

No delinquent taxes & transfer entered

Dec 9, 2016 12:10 PM

Ramsey County, Minnesota
Christopher A. Samuel
County Auditor and Treasurer



Doc No **T02575555**

Certified, filed and/or recorded on
Dec 9, 2016 12:10 PM

Office of the Registrar of Titles
Ramsey County, Minnesota
Susan R Roth, Registrar of Titles
Christopher A. Samuel, County Auditor and Treasurer

Deputy 302

Pkg ID 1164234M

CRV# 596775

Document Recording Fee Torrens	\$46.00
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<i>Document Total</i>	\$46.00
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Existing Certs

552673

CONTRACT FOR DEED

THIS CONTRACT FOR DEED ("Contract") is made effective the 30th day of November, 2016 ("Effective Date"), by and between the L.H. Meltzer, LLC, a Minnesota limited liability company, with an address of 513 Summit Avenue, St. Paul, Minnesota 55102 ("Seller"), and SMH Inc., a Minnesota corporation, with an address of 15593 Shadow Creek Road, Maple Grove, Minnesota 55311 ("Purchaser"). Seller and Purchaser agree to the following terms:

1. **Property Description.** Seller hereby sells, and Purchaser hereby purchases, all of that certain real property located in Ramsey County, Minnesota, described as follows:

The West 30 feet of Lot 13; Lots 14 and 15, Block 2, Eastville Heights, Ramsey County, Minnesota ("Property"),

together with all hereditaments and appurtenances belonging thereto. Unless otherwise specified, Seller hereby delivers possession of the Property to Purchaser on the Effective Date hereof.

Seller certifies that the status and number of wells on the Property have not changed since the last previously filed Well Disclosure Statement, if any.

2. **Title.** Seller warrants that title to the Property is, on the Effective Date of this Contract, subject only to the following exceptions:

- (a) Covenants, conditions, restrictions (without effective forfeiture provisions), and declarations of record, if any;
- (b) Reservation of minerals or mineral rights by the State of Minnesota, if any;
- (c) Utility and drainage easements which do not interfere with present improvements;
- (d) Applicable laws, ordinances, and regulations;
- (e) The lien of real estate taxes and installments of special assessments which are payable by Purchaser pursuant to Paragraph 6 of this Contract; and
- (f) The following liens or encumbrances:

- (i) Mortgage dated 12/19/14, filed 01/02/15, as Document No. 2520581, executed by L.H. Meltzer, LLC, a limited liability company, to Drake Bank in the original amount of \$385,000.00. This is a revolving line of credit and contains additional land.
- (ii) Restrictions of record.

3. **Delivery of Deed and Evidence of Title.** Upon Purchaser's full performance of this Contract, Seller shall:

- (a) Execute, acknowledge, and deliver to Purchaser a warranty deed ("Deed"), in recordable form, conveying marketable title to the Property to Purchaser, subject only to the following exceptions:
 - (i) Those exceptions referred to in paragraphs 2(a), (b), (c), (d), and (e) of this Contract;
 - (ii) Liens, encumbrances, adverse claims or other matters which Purchaser has created, suffered or permitted to accrue after the Effective Date of this Contract; and
 - (iii) The following liens or encumbrances: Any other restrictions of record.

4. **Purchase Price.** Purchaser shall pay to Seller, in immediately available funds, on or before December 1, 2036 ("Maturity Date"), the principal sum of Three Hundred Fifty Thousand and 00/100 (\$350,000.00) as and for the purchase price for the Property ("Purchase Price"), payable as follows:

- (a) Down Payment. Twenty Thousand and 00/100 Dollars (\$20,000.00) in immediately available funds shall be paid by Purchaser to Seller on the date hereof.
- (b) Interest. Purchaser promises to pay to the order of Seller the principal sum of Three Hundred Thirty Thousand and 00/100 Dollars (\$330,000.00), together with interest thereon (computed on the basis of the actual days elapsed in a year of 360 days) at a fixed rate equal to six percent (6.00%) per annum.
- (c) Payment Terms: Purchaser shall be obligated to make in immediately available funds monthly principal and interest payments in the amount of Two Thousand Three Hundred Sixty-Five and 00/100 Dollars (\$2,365.00) ("Monthly Installment") to Seller, which Monthly Installment shall commence on December 1, 2016, and continue on the 1st day of each successive month thereafter through and including December 1, 2036. The Monthly Installment is calculated and based upon an amortization of two hundred forty (240) months. The entire unpaid principal, all accrued but unpaid interest, and any other charges due under this Contract shall be fully due and payable on the Maturity Date.

- (d) Late Charge. If Seller has not received the full amount of any payment provided for in this Contract, by the end of ten (10) calendar days after the date it is due, Purchaser shall pay a late charge fee to Seller. The amount of the late charge fee shall be five percent (5.00%) of the overdue payment due hereon. Purchaser shall pay this late charge fee on demand, however, collection of the late charge fee shall not be deemed a waiver of Seller's right to declare default and exercise its rights and remedies as provided in this Contract.

Notwithstanding anything to the contrary contained herein, Purchaser shall have no right to fully or partially prepay this Contract at any time unless mutually agreed upon by both Seller and Purchaser. To the extent the parties have agreed to a partial prepayment, any such partial prepayment shall be applied first to payment of amounts then due under this Contract, including unpaid accrued interest and any other charges due under this Contract, and the balance shall be applied to the principal installments to be paid in the inverse order of their maturity. Any partial prepayment shall not postpone the due date of the Monthly Installment to be paid pursuant to this Contract or change the amount of such Monthly Installment.

5. **Intentionally Deleted.**

6. **Real Estate Taxes and Assessments.** Real estate taxes and installments of special assessments which are due and payable in the year in which this Contract is dated shall be paid as follows: Taxes shall be prorated to the date of this Contract. Any pending and levied assessments shall be assumed by the Purchaser.

Purchaser is responsible for the payment, before penalty accrues, of all real estate taxes and installments of special assessments assessed against the Property which are due and payable after the date of this Contract. Purchaser shall, in addition to the Monthly Installment, be required to deposit with Seller, in immediately available funds, commencing on December 1, 2016, and continuing on the 1st day of each successive month thereafter through and including December 1, 2036, an amount equal to one-twelfth (1/12th) of the annual real estate taxes and installments of special assessments due on the Property ("Escrow Installment"). From time to time out of such escrow deposits, Seller shall pay the real estate taxes and assessments due, upon the presentation of invoices thereof. In the event the total escrow deposits on hand shall not be sufficient to pay all of the real estate taxes and assessments when the same becomes due, Purchaser shall pay to Seller on demand any amount necessary to make up the deficiency. The excess of any such escrow deposits shall be credited to subsequent payments to be made for such items. Upon the occurrence of a default under this Contract, Seller may, at its sole option, without being required to do so, apply any escrow deposits on hand as a payment under this Contract, in such order and manner as Seller may elect. When this Contract has been paid in full, any additional security for this Contract, shall be held for the purposes described herein, but may be commingled with other funds of Seller, and shall not be subject to the decision or control of Purchaser.

7. **Property Insurance.**

- (a) Insured Risks and Amounts. Purchaser shall keep all buildings, improvements, and fixtures now or later located on or a part of the Property insured against loss by fire, lightning and such other perils as are included in a standard "all-risk" endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft and, if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the buildings, improvements, and fixtures, without deduction for physical depreciation. If any of the buildings, improvements, or fixtures are located in a federally designated flood prone area, and if flood insurance is available for that area, Purchaser shall procure and maintain flood insurance in amounts reasonably satisfactory to Seller.
- (b) Other Terms. The insurance policy shall contain a loss payable clause in favor of Seller and Drake Bank, Drake Bank, 60 E. Plato Blvd., Suite 100, St. Paul, Minnesota 55107, which provides that Seller's and Drake Bank's right to recover under the insurance shall not be impaired by any acts or omissions of Purchaser or Seller, and that Seller and Drake Bank shall otherwise be afforded all rights and privileges customarily provided a mortgagee under the so-called standard mortgage clause.
- (c) Notice of Damage. In the event of damage to the Property by fire or other casualty, Purchaser shall promptly give notice of such damage to Seller and the insurance company.

8. **Damage to the Property.**

- (a) Application of Insurance Proceeds. If the Property is damaged by fire or other casualty, the insurance proceeds paid on account of such damage shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid, unless Purchaser makes a permitted election described in the next Paragraph. Such amounts shall be first applied to unpaid accrued interest, costs incurred by Seller under this Contract, and next to the installments to be paid as provided in this Contract in the inverse order of their maturity. Such payment shall not postpone the due date of the Monthly Installment or Escrow Installment to be paid pursuant to this Contract or change the amount of such Monthly Installment or Escrow Installment. The balance of insurance proceeds after full payment of the Purchase Price, if any, shall be the property of Purchaser.
- (b) Purchaser's Election to Rebuild. If an Event of Default (as hereinafter defined) has occurred under this Contract, Purchaser may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the damaged Property (collectively, "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in the State of Minnesota, or such other party as

may be determined by Seller, in its sole discretion. The election may only be made by written notice to Seller within sixty (60) days after the damage occurs. Also, the election will only be permitted if the plans and specifications and contracts for the Repairs are approved by Seller, which approval Seller shall not unreasonably withhold or delay. If such a permitted election is made by Purchaser, Seller and Purchaser shall jointly deposit, when paid, such insurance proceeds into such escrow. If such insurance proceeds are insufficient for the Repairs, Purchaser shall, before the commencement of the Repairs, deposit into such escrow sufficient additional money to insure the full payment for the Repairs. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the Repairs, Purchaser shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed by the escrowee in accordance with generally accepted sound construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Purchaser into such escrow before the commencement of the Repairs. Purchaser shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by Purchaser within one (1) year after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amounts payable by Purchaser under this Contract in accordance with Paragraph 8(a) above.

- (c) Owners' Association. If the Property is subject to a recorded declaration, so long as the owners' association maintains a master or blanket policy of insurance against fire, extended coverage perils and such other hazards and in such amount as are required by this Contract, then: (i) Purchaser's obligation in the Contract to maintain hazard insurance coverage on the Property is satisfied; (ii) the provisions of Paragraph 8(a) of this Contract regarding application of insurance proceeds shall be superseded by the provisions of the declaration or other related documents; and (iii) in the event of a distribution of insurance proceeds in lieu of restoration or repair following an insured casualty loss to the Property, any such proceeds payable to Purchaser are hereby assigned and shall be paid to Seller for application to the sum secured by this Contract, with the excess, if any, paid to Purchaser.

9. Injury or Damage Occurring on the Property.

- (a) Liability. Seller shall be free from all liability and claims for damages by reason of injuries occurring on or after the Effective Date of this Contract to any person or persons or property while on or about the Property. Purchaser shall defend and indemnify Seller from all liability, loss, cost, and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However, Purchaser shall have no liability or obligation to Seller for such injuries which are caused by the negligence or intentional wrongful acts or omissions of Seller.
- (b) Liability Insurance. Purchaser shall, at Purchaser's own expense, procure and maintain liability insurance against claims for bodily injury, death and property

damage occurring on or about the Property in the amount of \$1,000,000.00 and naming Seller and Drake Bank as additional insureds.

10. **Insurance Generally.** The insurance which Purchaser is required to procure and maintain pursuant to Paragraphs 7 and 9 of this Contract shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Seller. The insurance shall be maintained by Purchaser at all times while any amount remains unpaid under this Contract. The insurance policies shall provide for not less than ten (10) days' written notice to Seller before cancellation, non-renewal, termination or change in coverage, and Purchaser shall deliver to Seller a duplicate original or certificate of such insurance policy or policies.

11. **Condemnation.** If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid. Such amounts shall be applied in the same manner as a prepayment as provided in Paragraph 5 of this Contract. Such payments shall not postpone the due date of the Monthly Installment or Escrow Installment to be paid pursuant to this Contract or change the amount of such Monthly Installment or Escrow Installment. The balance, if any, shall be the property of Purchaser.

12. **Waste, Repair, and Liens.** Purchaser shall not remove or demolish any buildings, improvements, or fixtures now or later located on or a part of the Property, nor shall Purchaser commit or allow waste of the Property. Purchaser shall maintain the Property in good condition and repair. Purchaser shall not create or permit to accrue liens or adverse claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchaser shall pay to Seller all amounts, costs and expenses, including reasonable attorneys' fees, incurred by Seller to remove any such liens or adverse claims.

13. **Inspection.** Purchaser shall permit Seller and its authorized representatives to enter the Property at all reasonable times and upon reasonable notice for the purpose of inspecting the same; provided, Seller shall have no duty to make such inspections and shall not incur any liability or obligation for making any such inspections. Purchaser acknowledges and agrees that this right of inspection allows Seller, or its authorized representative, to enter the Property at reasonable times for whatever reason as determined by Seller, in its sole discretion.

14. **Compliance with Laws.** Except for matters which Seller has created, suffered, or permitted to exist prior to the Effective Date of this Contract, Purchaser shall comply or cause compliance with all laws and regulations of any governmental authority which affect the Property or the manner of using or operating the same, and with all restrictive covenants, if any, affecting title to the Property or the use thereof.

15. **Recording of Contract; Deed Tax.** Purchaser shall, at Purchaser's expense, record this Contract in the Office of the County Recorder in the county in which the Property is located within four (4) months after the Effective Date hereof. Purchaser shall pay any penalty imposed under Minn. Stat. § 507.235 for failure to timely record the Contract. Seller shall, upon

Purchaser's full performance of this Contract, pay the deed tax due upon the recording of the deed to be delivered by Seller.

16. **Notice of Assignment.** Purchaser may not assign its interest under this Contract without the prior written consent of Seller. If Seller shall assign its interest in the Contract, Seller shall promptly furnish a copy of such assignment to Purchaser.

17. **Protection of Interests.** If Purchaser fails to pay any sum of money required under the terms of this Contract or fails to perform any of the Purchaser's obligations as set forth in this Contract, Seller may, at Seller's sole option, pay the same or cause the same to be performed, or both, and the amounts so paid by Seller and the cost of such performance shall be payable at once, with interest at the rate stated in Paragraph 4 of this Contract, as an additional amount due Seller under this Contract.

18. **Event of Default and Remedies.** The time of performance by Purchaser of the terms of this Contract is an essential part of this Contract. If Purchaser (i) fails to timely perform any term of this Contract, including, but not limited to, the payment terms described in Paragraph 4, (ii) a petition in bankruptcy is filed by Purchaser or a petition for involuntary bankruptcy is filed against Purchaser, or (iii) a foreclosure proceeding is commenced against the Property (collectively, "Event of Default"), then Seller may, at Seller's sole option, elect to: (a) declare this Contract cancelled and terminated by notice to Purchaser in accordance with applicable law or (b) elect any other remedy available at law or in equity. If Seller elects to terminate this Contract, all right, title, and interest acquired under this Contract by Purchaser shall then cease and terminate, and all improvements made upon the Property and all payments made by Purchaser pursuant to this Contract, including the Escrow Installment and any other escrow payments, shall belong to Seller as liquidated damages for breach of this Contract. Neither the extension of the time for payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this Contract forfeited by reason of any breach shall in any manner affect Seller's right to cancel this Contract because of defaults subsequently occurring, and no extension of time shall be valid unless agreed to in writing by Seller. After service of notice of default and failure to cure such Event of Default within the period allowed by law, Purchaser shall, upon demand, surrender possession of the Property to Seller, but Purchaser shall be entitled to possession of the Property until the expiration of such period. Failure by Seller to exercise one or more remedies available under this Paragraph 18 shall not constitute a waiver of the right to exercise such remedy or remedies thereafter.

19. **Sale of Property on an "AS IS, WHERE IS" Basis.** The sale of the Property to Purchaser is on an "AS IS, WHERE IS" basis. Purchaser acknowledges and agrees that Seller has no direct knowledge of the condition of the Property. **Additionally, Purchaser acknowledges and agrees that Seller makes no representations, warranties, repairs, or inspections as to the condition of the Property. Purchaser agrees and accepts the Property "AS IS" and agrees that Seller makes no warranties or representations as to the physical condition of the Property including, but not limited to, central air conditioning, heating, plumbing, and wiring, and Purchaser is familiar with the current condition of the Property. Moreover, Purchaser understands and agrees that Seller has no knowledge or information regarding the following matters related to the Property: (i) whether there is a private sewer system on or serving the Property; (ii) whether there are any wells located on the Property; (iii)**

whether the Property is either directly or indirectly connected to city sewer and city water; (iv) whether there are any hazardous substances or underground storage tanks located on, about, or under the Property; (v) whether methamphetamine production occurred on the Property; (vi) whether there are airport zoning regulations that affect the Property; (vii) whether written notice has been sent of threatened or pending special assessments or reassessments of the Property or notice regarding new improvement projects from any assessing authorities, the cost of which project may be assessed against the Property; and (viii) whether notice was sent from any governmental authority as to condemnation proceedings, or violation of any law, ordinance or regulation for the Property.

20. **Voluntary Agreement.** Purchaser acknowledges that Seller has not taken advantage of Purchaser by threats, overreaching, unconscionable conduct, or other activities, and that by her execution of this Contract, Purchaser states that she has been represented by legal counsel of her own selection, or waives such right, that this Contract has been read by Purchaser, and that Purchaser fully understands and agrees to each and every provision hereof and hereby acknowledges receipt of this Contract.

21. **Severability of Provisions.** Any provision of this Contract which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

22. **No Waivers.** No failure or delay on the part of Seller in exercising any right, power or privilege under this Contract and no course of dealing between Purchaser and Seller shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege under this Contract preclude any other or further exercise thereof, or the exercise of any right, power, or privilege.

23. **Costs and Expenses.** Purchaser agrees to pay all out-of-pocket costs and expenses of Seller including, but not limited to, attorneys' fees and costs incurred in connection with the interpretation, and/or enforcement of this Contract or any other agreements or documents provided herein including, but not limited to, those costs, expenses and attorneys' fees of Seller for trial or defense of any litigation, appellate, bankruptcy, or insolvency proceeding.

24. **Binding Effect.** The terms of this Contract shall run with the land and bind the parties hereto and their successors in interest.

25. **Headings.** Headings of the Paragraphs of this Contract are for convenience only and do not define, limit, or construe the contents of such Paragraphs.

THE FOLLOWING PAGES ARE THE SIGNATURE AND NOTARY PAGES.

