



buyer's PROSPECTUS

Timed Online Auction ²⁰¹⁷ Tuesday, November 14, 8AM-12PM

Selling Regardless of Price!



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Kenmare, ND

314 3rd Ave NW & 315 2nd Ave NW

Formerly known as the Baptist Home & Maple View of Kenmare

Absolute Multi-Family Commercial Real Estate

Contact
Max Steffes

701.237.9173
701.212.2849

Kenmare Lakeview LLC, Owner

2000 Main Avenue East, West Fargo, ND 58078
Max Steffes ND999, Scott Steffes ND81, Brad Olstad ND319

SteffesGroup.com

TERMS: 20% down upon signing purchase agreement
with balance due at closing in 30 days. This property will
be sold "AS IS" with no warranties expressed or implied.

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.

All 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.

SPECIFIC TERMS FOR ONLINE ONLY AUCTION

This is an online only auction with no buyer's premium.

Steffes Group along with their employees are seller's agents and are licensed in the state where the property is located. We strongly recommend buyers secure buyer representation, at their expense, in all real estate transactions.

Bid placed within the last 4 minutes of the auction will extend the auction an additional 4 minutes. Bid extensions continue and auction does not end until there are no bids for 4 minutes.

This property sells for cash with no owner financing. Bidders must have financing secured prior to bidding. The sale of this property IS NOT contingent on the bidder securing financing.

The auction begins at 8:00AM and will end at 12:00PM Tuesday, November 14, 2017.

- All bidders must register with SteffesGroup.com as an online bidder to participate in the auction.
- All bidders must register their name, address and telephone number in order for your bidding number to be approved.
- 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 20% of the purchase price will be required. Those funds will be placed in a Real Estate Trust Account as good faith money until closing.
- The contract signing will take place at Steffes Group, 2000 Main Avenue East, West Fargo ND.
- If the winning bidder is unable to come to the Steffes office for signing of the contract, contact Max Steffes 701.237.9173. Arrangements will be made to email or fax a copy of the contract for signature. The buyer would fax the signed copy back to 701.237.0976 or send a scanned copy by email.
- 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, December 15, 2017.**

- Closing will take place at a professional closing company agreeable to both buyer and seller.
- Seller will provide up-to-date abstract(s) at their expense and will convey property by Warranty Deed.
- **2017 taxes to be paid by Seller.** 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.
- 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.
- 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 minimum bid raise will be \$250.00
- **THE PROPERTY WILL BE SOLD AS IS WITH NO WARRANTIES EXPRESSED OR IMPLIED.**
- **THE PROPERTY WILL BE SOLD ABSOLUTE REGARDLESS OF PRICE AFTER THE OPENING BID.**
- Seller will provide title insurance OR up to date abstract(s) at their expense and will convey by Warranty Deed.

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, expressed 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 either to 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.

SELLER'S PERFORMANCE

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

AGENCY DISCLOSURE

Steffes Group, Inc. is representing the Seller.

POSSESSION

Possession will be at closing or completion of current crop harvest, whichever is later, 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 well.

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

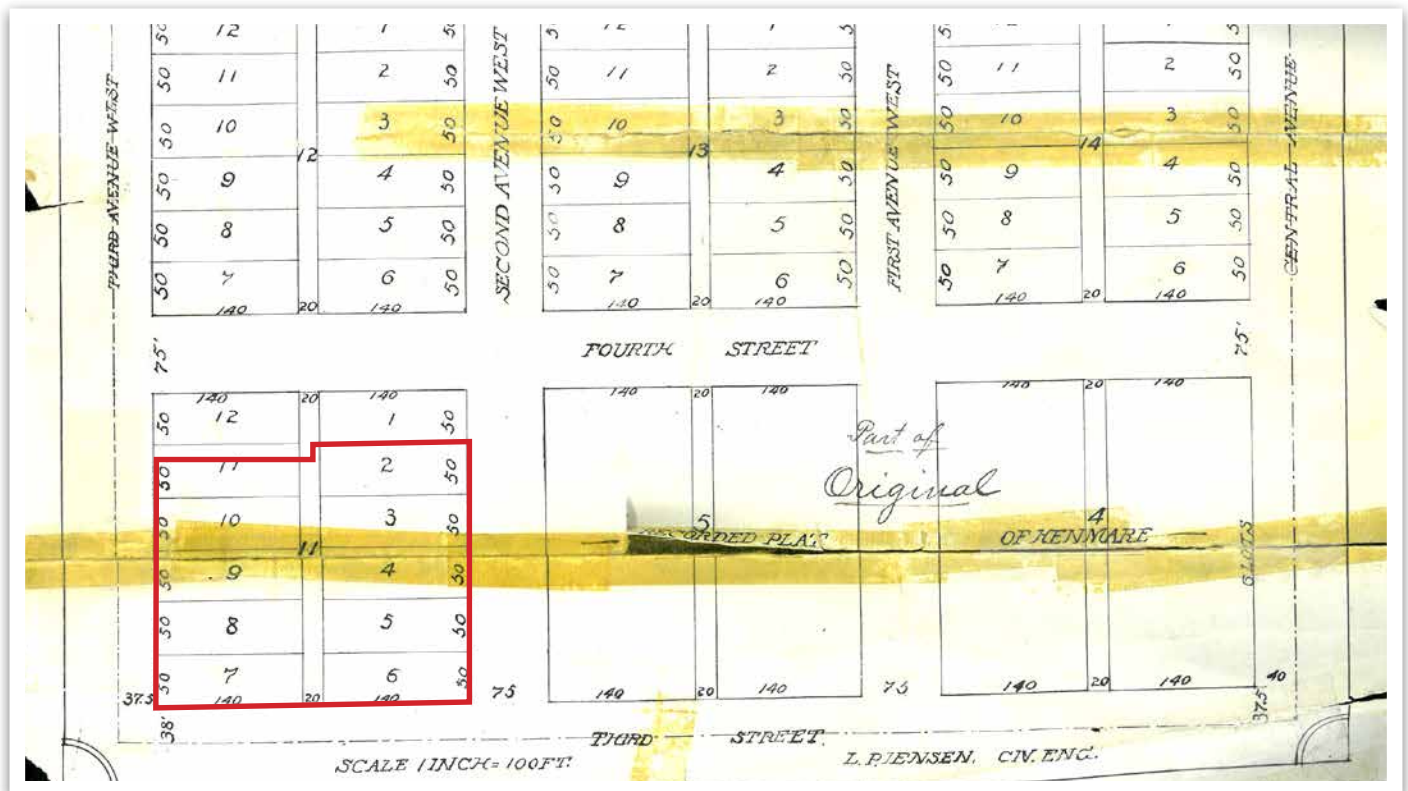
- Always bid on a property toward a price.
- Establish that price before the bidding begins. By doing this you will avoid getting caught up in the auction excitement and pay a price that is too high for the market or one that you cannot afford. It will also make you confident to bid to your established 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.



This property features two distinct different buildings. The west building is currently used as apartment units and the east 3-story building is presently vacant. This east building could be repurposed for many different uses. This property will sell to the highest bidder regardless of price!



Legal Description: ORIG KENMARE LOTS 2-10 & S40' L11 B11 PLUS 1/2 VAC ALLEY



Maple View Rental Apartment Building

General Information

Approx. 120' x 70'
 14 units
 8 currently rented
 Approx. \$43,200/yr. or \$3,600/mo. in gross lease income
 Kitchen/Common/Dining Room area

Room Information

All units are generally the same 1BD 1B 16' x 15' floor plan
 Bathrooms & kitchenette area
 Wall HVAC units

23' x 24' Kitchen/Common/Dining Room Area

15' x 16' Office

Laundry Room with Coin Operated Washer/Dryer

Utilities

Propane forced air
 3 furnaces
 City water & sewer
 Approx. 5 storage rooms

Disclosures

Some exterior & interior wall cracks
 Water recently in kitchen area from rain fall

Maple View/Baptist Home Building

General Information

Approx. 45 room building
 3 Stories
 Dining room & adjoining kitchen with commercial grade appliances
 Wash room & hair care room
 Various office rooms
 3rd floor activity room
 Elevator
 Block foundation

1st Floor

13 resident rooms
 Supply room, staff lounge, medical room, RN/LPN & supervisor offices
 Dining room & adjoining kitchen

2nd Floor

18 resident rooms

3rd Floor

12 resident rooms
 Large activity room
 Office

Utilities

Propane-fueled boiler
 radiant heat
 Winco "Power Plant" stand by power, Wisconsin VG4D Engine
 City water & sewer
 Simplex fire alarm system
 Wall AC units

Disclosures

Some exterior & interior wall cracks
 Leaky roof
 Recent work orders on boiler
 Elevator needs service, not operational

28' x 24' Garage
(2) Leased 2,000 gallon propane tanks

Personal Property to be Included

MAPLE VIEW/BAPTIST HOME BUILDING

All personal property that is currently located in the east building will be included in the sale of the property.

MAPLE VIEW RENTAL APARTMENT UNITS

All personal property that is not property of existing tenants will be sold with the sale of the property. Most of the units are outfitted with basic furniture & a bed.

OTHER PERSONAL PROPERTY

Snapper riding mower, 42" deck, 20HP, shows 436.1 hrs.
 Yard Machine snow thrower, 26"
 Yard Machine push mower, 21"
 AquaClean carpet cleaner



2016 Ward County Real Estate Tax Statement

Statement No: 14176

Parcel Number
KM000011100100

Owner
KENMARE LAKEVIEW, LLC

Jurisdiction
City of Kenmare

Physical Location
314 NW 3RD AVE
KENMARE, ND 58746

Legal Description
ORIG KENMARE L10 & S40' L11 B11 PLUS 1/2 VAC ALLEY

2016 TAX BREAKDOWN

Net consolidated tax	2,281.02
Plus: Special Assessments	
Principal	0.00
Interest	0.00
Total tax due	2,281.02
Less: 5% discount, if paid by February 15, 2017	-114.05
Amount due by February 15, 2017	2,166.97

Legislative tax relief

(3-year comparison)	2014	2015	2016
State school levy reduction	0.00	0.00	845.46
12% state-paid tax credit	0.00	0.00	311.05
Total legislative tax relief	0.00	0.00	1,156.51

Or pay in two installments (with no discount):

Payment 1: Pay by March 1, 2017	1,140.51
Payment 2: Pay by October 16, 2017	1,140.51

Tax distribution (3-year comparison):

	2014	2015	2016
True and Full Value			174,000
Taxable Value	0	0	8,700
Less: Homestead credit	0	0	0
Veterans credit	0	0	0
Net Taxable Value	0	0	8,700

Total mill levy 252.820 267.370 297.940

Taxes By District (in dollars):

CITY	0.00	0.00	1,047.12
COUNTY	0.00	0.00	583.93
PARK	0.00	0.00	72.04
SCHOOL (after state reduction)	0.00	0.00	880.28
STATE	0.00	0.00	8.70

Consolidated Tax 0.00 0.00 2,592.07
 Less: 12% state-paid tax credit 0.00 0.00 311.05

Net consolidated tax **0.00 0.00 2,281.02**

Net effective tax rate **0.00% 0.00% 1.31%**

Penalty on 1st Installment & Specials:	
March 2, 2017	3%
May 1, 2017	6%
July 1, 2017	9%
October 15, 2017	12%
Penalty on 2nd Installment:	
October 17, 2017	6%





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 received for _____ \$ _____
Balance to be paid as follows: In Cash at Closing _____ \$ _____

- 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.
- 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.
- 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.
- 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.
- 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.
- North Dakota Taxes: _____
- 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.
- Closing of the sale is to be on or before _____ Possession will be at closing.
- 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.
- 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.
- 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.
- Any other conditions: _____
- Steffes Group, Inc. stipulates they represent the SELLER in this transaction.

Buyer: _____

Seller: _____

Steffes Group, Inc.

Seller's Printed Name & Address:



Absolute Multi-Family
Commercial Real Estate
Kenmare, ND

Timed Online Auction ²⁰¹⁷

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