or is assisting both the Buyer and Seller as a Neutral Licensee; or is representing the Seller only (may assist the Buyer); or is assisting the Buyer without representation.
- Selling Licensee 2** is representing the Buyer only (may assist the Seller); or is assisting both the Buyer and Seller as a Neutral Licensee; or is representing the Seller only (may assist the Buyer); or is assisting the Buyer without representation.

1) **Buyer(s)**, Richard & Tyan Payne, hereby deposit(s) earnest money of Nine Thousand Dollars (\$ 9,000) Dollars evidenced by: Cash Personal Check Cashier's Check Note, Due on 2 days of acceptance, (date) Or _____ shall be held in trust by Listing Broker Selling Broker as earnest money on and part payment for the purchase of real property and improvements situated in Wasilla (city or area) 99654 (zip), in the _____ Recording District, State of Alaska, described as: 290 N Yenlo Street, Wasilla, AK 99654 (Address) Nelson Fred RSB B/1E L5A B1 (Legal) (the Property).

2) **Purchase Price:** Nine Hundred Seventy Five Thousand Dollars _____/100 (\$ 975,000) Dollars
 Minimum Down Payment (including earnest money shown above) \$ or % _____

3) **Terms:** Buyer does does not intend to occupy Property as Buyer's primary residence.
 Property Type (check one): Single Family Condominium PUD Duplex Triplex Fourplex
 Other Commercial

Check one below:
 a) **All Cash Offer:** No loan is needed to purchase the Property; Buyer shall provide Seller written third-party documentation verifying sufficient funds to close no later than Upon Acceptance (date) _____ (time). Seller shall have three (3) business days after receipt of documentation to notify Buyer, in writing, if the verification of funds is not acceptable. If Buyer fails to provide such documentation, or if Seller finds verification of funds unacceptable, Seller may terminate this Purchase Agreement. Failure of Seller to provide Buyer written notice of objection shall be considered acceptance of verification of funds.

b) **New Financing: Recording is contingent upon Buyer obtaining financing as follows:**
 Check the appropriate block(s) below:
 Conventional
 FHA – (Attach Required Addendums)

Purchase and Sale Agreement Regarding Property Described As:

Address: 290 N Yenlo Street, Wasilla, AK 99654

Legal (the Property): Nelson Fred RSB B/1E L5A B1

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- 1 VA – (Attach Required Addendums)
- 2 Alaska Housing Finance Corporation under the following program xxx
- 3 RD - Rural Development
- 4 Other xxx

- 6 i) On or before xxx, (date) the Buyer will provide the Seller a letter from
7 xxx (Lender) verifying the following items:
8 (1) a satisfactory credit report,
9 (2) acceptable income,
10 (3) source of down payment,
11 (4) availability of funds to close, and
12 (5) that loan approval is or is not contingent on the lease, sale or recording of a sale of any property.
- 13 ii) Buyer agrees to make a complete loan application with Lender, and provide verification to the Seller from the
14 Lender by xxx (date).
- 15 iii) If Buyer does not reveal a fact or contingency to the Lender and this purchase does not record because of that
16 nondisclosure after initial application, the Buyer shall be in default.
- 17 iv) In the event Buyer fails to provide Seller with documentation required in (i) and (ii) by the respective dates
18 above, this Purchase Agreement may be terminated at the election of the Seller. If the Seller terminates this
19 agreement, Seller to provide written notice to Buyer within (3 business days if not filled in) days from the
20 dates noted in (i) and (ii) above.
- 21 v) Buyer must obtain Seller's approval in writing of any change in Lender, type of financing or allocation of closing
22 costs.
- 23 vi) Buyer agrees to pay all fees and satisfy all conditions, in a timely manner, required by the Lender for pro-
24 cessing of loan application. Buyer agrees the interest rate offered by Lender is not a contingency of this Pur-
25 chase Agreement, so long as Buyer qualifies for the financing herein agreed. Availability of any financing pro-
26 gram may change at any time, Brokers and Licensees are not responsible for representations or guarantees as
27 to availability of any loans, project and/or property approvals or interest rates.

- 29 c) **Seller Financing:**
30 i) \$ xxx payable at \$ xxx, or more, per month including xxx % interest per annum
31 for xxx years.
32 ii) The parties are encouraged to negotiate the important terms of seller financing now, and to include such terms
33 in Paragraph 25, or in a separate addendum. Important terms may include form of financing documents (con-
34 tract, note and trust deed or mortgage), due on sale clause, prepayment option or penalty, remedies upon de-
35 fault, etc., if any.
36 iii) Buyer shall provide Seller with documentation, as required by Seller, verifying Buyer's ability to purchase ac-
37 cording to the price, terms and conditions of the Purchase Agreement by xxx, (date).
38 iv) Seller Financing is contingent upon the Seller's approval of the above documentation on or before
39 xxx, (date). In the event Buyer fails to obtain Seller's approval, this Purchase Agreement
40 shall automatically terminate.

4) Costs:

The costs shall be paid by Buyer (B) or Seller (S) as indicated below. Costs payable by both Buyer and Seller to be shared equally. **Buyer to pay for any fees due to requirements of the lender not covered below.**

ITEM	B	S	ITEM	B	S	ITEM	B	S	ITEM	B	S
Lender Origination Fee			Credit Report			Owner Title Insurance		X	Smoke Detectors		
Commitment Fee			Reserves			ALTA Title Insurance			CO Detectors		
Discount Points			Prepaid Interest			Recording Fee		X	As-Built Survey / Recert.		X
MIP/PMI(default insurance)						Escrow Closing Fee		X			
VA Funding Fee			Sales Tax		X	Annual Escrow Fee			Tests for Health Authority Approval:		
Rural Dev. Loan Fee			Resale Certificate /			Bank Set-Up Fee			Well Flow (Quantity)		
Lender Doc. Prep Fee			Public Offer Statement			Assume/Transfer Fee			Basic Water Quality		
			HOA Transfer/Doc Fees			Assessments Levied		X	PIWA Water		
Flood Certification		X	HOA Assessments			Assessments Pending		X	Other Specified Water Test		
Tax Registration		X	HOA Questionnaire			Attorney Doc Prep Fee		X	Septic Inspection		
Home Warranty			Appraisal			Brokerage Fee		X	DEC/MOA Approval Fees		

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^{DS}
RP, ^{DS}
TEP
Buyer(s) Initials

Seller(s) Initials

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5) Funds at Recording:

Seller and Buyer agree before recording can take place, funds provided to the Closing Agent shall be in the following form: cash; interbank electronic transfer; money order; a certified check or cashier's check drawn on a financial institution located in the state; or any above combination that permits the Closing Agent to convert the deposit to cash not later than the next business day (AS 34.80.040).

6) Prorations:

Property taxes, interest on loans being assumed, prepaid rents, and HOA fees, if applicable, shall be prorated as of the date of recording.

7) Title/Survey:

- a) The Seller shall convey title by statutory warranty deed or xxx
- b) The Property may be subject to restrictions contained on the Plat; in the Deed; in covenants, conditions, and restrictions; or other documents noted in the preliminary title report.
- c) On or before 3 Days of acceptance (date), Seller will, at Seller's sole expense, order the report and exceptions from B. West / MatSu Title (Title Company) and furnish them to Buyer.
- d) Upon receipt of the report and exceptions, Buyer shall have 5 business days (three (3) if not filled in) within which to notify Seller, in writing of any matters disclosed in the report, which are unacceptable to Buyer. Buyer's failure to timely object, in writing shall constitute acceptance of the report.
- e) If, within 5 business days (three (3) if not filled in) following receipt of the objections, Seller fails to remove or correct the matters identified in the objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected prior to the recording date this transaction shall automatically terminate. After recording, Buyer shall receive an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the amount of the purchase price, free and clear of the objections and all other title exceptions agreed to be removed as part of this transaction.
- f) Mineral rights may not pass with title to the Property.
- g) Neither Seller nor Seller's licensee make any representation as to the location of the lot corners or boundary lines. Buyer accepts sole responsibility for identifying and locating the corners and boundary lines of the lot.
- h) Survey, as-built survey, or recertification of survey shall be dated on or after 05/17/2018, (date) **OR** as required by Lender.

8) Documents/Disclosures Required By Law:

- a) **Lead-Based Paint Warning:** Unless exempt, if the improvements on the Property include one or more residential dwelling(s) constructed prior to January 1, 1978, the Buyer shall not be obligated under the terms of this Purchase Agreement unless a completed Lead-Based Paint Disclosure form is signed by Seller and the Seller's real estate licensee(s), which must occur before the parties sign this Purchase Agreement. (See EPA pamphlet Protect Your Family From Lead in Your Home for more information.) If applicable, Buyer acknowledges receipt of the lead-based paint disclosure signed by the Seller prior to signing this offer.
- b) Buyer has has not received a copy of the **State of Alaska Residential Real Property Transfer Disclosure Statement**.
- c) Buyer has has not received a copy of the **Alaska Real Estate Commission Consumer Disclosure**.
- d) **Sex Offenders:** The State of Alaska requires the registration of sex offenders residing within the State of Alaska (AS12.63.010). The Alaska Department of Public Safety is charged with maintaining the registry created. For more information, contact the Alaska State Trooper Post, Municipal Police Department or on-line at the State of Alaska /Department of Public Safety (<http://www.dps.state.ak.us>) Internet site by clicking on the Sex Offender Registry. As a buyer, it is your responsibility to independently investigate and verify for yourself the acceptability of a property with respect to these issues. (AS34.70.050). **If Buyer elects to terminate this agreement based upon this investigation, Buyer must provide Seller with written notice within the time set forth in Paragraph 9I.**
- e) The State of Alaska maintains a list of properties that have been identified by Alaska law enforcement agencies as illegal drug manufacturing sites, including meth labs. For more information on this subject and to obtain a list of these properties, go to <http://www.dec.state.ak.us>. **If Buyer elects to terminate this agreement based upon this investigation, Buyer must provide Seller with written notice within the time set forth in Paragraph 9I.**
- f) If a Resale Certificate or a Public Offering Statement is required by law for the transfer of this Property, it is hereby agreed that the time for the Buyer to review these documents begins on the date the Buyer acknowledges in writing the receipt of these documents. **In the event that this Purchase and Sales Agreement terminates and Buyer has received a Resale Certificate or Public Offering Statement, the Buyer agrees to deliver the Resale Certificate or Public Offering Statement to Seller or Seller's Licensee.**

DS RP / DS TER
Buyer(s) Initials

/ /
Seller(s) Initials

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9) Physical Inspection of Property/Property Condition:

- a) Until the date of possession or recording, whichever is earlier, Seller agrees to maintain the Property in its current condition, subject to ordinary wear and tear.
- b) Buyer and Seller understand that Brokers and/or Licensees are not experts in the areas noted below and Buyer and Seller should rely solely on experts who are qualified in these areas. Brokers and/or their Licensees make no representations regarding the Property, including whether the residence or other improvements meet current building codes, safety or other requirements; and assume no duty to investigate or verify any disclosures made by Seller.
- c) Buyer shall have the right, at Buyer's expense, to have a licensed contractor(s) or other qualified professional(s) to further inspect and investigate the subject Property on or before 30 Days of Acceptance, (date) _____ a.m. 1700 p.m.(time).
- d) Buyer is advised to hire a qualified, licensed, adequately insured inspector upon terms satisfactory to Buyer, which may cover some of the provisions below.
- e) Seller to approve Buyer's selection of a qualified professional(s) prior to any inspection or action. Such approval will not be unreasonably withheld. Buyer requests approval of the following inspector(s):
Any licensed commercial building inspector
- f) Seller shall make the premises available for all inspections. Buyer shall defend, indemnify and hold Seller, Brokers and Licensees harmless from all liability or property damage including any liens, claims, or personal injury arising from the Property inspections. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to enforce this subsection, including Seller's reasonable attorney fees. This provision shall survive the termination or buyer default of this Purchase Agreement.
- g) Buyer's inspection may include, but is not limited to: square footage; rental/lease agreements; applicable school boundaries; city and borough zoning or use restrictions; erosion; avalanche hazards; sex offenders; pests; structural; plumbing; sewer/septic system; well (quantity/quality); heating; appliances; insulation; electrical; roof; soils; drainage; foundation; mechanical systems; lot corners and boundaries; code compliances; or possible past or present environmental hazards such as asbestos, mold, illegal drug or substance manufacturing including meth labs, urea-formaldehyde, radon gas, waste disposal sites, underground tanks, water contamination and/or other substances/products, etc.
- h) Buyer understands that measurements for square footage and/or dimensions may vary. It is the Buyer's responsibility to verify square footage (within the time set forth in Paragraph 9c) and not rely on information received from Seller, Brokers and Licensees, or governmental agencies.
- i) Buyer is responsible for researching whether the property is in a 'fire and/or road service' area.
- j) Buyer is advised to research land use, land use permits, building regulations, status of building permits, final completion documentation, status of PUR 101, PUR 102, and zoning affecting the Property, as well as rebate and weatherization/energy audit programs that may or may not be available for the Property.
- k) Buyer shall furnish to Seller copies of all reports obtained by Buyer concerning the subject Property at no cost to Seller. Buyer and Seller understand that any written reports generated as a result of any inspection(s) and investigation(s) of this Property become a material amendment to the State of Alaska Residential Real Property Transfer Disclosure Statement. Upon the receipt by Buyer of any such new property disclosure, Buyer has seventy-two (72) hours, or as otherwise allowed under AS Sec 34.70.020, to terminate this Purchase Agreement.
- l) Buyer's request for repairs/remedies or termination shall be in writing, supported by written reports (if applicable), and delivered to Seller or Listing Licensee(s) not later than 37 days after acceptance, (date) _____ a.m. 1700 p.m. (time).
- m) Seller and Buyer to reach an agreement regarding Buyer's request for repairs/remedies, by 40 days after acceptance, (date) _____ a.m. _____ p.m. (time).
If no agreement is reached by the above date, the Buyer shall exercise one of the following options, in writing, within 3 business days (three (3) if not filled in):
 - i) Buyer may terminate this Purchase and Sales Agreement.
 - ii) Buyer may accept Seller's last counter offer of repairs/remedies.
 - iii) Buyer may accept the property with any and all property conditions and discoveries as a result of the Buyer's inspection process.
 If the Buyer does not respond in the allotted time, Seller may terminate this agreement in writing as outlined in Paragraph 17.
- n) If Seller's corrections are subject to re-inspection and approval prior to closing, by the same or a qualified inspector approved above, Buyer shall pay for first re-inspection. Thereafter, Seller to pay for all additional re-inspection fees.

DS
RP / TEP
Buyer(s) Initials

Seller(s) Initials

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- 1 o) If Buyer fails to have the Property inspected or fails to provide Seller with a written request for repairs/remedies or
- 2 termination, in accordance with this Purchase Agreement, Buyer accepts the Property in its present condition and
- 3 as described in the Residential Real Property Transfer Disclosure Statement.
- 4 p) Except as otherwise specifically stated in this Purchase Agreement or the Residential Real Property Transfer Dis-
- 5 closure Statement, recording of this transaction shall constitute Buyer's acceptance of the Property AS IS, WHERE
- 6 IS, at recording, with all defects, latent or otherwise. Neither Seller, Broker nor any Licensee shall be bound by any
- 7 representation or warranty of any kind relating in any way to the Property, its condition, quality or quantity, except
- 8 as specifically set forth in this Purchase Agreement or the Residential Real Property Disclosure Statement, which
- 9 contains representations of the Seller only, and which is based upon the best of Seller's personal knowledge.
- 10 q) In the event the improvements on the Property are destroyed or materially damaged prior to recording, then, at the
- 11 Buyer's option, this Purchase and Sale Agreement shall terminate upon Buyer's written notice to Seller.
- 12

10) Appraisal:

- 14 a) Buyer Seller agrees to advance funds for the appraisal fee to Lender by xxx, (date) and
- 15 authorizes the Lender to order by xxx, (date).
- 16 b) The completion of Purchase is is not contingent upon the appraisal of the Property being equal to or greater
- 17 than the agreed upon Purchase Price.
- 18 c) If the completion of Purchase is contingent upon the appraisal, and the Property does not appraise for the Purchase
- 19 Price or greater, the parties shall have xxx business days (three (3) if not filled in) from receipt of appraisal to re-
- 20 negotiate the Purchase Price. In the event the parties do not reach agreement on the Purchase Price within this
- 21 time, the Purchase Agreement shall automatically terminate. (In the event of FHA/VA loans, the FHA/VA Amenda-
- 22 tory Clause shall supersede).
- 23 d) In the event the appraisal generates Lender-required repairs, repairs to be negotiated between Seller and Buyer.
- 24 e) If Seller and Buyer have not reached an agreement regarding Lender-required repairs, within xxx business
- 25 days (three (3) if not filled in) of Seller's receipt of the appraisal, this Purchase Agreement shall automatically termi-
- 26 nate.
- 27 f) If repairs/remedies are subject to re-inspection and approval prior to the recording date, Buyer shall pay for first re-
- 28 inspection. Thereafter, Seller to pay for all additional re-inspection fees.
- 29

11) Recording/Possession:

- 31 a) This sale shall be recorded on See additional Terms, (date) or earlier by mutual agreement. Prior to recording,
- 32 Buyer and Seller agree to sign all reasonably necessary closing documents and to perform the reasonable condi-
- 33 tions required by the Closing Agent and Buyer's Lender.
- 34 b) If obtaining new financing, and:
- 35 i) If Buyer is unable to obtain a loan commitment from agreed Lender by Recording Date, through no fault of
- 36 Buyer, Buyer to provide written notice to Seller immediately upon Buyer learning of their inability to obtain loan
- 37 commitment from Lender. This Purchase Agreement shall terminate automatically unless Seller and Buyer
- 38 agree to modifications by Amendment to this Purchase and Sale Agreement.
- 39 ii) If Buyer fails to provide notice of inability to obtain loan commitment by such date (11a), or as modified by
- 40 Amendment, and this transaction does not record, through no fault of the Seller, Buyer shall be in default.
- 41 c) Seller shall deliver possession of the Property to the Buyer upon confirmation of recording or
- 42 under attached occupancy agreement or other xxx.
- 43 d) Unless otherwise agreed in writing, Seller shall remove all debris, personal property not sold to Buyer, and leave
- 44 the Property in clean condition. Seller shall provide keys and/or means to operate all locks, including but not limited
- 45 to: mailboxes, security systems, alarms, garage door openers and any portable control devices for accessing the
- 46 Property upon confirmation of recording.
- 47 e) Buyer may walk through the Property prior to recording to determine there have been no material changes to the
- 48 condition of the Property.
- 49 f) If Property is a unit in a condominium or other common interest community, Buyer may be required to pay a deposit
- 50 to the homeowners' association (HOA) to obtain access to HOA facilities.
- 51

12) Tenant Occupied Property:

Seller to provide rental/lease agreement(s) including lead based paint disclosure(s) (if applicable) within three (3) busi-
ness days of fully executed Purchase Agreement which are subject to Buyer's approval within the time set forth in Par-
agraph 9c. Seller and Buyer shall comply with the regulations contained in the Alaska Landlord/Tenant Act. All refund-
able deposits shall be transferred to the Buyer at recording. Seller to provide Estoppel Certificate(s) prior to closing.

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RP, ^{DS}
TEP
Buyer(s) Initials

Seller(s) Initials

Purchase and Sale Agreement Regarding Property Described As:

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Legal (the Property): Nelson Fred RSB B/1E L5A B1

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13) Insurance:

It is the Buyers' responsibility to determine whether homeowners' or property owners' insurance can be obtained for this property, within the time frame set forth in Paragraph 9c, and provide evidence of availability of same as may be required prior to recording.

14) Carbon Monoxide Detectors:

Carbon Monoxide (CO) is a colorless, odorless, and potentially fatal gas produced by the burning of fossil fuel. You are advised to use CO detectors in your property and have heating systems inspected and serviced regularly. **Alaska Statute AS 18.070.095(a).**

15) Home Warranty Protection Plans:

Home warranty protection plans (HWPP) may be available to buyers and/or sellers for residential properties, including multi-family units, during and after recording of this transaction. However, the HWPP does not replace the need for an independent home inspection. The Real Estate Brokerages do not warrant or provide any product or service in connection with the HWPP. **In the event Buyer and/or Seller choose not to purchase a HWPP prior to recording, this paragraph shall serve as acknowledgement Buyer and/or Seller wish to waive their right to purchase the plan.**

16) Brokerage Notice Regarding Earnest Money Deposits & Refunds:

Under Alaska law (12 ACC 64.250(7)), earnest money must be deposited into the Real Estate Brokerage trust account in a timely manner. Alaska Statutes and Regulations also require real estate brokerages to ensure the bank has cleared the earnest money deposit before funds can be released. If an offer is not accepted, or Purchase and Sale Agreement terminates, there may be up to fourteen (14) business days delay in refunding the earnest money to the Buyer, to allow the Buyer's check to clear the Real Estate Brokerage Trust Account. If Buyer provides written documentation from their bank showing funds have been deposited in Broker's Trust Account. Alaska Statutes & Regulations require the Broker refund the earnest money to the Buyer not more than one business day after the Buyer's check has cleared.

17) Termination:

In the event this Purchase Agreement is terminated as provided for in this Purchase Agreement, absent a default by the Buyer, all earnest money shall be returned to the Buyer and all parties shall be relieved of their obligations as set forth herein.

18) Time of the Essence and Remedies:

Seller and Buyer understand that time is of the essence. If any obligation is not performed or waived as provided, or if any note or check received as earnest money or any other payment is not paid, honored or tendered when due, there shall be the following remedies:

- a) **If Buyer is in Default:** Except as provided in Paragraphs 3, 7e, 9k, 9l, 9m, 9q, 10c, 10e, 11b, 19 and 20, Seller's remedies shall be limited to liquidated damages in the amount of the earnest money set forth in Paragraph 1. It is agreed that such payments and things of value are liquidated damages and are Seller's sole and only remedy for Buyer's failure to perform the obligations of this contract. The parties agree that Seller's actual damages in the event of Buyer's default would be difficult to measure, and the amount of the liquidated damages herein provided for is a reasonable estimate of such damages.
- b) **If Seller is in Default:** Buyer may elect to treat this Purchase Agreement as canceled, in which case all earnest money paid by Buyer hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this Purchase Agreement as being in full force and effect and Buyer shall have the right to specific performance or damages, or both.

19) Earnest Money Dispute:

Notwithstanding any termination of this Purchase Agreement, Buyer and Seller agree that, in the event of any controversy regarding the earnest money held by Broker, the Broker may:

- a) Make the determination as to the cause of the failure of this Purchase Agreement and distribute the earnest money accordingly after giving notice to Cooperating Broker, or
- b) Require the parties to execute an agreement for the release of the earnest money, in which case the earnest money shall be distributed in accordance with such agreement. If the parties are unwilling to execute an agreement for the release of earnest money, the parties shall submit the matter to mediation as provided below, and if mediation fails, the broker may file an interpleader action in a court of competent jurisdiction requesting the court to determine the distribution of the earnest money. Broker shall be entitled to an award from the earnest money of full reasonable attorneys' fees and costs.

^{DS}
RP
Buyer(s) Initials

^{DS}
TEP
Seller(s) Initials

Purchase and Sale Agreement Regarding Property Described As:

Address: 290 N Yenlo Street, Wasilla, AK 99654

Legal (the Property): Nelson Fred RSB B/1E L5A B1

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c) In the event the Broker makes a determination as to the cause of the failure of the Purchase Agreement and distributes the Earnest Money accordingly, the parties hereto agree to indemnify and hold the Broker harmless from any and all claims, liabilities or losses that either party may incur as a result of the Broker's decision.

20) Mediation:

If a dispute arises relating to this Purchase Agreement, between or among Buyer and Seller, and is not resolved prior to or after recording, the parties shall first proceed in good faith to submit the matter to mediation. Costs to be shared by mutual agreement between or among the parties. Unless otherwise agreed in mediation, the parties retain their rights to proceed to arbitration or litigation. If the parties have not agreed to mediation within 30 days from date of original dispute, it will be assumed that they do not wish to mediate the dispute and the Broker will act accordingly.

21) Costs and Expenses:

In the event of any arbitration or litigation relating to this Purchase Agreement, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees.

22) Broker:

- a) It is mutually agreed by all parties that the Brokers and/or their Licensees shall not be held liable in any manner whatsoever for damages arising from defaults or acts by or omissions of Buyer or Seller.
- b) Both Buyer and Seller acknowledge Brokers are participants of the Alaska Multiple Listing Service, Inc., (AK MLS) and are authorized to report details of the sale to AK MLS.

23) Authorization to Release Information to Brokers:

Buyer and Seller authorize any Lender, escrow agent, closing agent, appraiser, home inspector, surveyor and any other related party to this sale to furnish and provide any and all information and copies of documents related to this sale to both the Listing and Selling Brokers and their Licensees.

24) Foreign Investment in Real Property Tax Act:

The Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who purchases real property located within the United States from a "foreign person" to deduct and withhold from the Seller's proceeds ten percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes a non-resident alien individual, foreign corporation, foreign partnership, foreign trust, and foreign estate. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to comply with FIRPTA.

25) Attachments:

The following attachments are hereby made part of this Purchase Agreement:

26) Additional Terms and Conditions:

The terms listed above as "upon acceptance" indicate the time when the purchase agreement is accepted by City Council.

Seller to have the heating system inspected; copy to be provided to the buyer within 14 days of acceptance.

Seller to disclose & provide all reports, documents, assessments, architect renderings, profiles or other documented or written works that have been used by the City to predict or assess the Meta Rose's value, structural integrity, internal system lifespan or functionality, documented plumbing repairs (recommended or completed), electrical repairs (recommended or completed), structural repairs (recommended or completed), foundational repairs (recommended or completed), and heating or cooling unit repairs (recommended or completed) in addition to any other written reports concerning environmental, appraisals, structural, roof, or soil.

Seller to provide the following within 14 days of acceptance: Certified operating statements, including capital expenditures, for 2015, 2016 and 2017 along with 2018 year to date Profit/Loss statement. Schedule E tax returns for the following years 2015, 2016, 2017 if available. Copies of all leases & estoppel certificates. Certified current rent roll including a listing of security deposits.

Buyer reserves the right and intends to change the buyer's name to their LLC at any point prior to closing of this contract.

All other terms and conditions remain the same.
 See attached addendum for additional terms and conditions.

<div style="border: 1px solid black; padding: 2px; display: inline-block;"> ^{DS} RP </div>	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> ^{DS} TEP </div>	<div style="border-bottom: 1px solid black; width: 50px; margin: 0 auto;"></div>	<div style="border-bottom: 1px solid black; width: 50px; margin: 0 auto;"></div>
Buyer(s) Initials		 	
		 	
		 	

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27) Acceptance/Notice of Acceptance/Delivery:

This offer may be accepted by being signed, or electronically signed, by the other party with no changes, and such acceptance shall be effective when a complete copy of the fully signed agreement is delivered to the other party by any one of the following methods:

- a) Hand delivery to the other party or the other party's licensee or the other party's Brokerage;
- b) Via email to the other party or the other party's licensee, but only if the person transmitting the email receives electronic confirmation that the email was received by the intended recipient; or
- c) Via facsimile to the other party or the other party's licensee, but only if the transmitting fax machine prints a confirmation that the transmission was successful.

This Purchase Agreement may be signed in multiple counterparts with the same effect as if all parties signed the same documents.

Delivery of a photocopy, telefax, electronic, carbon or carbonless copy of a signed, or electronically signed, original of this Purchase Agreement or any other documents referred to herein shall be treated the same as delivery of the original.

28) Entire Agreement:

This Purchase Agreement, the Residential Real Property Transfer Disclosure Statement, and any attached addenda constitute the whole agreement between the parties. No warranties, including any warranty of habitability, agreements or representations have been made or shall be binding upon either party unless herein set forth. This document may not be modified except in writing and signed by the Parties.

- a) Buyer agrees to purchase and pay for the above-described Property on the terms and conditions herein stated. Receipt of a copy of this Purchase Agreement is hereby acknowledged. Buyer understands this is a legally binding contract.
- b) **Buyer agrees that recording of the sale will constitute an acknowledgment that the premises and its systems are acceptable at the time the sale is recorded.**

In the event the Seller or Seller's Licensee has failed to notify Buyer or Buyer's Licensee, of the Seller's signed acceptance prior to 05/21/2018, (date) a.m. 1300 p.m. (time), this offer shall terminate.

This Purchase Agreement has significant legal and financial consequences. You are advised to seek independent legal and financial counsel, including tax advice from a tax attorney or CPA, before signing. The Brokers and Licensees cannot give legal, tax or financial advice.

Buyer Signature(s)

1: [Signature] DocuSigned by: 72AAAE07DA804B6...
 2: [Signature] DocuSigned by: 4AD7FE5D54D2460...
 3: _____

Date 5/17/2018 Time: _____ a.m. _____ p.m.

Print name(s) to be on documents Richard Payne Tyan Payne

Address _____

Phone _____ E-Mail _____

Name of Selling Broker's Office Keller Williams Realty Alaska Group of Eagle River

Licensee Signature [Signature] Licensee Signature _____
 DocuSigned by: Cody D Morisy
4E02628575EA44E...

Selling Licensee #1 Fax Number: (907) 696-6505 Selling Licensee #2 Fax Number: _____

Selling Licensee #1 Email: cody@realestateproak.com Selling Licensee #2 Email: _____

Form 70711. Originated 11/04. Revised 09/15.

[Initials] [Initials]
 Buyer(s) Initials

 Seller(s) Initials

Purchase and Sale Agreement Regarding Property Described As:

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Brokerage Fee:

A real estate broker may be compensated by any party to a real estate transaction, by a third party, or by one or more of the parties to the transaction splitting or sharing the compensation. Seller and/or Buyer agree to pay forthwith at recording a brokerage fee in cash as stated in the Personal Services Agreement. (i.e. Listing Agreement, Buyer's Agreement)

Seller Response: (sign only one!)

- **Seller accepts the foregoing offer as written. Seller agrees to sell and convey the Property described on the terms and conditions herein stated. Seller understands this is a legally binding contract.**

Seller Signature(s)

1: _____ 2. _____ 3. _____

Date _____ Time: _____ a.m. _____ p.m.

- **Seller makes the attached Counter Offer**

Seller Signature(s)

1: _____ 2. _____ 3. _____

Date _____ Time: _____ a.m. _____ p.m.

- **Seller hereby rejects the foregoing offer and declines to make a Counter Offer**

Seller Signature(s)

1: _____ 2. _____ 3. _____

Date _____ Time: _____ a.m. _____ p.m.

Print name(s) _____

Address 290 N Yenlo Street, Wasilla, AK 99654

Phone _____ E-Mail _____

Name of Listing Broker's Office Jack White Commercial

Licensee Signature _____ Licensee Signature _____

Andrew Ingram

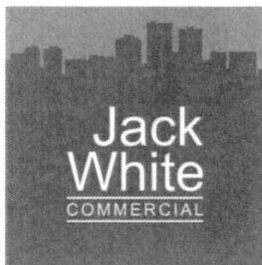
Terry Ellis

Listing Licensee #1 Fax Number: (907) 762-1838 Listing Licensee #2 Fax Number: (907) 373-2959

Listing Licensee #1 Email: andrewingram@ak.net Listing Licensee #2 Email: terry@terryellisalaska.com

DS RP / DS TER
 Buyer(s) Initials

/ /
 Seller(s) Initials



"Since 1953"
Commercial Sales
Commercial Leasing
Property Management
3801 Centerpoint Drive
Suite 101

Andrew Ingram
Cell (907) 830-7319
Direct (907) 762-5877
Fax (907) 762-1838
www.jackwhite.com

Counter-Offer to the Letter of Intent

This is a Counter-Offer to the Purchase and Sale Agreement dated May 17, 2018 between the City of Wasilla (Seller) and Richard & Tyan Payne (Buyer).

For and in consideration of the mutual promises set forth herein, the parties agree as follows:

1. Earnest Money: Earnest money shall be Twenty Thousand Dollars (\$20,000.00).
2. Closing Costs: Closing costs to be split as follows:
 - Seller pays:
 - a) 1/2 recording fee
 - b) 1/2 document preparation fee
 - c) 1/2 escrow closing fee
 - d) brokerage fee
 - e) assessments
 - f) own attorney fees
 - g) owner's title insurance policy
 - h) tax registration fee
 - Buyer pays:
 - a) 1/2 recording fee
 - b) 1/2 document preparation fee
 - c) 1/2 escrow closing fee
 - d) own attorney fees
 - e) any fees associated with obtaining financing
 - f) appraisal
 - g) phase 1 environmental report
 - h) survey
3. Section 9 Physical Inspection. Buyer shall have a thirty (30) day Due Diligence Period to inspect the property of all matters pertaining to Buyer.
4. Section 11 Recording Possession. Closing shall occur no later than fifteen (15) days from completion/waiver of Buyer's Due Diligence Period.
5. Section 26 Additional Terms and Conditions: Buyer may have the heating system inspected, at Buyer's expense, if Buyer desires. Seller to provide all referenced reports only to the extent that they are available.
6. Same Terms and Conditions. The same terms and conditions in the original Purchase and Sale Agreement shall still apply, other than the changes made in this Counter Offer, which shall supersede the original agreement.
7. Execution. This Counter Offer may be executed in counterparts by the parties. Execution by facsimile signature shall be deemed to have the effect of an original signature.
8. Expiration. This Counter Offer will expire Monday May 28th, at 5:00pm AKST.

Seller: City of Wasilla

BY: _____

Date: _____

Buyer: Richard Payne

BY: _____

Date: _____

Buyer: Tyan Payne

BY: _____

Date: _____