

ARLF SEALED BID SALE #09-01

DEADLINE FOR SUBMISSION OF BIDS IS

1:00 P.M. September 30, 2009

OFFERED BY THE STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES BOARD OF AGRICULTURE AND CONSERVATION

The Matanuska Maid Blow Mold Manufacturing Facility, Including Real Property and Improvements
Located at 513 South Valley Way in Palmer, Alaska



Important Notice: If you received this solicitation from the State of Alaska's "Online Public Notice" web site, you must provide an email or mailing address to one of the contact persons listed below to receive subsequent amendments. Failure to contact one of the contact persons, in writing, could result in the rejection of your offer.

State of Alaska
Department of Natural Resources
Division of Agriculture
1800 Glenn Highway, Suite 12
Palmer, Alaska 99645-6736
Amanda Swanson, Loan Officer
(907) 761-3869
(907) 745-7254 Fax
Email: Amanda.Swanson@alaska.gov

State of Alaska
Department of Natural Resources
Division of Agriculture
1800 Glenn Highway, Suite 12
Palmer, Alaska 99645
Franci Havemeister, Director
(907) 761-3867
(907) 745-7112 Fax
Email: franci.havemeister@alaska.gov

**State of Alaska Department of Natural
Resources Board of Agriculture and
Conservation ARLF Sealed Bid Sale
#09-01
September 30, 2009**

Property	Title	Minimum Bid	Improvements	Reservations ***	Comments
<p style="text-align: center;">PARCEL 1 ARLF owned real property consisting of the Mat Maid Blow Mold building and underlying real property located in Palmer, Alaska within ASLS 96-004, Tract A-1 513 S. Valley Way, Palmer, AK</p>	Surface Estate Fee Simple	\$975,000 US dollars	YES	2.1-2.20	Conveyed by Quitclaim Deed

ARLF Financing is available but not guaranteed. See section 3.2 for ARLF Contract Financing Terms and Conditions.

1.0 Introduction

1.1 Purpose of this Invitation for Sealed Bids. The Department of Natural Resources, Board of Agriculture and Conservation is offering certain Agricultural Revolving Loan Fund (ARLF) real property for sale to the highest qualified bidder. The competitive nature of the Sealed Bid Sale will allow the greatest overall return to the ARLF. The sale includes all improvements, fixtures and real property associated with the former Matanuska Maid Blow Mold Manufacturing facility located in Palmer, Alaska (collectively referred to herein as “the Property”).

Exclusion: The sale specifically excludes all trademarks, logos and intellectual property owned by the Creamery Corporation or the ARLF.

1.2 Authority. This Competitive Sealed Bid Sale is written in accordance with AS 03.10.050 and 11 AAC 39.700 *et seq.* and subject to the terms and conditions set forth in these statutes and regulations. These and other statutes and regulations are available for review at DNR Regional Offices and on the Internet, and may be available at law libraries and courthouses. A purchaser, by submitting a bid in ARLF Sale #09-01, agrees to abide by those terms and conditions.

1.3 Addenda to Invitation. ARLF Sale #09-01 Brochure describes the Property being offered for sale and the sale procedures. All bidders should carefully review this brochure. The State reserves the right to modify ARLF Sale #09-01 terms and conditions. Significant changes will be noticed to the public through the issuance of a written

addendum posted on the Division of Agriculture Website and the State of Alaska Online Public Notice site. Persons that provided a valid email or mailing address will be sent a copy of the addendum(s). It is the responsibility of the bidder to ensure that they have taken all addendums, if any, into consideration prior to submitting a bid.

1.4 Right To Reject Bids And Withdraw Property From Sale. The Seller reserves the right to reject any or all bids and to modify, postpone, cancel or vacate this sale in whole or in part. This property may be withdrawn at any time prior to the Notice of Award if such action appears necessary to protect the interest of the State.

1.5 Contact Person. All questions, objections or comments should be submitted in writing no later than September 1, 2009, to Amanda Swanson, Loan Officer, at 1800 Glenn Highway, Suite 12, Palmer, Alaska 99645.

1.6 Americans with Disabilities Act. The State of Alaska complies with Title II of the Americans with Disabilities Act of 1990. If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Lora Haralson between the hours of 8:00 a.m. and 4:30 p.m. Monday through Friday at (907) 761-3851 TDD (907) 269-8411; or in writing via e-mail Lora.Haralson@alaska.gov or fax (907) 745-7112, no later than noon, August 15, 2009, to ensure that any necessary accommodations can be provided.

2.0 RESERVATIONS and EXCEPTIONS FOR REAL PROPERTY

This sale will be subject to the following reservations and exceptions.

- 2.1** Subject to defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the successful bidder acquires for value of record the estate or interest thereon covered by McKinley Title & Trust Litigation Report 221382 (including any updates thereto) dated 9/7/2007.
- 2.2** Subject to taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2.3** Subject to proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings whether or not shown by the records of such agency or by the public records.
- 2.4** Subject to any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

- 2.5 Subject to easements, claims of easements or encumbrances, which are not shown by the public records.
- 2.6 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- 2.7 Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water, whether or not the matters excepted are show by the public records.
- 2.8 Rights of the state or federal government and/or public in and to any portion of the land for right of way as established by federal statute RS 2477 (whether or not such rights are shown by recordings of easements and/or maps in the public records by the State of Alaska showing the general location of these rights of way).
- 2.9 Subject to RS 2477, pursuant to AS 19.30.400. Questions regarding the State's RS 2477 claims should be directed to the Department of Natural Resources, Public Information Center, 550 W. 7th, Anchorage, Alaska 99503 (907) 269-8400.
- 2.10 Any lien or right to lien, for services, labor or material heretofore or hereafter furnished imposed by law and not shown by the public records.
- 2.11 Rights of the public and/or and governmental agencies in and to any portion of said premises lying within any road right-of-way.
- 2.12 Subject to Notes, easements, slopes and restrictions as shown on the applicable recorded plat(s).
- 2.13 Subject to all platted easements and other reservations.
- 2.14 Subject to Reservations and exceptions as contained in the U.S. Patent Nos. 749232 and 744170.
- 2.15 Subject to taxes and/or assessments due the Matanuska Susitna Borough and the City of Palmer.
- 2.16 Rights of the public and/or and governmental agencies in and to any portion of said premises lying within any railroad right-of-way.
- 2.17 Subject to a Blanket Utility Easement, and the terms and conditions thereof; granted to Matanuska Electric Association; Recorded November 5, 1979, Book 202, Page 615.

- 2.18 Subject to Notes, easements, slopes and restrictions as shown on Plat No. 99-62.
- 2.19 Subject to all applicable Matanuska Susitna Borough and City of Palmer Ordinances, including, but not limited to all zoning, building and construction ordinances.
- 2.20 The City of Palmer water main that services the property is currently non-functional due to a leak on an adjoining property.

3.0 TERMS AND CONDITIONS

3.1 Minimum Bid Offer. The minimum bid for the Property being offered for sale is NINE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 U.S. DOLLARS (\$975,000).

3.2 Agricultural Revolving Loan Fund (ARLF) Installment Contract Financing. The successful bidder may apply for ARLF installment contract financing. **ARLF financing is subject to application, review and approval, with no guarantee of financing to the successful bidder.** A complete ARLF financing application and a \$50 application fee must be submitted to Division of Agriculture, ARLF, 1800 Glenn Highway, Suite 12, Palmer, Alaska 99645-6736. An ARLF financing packet will be provided to the successful bidder.

Financing terms offered are: maximum term 30 years, minimum 10% down payment, 7% interest, payable by monthly payments. Payments other than monthly will be considered based on request and review of cash flows. Lender's title insurance is required for ARLF financing at purchaser's expense. ARLF financing is restricted to the successful bidder. Partial assumption of the land purchase agreement before closing by other than the successful bidder is not allowed. Following closing, assumptions of purchase agreements are subject to review and approval by the Board of Agriculture and Conservation.

3.3 Condition of Property. The Property listed herein is offered for sale "AS IS WHERE IS WITHOUT ANY IMPLIED OR EXPRESS WARRANTY OF CONDITION OR FITNESS FOR A PARTICULAR USE OR PURPOSE." The property descriptions are based on the best information available. The Seller makes no guaranty, warranty or representation, expressed or implied, as to the condition of the property, or its fitness for any use or purpose. No claim will be considered for allowance or adjustment or for rescission of the sale based upon failure of the property to correspond with the standard expected, unless otherwise specified in this brochure.

3.4 Inspection and Due Diligence. It is the responsibility of the bidder to inspect all property listed herein and any improvements and to complete all other due diligence prior

to submitting a bid. All bids shall be contingent-free regarding condition, whereby the bidder offers to purchase the Property AS IS WHERE IS.

3.5 Deposit. A bidder must include a bid deposit IN THE AMOUNT OF \$25,000.00 payable to the Agricultural Revolving Loan Fund in the form of cashier's check, money order, or certified check. Personal Checks will not be accepted. The successful bidder's bid deposit is non-refundable and is disbursable to the ARLF at the time the bidder is sent the Notice of Award. The only circumstance under which the successful bidder's bid deposit is refundable is for Seller's non-performance. The successful bidder's deposit will be applied to the purchase price. Bid deposit(s) will be returned to unsuccessful bidders.

3.6 Bid Preparation Costs. The Seller is not liable for any costs incurred by the bidder in bid preparation.

3.7 Bidder Qualifications. Individuals, corporations, partnerships, municipalities or other entities may purchase this property. To be qualified, a bidder must be current on all State of Alaska, Department of Natural Resources agreements on September 30, 2009, and submit the required bid form, bidder's affidavit, bid deposit and completed Agreement for Purchase and Sale of Real Property. By submitting a bid, bidder agrees to comply with all terms and conditions of the Agreement for Purchase and Sale of Real Property contained within this brochure. Individual bidders must be at least 18 years of age. If the bidder is a partnership or joint venture, all general partners or venturers of the joint venture must sign the bidder's affidavit.

If the bidder is a corporation or LLC; the bidder will need to provide a corporate or LLC resolution showing authority of the corporation or LLC to bid for the property as part of their bid package submitted for ARLF Sale #09-01.

3.8 Disputes and Appeal. Any disputes arising out of this agreement shall be resolved under the laws of Alaska and within the jurisdiction of the Third Judicial District of Alaska.

3.9 Limitation on Seller Liability. In any case where liability of the Seller to the successful bidder has been established, the Seller liability shall not, in any event, exceed refund of the purchase price.

3.10 Assignment. The successful bid is not transferable or assignable to another party, unless authorized in writing by the Seller.

3.12 Hold Harmless. The successful bidder shall indemnify, hold harmless, and defend the Seller, their officers, agents and employees, from liability of any nature or kinds, including costs and expenses for or on account of any or all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any act performed by the successful bidder or the

successful bidder's agents and employees pursuant to this invitation for bids; the successful bidder shall also assume all insurable risks and bear any loss or injury to property or persons occasioned by neglect or accident during the tenure of this contract, excepting only sole negligence of the Sellers.

3.13 Interest Conveyed. The conveyance of ownership in the real property is governed by AS 03.10.050 and related regulations that provide for the conveyance of the surface estate in fee simple. ARLF real property is conveyed by Quit Claim Deed. The State reserves the entire sub-surface estate including, but not limited to, coal, oil, gas and all other minerals. This parcel is subject to any and all valid reservations including, but not limited to, oil and gas leases, easements and valid rights-of-way for roads, railroads, highways, power lines and pipelines. This parcel is subject to such taxes and assessments as may be levied by taxing authorities and shall be prorated as of closing date. Closing will occur at McKinley Title & Trust Inc. located at 3035 E. Palmer-Wasilla Highway, Suite 101, Wasilla, Alaska 99654. All closing costs are the responsibility of the purchaser.

4.0 PROCEDURE AND CLOSING

4.1 Deadline for Submissions. A completed bid form, bidder's affidavit, corporate or LLC resolution showing authority of the corporation to bid, Agreement For Purchase and Sale of Real Property and required bid deposit, must be received **no later than 1:00 P.M. September 30, 2009**, at the Division of Agriculture, 1800 Glenn Highway, Suite 12, Palmer, Alaska 99645 in a sealed envelop labeled "ARLF Sealed Bid Sale #09-01." Faxes and electronic mail are not acceptable. A bidder must include a bid deposit in the amount of \$25,000 payable to the ARLF in the form of a cashier's check, money order, or certified check.

4.2 Late Bids. Late bids are bids received after the time and date set for receipt of the bids and will not be accepted. It is the sole responsibility of the bidder to ensure that the bid is *received* by the deadline for submissions.

4.3 Highest Bid Takes All. The bidder, who submits the highest bid, and complies with all terms and conditions required for submission of bids, is the successful bidder. The Seller may first notify the successful bidder. All bidders shall be notified within fifteen days of the award decision.

4.4 Over-the-Counter (OTC) Offering. In the event no qualified bids are received, the Board of Agriculture and Conservation has authorized the Division to offer the property through an OTC process outlined in Section 5 of this brochure.

4.5 Ties. In the event the highest offer received results in a tie, a random drawing will determine the successful bidder.

4.6 Payment. The successful bidder must close and record on or before **December 30, 2009**. The balance of the entire bid is due on or before this date, unless otherwise agreed to in writing by the Board of Agriculture and Conservation. Payment shall be made by cash, certified check, cashier's check, or money order payable to the Sellers. The successful bidder's deposit shall be applied to the final purchase price.

4.7 Post Sale Offers. If the successful bidder does not meet the award terms, the bid deposit is forfeited and the property will be offered to the second highest bidder at the bid amount offered by the original high bidder. If the second highest bidder does not accept the award to purchase offer, it will continue to be offered at the bid amount offered by the original high bidder to the next highest bidder until an award is made or the valid bidders list has been exhausted.

**ARLF Sale #09-01
Property Profile
Palmer Location**

Title: Surface estate in fee simple .

Legal Description: Alaska State Land Survey (ASLS) 96-004, Tract A-1 recorded 08/06/1999 as Plat Number 99-62 in the Palmer Recording District; and further identified as Matanuska Susitna Borough Tax Parcel # 4871000T00A-1 located at 513 South Valley Way, Palmer Alaska.

Land: 3.025acres

Zoning and Use: Check with City of Palmer and Matanuska Susitna Borough

Improvements: Grain Bin and Elevator (not in use) Pole Shed, Drive Thru Scale Shed, Storage Shed, small Block Building and a Blow Mold Manufacturing Building

Past Use: Feed Mill/Blow Mold Facility

Reservations: See Pages 3 & 4

Inspection Contact: **Inspections by appointment only.** To schedule an appointment, contact Amanda Swanson in person at the Division of Agriculture Office in Palmer, by phone at (907) 761-3869 or by Email: Amanda.Swanson@alaska.gov

Information/Maps/Photos: Amanda Swanson – ARLF Loan Officer – Palmer



MATANUSKA-SUSITNA BOROUGH

Real Property Detail for Account: 4871000T00A-1

[Owner Search](#) |
 [Buyer Search](#) |
 [Address Search](#) |
 [Subdivision Listing](#) |
 [Tax ID Search](#)

Account Number	4871000T00A-1	Site Address	513 S VALLEY WAY
Owner	ALASKA STATE OF DIV OF AGRICULTURE % MATA NUSKA MAID	Legal Description	ASLS 96-004 TRACT A-1
		TRS	S18N02E33
		Map	PA05 MAP HELP
Owner Address	ATTN RAY NIX # 12 1800 N GLENN HWY PALMER AK 99645	Zoom to Parcel	Basic Advanced
		Subdivision	ASLS 96-004
		City	PALMER

Appraisal Info

Year	Land Appr	Bldg Appr	Total
2009	\$362,300	\$39,800	\$402,100
2008	\$362,300	\$39,800	\$402,100
2007	\$362,300	\$37,000	\$399,300

Assessment Info *

Year	Land Ass.	Bldg Ass.	Total
2009	\$362,300	\$39,800	\$402,100
2008	\$362,300	\$39,800	\$402,100
2007	\$362,300	\$37,000	\$399,300

Tax/Billing Information

Year	Certified	Zone	Mill Levy	Tax Amount Billed
2009	Yes	12	12.98000	\$5,219.26
2008	Yes	12	13.32600	\$5,358.38
2007	Yes	12	12.64400	\$5,048.75

Tax/LID Account Status ** †

Tax Account Status	Tax Balance Due	LID Account Status	LID Balance Due
Current	\$5,219.26	Current	\$0.00

Exemptions

Farm Deferment	Senior Exemption	Disabled Exemption	Total Exemptions
\$0.00	\$0.00	\$0.00	\$0.00

Last Recorded Document

Date	Type	Recording Info
No Documents on Record		
No Documents on Record		

Land & Miscellaneous

Gross Acreage	Net Acreage	Voting Precinct	Fire Service Area	Road Service Area
3.03	3.03	13-025 Palmer, City		

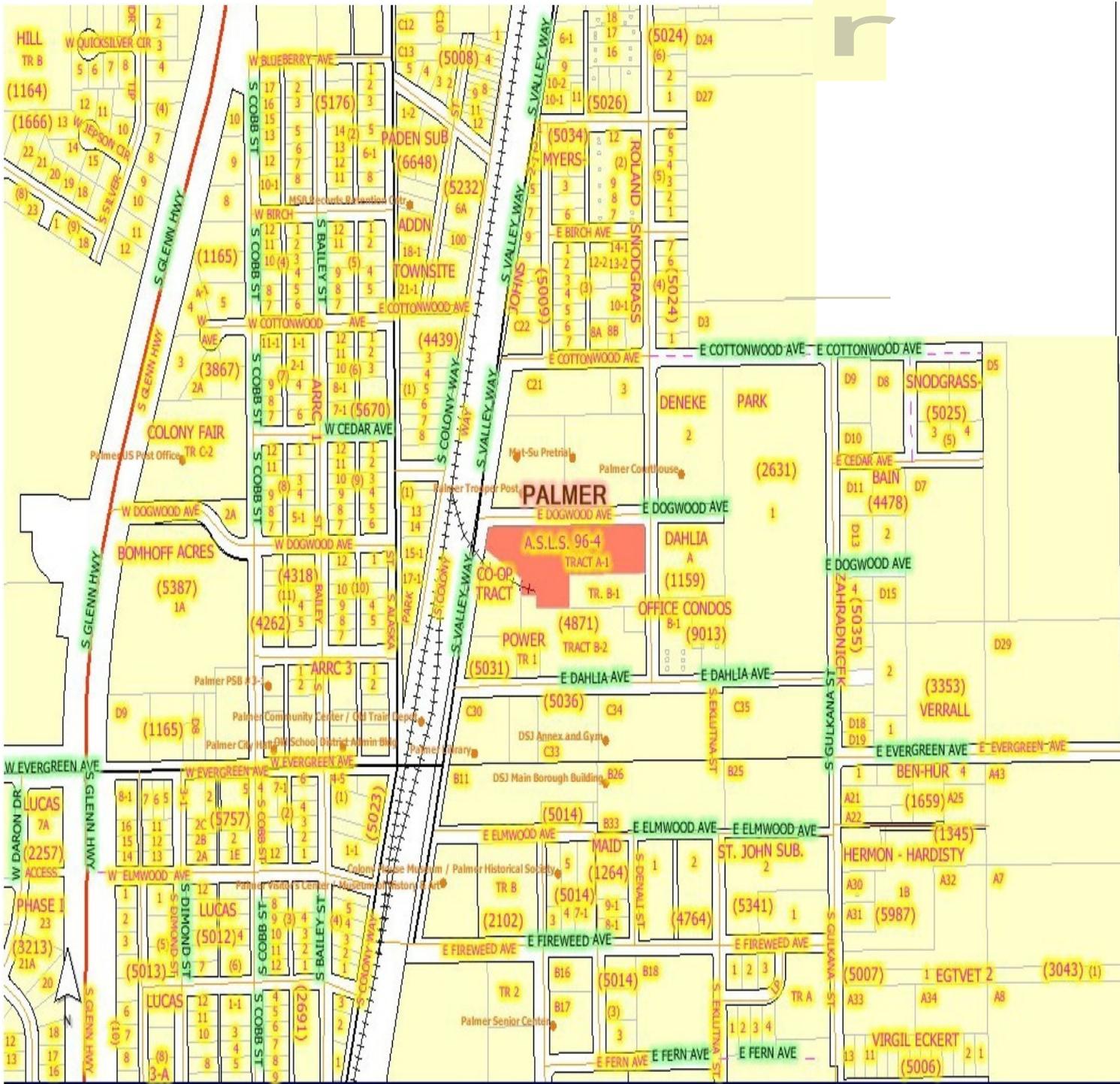
Last Updated: 04:32 07/22/2009

* Total Assessed is net of exemptions and deferments.

**Payments, interest, penalties, and other charges posted after Last Update Date are not reflected in balances.

*** 2007 Assessed values do not reflect exemptions.

† If account is in foreclosure, payment must be in certified funds.



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**STATE OF ALASKA DEPARTMENT OF
NATURAL RESOURCES
BOARD OF AGRICULTURE AND CONSERVATION
ARLF Sealed Bid Sale #09-01
Bidder's Affidavit**

_____, being first duly sworn, state(s) the following:
Bidder's Name

Bidder has carefully examined ARLF Sale #09-01 brochure.

Bidder acknowledges that all documentation submitted becomes the property of the State of Alaska and, except for confidential financial records, becomes public information at the time of sale award.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation.

The bid is genuine, not collusive or a sham.

The bidder has not directly, or indirectly, induced or solicited any other bidder to submit a false or sham bid and has not directly, or indirectly, colluded, conspired, connived or agreed with any bidder or anyone else to submit a sham bid or to refrain from submitting a bid.

The bidder has not in any manner directly, or indirectly, sought by agreement, communication or conference with anyone to fix the obligations of this or any other bid; nor fix the cost element of the bid price; nor to secure any undue advantage against the Department of Natural Resources, or anyone interested in ARLF Land Sale #09-01.

All statements contained in the submitted bid package are true.

The bidder has not directly, or indirectly, divulged the bid amount to any individual, any agent of any corporation or company, or organization competing in the ARLF Sale #09-01.

The bidder has not paid and will not pay or agree to pay directly, or indirectly, any money or other valuable consideration to any public official that may participate personally or substantially in the selection of the successful bidder.

The bidder is presently in compliance on all State of Alaska, Department of Natural Resources agreements.

The bidder is able to successfully undertake and complete the responsibilities and obligations of this offering and bid as submitted.

By submitting a bid, bidder agrees to comply with all terms and conditions of the Agreement for Purchase and Sale of Real Property contained within this brochure.

**State of Alaska Department of Natural
Resources Board of Agriculture and
Conservation
ARLF Sealed Bid Sale #09-01 Bid Form**

Property	Title	Minimum Bid	Improvements	Reservations ***	Comments
<p style="text-align: center;">PARCEL 1</p> <p>ARLF owned real property consisting of the Mat Maid Blow Mold building and underlying real property located in Palmer, Alaska within ASLS 96-004, Tract A-1 513 S. Valley Way, Palmer, AK</p>	<p>Surface Estate Fee Simple</p>	<p>\$975,000 US dollars</p>	<p>YES</p>	<p>2.1-2.20</p>	<p>Conveyed by Quitclaim Deed</p>

Total Bid Amount \$ _____

Total Bid deposit \$ \$25,000 _____

Bidder's Name (PLEASE PRINT)

Bidder's Signature

Mailing Address

City, State and Zip Code

Phone

Email

For Office Use Only

BID REQUIREMENTS

Timely Bid	YES/NO
\$25,000 Bid Deposit Included	YES/NO
Corporate/LLC Resolution	YES/NO
Completed Bid Form Attached	YES/NO
Completed Bid Deposit Agreement Attached	YES/NO
Bidder's Affidavit Attached	YES/NO
Completed Agreement for Purchase and Sale of Real Property	YES/NO

**STATE OF ALASKA Department of
Natural Resources Board of Agriculture
and Conservation
1800 Glenn Hwy, Suite 12
Palmer, Alaska 99645-6736 Phone (907) 745-7200**

ARLF Sale #09-01 Bid Deposit Receipt

Purchaser Name, Address & Phone _____

Bid Amount	\$ _____
Bid Deposit Amount	\$ <u>25,000.00</u>
Balance Due	\$ _____

The PURCHASER agrees to purchase from the SELLER, the property being offered in ARLF Sale #09-01, subject to the conditions/reservations in the ARLF Sale #09-01 Brochure, and upon the terms and conditions contained in this agreement.

The monies received by this document are non-refundable and will be applied to the purchase price. The bid deposit will only be refunded to the successful bidder for non-performance of the Seller. The entire balance in cash is due at closing which must occur not later than December 30, 2009, unless otherwise agreed to in writing by the Board of Agriculture and Conservation. Title insurance and closing agent fees are at the Purchaser's expense. Taxes, assessments and leases, if applicable, will be prorated as of the disbursement date.

The Purchaser certifies under penalty of perjury that:

- The Bid Amount indicated above is the sales price for the property described in this document;
- The purchaser has examined the terms and conditions of the sale as contained in this document and **ARLF Sale #09-01** brochure and accepts the conditions;
- The purchaser concurs with the practices and procedures used in conjunction with this sale and is fully qualified and eligible to participate in this sale;
- The purchaser inspected the Property, or voluntarily declined to do so, and is satisfied as to the condition of the Property and accepts it **“AS IS WHERE IS WITHOUT ANY IMPLIED OR EXPRESS WARRANTY OF CONDITION OR FITNESS FOR A PARTICULAR USE OR PURPOSE”**; and
- The purchaser understands that the sale of the Real Property is the conveyance of the surface estate in fee simple.

PURCHASER _____ **DATED:** _____

SELLER _____ **DATED** _____
BAC CHAIRPERSON

**AGREEMENT FOR PURCHASE AND SALE OF
REAL PROPERTY**

This Agreement entered into and made effective this _____ day of _____, 2009 by and between the State of Alaska, Department of Natural Resources, Board of Agriculture and Conservation of 1800 Glenn Highway, Suite 12, Palmer, Alaska 99645-6736 (“Seller”), and _____, of _____, (“Buyer”). Seller agrees to sell and Buyer agrees to purchase the Property as described herein.

1. Property. Seller shall sell and Buyer shall purchase the following real property (collectively the “Property”) **“AS IS WHERE IS WITHOUT ANY IMPLIED OR EXPRESS WARRANTY OF CONDITION OR FITNESS FOR A PARTICULAR USE OR PURPOSE,”** located in Palmer, Alaska, more particularly described as follows:

Alaska State Land Survey (ASLS) 96-004, Tract A-1 recorded 08/06/1999 as Plat Number 99-62 in the Palmer Recording District; and further identified as Matanuska Susitna Borough Tax Parcel # 4871000T00A-1 located at 513 South Valley Way, Palmer Alaska, Third Judicial District, State of Alaska (“Palmer Property”);

2. Purchase Price. The total purchase price for the property shall be _____ U.S.DOLLARS (\$_____).

3. Payment.

a. Deposit. Buyer shall make a non-refundable deposit in the amount of \$25,000 payable to the Agricultural Revolving Loan Fund in the form of a cashier’s check, money order, or certified check. Personal checks will not be accepted. The deposit is non-refundable, absent non performance by Seller, and shall be applied to the total purchase price.

b. Final Payment. Buyer shall pay the entire remaining balance on or before **December 30, 2009** or other date as agreed upon in writing by both parties, in the form of a cashier’s check, money order, or certified check and made payable to the Agricultural Revolving Loan Fund. Failure to pay the entire remaining balance on or before

December 30, 2009 will cause Buyer to be in default under this agreement.

4. Title. Upon payment of the entire purchase price, Seller shall convey title to Buyer by Quitclaim Deed subject to all reservations and encumbrances as provided in the ARLF Sealed Bid Sale, #09-01 brochure (attached hereto and incorporated herein). The sale is governed by AS 03.10.050 and related regulations that provide for the conveyance of the surface estate in fee simple. The State reserves the entire sub-surface estate including, but not limited to, coal, oil, gas, ore, minerals, geothermal resources, and fossils. The Property is subject to any and all valid reservations including, but not limited to, sub-surface reservations, easements and valid rights-of-way for roads, highways, power lines and pipelines. The Property is subject to such taxes and assessments as may be levied by taxing authorities and shall be prorated as of closing date.

5. AS IS WITHOUT WARRANTY. Seller is transferring the property **“AS IS WHERE IS WITHOUT ANY IMPLIED OR EXPRESS WARRANTY OF CONDITION OR FITNESS FOR A PARTICULAR USE OR PURPOSE.”**

a. Independent Inspection and Due Diligence. Buyer has conducted an independent inspection of the property, is familiar with its condition, and accepts the Property AS IS. Buyer agrees to indemnify, hold harmless, and hereby release Seller from and against all liability or loss resulting from claims, demands, costs, or judgments arising from the property from and after the date of closing. These obligations of indemnification shall survive closing and shall be continuing warranties, not merging into the document.

b. Zoning Ordinances and Uses of Property. The Seller makes no guaranty, warranty or representation, expressed or implied, as to kind, character, or use of the Property. Buyer acknowledges that the City of Palmer Zoning Ordinances and applicable Matanuska Susitna Borough Codes may limit development of the Palmer Property and may limit permitted uses of the Palmer Property. Seller makes no implied or express warranty as to permitted uses of the Property.

6. Closing. Closing and recording shall occur on or before December 30, 2009. At the time of closing, the parties shall execute all documents reasonably required.

7. **Closing Costs.** Buyer shall pay all closing costs to close this transaction, including but not limited to costs of any preliminary commitment for title insurance, owner's title policy, recording, document preparation, and any other costs normally assessed by a title company to Buyers. Any insurance policies currently held by Seller are not being transferred to or assumed by Buyer and shall not be prorated. Any refunds on such insurance policies shall belong to Seller or their lessees.

8. **Potentially Hazardous or Toxic Substances or Materials.** Buyer acknowledges that the Property may contain hazardous or toxic substances or materials, including but not limited to asbestos, lead, petroleum, metals, and chemicals.

a. **Assumption of Risk.** Buyer is aware that exposure to hazardous or toxic substances can pose a serious health risk and that the removal, disposal or disturbance of these substances may require permitting or other authorization from the Alaska Department of Environmental Conservation, or similar state or federal agency. BUYER HEREBY AGREES TO ASSUME THOSE RISKS and hold Seller harmless from any claims, demands, obligations, damages, liability, loss, attorneys fees, costs and judgments relating to any injury from such exposure to hazardous or toxic substances.

b. **Waiver and Release.** Buyer for themselves, their heirs, executors, administrators and successors in interest, hereby waive, release and discharge Seller and its officers, agents, employees, successors and assigns from any liability of any nature, including liability for personal injury, property damage, physical destruction of the property and improvements, costs of repair, alterations, remodeling, remediation or renovation of the property, diminution in the value of the property by the actions of any governmental entity and any other thing whatsoever which may arise or result from the existence of asbestos or any other hazardous or toxic substance on or in the Property.

9. **Indemnity.** Buyer shall indemnify, defend, and hold Seller, its agents, and employees harmless from and against any and all liability, loss, suit, claim, judgment, fine, demand, damage, penalty, property damage, or personal injury of whatever kind, including sums paid in settlement of claims, attorney fees, consultant fees, expert fees, or costs incurred arising from or connected with the Purchase Sale Agreement, Buyer's use or occupation of the Property, Buyer's operations or any act or omission by the Buyer, its agents, contractors, employees,

or customers. Buyer shall give Seller reasonable notice of any such claims or actions and shall use counsel reasonably acceptable to Seller in carrying out its obligation.

10. Default. Should Buyer fail to perform its agreement hereunder or to consummate the Agreement with Seller upon Seller's tender of full performance hereunder, Seller may elect to terminate this Agreement. If Seller elects to terminate this Agreement, all payments made hereunder shall be retained by Seller, and Seller shall have the right to recover from Buyer all expenses incurred in negotiating and preparing for closing of the sale.

11. Binding. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.

12. Severance. In the event any provision hereof is determined by a court of competent jurisdiction to be unenforceable, the remainder of this Agreement shall be deemed to remain enforceable, unless to do so would be materially contrary to the parties' purpose in entering into the Agreement.

13. Rule of Construction. All parties have had an opportunity to consult with counsel of their choosing with respect to this Agreement, and the rule of construction that an Agreement is more strictly construed against the draftsman shall not apply in interpreting this Agreement.

14. Entire Agreement. Subject to the terms and conditions of the ARLF Sale #09-01 Competitive Sealed Bid Sale, this Purchase and Sale Agreement constitutes the entire agreement between the parties pertaining to the property referred to herein, and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all parties.

15. Non waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any waiver be binding unless executed in writing by the party making the waiver.

16. Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of Alaska.

IN WITNESS WHEREOF, the parties have set their hands hereto.

SELLER

DATED: _____

Board of Agriculture and Conservation

BUYER:

DATED: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I HEREBY CERTIFY that on the ____ day of _____, 2009, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument, who acknowledged that he executed the same voluntarily and of its own will for the uses and purposes set forth therein.

NOTARY PUBLIC in and for Alaska
My Commission Expires: _____

5.0 ARLF SALE #09-01 OTC OFFERING INSTRUCTIONS

5.1 All offers to purchase the parcel through the OTC offering must be submitted in person or mailed in an envelope labeled “**ARLF Land Sale #09-01 OTC Offering**” to

Division of Agriculture
ARLF Land Sale #09-01 OTC Offering
1800 Glenn Highway Suite 12
Palmer, Alaska 99645-6736
Phone: 907-745-7200

Office hours: Monday through Friday 8:00 a.m. - 5:00 p.m.

5.2 All OTC offers received by 8:30 a.m., January 2, 2010 will be considered simultaneous offers. If more than one offer is received, the names of the persons submitting simultaneous offers will be placed in a hat and one name will be drawn. The winner’s offer will be reviewed to determine if it is responsive. If the offer is responsive, the person will be given a Notice of Award to Purchase. If the winner’s offer is not responsive; we will draw another name and continue the process until a responsive bidder is awarded the rights to purchase the parcel.

5.3 To submit an OTC offer to purchase the parcel, an applicant must include:

1. a completed ARLF Sale #09-01 OTC Application form provided in this brochure;
2. a bid deposit of \$25,000, payable to the Agricultural Revolving Loan Fund (ARLF) in the form of a cashier’s check, money order or certified check. Cash will not be accepted. **The successful bidder’s bid deposit is non-refundable and will be applied toward the purchase price. Bid deposits received from unsuccessful bidders will be returned;**
3. a completed and duly notarized ARLF Sale #09-01 OTC bidder affidavit form provided in this brochure, for the applicant and all parties being represented by the applicant;
4. a corporate or LLC resolution showing authority of the corporation or LLC to bid for the property as part of their bid package submitted for ARLF Sale #09-01 if the bidder is a corporation or LLC;
5. a completed ARLF Sale #09-01 OTC bid deposit agreement form provided in this brochure; and
6. a completed and duly notarized Agreement for Purchase and Sale of Real Property.

Additionally, all offers to purchase the property must be in compliance with the terms and conditions of the ARLF Sale #09-01 to be determined responsive.

5.4 The first valid and responsive bidder to comply with all terms of the ARLF Sale #09-01 OTC Offering will be awarded the rights to purchase the parcel, subject to all terms and conditions of the ARLF Land Sale #09-01 OTC offering.

**STATE OF ALASKA DEPARTMENT OF
NATURAL RESOURCES DIVISION OF
AGRICULTURE**

**ARLF Land Sale #09-01 OTC Offering
Bidder's Affidavit**

_____, being first duly sworn, state(s) the following:
Bidder's Name

Bidder has carefully examined ARLF Land Sale #09-01 Brochure and OTC Instructions.

Bidder acknowledges that all documentation submitted becomes the property of the State of Alaska and, except for confidential financial records, becomes public information at the time of sale award.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation.

The bid is genuine, not collusive or a sham.

The bidder has not directly, or indirectly, induced or solicited any other bidder to submit a false or sham bid and has not directly, or indirectly, colluded, conspired, connived or agreed with any bidder or anyone else to submit a sham bid or to refrain from submitting a bid.

The bidder has not in any manner directly, or indirectly, sought by agreement, communication or conference with anyone to fix the obligations of this or any other bid; nor fix the cost element of the bid price; nor to secure any undue advantage against the Department of Natural Resources, or anyone interested in ARLF Land Sale #09-01 OTC Offering.

All statements contained in the bid are true.

The bidder has not directly, or indirectly, divulged the bid to any individual, any agent of any corporation or company, or organization competing in the ARLF Land Sale #09-01 OTC Offering.

The bidder has not paid and will not pay or agree to pay directly, or indirectly, any money or other valuable consideration to any public official that may participate personally or substantially in the selection of the successful bidder.

The bidder is presently in compliance on all State of Alaska Department of Natural Resources agreements.

The bidder is able to successfully undertake and complete the responsibilities and obligations of this offering and bid as submitted.

Bid Deposit Receipt ARLF
Land Sale #09-01 OTC Parcel
#1

ASLS 96-004, Tract A-1 recorded 08/06/1999 as Plat Number 99-62 in the Palmer Recording District; and further identified as Matanuska Susitna Borough Tax Parcel # 4871000T00A-1 located at 513 South Valley Way, Palmer Alaska, Third Judicial District, State of Alaska (“Palmer Property”).

Purchaser Name, Address & Phone

_____	Sales Price \$	975,000.00
_____	Bid Deposit \$	<u>25,000.00</u>
_____	Balance \$	950,000.000

The PURCHASER agrees to purchase from the State of Alaska, referred to as SELLER, the above-described parcel, subject to the conditions/reservations in ARLF Land Sale #09-01 brochure and OTC Instructions; and upon the terms and conditions contained in this agreement.

The monies received by this document are non-refundable and will be applied to the purchase price as down payment. The balance is due no later than ninety days from the notice of award to purchase the parcel being offered in ARLF Land Sale #09-01 OTC, unless otherwise agreed to in writing by the Division of Agriculture. Title insurance and closing agent fees are at the Purchaser’s expense. Taxes, Assessments and Leases, if applicable, to be prorated as of the disbursement date.

The Purchaser certifies under penalty of perjury that:

- The sales price indicated above is the purchase price for the parcel described in this document;
- The purchaser has examined the terms and conditions of the sale as contained in this document, the ARLF Land Sale #09-01 brochure, including the Purchase Sale Agreement and accepts the terms and conditions contained within;
- The purchaser concurs with the practices and procedures used in conjunction with this sale and is fully qualified and eligible to participate in this sale;
- The purchaser inspected Parcel #1, or voluntarily declined to do so, and is satisfied as to the condition of the parcel and accepts it **“AS IS WHERE IS WITHOUT ANY IMPLIED OR EXPRESS WARRANTY OF CONDITION OR FITNESS FOR A PARTICULAR USE OR PURPOSE.”** and
- The purchaser understands that the sale of the this parcel is the conveyance of the surface estate only in fee simple by Quit Claim Deed; subject to reservations of record and subject to reservations, exclusions, terms and conditions outlined in the brochure and the Purchase and Sale Agreement.

DATED: _____

DATED: _____

PURCHASER:

SELLER: Division of Agriculture, Director
Or Designee

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE
OVER-THE-COUNTER (OTC) ARLF APPLICATION TO PURCHASE**

Please read all the information in the ARLF Land Sale #09-01 brochure before completing this form. This form must be filled out completely and submitted in a sealed envelope labeled "ARLF Land Sale #09-01 OTC" along with all other required documentation and bid deposit. Failure to do so may result in the rejection of your application.

**Conditional bids will not be accepted.
Please PRINT LEGIBLY when filling out this form and sign the certification below.**

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Telephone Number: _____ Home Telephone Number: _____

I hereby apply to purchase:

Auction # **ARLF LAND SALE #09-01 OTC Offering**

Parcel # **#1**

Purchase Amount **\$975,000.00**

By my signature below, I hereby certify that:

1. I am 18 years of age or older;
2. I have checked for any erratas or supplemental information and accept the terms and conditions therein, and;
3. I have included with this application:
 - a. a completed ARLF Over-The-Counter Application form provided in ARLF Land Sale #09-01 brochure;
 - b. a responsive offer including the completed and signed Purchase Sale Agreement;
 - c. a minimum bid deposit of \$25,000, payable to the Agricultural Revolving Loan Fund (ARLF) in the form of a cashier's check, money order or certified check. Cash will not be accepted. The successful bidder's bid deposit is non-refundable and will be applied toward the purchase price;
 - d. a completed and duly notarized ARLF Sale #09-01 OTC bidder affidavit form;
 - e. a completed ARLF Sale #09-01 OTC bid deposit agreement form; and
 - f. a completed and duly notarized Agreement for Purchase and Sale of Real Property as provided in the brochure.

Signature: _____ Date: _____

OTC BID REQUIREMENTS

Completed OTC Application Submitted	YES/NO
\$25,000 Bid Deposit Included	YES/NO
Corporate/LLC Resolution	YES/NO
Completed OTC Bid Form Attached	YES/NO
Completed OTC Bid Deposit Agreement Attached	YES/NO
Completed OTC Bidder's Affidavit Attached	YES/NO
Completed and duly notarized Agreement for Purchase and Sale of Real Property	YES/NO