

REAL ESTATE POLICY

I. **INTENT:** The purpose and intent of this policy is to establish a standard policy for the sale of City owned lots in the City of Dickinson. It is the primary intent of the City to divest itself of city-owned real estate, to place such property back on the tax roll, and to obtain market price for the lots. This policy is intended to provide a uniform method of selling city lots, to maintain consistency in the manner of sale and the price for said lots.

II. **POLICY:** All lots shall first be offered for public sale pursuant to the provisions of Article 2.28 of the Dickinson City Code. If acceptable bids are not received, the lots shall be offered for private sale through the use of non-exclusive listing agreements, pursuant to Dickinson City Code S2.28.010. All private sales shall be made pursuant to the following terms and conditions:

1. **SELLING PRICE:** All residential and commercial City owned lots may be sold at a price determined by resolution of the Board of City Commissioners.

2. **PROCEDURE FOR BIDS:** Any person may submit a bid for a lot. If the bid is for the amount determined as the selling price by the City Commission, and submitted on the standard purchase agreement of the City, the City Administrator is authorized to sell the property, and close the sale. If the bid is for an amount less than the price established by the City Commission, the offer will be reviewed by the Real Estate Committee. The Real Estate Committee shall have the authority to negotiate with the prospective purchaser regarding the sale price of the property and such other terms and conditions of sale as it deems appropriate. With respect to any offer, the Real Estate Committee may accept the offer, reject the offer, or make a counter-offer to the prospective purchaser; provided, however, that any action by the Real Estate Committee shall be subject to the final approval of the City Commission. In the event that an offer is rejected by the Real Estate Committee, the person making the offer shall have the right to appeal the decision of the Real Estate Committee to the City Commission. Any appeal

shall be made in writing to the City Administrator.

3. **MULTIPLE BIDS:** In the case of multiple bids, the first offer received will take precedence.

4. **PURCHASE AGREEMENTS:** All bids shall be submitted on a standard purchase agreement form supplied by the City. A copy of the standard purchase agreement is attached hereto as "Exhibit A". All bids are subject to the terms of said purchase agreement. No oral bids shall be accepted.

5. **DEPOSIT:** Earnest Money in the amount of 10% of the price offered shall be required on all offers submitted. Offers will not be presented until the earnest money is received by the City or a licensed real estate agency.

6. **TERMS:** All sales shall be for cash, payable at the time of closing. Closing shall occur no later than 30 days after an offer is accepted, unless extended by the City Administrator due to extenuating circumstances. Buyer or successors shall be responsible for all special assessments placed on the property after closing.

7. **DEED, ABSTRACT:** The City will provide no abstract on the lots. Buyer is responsible for all closing costs, title insurance, abstract fees, survey costs and all other costs associated with the sale. City shall provide a Quit Claim Deed in the name(s) of the party(ies) as shown on the Purchase Agreement upon closing.

8. **REALTOR FEES:** If the lots are sold through a realtor, the realtor shall be paid a commission equal to 6% of the selling price by the City upon closing.

9. **INFRASTRUCTURE:** If an offer is made on partially developed or undeveloped property, the City will take no responsibility for constructing and infrastructure improvements such as curb and gutter, water, sewer, streets or sidewalk.

10. **RIGHT TO REJECT BIDS:** The City reserves the right to reject any and all bids which do not comply with this policy or which are deemed insufficient.

11. **MINERAL RESERVATION:** The City shall reserve all oil, gas and other minerals by a mineral reservation provision in all deeds conveying property under this policy.

12. **SALE OF UNIMPROVED PLATTED LOTS:** The City will sell unimproved platted lots only pursuant to the following terms and conditions:

- a. Definition of an unimproved lot - means a lot which does not have all or some of the following improvements: water, sewer, street, curb and gutter.
- b. Unless approved by the City Commission, no unimproved property will be sold in parcels smaller than 20 acres unless all of the unimproved city owned property in one area is less than 20 acres in size. In which case an offer will be accepted for the entire parcel.
- c. No building permits will be issued on unimproved lots.
- d. The City of Dickinson will not pay for any portion of improvements to an undeveloped area, unless the City Commission approves doing so.
- e. Any offer on unplatted unimproved property must be accompanied by a development plan approved by the City Engineer before the City will close on the offer.

Dated this 6th day of October, 2008.