

LAND EARNEST MONEY RECEIPT AND PURCHASE AGREEMENT

This offer to purchase, hereinafter referred to as "Offer" or "Agreement," dated _____, upon acceptance by all parties and subject to all terms and conditions stated herein, including but not limited to the conditions set forth in Paragraph 16 of this Agreement relating to the approval of this sale-purchase transaction by the Alaska Railroad Corporation ("ARRC" or "Seller") Board of Directors and, if necessary, by the Alaska Legislature, becomes an agreement and a legally binding contract. Acceptance of this Agreement by all parties is hereinafter referred to as "Offer Acceptance."

Real estate brokers and licensees are hereinafter referred to as "Licensees" or "Brokers." As noted below, Seller is not represented in this transaction by a Licensee or Broker.

All notifications between Buyer, as hereinafter identified, and Seller, in regards to the terms and conditions of this Agreement, shall be in writing and delivered, as appropriate, through Buyer's Licensees or Seller's designated staff.

LICENSEE RELATIONSHIPS (as required by Alaska Statute 08.88.396 and Alaska Statute 08.88.615).

As of _____ the Selling Licensee(s): _____

- represents Seller represents Buyer
- is assisting Buyer Seller, an unrepresented party
- is a neutral Licensee is a designated Licensee and another Licensee in the same office is a designated Licensee for the other party in this transaction.

As of _____ the Listing Licensee(s): Not Applicable, Seller is an unrepresented party

- represents Seller represents Buyer
- is assisting Buyer Seller, an unrepresented party
- is a neutral Licensee is a designated Licensee and another Licensee in the same office is a designated Licensee for the other party in this transaction.

Buyer and Seller hereby acknowledge the above licensee relationships.

BUYER _____	DATE _____
BUYER _____	DATE _____
SELLER _____	DATE _____
SELLER _____	DATE _____

Listing Licensee and Seller hereby acknowledge the above licensee relationships

SELLING LICENSEE: _____	LISTING LICENSEE: <u>N/A</u>
SELLING OFFICE: _____	LISTING OFFICE: <u>ARRC Real Estate Department</u>
DATE _____	DATE _____

Seller acknowledges receipt of Earnest Money in the amount of \$ _____ as referenced in Paragraph 1. This deposit has been or shall be promptly placed in a Trust Account to be administered Yukon Title Company ('Title Company').

SELLER _____ DATE _____

Property Address _____

Legal Description _____

_____ Buyer	_____ Seller
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BUYER _____ PHONE _____
 Legal Name married couple unmarried person married person

BUYER _____ PHONE _____
 Legal Name married couple unmarried person married person

Buyer Address _____

Selling Office _____

Licensee _____ License# _____ Phone _____

SELLER: Alaska Railroad Corporation

Listing Office: ARRC Real Estate Department

This Agreement is regarding the real property described as:

Property Address _____

Legal Description _____

and all improvements and fixtures presently attached to and part of the above described real property, hereinafter referred to as "Property" or "Real Property."

Buyer offers to purchase Property under the following terms and conditions:

1. **PURCHASE PRICE AND EARNEST MONEY** The total purchase shall be \$ _____
 Buyer has tendered Earnest Money in the form of _____ in the amount of \$ _____
 Additional Earnest Money shall be tendered on or before _____ in the amount of \$ _____

2. **FINANCING**
 a.) Down Payment \$ _____
 b.) Buyer shall apply for _____ loan in the approximate amount of \$ _____
 c.) Financing shall be obtained _____
 d.) Buyer to execute a Deed of Trust and Note in favor of the Seller in the amount of \$ _____
 payable at approximately \$ _____ per month including _____ % interest per annum
 for _____ years with contract collection to be held at _____

3. **EXPENSES OF SALE**
 a.) Up front fees to Buyer's financial institution are Buyer's responsibility and may be at risk if this transaction fails to close.
 b.) Financing fees not stated below are Buyer's responsibility.
 c.) The following expenses shall be allocated (%) between Buyers(B) and Seller (S) as follows:

ITEM	B%	S%	ITEM	B%	S%	ITEM	B%	S%
Loan Origination Fee			Owner Title Insurance			Assumption Fee		
Appraisal Fee			Lender Title Insurance			Levied/Existing Assessments		
Credit Report			Recording Fee			Pending/Future Assessments		
Tax Registration			Escrow/Closing Fees			Collection Account Set-Up		
Document Prep. Fee						Coll. Account Annual/Monthly		
Prepaid Interest								

4. **RECORDING AND POSSESSION** Time is of the essence. This sale shall be recorded on or before the date that is forty-five (45) days after the date on which the final approval of this purchase-sale transaction is approved, whether said final approval is by the ARRC Board of Directors or the Alaska Legislature, as more specifically described in Paragraph 16 of this Agreement. The forty-five (45)-day period set forth in the preceding sentence may be extended by mutual written agreement between Buyer and Seller. Buyer and Seller agree to sign all necessary closing documents and to meet the conditions required by this Agreement, the title company, and the financial institution. Buyer shall be given possession of the Property upon recording or as agreed as follows: _____

5. **PRORATION AND OTHER EXPENSES OF SALE.** Taxes, interest, rents, and any other claims which could constitute a lien shall be paid or prorated as of the date of recording; provided, however, that Seller is a public corporation and instrumentality of the State of Alaska that is not subject to state or local taxes, including but not limited to real property taxes, as provided in AS 42.40.910.

6. **TITLE INSURANCE, DEED and APPRAISAL.** Seller agrees to execute and deliver, at closing, a Quitclaim Deed transferring Seller's entire interest in the property to Buyer. Appraisal, if applicable, and preliminary title commitment to be ordered by Buyer or Buyer's financial institution no later than **seven (7) calendar days** from Offer Acceptance or as agreed and completed as soon as possible. Title insurance and closing to be at a time and location mutually agreeable to the parties; provided, however, that the time of closing shall be subject to the timing requirement set forth in Paragraph 4 of this Agreement. Title insurance cancellation fee, if any, shall be the responsibility of Buyer. Reservations, exceptions, or rights reserved in United States or State of Alaska patents or deeds; subdivision or other land use covenants or restrictions relating to land use or development and easements of record shall not be deemed encumbrances to be discharged by Seller. Title to vest at recording in the following name(s): _____

7. **BUYER'S FINANCING OBLIGATION.**

- a.) Buyer agrees to apply in good faith for any necessary financing within _____ **calendar days** of Offer Acceptance and to promptly provide all information, pay all fees, and satisfy all conditions required by the financial institution for processing of the loan and/or assumption. Buyer and Seller hereby acknowledge that no guarantees have been made as to the availability of any financing or interest rates. Buyer agrees to have all cash necessary for down payment, closing costs, reserved, pre-paid items and prorated items in the approximate amount of \$ _____ available for verification by the financial institution on or before _____.
- b.) Actions or lack of actions by Buyer's financial institution may place Buyer in breach of contract.
- c.) If no financing is needed, Buyer agrees to provide proof of funds necessary to close within **fifteen (15) calendar days** of Offer Acceptance. Failure of buyer to provide proof of funds will result in loss of Earnest Money and/or any down payment made by Buyer.

8. **RELEASE OF INFORMATION, SIGNATURE IDENTITY, AND ASSIGNABILITY.** Buyer and Seller authorize all financial institutions, utility and fuel companies, credit reporting agencies, engineers, other inspection firms, title companies and appraisers to furnish to the Listing Licensee and Seller on request any and all information and copies of documents concerning the status, progress, and final disposition of loans, credit, appraisal, closing, conveyance, and any other matter related to this sale. Any electronic signature or facsimile or computer transmissions of signed transaction documents shall be considered legally binding. This Agreement is not assignable by Buyer without written consent of Seller which shall not be unreasonably withheld.

9. **COMPENSATION.** Seller Buyer is paying Buyer's Licensees' compensation in this transaction

10. **LEGAL/TAX ADVICE.** For legal or tax advice or advice regarding other aspects of this transaction Buyer and Seller should seek the advice of an attorney, accountant, or other professional as appropriate.

11. **PROPERTY CONDITION.**

- a.) Buyer offers to purchase the Property in its present condition **on an as-is, where is basis**. Seller has disclosed to Buyer all known defects and other material facts regarding the Property and will provide Buyer with an addendum to the disclosures should any changes to the Property condition occur prior to recording. Until possession is transferred to Buyer, Seller shall maintain the Property.
- b.) Buyer assumes the risk that all or part of the Real Property and improvements may be inadequate, inappropriate or unusable for the purposes intended by Buyer. Before closing the purchase in accordance with this Agreement, Buyer shall make a thorough and careful examination of the Real Property and improvements and assure himself/herself that the Real Property and improvements are suitable for Buyer's intended purposes. Buyer expressly and unequivocally assumes the risk that subsequent events or undiscovered, unknown conditions may make the Real Property and improvements unsuitable for Buyer's intended purposes. Buyer expressly acknowledges that the Real Property and improvements are being sold in their present "as is, where is" condition.
- c.) Buyer reserves the right and duty of inspection as stated in this Agreement. Buyer has entered into this Agreement relying solely upon information and knowledge obtained from his/her own investigation or personal inspection of the Real Property and improvements. Buyer is independently responsible for verifying any and all information about the Property including, but not limited to, zoning, covenants, codes, restrictions, square footage, and flood zones.
- d.) All parties acknowledge that, unless otherwise stated herein, the Property is not subject to the AS 34.70 residential property disclosure statement.
- e.) Unless otherwise disclosed in writing to Buyer, Seller has no knowledge of eminent domain, condemnation foreclosure or other adverse proceedings against the Property.
- f.) Existing liens, rental agreements and service contracts, if any, shall be made available to Buyer with **seven (7) calendar days** of Offer Acceptance.

12. REAL ESTATE LICENSEES. Licensees are not parties to this Agreement. Licensees have not represented the condition of the Property to Buyer and Buyer releases Licensees in this transaction from any liability regarding condition of the Property. Buyer and Seller acknowledge that they have not relied upon any promise or representation made by Licensees regarding the Property or its condition. Licensees involved in this sale have not independently verified the accuracy of information obtained from the parties or from any third party, including any information which Seller may have provided about the Property. Buyer and Seller acknowledge that no Licensee shall be liable to Seller, to Buyer, or to any third party for unintentionally furnishing incorrect information obtained from Seller, Buyer, or a third party. All representations are believed to be reliable but are subject to error. Buyer and Seller acknowledge that Licensees shall not be held liable in any manner whatsoever for damages arising from any action or inaction by Buyer, Seller, their contractors, their financial institutions, or their representatives.

13. NOTICE TO BUYER REGARDING MEGAN'S LAW.

- a.) **Notice to Buyer:** AS 12.63.010 requires the registration of sex offenders residing within the State of Alaska. Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the Property. Information is available at Alaska State Trooper Posts Municipal Police Departments and on the internet site: www.dps.state.ak.us under "Registry of Sex Offenders."
- b.) Buyer may cancel this Agreement in writing and Earnest Money shall be refunded to Buyer if, within 24 hours of Offer Acceptance, Buyer furnishes the Seller written proof indicating that Buyer's research results of the sex offender registry are not acceptable to Buyer.

14. BUYER'S RIGHT AND DUTY OF INSPECTION, DUE DILIGENCE

- a.) Buyer understands that the Property is being sold in its present ("as is, where is") condition.
- b.) Buyer and Seller acknowledge that Licensees are not qualified to inspect the Property.
- c.) No later than **fifteen (15) calendar days** following Offer Acceptance, Buyer shall have the right and duty, at Buyer's expense, to have a qualified professional(s) inspect and investigate the Property for possible defects, including but not limited to soils, drainage, improvements, and environmental hazards. Inspections shall be coordinated through Buyer's Licensees and the Seller. Seller agrees to allow reasonable access for performance of the inspections with a minimum of 24-hour notice. If inspections involve alteration of the Property, Buyer agrees to immediately restore any portion of the Property that has been disturbed or altered, at the Buyer's sole expense, unless otherwise agreed in writing. A copy of any inspection report(s) obtained by Buyer shall be furnished to Seller at no cost.
- d.) Buyer shall keep the Property free and clear of any liens resulting from said inspections and indemnify and hold Seller and Licensees harmless from all liability, claims, damages or costs.
- e.) If Buyer is not satisfied with the results of the inspection(s), as specified in Paragraph 14(c), Buyer reserves the right to rescind this Agreement by notifying the Seller in writing no later than **fifteen (15) calendar days** following Offer Acceptance, and Earnest Money shall be refunded.
- f.) If Buyer is not satisfied with the results of the inspection(s), Buyer reserves the right to renegotiate this Agreement by notifying Seller within **fifteen (15) calendar days** of Offer Acceptance. If Seller and Buyer have not come to an agreement within **ten (10) calendar days** of Seller's receipt of Buyer's offer to renegotiate, this sale shall be null and void and Earnest Money returned to Buyer.
- g.) In the event that this transaction does not close for any other reason, Seller may disclose and provide copies of any reports obtained by Buyer and provided to Seller in order to comply with Seller's disclosure obligations in any future transaction(s). Buyer and Seller shall then have no further obligation toward each other, nor is there any recourse against Licensees.
- h.) If Buyer chooses not to have the Property inspected within the inspection period, or fails to notify Seller of any defects and intent to rescind or renegotiate, Buyer accepts the condition of the Property as satisfactory and shall proceed with this transaction

15. EARNEST MONEY DISPOSITION

- a.) Earnest Money shall be deposited in Trust with the Title Company by the Seller.
- b.) Earnest Money shall be credited to Buyer at closing.
- c.) If recording does not occur for any reason, Licensee(s) and/or Seller shall request that the parties sign a rescission agreement for release of Earnest Money. If Earnest Money was paid by check, disbursement of Earnest Money shall be contingent upon verification of payment of that check.
- d.) Earnest Money shall be refunded only if one of more of the following occur:
 - 1.) Offer is not accepted as specified in Paragraph 20 or a counter offer is not accepted.
 - 2.) Financing applied for by Buyer, in compliance with Paragraphs 2 and 7, is rejected in writing by the financial institution within **fifteen (15) calendar days** of Offer Acceptance. Buyer must apply for such financing in good faith. A financial application in which any information is materially misstated or misrepresented is a violation of the good faith

requirement and shall result in forfeiture of Earnest Money regardless of how much time has passed.

- 3.) There is a material breach of this Agreement by Seller.
 - 4.) The Property is materially damaged or condition of the Property is altered other than changes required for completion of this Agreement.
 - 5.) Buyer rescinds this Agreement in accordance with Paragraph 13 or 14(e).
 - 6.) Transaction does not close in accordance with Paragraph 14(f).
 - 7.) Appraised value does not meet or exceed total purchase price and Seller does not agree to sell at appraised value. In this case Buyer and Seller may attempt to renegotiate the purchase price within **seven (7) calendar days** of written notification of the appraised value to both parties. If an agreement cannot be reached, Earnest Money shall be refunded to Buyer.
 - 8.) Final approval of the sale of the Property by either the ARRC Board of Directors or, if required, the Alaska Legislature, as more fully described in Paragraph 16 of this Agreement, is not obtained.
- e) Buyer and Seller agree that if this transaction does not close for any reason other than those cited above, Earnest Money may be forfeited. If Buyer and Seller cannot agree who is entitled to Earnest Money in an executed rescission agreement, the Title Company holding Earnest Money may, based on the terms of this Agreement and after deducting expenses incurred in this transaction, at its sole discretion, determine disposition of Earnest Money. Alternatively, the Title Company may file an action in court for the determination of the disposition of Earnest Money. Brokers, Licensees and the Title Company shall then be released from any further liability.
 - f) Once Earnest Money is disbursed, this Agreement is null and void and Buyer and Seller shall have no further obligation toward each other, nor is there any recourse against Licensees.

16. TRANSACTION CONDITIONED ON FINAL APPROVAL.

Buyer and Seller each acknowledge that for Seller to sell the Property, the sale must be approved by both the ARRC Board of Directors and the Alaska Legislature, although pending legislation may remove the latter requirement in 2018. Seller agrees that a proposal to sell the land that includes the Property shall be made to the ARRC Board of Directors. If the ARRC Board approves said proposal to sell, then Seller shall seek to obtain the final approval of the Alaska Legislature for the sale if said approval is still required. Buyer acknowledges that if final approval by either the ARRC Board or, if required, the Alaska Legislature, is not obtained by December 31, 2018, then this Agreement shall terminate and Seller shall have no further liability or obligation to Buyer hereunder except for the return of Earnest Money as provided in Paragraph 15 of this Agreement.

17. **ENTIRE AGREEMENT.** This Agreement and any addenda constitute the whole agreement between the parties and no warranties, including any warranty of habitability or other agreements have been made or shall be binding upon either party unless herein set forth. This Agreement shall be binding upon Buyer and Seller and their successors, heirs, administrators and assigns. This Agreement consists of ~~six (6)~~ **6** pages and the following attachments

- Addendum
- _____
- _____

18. **DELIVERY** Delivery of any transaction documents by an unrepresented party or by the Licensee representing or providing specific assistance to one party to the Licensee representing or providing specific assistance to the other party, or to an unrepresented party, constitutes delivery.

19. **BUYER'S ACKNOWLEDGEMENT** I/We agree to purchase the Property on the terms and conditions stated herein, including but not limited to the conditions set forth in Paragraph 16 of this Agreement relating to the approval of this sale-purchase transaction by the Alaska Railroad Corporation ("ARRC" or "Seller") Board of Directors and, if necessary, by the Alaska Legislature. I/We understand that this Offer to purchase, upon Offer Acceptance, becomes an agreement and a legally binding contract. This Offer is valid until **6:00 p.m. Alaska Time (AT) on** _____.

Receipt of a copy of this Agreement is hereby acknowledged.

BUYER _____

DATE/TIME _____

BUYER _____

DATE/TIME _____

20. SELLER'S RESPONSE (initial and check one)

_____/_____/_____ I/We accept the foregoing Offer and agree to sell and convey the Property on the terms and conditions stated herein. I/We understand this Offer is now an agreement and a legally binding contract.

_____/_____/_____ A counter offer is a part of this Agreement

_____/_____/_____ This Offer is rejected.

Receipt of a copy of this Agreement is hereby acknowledged upon Offer Acceptance.

SELLER_____ DATE/TIME_____

SELLER_____ DATE/TIME_____