

buyer's **PROSPECTUS**

Commercial Real Estate Auction York, ND

WEDNESDAY, FEBRUARY 26, 2014 • 10AM

Location: On site, 205 York Street East, York, ND
Equipment Auction to Follow Real Estate Sale



Mollers Inc.

For property inspection,
contact Tom at
Mollers, Inc., 701.351.0472
or Brad at Steffes Group,
701.237.9173

TERMS: Ten percent down upon signing Purchase Agreement day of auction
with balance due at closing.

COMMERCIAL REAL ESTATE AUCTION



Steffes Group, Inc.
2000 Main Ave E, West Fargo, ND 58078
Scott Steffes ND81, Brad Olstad ND319
Max Steffes - Agent
701.237.9173 | SteffesGroup.com

TERMS & CONDITIONS

The Terms and Conditions of Sale are set forth upon this page in this Buyer's Prospectus and the Earnest Money Receipt and Purchase Agreement. The information set forth is believed to be accurate. However, the owner of the properties and Steffes Group make no warranties or guaranties expressed or implied. Information contained in this document was collected from sources deemed to be reliable and is true and correct to the best of the writer's knowledge.

Auctioneers and owners will not be held responsible for advertising discrepancies or inaccuracies.

AII ANNOUNCEMENTS ON AUCTION DAY TAKE PRECEDENCE OVER PREVIOUSLY ADVERTISED INFORMATION.

Prospective buyers are advised to consult with an attorney of their choice with respect to the purchase of any real property including but not limited to, seeking legal advice from their own attorney regarding disclosures and disclaimers set forth below.

- All bidders must register their name, address, and telephone number in order to receive a bidding number.
- Auction staff will be at the sale site approximately one hour prior to sale time. The successful bidder will be required to sign an Earnest Money Receipt and Purchase Agreement at the close of the real estate auction. A total deposit of 10% of the purchase price will be required. Those funds will be placed in the Steffes Group Auction Trust Account as good faith money until closing.
- Purchasers who are unable to close **because of insufficient funds will be in default** and the deposit money will be forfeited.
- Balance of the purchase price must be paid in full with cashier's check at closing on or before **Friday, March 28, 2014**.
- Seller will provide up-to-date abstracts at their expense and will convey property by **Warranty Deed**.
- **Prorate to day of close.** Subsequent taxes and or special assessments, if any, to be paid by buyer. Real Estate Taxes are subject to reassessment under new owner.
- Closing Agent Fee will be shared equally between Buyer and Seller.
- Please note the bidding will not close and property will not be sold until everyone has had the opportunity to make his or her highest and best bid.
- The auction sale is for registered bidders and their guests. All bidding is open to the public and the property is offered for sale to **qualified purchasers without regard to sex, race, color, religion, natural origin, or handicap.**

- **THE PROPERTY WILL BE SOLD AS IS WITH NO WARRANTIES EXPRESSED OR IMPLIED.**

- **THE PROPERTY WILL BE SOLD SUBJECT TO OWNER CONFIRMATION.**

PROPERTY SOLD WITHOUT WARRANTY

All dimensions and descriptions are approximations only based upon the best information available and are subject to possible variation. Sketches may not be drawn to scale and photographs may not depict the current condition of the property. Bidders should inspect the property and review all the pertinent documents and information available, as each bidder is responsible for evaluation of the property and shall not rely upon the Seller, Broker or Auctioneer, their Employees or Agents. The property will be sold AS IS and without any warranties or representations, express or implied.

SUCCESSFUL BIDDER

The successful bidder of the property shall be determined by competitive bidding. Should any dispute arise between bidders, the auctioneer shall have the right to make the final decision to either determine the successful bidder or to re-offer the property that is in dispute. The auction will be recorded and the auctioneer's records shall be conclusive in all respects.

CLOSING

The successful bidder will be required, at the close of the auction, to complete the Earnest Money Receipt and Purchase Agreement. A sample contract is included in this Prospectus. Balance of the purchase price is due in cash at closing on or before **Friday, March 28, 2014**. Closing will take place at a professional closing company mutually agreeable to both Buyer & Seller.

SELLER'S PERFORMANCE

The Seller has agreed to the terms of the sale as published. However, the Broker and Auctioneer make no warranties or guaranties as to the Seller's performance.

AGENCY DISCLOSURE

Steffes Group, Inc. is representing the Seller and will be paid by the seller.

POSSESSION

Possession will be at closing unless otherwise agreed to in writing and agreeable by buyer and seller.

MINERAL RIGHTS

All mineral rights, if any, held by Seller will be transferred upon closing. However, the Seller does not warrant the amount or adequacy of the mineral rights.

ENVIRONMENTAL DISCLAIMER

The Seller, Broker and Auctioneers do not warrant with respect to the existence or nonexistence of any pollutants, contaminants or hazardous waste prohibited by federal, state or local law. Buyer is responsible for inspection of the property prior to purchase for conditions including but not limited to water quality, and environmental conditions that may affect the usability or value of the property. No warranties are made as to the existence or nonexistence of water wells on the property, or the condition of any wells.

EASEMENTS AND SURVEY

The property to be sold is subject to any restrictive covenants or easements of record and any results that an accurate survey may show.

BIDDING PROCEDURE

As a buyer you have two objectives to accomplish:

1. Purchasing the property.
2. Purchasing the property at a price you can afford.

How is this accomplished?

1. Estimate comparative value.
2. Experienced buyers always decide what to pay before the bidding begins.
3. Inspect the property carefully.
4. Compare with other properties available in the area.
5. Check the selling price of previously sold properties.
6. Discuss your buying plans with a lender. Have your financing arrangements made in advance.
7. This sale is not subject to financing.

AVOID OVER OR UNDER BIDDING

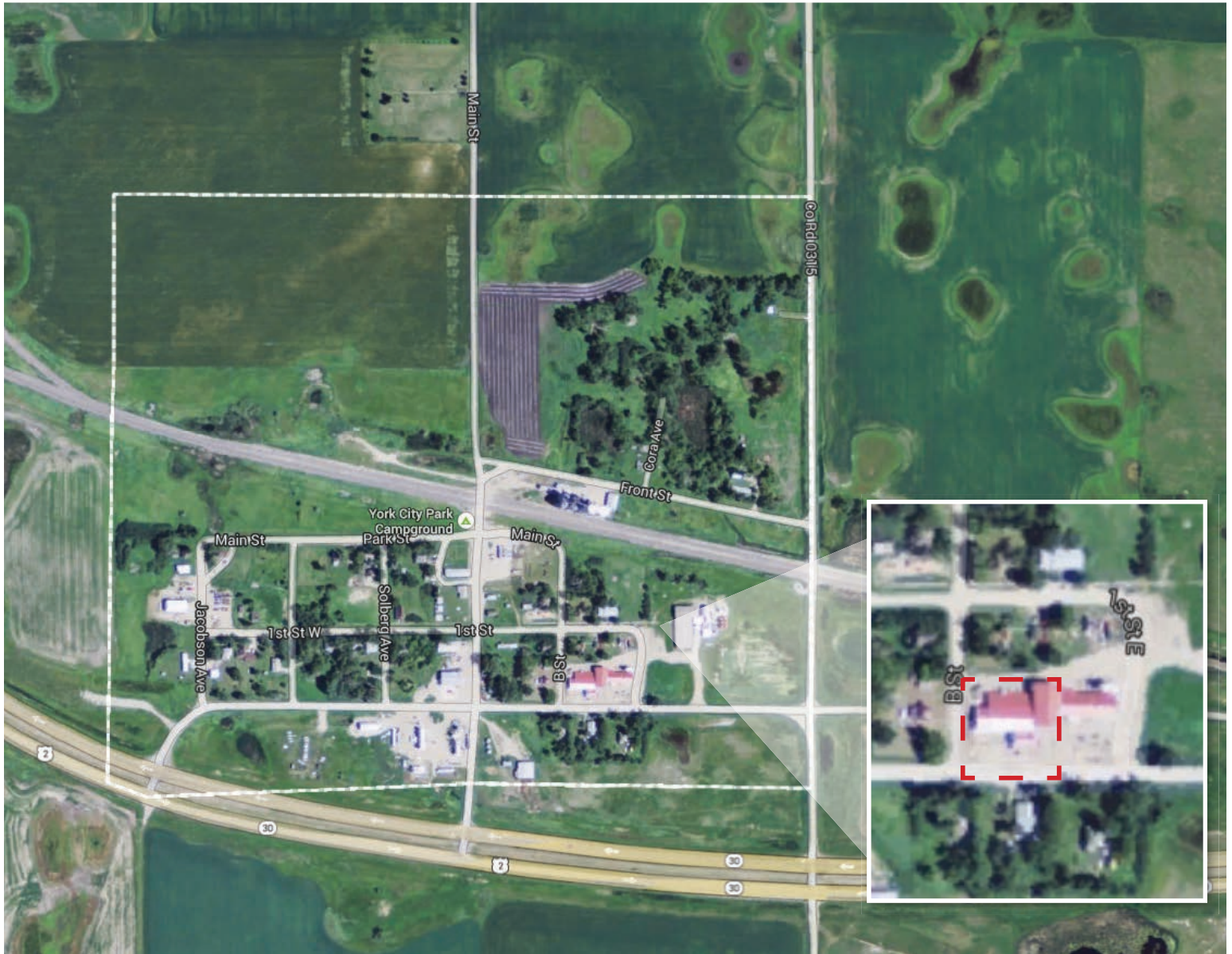
- Always bid on a property toward a price.
- Establish that price before the bidding begins. By doing this you will avoid getting caught up in the auction excitement and pay a price that is too high for the market or one that you cannot afford. It will also make you confident to bid to your established fair market value. Many bidders who do not plan ahead end up with regrets after the auction because they were too nervous or uncertain about their judgment to bid.

THE BIDDING STRATEGY

- Research and know the value of the property.
- Have your financing arranged before the auction.
- Establish your highest and best bid before the bidding begins.
- Make your bids promptly to force other bidders up or out without delay.

PROPERTY LOCATION

(Lines Approximate)



Property Information

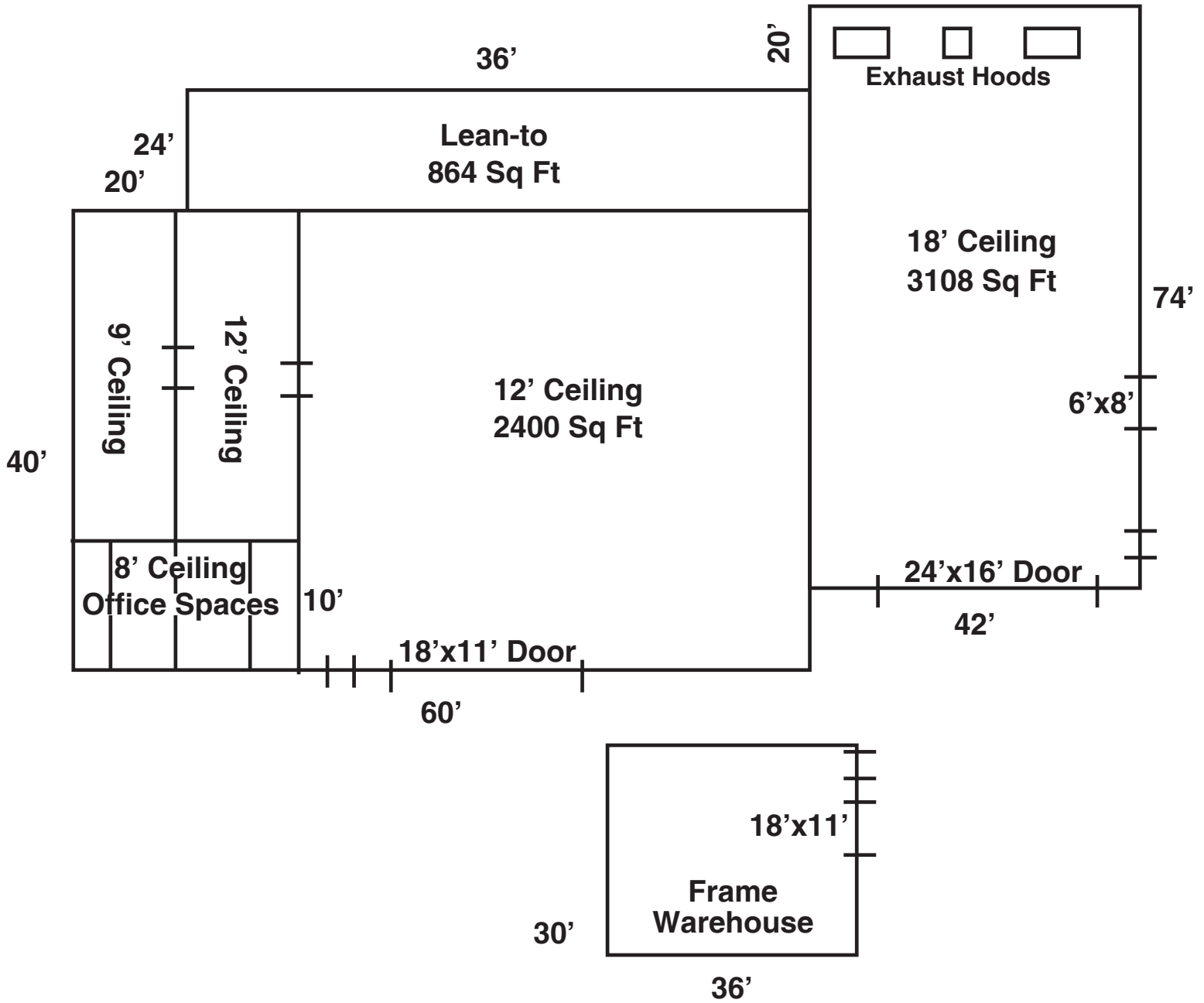
- Main Shop (Approx. 6,200 ft²)
- Adjacent Warehouse (Approx. 1,000 ft²)
- Frame construction
- Floor heat
- (3) Electric EverRest dual rate propane backup furnaces
- Rural water
- 3 offices
- 750 gal. septic holding tanks
- Estimated taxes: \$1,050

The machine shop up for auction is located right off of Hwy 2 with numerous potential future uses. It is presently being used as a machine shop, repair shop, and a light manufacturing facility, but could easily serve as a seed storage facility or retail location. With a 24'x16' overhead door, this facility also has the ability to house large equipment.

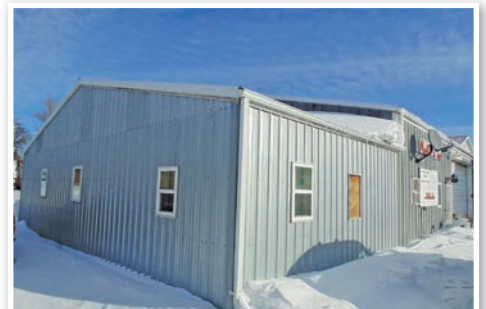
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DIAGRAM

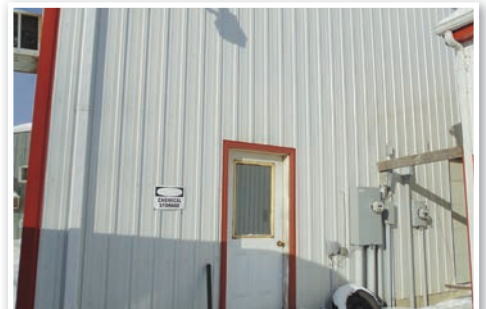
(Not to Scale)



PROPERTY IMAGES



View more photos upon
request or visit
SteffesGroup.com



EARNEST MONEY RECEIPT & PURCHASE AGREEMENT



SteffesGroup.com

EARNEST MONEY RECEIPT AND PURCHASE AGREEMENT

Date: _____

Received of _____

Whose address is _____

SS # _____ Phone # _____ the sum of _____ in the form of _____ as earnest money and in part payment of the purchase of real estate sold by Auction and described as follows:

This property the undersigned has this day sold to the BUYER for the sum of _____ \$
Earnest money hereinafter receipted for _____ \$
Balance to be paid as follows _____ In Cash at Closing _____ \$

1. Said deposit to be placed in the Steffes Group, Inc. Trust Account until closing, BUYERS default, or otherwise as agreed in writing by BUYER and SELLER. By this deposit BUYER acknowledges purchase of the real estate subject to Terms and Conditions of this contract, subject to the Terms and Conditions of the Buyer's Prospectus, and agrees to close as provided herein and therein. BUYER acknowledges and agrees that the amount of deposit is reasonable; that the parties have endeavored to fix a deposit approximating SELLER'S damages upon BUYERS breach; that SELLER'S actual damages upon BUYER'S breach may be difficult or impossible to ascertain; that failure to close as provided in the above referenced documents will result in forfeiture of the deposit as liquidated damages; and that such forfeiture is a remedy in addition to SELLER'S other remedies.

2. Prior to closing SELLER at SELLER'S expense shall furnish BUYER an abstract updated to a current date showing good and marketable title. Zoning ordinances, building and use restrictions and reservations in federal patents and state deeds, existing tenancies, easements and public roads shall not be deemed encumbrances or defects.

3. If the SELLER'S title is not insurable or free of defects and cannot be made so within sixty (60) days after notice containing a written statement of defects is delivered to SELLER, then said earnest money shall be refunded and all rights of the BUYER terminated, except that BUYER may waive defects and elect to purchase. However, if said sale is approved by the SELLER and the SELLER'S title is marketable and the buyer for any reason fails, neglects, or refuses to complete purchase, and to make payment promptly as above set forth, then the SELLER shall be paid the earnest money so held in escrow as liquidated damages for such failure to consummate the purchase. Payment shall not constitute an election of remedies or prejudice SELLER'S rights to pursue any and all other remedies against BUYER, included, but not limited to specific performance. Time is of the essence for all covenants and conditions in this entire agreement.

4. Neither the SELLER nor SELLER'S AGENT make any representation of warranty whatsoever concerning the amount of real estate taxes or special assessments, which shall be assessed against the property subsequent to the date of purchase.

5. Minnesota Taxes: SELLER agrees to pay _____ of the real estate taxes and installment of special assessments due and payable in _____ BUYER agrees to pay _____ of the real state taxes and installments and special assessments due and payable in _____ SELLER warrants taxes for _____ are _____ Homestead, _____ Non-Homestead. SELLER agrees to pay the Minnesota State Deed Tax.

6. North Dakota Taxes: _____

7. The property is to be conveyed by _____ deed, free and clear of all encumbrances except special assessments, existing tenancies, easements, reservations and restrictions of record.

8. Closing of the sale is to be on or before _____ Possession will be at closing.

9. This property is sold AS IS, WHERE IS, WITH ALL FAULTS. BUYER is responsible for inspection of the property prior to purchase for conditions including but not limited to water quality, seepage, septic and sewer operation and condition, radon gas, asbestos, presence of lead based paint, and any and all structural or environmental conditions that may affect the usability or value of the property.

10. The contract, together with the Terms and Conditions of the Buyer's Prospectus, contain the entire agreement and neither party has relied upon any oral or written representations, agreements, or understanding not set forth herein, whether made by agent or party hereto. This contract shall control with respect to any provisions that conflict with or are inconsistent with the Buyer's Prospectus or any announcements made at auction.

11. Other conditions: Subject to easements, reservations and restrictions of record, existing tenancies, public roads and matters that a survey may show. Seller and Seller's agent DO NOT MAKE ANY REPRESENTATIONS OR ANY WARRANTIES AS TO MINERAL RIGHTS, TOTAL ACREAGE, TILLABLE ACREAGE OR BOUNDARY LOCATION.

12: Any other conditions: _____

13. Steffes Group, Inc. stipulates they represent the SELLER in this transaction.

Buyer: _____

Seller: _____

Steffes Group, Inc.

Seller's Printed Name & Address:

2013 TAX STATEMENT

YEAR 2013

REAL ESTATE TAXES FOR BENSON COUNTY

0057664

BENSON COUNTY TREASURER
 PO BOX 209
 MINNEAPOLIS MN 55453
 701 473 5458 FAX 701 473 5571
 www.bensoncountymn.com
 OWNERSHIP SHOWN AS OF CALCULATED TO

2013 REAL ESTATE TAX STATEMENT
 TOTAL AMOUNT
 ENCLOSED ->

NOTE: ALL TAXES BECOME DUE ON JANUARY 1ST AND DELINQUENT MARCH 2nd. A 5% DISCOUNT ON CONSOLIDATED REAL ESTATE TAX IF TOTAL TAX IS PAID IN FULL ON OR BEFORE FEBRUARY 15th. FIRST PAYMENT CONSISTS OF ONE-HALF OF THE CONSOLIDATED TAX AND THE FULL AMOUNT OF THE YEARLY INSTALLMENT OF SPECIAL ASSESSMENTS. IF FIRST PAYMENT IS NOT PAID ON OR BEFORE MARCH 1st, USE THIS SCHEDULE:

MARCH 2nd.....3 PERCENT PENALTY	
MAY 1st.....6 PERCENT PENALTY	
JULY 1st.....9 PERCENT PENALTY	
OCTOBER 1st.....12 PERCENT PENALTY (TO JANUARY 1st)	

SECOND PAYMENT CONSISTS OF THE REMAINING ONE-HALF OF THE CONSOLIDATED TAX. IF SECOND PAYMENT IS NOT PAID ON OR BEFORE OCTOBER 15th, PENALTY IS 6% TO JANUARY 1st SIMPLE INTEREST AT 12% PER ANNUM WILL BEGIN AFTER JANUARY 1st. NDCC 57-20-01.

TRUE AND FULL VALUE MEANS THE VALUE DETERMINED BY CONSIDERING THE EARNING OR PRODUCTIVE CAPACITY, IF ANY, THE MARKET VALUE, IF ANY, AND ALL OTHER MATTERS THAT AFFECT THE ACTUAL VALUE OF THE PROPERTY TO BE ASSESSED. THIS SHALL INCLUDE, FOR PURPOSES OF ARRIVING AT THE TRUE AND FULL VALUE OF PROPERTY USED FOR AGRICULTURAL PURPOSES, FARM RENTALS, SOIL CAPACITY, SOIL PRODUCTIVITY, AND SOIL ANALYSIS. NDCC 57-02-01.15.

PARCEL# 48-0005-11456-000	*PRIOR YRS ALSO DUE	-----BREAKDOWN OF TAX DOLLARS-----		
STATEMENT# 10,761	CONSOLIDATED:	555.47	DESCRIPTION	2013-YEAR
TAX DIST# YKC LRG	STATE PD123CREDIT:	66.66		2012-YEAR
YORK CITY	NET TAX-\$:	488.81		2011-YEAR
JOHNSONS & NEJLS ADD	SPECIALS ETC:		ST	2.33
PM ACRES:	FIRST HALF:	244.40	CO	212.01
T & F VALUE: 46,602	SECOND HALF:	244.40	SCH	187.66
ASSESSED: 23,301	TOTAL TAX:	488.81	CITY	143.08
TAXABLE: 2,310	5% DISCOUNT:	24.44	FIRE	10.39
MILL RATE: 238.40			TOTAL--	628.84
LOTS 5, 6, 7, 8, 9 & 10 BLK 3 JOHNSONS-NEJLS ADD	DUE IF PAID BY FEB 15TH	464.37		698.98
YORK CITY	-----	100.00		-----LEGISLATIVE TAX RELIEF-----
			MILLS->	104.98
			DOLLARS->	311.26
			TOTAL TAX RELIEF 2011-2013=	621.24

PARCEL# 48-0011-11471-000	*PRIOR YRS ALSO DUE	-----BREAKDOWN OF TAX DOLLARS-----		
STATEMENT# 10,775	CONSOLIDATED:	6.91	DESCRIPTION	2013-YEAR
TAX DIST# YKC LRG	STATE PD123CREDIT:	.83		2012-YEAR
YORK CITY	NET TAX-\$:	6.08		2011-YEAR
OUTLOTS	SPECIALS ETC:		ST	.03
PM ACRES:	FIRST HALF:	3.04	CO	2.64
T & F VALUE: 644	SECOND HALF:	3.04	SCH	2.33
ASSESSED: 322	TOTAL TAX:	6.08	CITY	1.78
TAXABLE: 29	5% DISCOUNT:	.10	FIRE	.13
MILL RATE: 238.40			TOTAL--	7.29
19-156-69 75' X 100' IN LOT 3 OF S&A OUTLOTS Y	DUE IF PAID BY FEB 15TH	5.78		8.10
ORK CITY	-----	100.00		-----LEGISLATIVE TAX RELIEF-----
			MILLS->	104.98
			DOLLARS->	3.87
			TOTAL TAX RELIEF 2011-2013=	7.47

PARCEL# 48-0011-11483-001	*PRIOR YRS ALSO DUE	-----BREAKDOWN OF TAX DOLLARS-----		
STATEMENT# 69,096	CONSOLIDATED:	3.58	DESCRIPTION	2013-YEAR
TAX DIST# YKC LRG	STATE PD123CREDIT:	.43		2012-YEAR
YORK CITY	NET TAX-\$:	3.25		2011-YEAR
OUTLOTS	SPECIALS ETC:		ST	.01
PM ACRES:	FIRST HALF:	1.57	CO	1.37
T & F VALUE: 292	SECOND HALF:	1.58	SCH	1.20
ASSESSED: 146	TOTAL TAX:	3.15	CITY	.92
TAXABLE: 15	5% DISCOUNT:	.15	FIRE	.07
MILL RATE: 238.40			TOTAL--	4.05
19-156-69 E142.5 X N125 X W66.25 X S100 X W76.25	DUE IF PAID BY FEB 15TH	3.00		3.90
X S25' IN BLKS 3 & 4 (BK34 PG 180) OUTLOTS YOR	-----	100.00		-----LEGISLATIVE TAX RELIEF-----
K CITY			MILLS->	104.98
			DOLLARS->	3.00
			TOTAL TAX RELIEF 2011-2013=	3.86

PARCEL# 48-0011-11485-003	*PRIOR YRS ALSO DUE	-----BREAKDOWN OF TAX DOLLARS-----		
STATEMENT# 69,880	CONSOLIDATED:	501.59	DESCRIPTION	2013-YEAR
TAX DIST# YKC LRG	STATE PD123CREDIT:	60.19		2012-YEAR
YORK CITY	NET TAX-\$:	441.40		2011-YEAR
OUTLOTS	SPECIALS ETC:		ST	2.11
PM ACRES:	FIRST HALF:	220.70	CO	191.44
T & F VALUE: 42,080	SECOND HALF:	220.70	SCH	169.45
ASSESSED: 21,040	TOTAL TAX:	441.40	CITY	129.21
TAXABLE: 2,104	5% DISCOUNT:	22.07	FIRE	9.36
MILL RATE: 238.40			TOTAL--	567.85
19-156-69 R142.5 X S TO N LINE OF HWY RW X W142.5	DUE IF PAID BY FEB 15TH	419.33		631.30
X N TO PT OF BK9 (BK 66 PG 419) (LRS 281.06 X 11	-----	100.00		-----LEGISLATIVE TAX RELIEF-----
1.59 X 282.13 X 111.59)			MILLS->	104.98
			DOLLARS->	281.07
			TOTAL TAX RELIEF 2011-2013=	560.29

2013 RE TAX-RETAIN FOR YOUR RECORDS TAX DUE IF PAID BY 2/15/2013 MOLLEBS INC 895.46

February 26
10AM

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