



Fall 2014



Auction # 473

Agricultural Land Sale



STATE LAND OFFERING ~ NORTHERN REGION

State of Alaska
Department of Natural Resources
Public Information Center
3700 Airport Way
Fairbanks, Alaska 99709
(907) 451-2705

State of Alaska
Department of Natural Resources
Division of Agriculture
Northern Region Office
1648 South Cushman, Suite 201
Fairbanks, Alaska 99701-6206
Dan.Proulx@Alaska.Gov
(907) 374-3716

State of Alaska
Department of Natural Resources
Division of Agriculture
Southcentral Region
1800 Glenn Highway, Suite 12
Palmer, Alaska 99645-6736
Erik.Johnson@Alaska.Gov
(907) 761-3863



<http://dnr.alaska.gov/mlw/landsale/>



2014 AGRICULTURAL LAND SALE

AUCTION SCHEDULE3

INTRODUCTION 4

GENERAL INFORMATION 5

ONLINE RESOURCES..... 10

GENERAL CONSIDERATIONS FOR ALL PARTICIPANTS..... 11

PARTICIPATING IN A SEALED-BID AUCTION PURCHASE INFORMATION 12

PARTICIPATING IN THE OVER-THE-COUNTER OFFERINGS (IOTC & OTC)..... 14

INSTRUCTIONS TO BIDDER/APPLICANT 16

SEALED-BID AUCTION PROCEDURES 20

IOTC OFFERING PROCEDURES 22

PURCHASE INFORMATION 24

PARCEL INFORMATION 26

AREA MAPS 27

SOILS INFORMATION 28

PARCEL #1 30

SEALED-BID FORM 31





AUCTION SCHEDULE

SEPTEMBER 3, 2014 - BROCHURES AVAILABLE

SEPTEMBER 3, 2014 - OCTOBER 17, 2014 - SEALED BID APPLICATION PERIOD

All applications must be received no later than 4:00 p.m., Friday, October 17, 2014. Applications can be submitted online, or hand delivered to one of the Department of Natural Resources' Public Information Centers or a Division of Agriculture office, or mailed to: Division of Agriculture, 1648 South Cushman, Suite #201, Fairbanks, Alaska 99701-6206. Applications received after the designated date and time will be rejected. Please see page 25 for more details.

OCTOBER 22, 2014 - AUCTION # 473

Bids will be opened at 1:00 p.m. October 22, 2014 in the small conference room in the DNR Northern Region Office at 3700 Airport Way Fairbanks, AK 99709. The public is welcome to attend but bidders need not be present at the bid opening. A list of apparent high bidders will be posted at dnr.alaska.gov/mlw/landsale following the opening of the bids.

OCTOBER 24, 2014 - BID DEPOSIT PICK-UP

Unsuccessful bidders may pick up their deposits after the bid opening until 5:00 p.m., Monday October 27, 2014, at the DNR Fairbanks Public Information Center, 3700 Airport Way, Fairbanks, Alaska 99709. Deposits not picked up by that time will be returned by mail.

OCTOBER 27, 2014 - AWARD NOTIFICATION

Award notification letters will be mailed to successful bidders by October 27, 2014.

OCTOBER 27, 2014 - INITIAL OVER-THE-COUNTER LOTTERY (IOTC) PARCEL LIST

A list of Initial Over-The-Counter Lottery parcels, if any, will be posted on October 27, 2014, at dnr.alaska.gov/mlw/landsale, dnr.alaska.gov/ag/ag_sales.htm and will also be available at any of the Department of Natural Resources Public Information Offices.

OCTOBER 27 – NOVEMBER 17, 2014 - INITIAL OVER-THE-COUNTER LOTTERY APPLICATION PERIOD

All applications must be received by the Department of Natural Resources or submitted online no later than 5:00 p.m., November 17, 2014. Applications received after that time will be rejected.

NOVEMBER 24, 2014 - INITIAL OVER-THE-COUNTER LOTTERY

The Initial Over-The-Counter Lottery will be held at 1:00 p.m., November 24, 2014, at the Fairbanks Department of Natural Resources Public Information Center counter, located at 3700 Airport Way, Fairbanks, Alaska 99709. Applicants need not be present to win. A list of IOTC winners will be posted online at dnr.alaska.gov/mlw/landsale following the opening of the applications. Unsuccessful applicants may pick up their deposits after the opening to the applications until 5:00 p.m. on November 24, 2014.

JANUARY 20, 2015 - GENERAL OVER-THE-COUNTER OFFERING LIST AVAILABLE

A list of parcels available for the General Over-The-Counter Offering will be posted at 10. a.m., January 20, 2015 online at dnr.alaska.gov/mlw/landsale and at the DNR Public Information Centers. Parcel are sold over the counter on a first-come-first-served basis.





INTRODUCTION

This brochure describes the parcel of land available from the Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), in cooperation with the Division of Agriculture (DAg) in the 2014 Alaska State Land Offerings - Auction #473. This brochure also contains information on how to participate in the Sealed-Bid Auction and subsequent Initial and General Over-the-Counter Offerings.

This brochure is divided into three main sections. The first section provides general information applicable to all parcels; a list of online resources; auction and offering procedures; application instructions; and purchasing information. The second portion of this brochure contains maps of the parcel, specific information about the area, and the parcel's legal descriptions and minimum bid price. The last portion of this brochure contains application and bid forms. At times, modifications to the terms of a land offering become necessary after the publication of the brochure. Changes are announced and published as soon as possible in supplemental information sheets called Errata. **It is your responsibility to stay informed of any changes or corrections prior to submitting a bid or application and prior to the actual auction.**

Additional copies of this brochure, subsequent Errata, and application materials may be obtained from the DNR Public Information Centers in Anchorage, Fairbanks, and Juneau. Copies may also be viewed or downloaded from the DNR website at: <http://dnr.alaska.gov/mlw/landsale/>. If you need this brochure in an alternate format in order to utilize assistive technology for visual impairments, please contact one of the Public Information Centers listed below.

DNR Public Information Centers

Each Public Information Center has access to survey and status plats, appraisal reports, area plans, and other information relevant to the parcels available in their specific region. These centers also provide information regarding DNR's programs and policies, and can help you find the applications, forms, and fact sheets to answer your DNR-related questions.

SOUTHCENTRAL REGION - DNR Public Information Center
550 West 7th Avenue, Ste. 1260, Anchorage, Alaska 99501
Tel: (907) 269-8400, Fax: (907) 269-8901, TDD: (907) 269-8411
Office hours: Monday through Friday, 10:00 a.m.-5:00 p.m.,
excluding State holidays
Recorded Information: (907) 269-8400
dnr.pic@alaska.gov

NORTHERN REGION - DNR Public Information Center
3700 Airport Way, Fairbanks, Alaska 99709
Tel: (907) 451-2705, Fax: (907) 451-2706, TDD: (907) 451-2770
Office hours: Monday through Friday, 10:00 a.m.-5:00 p.m.,
excluding State holidays
fbx-pic@alaska.gov

SOUTHEAST REGION - DNR Public Information Center
400 Willoughby Avenue, 4th Floor, Juneau, Alaska 99801
Tel: (907) 465-3400, Fax: (907) 586-2954, TDD: (907) 465-3888
Office hours: Monday through Friday, 10:00 a.m.-5:00 p.m.,
excluding State holidays
sero@alaska.gov





GENERAL INFORMATION

Site Inspection

Important: It is your responsibility to fully review this brochure and personally locate and thoroughly inspect the parcel before submitting a bid or application to purchase.

The land chosen by a bidder/applicant is taken **AS IS** with no guarantees, expressed nor implied, as to its suitability for any intended use. The submission of a bid or application constitutes acceptance of the parcel **AS IS** and **WHERE IS**. The reader is referred to the “No Warranty of Suitability or Fitness” section of this brochure for more information.

Tentatively Approved Lands

The State of Alaska may not yet have received final patent from the Federal government for some of the land in these offerings. Such lands are designated as “tentatively approved”. Title for parcels on tentatively approved lands will be conditioned upon the State of Alaska receiving patent from the Federal government. In accordance with 11 AAC 67.015 Land Available, in addition to selling, leasing, or granting patented land, DNR DMLW may conditionally sell, lease, or grant land that has been tentatively approved by the Federal government for patent to the State, but that is not yet patented. **DNR regulations provide that if for any reason the State of Alaska is denied patent to the land, a sale, lease, or grant on this conditional basis will be canceled** and the money paid to purchase the land will be refunded. The State of Alaska has no further liability to the purchaser, lessee, or any third party for termination of the contract. Money paid to the State to purchase such land will be refunded, or may be applied to the purchase of another parcel. Additionally, the State is in no way liable for any damage that may be done to the land by the purchaser, lessee, or grantee, or liable for any claim of any third party or for any claim that may arise from ownership. If the State does receive title to the land, as anticipated, the conditional sale, lease, or grant then has the same effect as other sales, leases, or grants.

Title to tentatively approved lands will be conveyed via quitclaim deed. Ordinarily, there is little risk of loss of title associated with tentatively approved lands, however, there may be practical problems including (1) title insurance companies might not provide title insurance unless this contingency is “excepted” from coverage, and (2) banks might not loan money for construction on, or the purchase of tentatively-approved lands. It is your responsibility to fully investigate these matters before submitting a bid or application to purchase the parcel. **In this offerings, the parcel is NOT on tentatively-approved lands.**

No Warranty of Suitability or Fitness

The State of Alaska makes no warranty, expressed nor implied, nor assumes any liability whatsoever regarding the social, economic, or environmental aspects of the parcel, including, without limitation, the soil conditions, water drainage, access, or natural or artificial hazards that may exist, or the profitability of the parcel.

It is your responsibility to inspect the parcel and be thoroughly acquainted with the parcel’s condition prior to bidding or applying to purchase. It is also your responsibility to determine and consider in your decision to enter into a purchase agreement, encumbrances (or the possibility of encumbrances) that may affect the use of the property, including those of record or apparent by inspection of the property.

Access

Information on the location of legal access to a parcel may be obtained from the appropriate regional DNR Public Information Center. It is your responsibility to properly locate yourself when crossing both public and private land to ensure you are on a legal right-of-way or section-line easement and to avoid trespass. It is important to note that while access may be legally reserved, it may not be improved.





Timber and Other Materials on Site

Except for timber, purchasers are strictly prohibited from selling or removing from the parcel any surface resource such as stone, gravel, sand, peat, topsoil, or any other material valuable for commercial off-site purposes. Such material may only be used on the parcel.

Subdividing Agriculture Parcels

Agricultural parcels may not be subdivided until patented and must comply with state and/or local platting requirements. After a patent is received, the owner may, after first paying the required fee to the state for the right to construct housing on each subdivided parcel of less than 640 acres, subdivide under the authority of AS 38.05.321(a)(2)(B). The subdivision may not create more than 4 parcels. No parcel may be less than 40 acres.

There are exceptions:

- For each subdivided parcel of at least 640 acres, there is no payment to the State of Alaska for the right to construct housing;
- If a subdivided parcels are to be conveyed to a member of the owner's immediate family, the payment may be delayed until the parcels are conveyed outside of the immediate family. There will be a lien on the parcel until the payment is made. Your immediate family may include your spouse as well as your parent, child (including your stepchild or adoptive child), or sibling (your brother or sister), if your parent, child, or sibling lives with you, depends on you financially, or shares a substantial financial interest with you.

Existing Improvements

The parcel in this brochure may have existing improvements, structures, and/or limited development on the land. Unless otherwise noted, the minimum bid price for the parcel includes the value of the improvements. If any such improvements exist on the parcel in this offering, the State of Alaska makes no representations or warranties, expressed nor implied, concerning the existence or condition of such items. You are responsible for personally and thoroughly inspecting the parcel prior to submitting a bid or application and buyers assume all responsibility for such items. Refer to the "Hazardous Materials and Potential Contaminants" section of this brochure for additional information and disclaimers.

Hazardous Materials and Potential Contaminants

You are responsible for personally and thoroughly inspecting the property and familiarizing yourself with the condition and quality of the land. Unless otherwise noted herein, there are no known environmental hazards present within the parcel listed herein. However, DNR has not necessarily inspected the entire parcel in this brochure to determine if refuse or hazardous waste is present. The State of Alaska makes no representations or warranties, expressed nor implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the lands in this offering. The State of Alaska further assumes no liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances eventually be found. **The purchaser of the parcel is responsible for the disposal of any existing refuse or wastes and its related costs, regardless of date of existence.**

Waters of the United States and Wetlands

Some State-owned land offerings contain waters of the United States, including wetlands. Section 10 of the Federal Rivers and Harbors Act requires a permit for any structures or work in navigable waters of the United States, which includes those waters subject to the ebb and flow of the tide, and/or presently used, have been used in the past, or may be used in the future, to transport interstate or foreign commerce. Section 404 of the Federal Clean Water Act requires a permit for the discharge of dredged or fill material into all waters of the United States, including wetlands.

Wetlands perform many important functions, including providing habitat for wildlife, preserving water quality, providing flood protection, and enhancing groundwater recharge. Before placing any dredged or fill material in wetlands and/or waters (for example, to build a road, or any other land clearing activities), and/or





before working or placing any structures in such waters (for example, dredging or constructing a dock or pier), purchasers must obtain a permit from the United States Army Corps of Engineers.

Working or building structures in waters of the United States and/or discharging dredged or fill material into waters of the United States, including wetlands, without a valid permit may result in civil fines or criminal charges. A wetland determination or delineation may be required before any construction can occur. For a wetland determination on your parcel or more information on permit requirements contact the U.S. Army Corps of Engineers, Alaska District at (800) 478-2712 or visit:

<http://www.poa.usace.army.mil/hm/default.htm>

Water Rights and Usage

Depending on your usage, construction plans, or demand relative to supply of water in the area, you may be required to obtain a water right or permit. Certain activities involving the diversion of water, even temporary routing during trail or road construction, may require advance authorizations. Contact DNR DMLW's Water Resources Section for more information. Information and applications are also available at any of the DNR Public Information Centers and online at:

<http://dnr.alaska.gov/mlw/water/>

Fire and Burning Activities

Some State-owned lands are in areas with limited or no fire protection. The State of Alaska assumes no duty to fight fires in these areas. Wildfires should be considered a serious potential hazard even in areas designated for fire protection. For full descriptions of current Interagency Fire Management Plans and more information, visit DNR Division of Forestry's Fire Information webpage online at:

<http://forestry.alaska.gov/fire/fireplans.htm>

You should plan on implementing wildfire mitigation methods, including establishing a defensible space. Existing interagency programs, such as FIREWISE, can provide prospective landowners with valuable information regarding wildfire mitigation. To find out more, visit:

<http://firewise.org>

In specific areas of the state, burning permits are required for all burning other than fires contained within an approved device, and fires used for signaling, cooking, or warming. All other burning in the permit areas requires a permit during the fire season. There are potential liabilities if your fire escapes control (AS 41.15.060 Permits, AS 41.15.090 Building or Leaving Fires). For further information regarding wildfire mitigation and burning permits, contact DNR Division of Forestry. A list of their locations, addresses, and telephone numbers may be obtained from any of the DNR Public Information Centers and online at:

<http://forestry.alaska.gov/divdir.htm>





State Farm Conservation Plan

The successful bidder will be required to submit a State Farm Conservation Plan (SFCP) that is first reviewed by the local Soil and Water Conservation District and then sent to the Division of Agriculture, 1648 S. Cushman, Suite 201, Fairbanks, Alaska 99701. The director of the Division of Agriculture is responsible for approval of farm plans. If purchased during the sealed bid auction, the SFCP must be submitted to the Division of Agriculture for approval no later than 4:00 p.m., December 10, 2014.

SFCP for parcels purchased Over-the-Counter will be due 60 days from the date the down payment is made. The conservation plan follows a standard format as required by the Department of Natural Resources. The form may be picked up at the Division of Agriculture in Fairbanks or Palmer, and will be given to the successful bidder at the auction. The contract for sale will not be issued until an approved State Farm Conservation Plan is submitted.

A SFCP must be prepared by the successful bidder/purchaser. Information and assistance in the preparation of the SFCP is available from numerous sources including the Division of Agriculture, local Soil and Water Conservation Districts, the USDA Natural Resource Conservation Service, Department of Fish and Game, and the University of Alaska Extension Service. A SFCP must include:

1. A map of the farm showing:
 - the planned location of clearing and breaking of ground;
 - planned location of windbreaks, farm pond, and similar conservation measures and improvements; and
 - planned location of real property improvements (house, barn, fence, etc.)
2. Access roads, legal easements, and existing physical features such as water bodies;
3. Planned soil conservation measures;
4. A plan for burning any clearing debris, including any vegetation that has previously been chained- down.
5. A supplementary written narrative

The successful bidder submits a SFCP to the appropriate Soil and Water Conservation District whose members review, comment and if signed by the board of supervisors, forward the plan to the Division of Agriculture for approval. The approved SFCP is included by reference as an attachment to the sale contract.

Consideration by the purchaser and the reviewers should be given to, among other things, the type of crops as they relate to the natural conditions including soils, slope, moisture, temperatures, and local wildlife.

If the successful bidder fails to provide an acceptable SFCP by the deadline, or within an extension of time granted in writing by the Director of the Division of Agriculture, the preparation of a sale contract will be terminated and the parcel forfeited. Any modification of the SFCP will require the same review process as the original plan. The new purchaser will, as a condition of the contract, be required to comply with the approved SFCP to the satisfaction of the Director of the Division of Agriculture. Development of a parcel in a manner not in the approved SFCP may constitute a breach of contract. If a purchaser is found to be in Breach, a default notification may be issued. If a default notice is issued and if the default is not cured, it may result in a decision by the state to terminate the sale agreement. (AS 38.05.065)

Farm Clearing Requirement and Maintenance of Farmland

This parcel may be subject to clearing and tillage requirements. In general the requirement is 25% of the cropland soils as determined by the Division of Agriculture improved to a farmable condition within five years of issuance of the sale contract and maintained in that condition throughout the term of the sale contract. Patent will not be issued until the clearing requirement is met. In addition, patent will not be issued if the land has not been maintained in a farmable condition.

“Improved to a farmable condition” is defined as:

- a) removal of essentially all woody material from the surface and subsurface; areas used for storage of such woody material shall have been surface-cleared prior to deposit of material;
- b) an initial tillage operation (“breaking”) sufficient to render the cleared land tillable by standard tillage implements such as tandem disc-harrow, fertilizer spreader, press drill.





Agricultural Land Sales

The sale of the agricultural interest is the conveyance of the surface estate in fee simple subject to conditions and covenants relating to agricultural use and development. The required covenants are:

1. A perpetual covenant for the benefit of all Alaska residents and running with the land that restricts or limits the use of the land for agricultural purposes; and
2. A perpetual covenant that permits the owner of the land, obtained under this contract, to subdivide and convey not more than four parcels of the land of not less than 40 acres each, subject to the restriction that a subdivided parcel may not be further subdivided and further subject to the limitations established within AS 38.05.321(e).

Agricultural Purposes are defined in statute as:

1. The production, for commercial or personal use, of useful plants and animals;
2. The construction of:
 - housing for landowners and farm laborers,
 - improvements for animals,
 - improvements that are reasonably required for or related to agricultural uses;
3. The use of gravel reasonably required or related to agricultural production **on** the parcel conveyed; and
4. Removal of and disposition of timber in order to bring agricultural land into use.

Special Information

This parcel is being sold under the state's Agricultural land disposal program. Prospective buyers should, however, be aware that while this parcel does have soils suitable for growing crops, the elevation, aspect, presence of permafrost and other physical conditions may limit crop selection and/or require special management techniques in developing the agricultural potential.

Noxious Weeds

Pursuant to State law AS 03.05.010 - .030, AS 44.37.030 and Regulations 11 AAC 34.020 -.045, Alaskan agricultural land owners are required to control and eradicate certain "pest" plants that may be found growing on or be introduced into Alaskan soils. These prohibited and restricted noxious weeds may be found within cropland areas of the parcel being sold. For additional information, please contact the Alaska Cooperative Extension office nearest the subject parcel.

STATE OF ALASKA PROHIBITED AND RESTRICTED NOXIOUS WEEDS

(A) The following are prohibited noxious weeds:

- Bindweed, field (*Convolvulus arvensis*);
- Fieldcress, Austrian (*Rorippa austriaca*);
- Galensoga (*Galensoga parviflora*);
- Hempnettle (*Galeopsis tetrahit*);
- Horsenettle (*Solanum carolinense*);
- Knapweed, Russian (*Centaurea repens*);
- Lettuce, blue-flowering (*Lactuca pulchella*);
- Orange Hawkweed (*Hieracium Aurantiacum*);
- Purple Loosestrife (*Lythrum Salicaria*);
- Quackgrass (*Agropyron repens*);
- Sowthistle, perennial (*Sonchus arvensis*);
- Spurge, leafy (*Euphorbia esula*);
- Thistle, Canada (*Cirsium arvense*); and
- Whitetops and its varieties (*Cardaria draba*, *C. pubescens*, *Lapidium latifolium*).





ONLINE RESOURCES

These websites are listed here as a reference to assist you when researching a parcel, a land region, or certain development restrictions or policies. They may also include links to appropriate regional offices and phone numbers. This is by no means a complete list of agencies that have authority over all aspects of land ownership and development, but it is a good place to start. Many of these websites are referenced throughout this brochure.

- DNR Division of Agriculture.....<http://dnr.alaska.gov/ag>
- Alaska Natural Resources Conservation Service.....www.ak.nrcs.usda.gov
- Alaska Legislature.....<http://w3.legis.state.ak.us>
- Alaska Statutes and Regulations.....<http://www.legis.state.ak.us/basis/folio.asp>
- State of Alaska Home Page.....<http://alaska.gov>
- State of Alaska, Department of Natural Resources (DNR).....<http://dnr.alaska.gov>
- DNR Division of Parks, Office of History and Archaeology.....<http://dnr.alaska.gov/parks/oha>
- DNR Division of Forestry.....<http://forestry.alaska.gov>
- DNR Division of Mining, Land, & Water (DMLW).....<http://dnr.alaska.gov/mlw>
- DNR Land Records Information.....<http://dnr.alaska.gov/Landrecords>
- DNR DMLW Fact Sheets.....<http://dnr.alaska.gov/mlw/factsht>
- DNR DMLW Land Sales & Contract Administration Section.....<http://dnr.alaska.gov/mlw/landsale>
- DNR DMLW Water Resources Section.....<http://dnr.alaska.gov/mlw/water>
- State of Alaska, Department of Fish and Game (ADFG).....<http://adfg.alaska.gov>
- ADFG Division of Habitat.....<http://habitat.adfg.alaska.gov>
- State of Alaska, Department of Environmental Conservation.....<http://dec.alaska.gov>
- State of Alaska, Department of Transportation & Public Facilities.....<http://dot.alaska.gov>
- State of Alaska, Department of Commerce, Community, & Economic Development.....<http://commerce.alaska.gov>
- RS 2477 Right-of-Ways.....<http://dnr.alaska.gov/mlw/trails/rs2477>
- Fairbanks Soil and Water Conservation District.....www.fairbankssoilwater.org
- U.S. Department of the Interior, Bureau of Land Management (BLM), Alaska..... <http://www.ak.blm.gov/ak/st/en.html>
- Land Records Information from DNR and BLM.....<http://landrecords.info>
- U.S. Army Corps of Engineers, Alaska District, Regulatory Branch.....<http://www.poa.usace.army.mil/reg>
- U.S. Fish and Wildlife Service.....<http://fws.gov>





GENERAL CONSIDERATIONS FOR ALL PARTICIPANTS

Privacy Notice

AS 38.05.035 (a) Powers and Duties of the Director authorizes the DMLW Director to decide what information is needed to process an application for the sale or use of State-owned land or resources. This information is made a part of the State public land records and becomes public information under AS 40.25.100 Disposition of Tax Information and AS 40.25.120 Public Records; Exceptions; Certified Copies. Public information is open to inspection by you or any member of the public unless the information qualifies for confidentiality under AS 38.05.035 (a) (8) and confidentiality is requested, or AS 45.48 Alaska Personal Information Protection Act. **Under AS 45.48, certain personal information (such as social security numbers, credit card numbers, bank information, etc.) is held confidential. However, all other information concerning bids or applications to purchase State-owned land is considered public and available upon request.** Such public information may include, but is not limited to bids, bidding parties, sale terms, and payment histories.

A person who is the subject of the information may challenge its accuracy or completeness under AS 40.25.310 Information Accuracy and Completeness by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. **False statements made in an application for a benefit are punishable under AS 11.56.210 Unsworn Falsification in the Second Degree.**

Brochure Amendments - Errata

At times, modifications in the terms of a land offering become necessary after the publication of the brochure. Changes are announced and published as soon as possible in supplemental information sheets called Errata. **It is your responsibility to stay informed of any changes or corrections prior to submitting a bid or application and prior to the actual auction or offering.** You may obtain a copy of new or existing Errata from the DNR Public Information Centers or online at:

<http://dnr.alaska.gov/mlw/landsale/>

For important updates, you may also subscribe to our email notification list at the link above.

DNR reserves the right to make changes up to the time a contract or patent is issued. DNR also reserves the right to waive technical defects or errors in this publication.

Right to Adjourn/Postpone/Cancel

This brochure is intended for informational purposes only and does not constitute an offer to sell. DNR reserves the right to postpone or cancel an offering, in whole or in part, if necessary to protect the interest of the State. Such a postponement or cancellation may occur at any time prior to or during the offering, even after the apparent high bidder has been notified, but prior to DNR signing a final conveyance document. This policy applies to all land offerings, including parcels available through sealed-bid and over-the-counter offerings. In the event that DNR cancels an offering, deposits will be returned.

Bidder/Applicant Responsibility to Keep Address Current with LSCAS

Any notice or other correspondence sent to you is sufficient if mailed to the last address of record, even if it does not reach you. **Throughout the bid/application, contract, and patent processes, in accordance with 11 AAC 67.005 (g) General Qualifications, an applicant or bidder is responsible for keeping DNR DMLW, Land Sales and Contract Administration Section (LSCAS) at 550 W. 7th Ave., Ste. 640, Anchorage, Alaska 99501, (907) 269-8594, Fax (907) 269-8514, informed of their current address.** The application or bid is subject to rejection if LSCAS is unable to contact the applicant or bidder at the current address of record. **Please note that notifications sent to other Sections, Divisions, or Departments may not reach LSCAS and your records may not be updated. Failure to keep your address and contact information current with LSCAS could result in closure of your application, loss of all opportunity, right, title, and interest in the land, or termination of your contract.**





PARTICIPATING IN THE SEALED-BID AUCTION

Sealed-Bid Auction Bidder Qualifications

Important: As a bidder in the Sealed-Bid Auction, it is your responsibility to prove that you are eligible to participate in the program in accordance with 11 AAC 67.005-.010 Disposal of Land Administrative Provisions. Please read this brochure thoroughly before you submit a bid.

Corporations, businesses, and non-Alaska residents ARE eligible to bid for parcels of agriculture land in the Sealed-Bid Auction and to apply for parcels in the IOTC and OTC Offerings.

Past participation in previous open-to-entry, agriculture parcel, remote parcel, homesite, homestead, subdivision lottery, auction, over-the-counter, or Remote Recreational Cabin Sites offerings does not prohibit you as an individual from participating in this offering. You may also participate in subsequent offerings under this program, if eligible at the time of bid or application.

To be a qualified bidder, an individual must be at least 18 years of age on or before the date of the auction or a business authorized to conduct business under the laws of the State of Alaska.

A business must present a copy of its current Alaska Business License to the Division of Agriculture Fairbanks office in an envelope separate from the one containing the bid. Corporations and partnerships must also submit a certificate of compliance issued by the Alaska Department of Commerce, Community and Economic Development, and a corporate resolution affixed with the appropriate corporate seal authorizing the individual to bid and sign sale documents on behalf of the corporation. This documentation should be sent to the Division of Agriculture Fairbanks office in an envelope separate from the one containing the bid(s) so the information can be verified prior to the opening of the bids. Additional documentation may be required by the state before a contract will be written for a business.

Two or more individuals may jointly submit a single bid. To do so, both must be eligible to bid. Successful bidders' names will carry forward to the contract (or patent if the purchase price is paid in full). No names will be added or removed before the contract is executed.

In addition, if you are the successful bidder for a parcel and wish to enter into a purchase contract with the state, you must also certify that you:

- 1) Have not had a Department of Natural Resources lease or purchase contract administratively foreclosed or terminated for cause within the past three years (contact the Contract Administration Unit at (907) 269-8594 if you have any questions about eligibility);
- 2) Are not currently in default for nonpayment on a purchase contract or lease issued by the department;
- 3) Are not currently in default for nonpayment of municipal taxes or assessments on property currently under a DNR lease or purchase contract;
- 4) Are not currently in default of the clearing and preparation for cultivation requirements of a previous Agricultural purchase contract; and;
- 5) Are not currently in default of any condition associated with a note, lease or other authorization issued by the Agricultural Revolving Loan Fund.

Purchase contracts will not be issued by the State of Alaska unless all five qualifications listed above are met. If you are the successful bidder for a parcel and do not meet the qualifications for a purchase contract listed above, you must pay the bid amount in full upon notification. Failure to submit payment in full upon notification will result in the forfeiture of bid deposit and loss of purchase rights to the parcel.





Anyone who misrepresents themselves as owners of this parcel of land or who wrongfully represents that they have any legal rights to this parcel may be engaged in a fraudulent practice and may be prosecuted to the full extent of the law. If you are approached by someone or become aware of someone who claims any ownership or other legal rights in this parcel, please contact the Department of Natural Resources Public Information Center, at fbx-pic@DNR.alaska.gov or phone (907) 451-2705, and provide any information that you may have.

No Withdrawal of Bids from the Sealed-Bid Auction

Please give careful consideration to your bids. Once you have submitted a bid for the Sealed-Bid Auction, it cannot be withdrawn. If your bid for a parcel submitted within the designated bidding period contains an error, you may lose eligibility to purchase the parcel in the Sealed-Bid Auction. You may submit new bids on any available parcel during the designated bidding period to correct an error on your bid, change the amount of your bid (as long as it is equal to or greater than the parcel's minimum bid), add bidders to your party, or remove bidders from your party (see the "Multiple Bidders Bidding Together in the Sealed-Bid Auction" section of this brochure for more information). If you submit multiple bids for the same parcel, only the MOST RECENTLY RECEIVED, VALID bid will be considered, even if you submitted a higher or duplicate bid at an earlier time or a later bid with an error.

DNR will not refund the deposits (up to a maximum of 5% of the total bid) if a successful bidder chooses not to purchase the land for any reason. For those apparent high bidders who are not qualified to purchase, due to failure to meet or age requirements other disqualifying factors, the deposit (up to a maximum of \$500.00 plus fees) will be nonrefundable. For those apparent high bidders who are not qualified for a land sales contract (due to prior default, failure to pay taxes or assessments on a property under contract or lease from DNR, or other disqualifying factors) and cannot pay the lump sum due, the deposit (up to a maximum of \$500.00 plus fees) will be nonrefundable. See the "Sealed-Bid Auction Procedures" section of this brochure for more information.

Multiple Bidders Bidding Together in the Sealed-Bid Auction

Two or more individuals may jointly submit a single bid in the Sealed-Bid Auction. **To do so, all bidders must be eligible to participate.** Names may not be added or deleted after the bid has been submitted. Successful bidders' names will carry forward to the purchase contract and patent when the purchase price is paid in full.

If your previous bid for a parcel had multiple bidders and a subsequent bid for the same parcel is received for just one of the bidders, the subsequent single-party bid will stand and the previous multiple-party bid will NOT be considered. This can have important implications for the joint bidders. For example:

If a bid is received jointly from John and Jane Doe for fictitious Parcel D in the Sealed-Bid Auction, and a second bid is received more recently from John Doe individually for that same fictitious Parcel D in that same auction, the previous joint bid for fictitious Parcel D is cancelled. John Doe now has an active bid received for fictitious Parcel D in Sealed-Bid Auction #473, but the party of John and Jane Doe and the individual Jane Doe do not.

Likewise, if your previous bid for a parcel listed only you as a single bidder and a subsequent bid for the same parcel is received for multiple bidders including you, the subsequent multi-party bid will stand and the previous individual bid will NOT be considered.

Returned Deposits for Unsuccessful Bidders/Applicants

Unsuccessful bidders and applicants may pick up their deposits at the Fairbanks DNR Public Information Center, 3700 Airport Way, Fairbanks Alaska until 5:00 p.m. on the day of the Sealed-Bid Auction, upon proper presentation of identification (valid and current Alaska driver's license or other similar picture identification that matches the bidder's information received with the bid). If not picked up by this time, deposits for unsuccessful bids submitted with a self-addressed, stamped envelope (SASE) and deposit made by cashier's check, personal check, or money order will be returned in the SASE. Unsuccessful bidders' deposits made by credit card authorization or by check without a SASE will be destroyed after the auction. No interest will be paid on the deposit while it is in the possession of the State of Alaska.





PARTICIPATING IN THE OVER-THE-COUNTER AND INITIAL OVER THE COUNTER (OTC & IOTC) OFFERINGS

If not sold at this auction this parcel may be made available in the following IOTC Offering where they will be available for sale at the minimum bid price as listed in this brochure or subsequent Errata. Occasionally, parcels with an apparent high bidder in a preceding auction may become available in the IOTC Offering due to rejection of bids, closure, or relinquishment.

If bids are rejected, closed, or relinquished by the highest bidder more than 5 days from the date of the auction, they will not be included in the IOTC Offering immediately following the auction, but may become available at a later date.

At 10:00 a.m., Monday, October 27, 2014, a complete list of all parcels to be included in the IOTC Offering will be available at all DNR Public Information Centers as well as online at:

<http://dnr.alaska.gov/mlw/landsale/>

IOTC and OTC Applicant Qualifications

You must certify and prove that:

- You are 18 years of age or older on the date of application (11 AAC 67.005 General Qualifications).

Corporations, businesses, and non-Alaska residents ARE eligible to apply in the IOTC and OTC Offerings.

A business must present a copy of its current Alaska Business License to the Division of Agriculture Fairbanks office in an envelope separate from the one containing the application. Corporations and partnerships must also submit a certificate of compliance issued by the Alaska Department of Commerce, Community and Economic Development, and a corporate resolution affixed with the appropriate corporate seal authorizing the individual to apply and sign sale documents on behalf of the corporation. This documentation should be sent to the Division of Agriculture Fairbanks office in an envelope separate from the one containing the application(s) so the information can be verified prior to the opening of the applications. Additional documentation may be required by the state before a contract will be written for a business.

Past participation in previous open-to-entry, agricultural parcel, remote parcel, homesite, homestead, subdivision lottery, auction, over-the-counter, or Remote Recreational Cabin Sites offerings does not prohibit you as an individual from participating in these offerings. You may also participate in subsequent offerings under this program, if eligible at the time of bid or application.

Buying Multiple Parcels in the Over-the-Counter Offerings

In the Initial-Over-the-Counter (IOTC) and General Over-the-Counter (OTC) Offerings, you may submit applications for as many parcels as you like and you may win the opportunity to purchase more than one parcel. Each application for each parcel must be sent in a separate interior envelope (or submitted separately online). Refer to the "IOTC Offering Procedures" section in this brochure for more information.

No Withdrawal of Applications from the Initial Over-the-Counter Offerings

Please give careful consideration to your applications. Once you have submitted an application for the General Over-the-Counter Offering, it cannot be withdrawn.

If your application for a parcel submitted within the designated application period contains an error, you may lose eligibility to win the opportunity to purchase the parcel. In the IOTC Offering, you may submit new applications on any available parcel during the designated application period to correct an error on your application, add applicants to your party, or remove applicants from your party (see the "Multiple Applicants Applying Together in the Over-the-Counter Offerings" section of this brochure for more information). If you submit multiple IOTC applications for the same parcel, only the MOST RECENTLY RECEIVED, VALID application will be considered, even if you submitted a duplicate application at an earlier time or a later application with an error. See the "IOTC Offering Procedures" section of this brochure for more information.





No Withdrawal of Applications from the General Over-the-Counter Offering

Once you have submitted an application for the General Over-the-Counter Offering, it cannot be withdrawn. If you apply to purchase a parcel in the General Over-the-Counter Offering and your application contains an error, you may lose eligibility to purchase the parcel or another applicant may purchase the parcel before you can correct the error. When an applicant pays a deposit to purchase over the counter and fails to complete the purchase, the deposit (up to 5% of the purchase price plus fees) will be nonrefundable. For those who are not qualified to purchase over the counter, the deposit (up to a maximum of \$500.00 plus fees) will be nonrefundable. For those applicants who are not qualified for a land sales contract (due to prior default, failure to pay taxes or assessments on a property under contract or lease from DNR, or other disqualifying factors) and cannot pay the lump sum due, the deposit (up to a maximum of \$500.00 plus fees) will be nonrefundable. See the “Sealed-Bid Auction Procedures” section of this brochure for more information.

Multiple Applicants Applying Together in the Over-the-Counter Offerings

Two or more individuals may jointly submit a single application in the Over-the-Counter Offerings. To do so, **all applicants must be eligible to apply.** Names may not be added or deleted after the application has been submitted. Successful applicants’ names will carry forward to the purchase contract and patent when the purchase price is paid in full.

Each application for each parcel must be sent in a separate envelope (or submitted separately online). Refer to the “IOTC Offering Procedures” section in this brochure for more information.





INSTRUCTIONS TO BIDDER/APPLICANT

Bidding and application forms are available in this brochure, on the DNR website at <http://dnr.alaska.gov/mlw/landsale/> and at the DNR Public Information Centers. Bidding and application forms may be reproduced. Alternatively, bids may be submitted online using credit card or bank account information. **Fax, e-mail, and telephone applications will not be accepted because bids must be sealed until the scheduled opening and such submissions cannot be sealed.**

Submitting a Sealed Bid Online

To bid on a parcel online, go to: <http://dnr.alaska.gov/mlw/landsale/> and use your bank or credit card information to complete the submission. The online application process will ask for a MasterCard, Visa, or Discover credit card authorization. Your credit card will only be charged on the day of the Sealed-Bid Auction if you are the successful bidder for that parcel.

NOTE: When using the credit card payment option, contact your financial institution to pre-authorize your bid deposit for the day of the auction. Some institutions have authorization limits of \$1,000 per day regardless of available credit.



Submitting a Sealed Bid by Mail or in Person

A complete Sealed-Bid Auction application package (for mailing or hand delivery) includes the following 3 items:

1. a completed 2014 Alaska Agricultural Land Auction Bid Form;

- You must certify and prove that you meet the eligibility requirements for the program (see Sealed-Bid Auction Bidder Qualifications section).
- A separate bid form must be included for each bid submitted for each parcel.

2. a bid deposit;

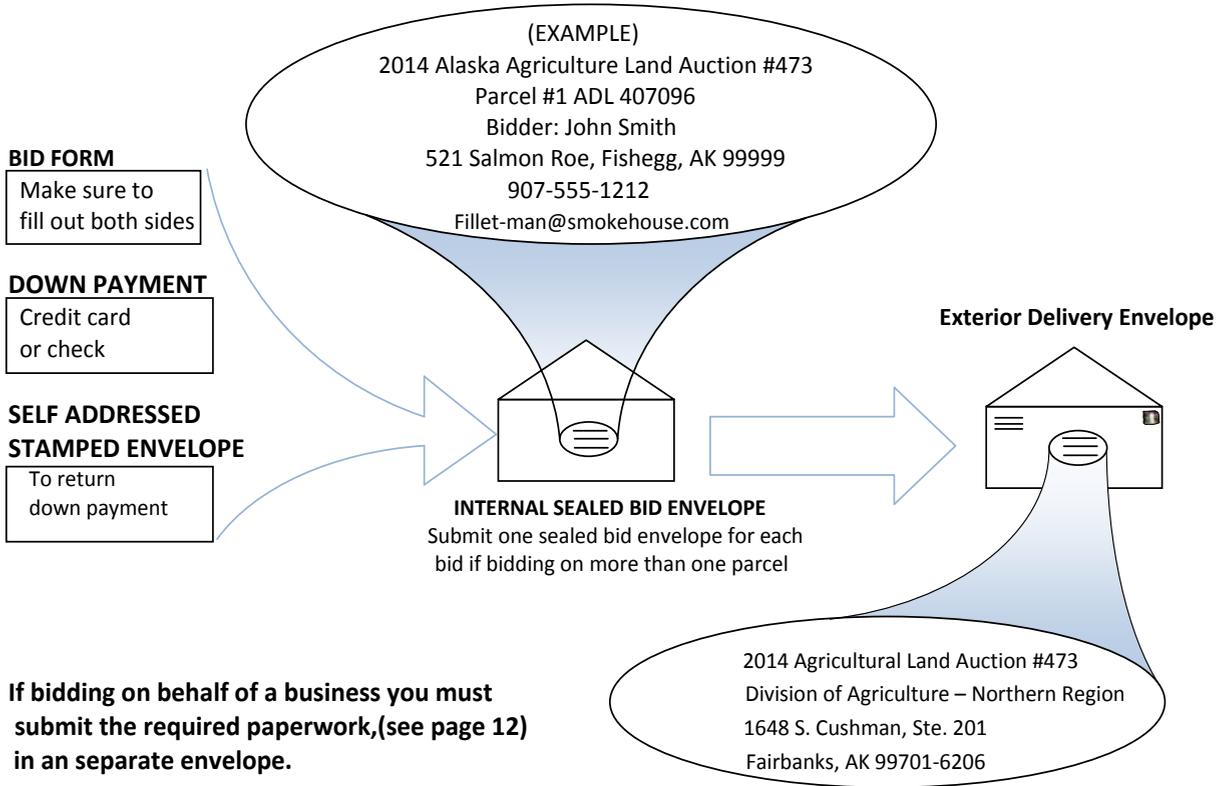
- A separate bid deposit must be included for each bid submitted.
- The bid deposit for each bid must be at least 5% of the total, undiscounted bid amount (**CHECK YOUR CALCULATIONS, DO NOT ROUND DOWN!**).
- You must include payment information and authorization, payable to the State of Alaska, Department of Natural Resources. **DO NOT LEAVE YOUR CHECK OR PAYMENT BLANK! Two-party checks will not be accepted. Failure to address or submit your payment as directed may result in loss of all opportunity, right, title, and interest in the parcel. DO NOT SEND CASH!**
- Payment must be made in the form of a cashier's check, personal check, money order, or credit card. (Visa, MasterCard, or Discover only).

NOTE: When using the credit card payment option, contact your financial institution to pre-authorize your bid deposit for the day of the auction. Some institutions have authorization limits of \$1,000 per day regardless of available credit.

- For successful bidders, the deposit is nonrefundable and will be applied to the purchase price.

3. a self-addressed, stamped envelope (SASE) to return the bid deposit for an unsuccessful bid submitted with a deposit made by cashier's check, personal check, or money order (see "Returned Deposits for Unsuccessful Bidders/Applicants" section of this brochure for more information). Unsuccessful bidders' deposits made by credit card authorization or by check without a SASE will be destroyed after the auction.





If bidding on behalf of a business you must submit the required paperwork, (see page 12) in an separate envelope.

Clearly Mark Bids for Sealed-Bid Auction

It is your responsibility to properly complete, mark, and submit your bid as instructed throughout this brochure.

Each bid submission must be received in a separate, sealed envelope. All bid materials are to be placed in a sealed, interior bid envelope marked as follows:

2014 ALASKA AGRICULTURAL LAND AUCTION #473

Parcel # _____, ADL # _____

Names of All Bidders for this Submission: _____

Primary Bidder’s Mailing Address: _____

Primary Bidder’s Phone Number(s): _____

Primary Bidder’s Email Address (Optional): _____

There should be no additional markings on the interior envelope.

Place the **sealed, interior** bid envelope inside a **sealed, exterior, delivery** envelope for mailing or hand delivery. You may include more than one sealed, interior bid envelope within a single sealed, external, delivery envelope, but each sealed, interior bid envelope must contain all of the required information for that bid submission as detailed in the “Submitting a Sealed Bid by Mail or in Person” section of this brochure. The **exterior delivery** envelope must be marked with the words **“2014 ALASKA AGRICULTURAL LAND AUCTION #473** and addressed to the appropriate mailing address for DNR as described in the “Where to Submit Sealed Bids” section of this brochure.

Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.





Where to Submit Sealed Bids

As described in the preceding “Submitting a Sealed Bid by Mail or in Person” section of this brochure, sealed-bid envelope(s) must be enclosed in a separate exterior envelope for delivery.

To submit a sealed bid by mail, address the **exterior, delivery** envelope to:

2014 ALASKA AGRICULTURAL LAND AUCTION #473

Division of Agriculture
1648 S. Cushman, Ste. 201
Fairbanks, Alaska 99701-6206

Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.

To submit a sealed bid in person by hand delivery, prepare a submission packet as described for mail submissions. Drop off your **sealed** packet at any DNR Public Information Center listed in the “DNR Public Information Centers” section of this brochure or at any Division of Agriculture office. Be sure to include “**2014 ALASKA AGRICULTURAL LAND AUCTION #473**” on the exterior, delivery envelope. Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration. In addition if submitting a bid on behalf of a business submit the required paperwork (see page 17) in a separate envelope labeled **Auction 473 - Business documents**.

Submitting an Initial Over-the-Counter (IOTC) Offering Application Online

To apply for a parcel online, go to: <http://dnr.alaska.gov/mlw/landsale/> and use your bank or credit card information to complete the submission. Business’ must also submit the required paperwork, see page 17 prior to the IOTC offering.

The online application process will ask for a MasterCard, Visa, or Discover credit card authorization. Your credit card will only be charged on the day of the IOTC Offering if your name is drawn for that parcel.

NOTE: When using the credit card payment option, contact your financial institution to pre-authorize your bid deposit for the day of the auction. Some institutions have authorization limits of \$1,000 per day regardless of available credit.

Submitting an Initial Over-the-Counter (IOTC) Offering Application by Mail or in Person

Applications and forms are available in this brochure, at the DNR Public Information Centers, and online at: <http://dnr.alaska.gov/mlw/landsale/>. Applications and forms may be reproduced. Alternatively, applications may be submitted online using credit card or bank account information.

A complete Initial Over-the-Counter (IOTC) Offering application package (for mailing or hand delivery) includes the following 5 items (plus additional paperwork in a separate envelope if submitting on behalf of a business, see page 20 for more details):

1. a completed OTC application form;

- You must certify and prove that you meet the eligibility requirements for the program (see “IOTC and OTC Applicant Qualifications” section of this brochure).
- A separate application must be included for each application submitted for each parcel.

2. a completed Declaration of Intent form;

- A separate Declaration of Intent form must be included for each application submitted for each parcel.





3. a nonrefundable \$100.00 document handling fee (11 AAC 05.010 (a) (7) (F) Fees);
 - A separate document handling fee must be included for each application submitted for each parcel.
4. a down payment;
 - A separate down payment must be included for each application submitted for each parcel.
 - The deposit for each application must be at least 5% of the total purchase price (**CHECK YOUR CALCULATIONS, DO NOT ROUND DOWN!**).
 - You must include payment information and authorization, payable to the State of Alaska, Department of Natural Resources. **DO NOT LEAVE YOUR CHECK OR PAYMENT BLANK! Two-party checks will not be accepted. Failure to address or submit your payment as directed may result in loss of all opportunity, right, title, and interest in the parcel. DO NOT SEND CASH!**
 - Payment must be made in the form of a cashier's check, personal check, money order, or credit card (Visa, MasterCard, or Discover only).

NOTE: When using the credit card payment option, contact your financial institution to preauthorize your bid deposit for the day of the auction. Some institutions have authorization limits of \$1,000 per day regardless of available credit.

 - For successful applicants, the deposit is nonrefundable and will be applied to the purchase price.
5. a self-addressed, stamped envelope (SASE) to return the down payment for an unsuccessful application submitted with a deposit made by cashier's check, personal check, or money order (see "Returned Deposits for Unsuccessful Bidders/Applicants" section of this brochure for more information). Unsuccessful applicants' deposits made by credit card authorization or by check without a SASE will be destroyed after the auction.

IOTC Offering applications may be made by an agent with power of attorney. An agent may only represent one person per day, in addition to him/herself. The IOTC Offering is NOT limited to one parcel per person.





SEALED-BID AUCTION PROCEDURES

It is your responsibility to complete and submit your bid as instructed throughout this brochure. All sealed bids must be properly addressed and marked as detailed in the "Instructions to Bidder/Applicant" section of this brochure. Improperly or incompletely addressed or marked bid submissions risk being opened as general correspondence and such bids may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the Sealed-Bid Auction risk being excluded from consideration.

Minimum Bid

The minimum bids for this parcel is the current appraised market values as indicated in this brochure or subsequent Errata. **DNR will not accept bids for less than the minimum bid price listed in this brochure or subsequent Errata.** You may bid at the minimum bid, although there is no assurance a minimum bid will be a successful high bid.

Sealed-Bid Auction Bidding Period

All bids for the 2014 Alaska Agricultural Land Sealed-Bid Auction #473 must be RECEIVED online or at one of the designated DNR offices no sooner than 8:00 a.m., Wednesday September 3, 2014 and no later than 4:00 p.m., Friday, October 17, 2014. DNR date stamps all sealed bids on the day they are received. In accordance with 11 AAC 67.007 Application, DNR will not accept and will reject bids received outside the designated bidding period. If your bid is rejected for early receipt, you may resubmit your bid at any time during the designated bidding period. Bids will be kept confidential and stored in a safe until the auction.

Sealed-Bid Opening

The Sealed-Bid Opening will begin at 1:00 p.m., Wednesday, October 22, 2014, in the large conference room in the Fairbanks DNR building located at 3700 Airport Way, Fairbanks, AK 99709. All bids received will be opened. Attendance at the auction is not required and will not affect the outcome. The names of the apparent high bidders will be posted online immediately after the auction at dnr.alaska.gov/mwl/landsale **Attendees of the Sealed-Bid Opening will not be allowed to change or withdraw any bids.**

Order of Bid Opening Determined by Number of Bids Received for Each Parcel

Sealed-Bid Auctions bids will be opened in an order determined by the number of bids received for each parcel. The parcel with the most bids will be opened first, the next highest number of bids second, etc. Where an equal number of bids are received for more than one parcel, bids for the parcel with the lowest Parcel # (not ADL #) will be opened first.

Apparent High Bidder

The eligible bidder from whom the State received a properly completed bid submission with the highest bid amount will be named the apparent high bidder.

If there are two or more identical high bids for a parcel, the apparent high bidder will be determined by the earliest DNR date received stamp on the bid envelope (not the postmark). If the date stamps are also identical, then the name of the successful bidder will be determined by a drawing.

After the auction, a list of results will be available online at:

<http://dnr.alaska.gov/mlw/landsale/>

You may need to 'refresh' your browser occasionally to view the updates. Following the auction, DNR Public Information Centers will display a final list.

During the week following the auction, apparent high bidders will be sent a certified Award Notification Letter. DNR must receive the following items from successful bidders within **30 days** of receipt of notification:

1. Proof of eligibility;
 - You must certify and prove that you meet the eligibility requirements for the program (see Sealed-





Bid Auction Bidder Qualifications section.

- If there is more than one bidder, all bidders must provide proof of eligibility.
- 2. A completed Declaration of Intent Form;
- 3. A nonrefundable \$100.00 document handling fee (11 AAC 05.010 (a) (7) (F) Fees);
- 4. Any other documents or items requested in the Award Notification Letter.

In addition to the above requirements a state farm conservation plan must be submitted no later than 4:00 p.m., December 10, 2014

If an apparent high bidder fails to comply with the requirements stated in this brochure and the Award Notification Letter by the deadline, their bid will be considered withdrawn (see the “No Withdrawal of Bids from the Sealed-Bid Auction” section in this brochure for more information) and the parcel may be offered to the second high bidder.

Failure to comply with these requirements does not prevent the apparent high bidder from purchasing another parcel in the subsequent over-the-counter offerings, if eligible.





INITIAL OVER-THE-COUNTER OFFERING PROCEDURES

It is your responsibility to complete and submit your IOTC application as instructed throughout this brochure. All IOTC applications must be properly addressed and marked as detailed in the "Instructions to Bidder/Applicant" section of this brochure. Improperly or incompletely addressed or marked submissions risk being opened as general correspondence and such applications may be unintentionally divulged. Additionally, improperly or incompletely addressed or marked submissions for the IOTC Offering risk being excluded from consideration.

Parcels Offered in IOTC

If this parcel is not sold at this auction they may be made available in the following IOTC Offering where they may be available for sale at the minimum bid prices as listed in this brochure or subsequent Errata. Occasionally, parcels with an apparent high bidder in a preceding auction may become available in the IOTC Offering due to rejection of bids, closure, or relinquishment.

If bids are rejected, closed, or relinquished by the highest bidder for the parcel more than 5 days from the date of the auction, it will not be included in the IOTC Offering immediately following the auction, but may become available at a later date.

On Monday, October 27, 2014, a complete list of all parcels to be included in the IOTC Offering will be available at all DNR Public Information Centers as well as online at:

<http://dnr.alaska.gov/mlw/landsale/>

IOTC Purchase Price

The purchase price for this parcel is the minimum bids as indicated in this brochure.

IOTC Application Period

All applications for the 2014 Alaska State Land IOTC Offering must be RECEIVED online or at one of the designated DNR offices no sooner than Monday, October 27, 2014 and no later than 5:00 p.m., Monday, November 17, 2014. DNR date stamps all applications on the day they are received. In accordance with 11 AAC 67.007, DNR will not accept and will reject applications received outside the designated application period. If your application is rejected for early receipt, you may resubmit your application at any time during the designated application period. Applications will be kept confidential and stored in a safe until the opening of the applications.

IOTC Application Opening and Drawings to Determine Winner

The IOTC Application Opening will begin at 1:00 p.m., Monday, November 24, 2014, in the Fairbanks DNR Public Information Center located at 3700 Airport Way, Fairbanks, Alaska 99709. All IOTC applications received will be opened. Attendance at the IOTC Application Opening is not required and will not affect the outcome. **Attendees of the IOTC Application Opening will not be allowed to change or withdraw any applications.**

A drawing will be held to determine the winning applicant for any parcel where multiple qualified applications have been received. The parcel with the largest number of qualified applications will be drawn for first. If there is only one eligible applicant from whom the State received a properly completed application for a parcel, that applicant is automatically the winner of the opportunity to purchase the parcel at the minimum bid as indicated in this brochure or subsequent Errata. The first qualifying applicant drawn for each parcel will be named the winner. First and second alternate winners will also be drawn.

For the IOTC Offering, applicants have the opportunity to purchase multiple parcels if available. Applicants will win the opportunity to purchase all parcels for which they are the only applicant and for which their name is drawn.

Following the drawing, DNR Public Information Centers will display a final list and post the results at:





<http://dnr.alaska.gov/mlw/landsale/>

During the week following the IOTC Offering, apparent winners will be sent an Award Notification Letter.

DNR must receive the following items from successful applicants within **30 days** of receipt of notification:

1. proof of eligibility;
 - You must certify and prove that you meet the eligibility requirements for the program (see “IOTC and OTC Applicant Qualifications” section of this brochure).
 - If there is more than one applicant, all applicants must provide proof of eligibility.
 - A separate application must be included for each parcel.
2. a completed Declaration of Intent Form;
 - A separate Declaration of Intent Form must be included for each parcel.
3. if applying for a Veterans’ Land Discount, a Veteran Eligibility Affidavit and proof (see “Veterans’ Land Discount” section of this brochure); and
4. any other documents or items requested in the Award Notification Letter.

If an apparent winner fails to comply with the requirements stated in this brochure and the Award Notification Letter by the deadline, their application will be considered withdrawn (see the “No Withdrawal of Applications from the General Over-the-Counter Offering” section in this brochure for more information), at which time the next alternate winner for that parcel may be given the opportunity to purchase the parcel. Failure to comply with these requirements does not prevent the apparent winner from purchasing another parcel in the subsequent over-the-counter offerings, if eligible.

If this parcel is not sold at this IOTC Offering they may be made available in the following General OTC Offering where they will be available for sale at the minimum bids listed in this brochure or subsequent Errata. Upon completion of the IOTC Offering, OTC parcels may become available over the counter at the DNR Public Information Centers and online on a first-come-first-served basis. Additionally, future OTC parcel availability updates will be posted periodically online at:

<http://dnr.alaska.gov/mlw/landsale/>





PURCHASE INFORMATION

This parcel may be purchased either by paying the full purchase price for the parcel in a lump sum, or by entering into a sale contract with the State of Alaska or its authorized representative.

Any notice or other correspondence sent to you is sufficient if mailed to the last address of record, even if it does not reach you. It is your responsibility to maintain a current mailing address and contact information with DNR DMLW, Land Sales and Contract Administration Section (**LSCAS**) during the life of the sale contract. **Please note that notifications sent to other Sections, Divisions, or Departments may not reach LSCAS and your records may not be updated. Failure to keep your address and contact information current with LSCAS could result in closure of your application, loss of all opportunity, right, title, and interest in the land, or termination of your contract.** See the “Bidder/Applicant Responsibility to Keep Address Current with LSCAS” section of this brochure for more information.

Land Sale Contracts

If you are the successful bidder or applicant for a parcel with a qualifying balance due, you may choose to pay for the entire parcel up front, or enter into a purchase contract with the State of Alaska.

Land Sale Contract Applicant Qualifications

If you elect to enter into a purchase contract with the State of Alaska, in accordance with 11 AAC 67.008 Ineligibility Due to Default, you must also certify that you:

1. have not held a purchase contract or lease issued by DNR that has been administratively foreclosed or terminated for cause within the past 3 years (contact the Land Sales and Contract Administration Section at (907) 269-8594 if you have questions about eligibility);
2. are not currently in default for nonpayment on a purchase contract or lease issued by DNR; and
3. are not currently in default for nonpayment of municipal taxes or assessments on property currently under a purchase contract or lease issued by DNR.

Purchase contracts will not be issued by the State of Alaska unless all 3 qualifications listed above are met. **If you are the successful bidder for a parcel and do not meet requirements listed in the “Land Sale Contract Applicant Qualifications” section of this brochure to qualify for a contract, a lump sum payment will be required. Failure to submit payment in full upon notification may result in the forfeiture of your deposit and loss of purchase rights to the parcel.**

Land Sale Contract Terms

The terms for purchasing State-owned land by sale contract are:

- minimum down payment of five percent (5%) of the purchase price;
- nonrefundable document handling fee of \$100.00 (11 AAC 05.010 (a) (7) (F) Fees); and
- contract for payment of the balance, with interest, over a period of up to 20 years based on the following parameters:

DNR will provide for a monthly installment payment schedule unless DNR determines that a quarterly or annual installment payment schedule is more administratively efficient. Monthly principal and interest payments will be set on a level-payment basis according to the following financed principal amounts (11 AAC 67.875 Installment Payments):

- \$2,000.00 or less must be paid in full at time of purchase;
- \$2,000.01 to \$9,999.99, contract length will not be more than 5 years;
- \$10,000.00 to \$14,999.99, contract length will not be more than 10 years;
- \$15,000.00 to \$19,999.99, contract length will not be more than 15 years; and
- \$20,000.00 or more, contract length will not be more than 20 years.





The interest rate on all land sale contracts will be 3% plus the prime rate as reported in the Wall Street Journal on the first business day of the month in which the contract is sent to you for signature; not to exceed 9.5%. Interest begins to accrue on the effective date shown on the face of the contract.

You may, at any time, pay more than the required payment. DNR does not charge a prepayment penalty. You may make payments in person, by mail, or online. Checks returned for any reason may invalidate the transaction and terminate all rights of the purchaser.

Contracts are issued as soon as possible, however, delays may occur.

Service Charge

Once the contract for sale has been executed, you will owe a service fee for any late or returned payment as follows:

- **Late Payment Penalty**: A breach caused by the failure of the purchaser to make payments required by the contract may be cured by payment of the sum in default and a fee (AS 38.05.065 (d) Terms of Contract of Sale) of \$50.00 or five percent (5%) of the sum in default, whichever is larger. Contract payments received apply first toward any late fees, then toward interest owed, and any remainder reduces the principal balance.
- **Returned Payment Penalty**: A returned payment fee of \$25.00, as provided in 11 AAC 05.010 Fees, will be assessed for any payment that the bank refuses. The default termination date (the date payment is due) will not be altered due to a delay caused by a bank refusing payment. Late penalties, as previously described in this section, shall continue to accumulate.

Land Sale Contract as a Legal, Binding Contract

Once you have signed a State of Alaska land sale contract, you have entered into a legal, binding contract. Your money will not be refunded if the contract is in default, has been relinquished, or is otherwise terminated.





PARCEL INFORMATION

Parcel # & ADL #	Minimum Bid	Total Acres	Cropland Acres	Clearing Requirement (Acres)	Easements & Reservations
Parcel # 1 ADL 407096	\$40,500	100	40	10	A, B, C, D, E, F

Easement & Reservation Codes

- A. Subject to a 50-foot Section Line Easement per AS 19.10.010.
- B. Subject to a 60-foot Public Access and Utility Easement along “Country Road” where it crosses the parcel. ADL 420160
- C. Subject to a perpetual Agriculture covenant under AS 38.05.321(a)(1) that restricts the use of the land for agricultural purposes.
- D. Subject to a perpetual covenant under AS 38.05.321(a)(2) establishing restrictions on Subdivision of parcel.
- E. Subject to all platted and other valid existing rights and reservations existing at time of sale.
- F. Subject to the requirements listed under the “General Information” section of this brochure.

Special nature of buying agricultural land from the state

As shown in the above table and mentioned throughout this brochure buying agriculture land from the state comes with a few unique conditions you should consider before submitting a bid.

1. As mentioned above the land is subject to a perpetual covenant restricting the use of the land for agricultural purposes. You cannot pay to have this covenant removed, it stays with the land forever.
2. After you receive patent to the land you can only subdivide the parcel one time into no more than 4 parcels, each being 40-acres or larger. You will have to purchase a housing right for each new parcel created by the subdivision (Contact DNR for current fee). You may have a lien for the housing rights put on the new parcels if you are not transferring them outside your immediate family. You will need new farm conservation plans for each parcel in the subdivision before you can receive the required letter of non-objection from the state to complete the subdivision process.
3. Each parcel comes with a clearing requirement and this can prove to be a significant investment. Call some contractors to get an idea of the cost and factor this into your decision whether to submit a bid. Generally you will have five years to do the clearing and the land must stay in that condition until you payoff the contract and receive patent.
4. You must have an approved state farm conservation plan in place before you can go to contract with the state. The plan can be modified but the farm must be operated according to the most current plan in place. The plans are developed with the help of the local Soil and Water Conservation District and submitted to the Division of Agriculture for final approval.
5. All activities on the land must be “incidental to and not inconsistent with the primary use of the land for agricultural purposes.” AS 38.05.321(3)(A)





AREA MAPS





SOIL INFORMATION

The soils information contained in this brochure was derived from the Natural Resources Conservation Services' web soil survey site (<http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx>). The relevant spatial soil data was brought into a GIS program and combined with parcel data. Once the soil composition of the parcel was determined using the web soil survey data the map unit information (soil descriptions) were taken directly from the map unit report.

All the soil descriptions contain a nonirrigated land capability classification rating that consistence of a numerical class and letter subclass, e.g. 3w. Land capability classification shows, in a general way, the suitability of soils for most kinds of field crops. Crops that require special management are excluded. The soils are grouped according to their limitations for field crops, the risk of damage if they are used for crops, and the way they respond to management. The criteria used in grouping the soils do not include major and generally expensive landforming that would change slope, depth, or other characteristics of the soils, nor do they include possible but unlikely major reclamation projects. Capability classification is not a substitute for interpretations that show suitability and limitations of groups of soils for rangeland, for woodland, or for engineering purposes.

These classifications are given as very general guidelines of the potential limiting factors relating to a parcel's cropland potential. They are not definitive and potential bidders should inspect any parcel for its suitability for their planned agricultural use.

Capability classes, the broadest groups, are designated by the numbers 1 through 8. The numbers indicate progressively greater limitations and narrower choices for practical use. The classes are defined as follows:

- Class 1 soils have few limitations that restrict their use.
- Class 2 soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices.
- Class 3 soils have severe limitations that reduce the choice of plants or that require special conservation practices.
- Class 4 soils have very severe limitations that reduce the choice of plants or that require very careful management.
- Class 5 soils are subject to little or no erosion but have other limitations, impractical to remove, that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.
- Class 6 soils have severe limitations that make them generally unsuitable for cultivation and that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.

Capability subclasses are soil groups within one capability class. They are designated by adding a small letter, "e," "w," "s," or "c," to the class numeral, for example, 2e. The letter "e" shows that the main hazard is the risk of erosion unless close-growing plant cover is maintained; "w" shows that water in or on the soil interferes with plant growth or cultivation (in some soils the wetness can be partly corrected by artificial drainage); "s" shows that the soil is limited mainly because it is shallow, droughty, or stony; and "c," used in only some parts of the United States, shows that the chief limitation is climate that is very cold or very dry.

Contact NRCS or the local Soil and Water Conservation District for more information about the soils for a particular area or parcel.





SOILS INFORMATION *CONTINUED*

Koyukuk - Audrey family complex. 100% of parcel.

Koyukuk family. Slopes are 0 to 2 percent. This component is on terraces. The parent material consists of loess over alluvium. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is very low. Available water to a depth of 60 inches is very high. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 90 percent. Nonirrigated land capability classification is 2c. This soil does not meet hydric criteria.

Audrey family. Slopes are 0 to 2 percent. This component is on terraces. The parent material consists of loess over gravelly alluvium. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is somewhat poorly drained. Water movement in the most restrictive layer is very low. Available water to a depth of 60 inches is high. Shrink-swell potential is low. This soil is not flooded. It is not ponded. A seasonal zone of water saturation is at 0 inches during April. Organic matter content in the surface horizon is about 90 percent. Nonirrigated land capability classification is 3w. This soil does not meet hydric criteria.





Parcel location is approximate. For representative purposes only

Legal Description:

S1/2SE1/4NE1/4, E1/2SE1/4 of Section 28, Township 5 South, Range 4 East; Fairbanks Meridian

Title Quality: State Patent (Fee Title subject to Agricultural Covenants) per AS 38.05.321

The State Received Patent for the land and mineral estate on 12/3/63. The Patent Number is 1234301. The applicable state case file is MH-100. The land was re-designated general grant land pursuant to Chapter 5, FSSLA 1994, Dated June 23, 1994.

Parcel # 1
 ADL 407096
 100 acres
 Minimum Bid: \$40,500
 Clearing requirement: 10 Acres
 T05S, R04E, Sec.28, F.M.

Clearing Requirement: 10 Acres

Improvements: None

Access : Richardson Highway. 2+miles south of Salcha River bridge then west on undeveloped section lines easements between sections 16/35 and 27/34. Practical access can be had by using "Country Road", which is 2+ miles south of the Salcha River bridge on the west side of the highway just before reaching Harding Road. This developed road is not a legally platted road.

Municipality: This parcel in located within the Fairbanks North Star Borough and is subject to local ordinances and taxing authority.

Present use: Public recreation and wildlife habitat





2014 Alaska State Land Auction#473 - AUCTION BID FORM

Please read all the information in this Brochure and any errata before completing this form.

Please PRINT LEGIBLY when filling out this form and sign the certification below.

Name(s): _____

Authorized Agent (if any): _____

Mailing Address: _____

City: _____ State: _____ Zip Code _____ Email _____

Daytime Telephone Number: _____ Alternate number _____

I hereby submit a bid to purchase Parcel # _____

The amount of my bid is (please write out the amount in words and numbers): \$ _____ Dollars*****

BIDS LOWER THAN THE MINIMUM BID AMOUNT WILL BE REJECTED

The amount of my bid deposit is \$ _____ (minimum 5% of the bid amount –ROUND UP!) I have enclosed a personal check, money order, cashier's check, or a certified check, payable to the Department of Natural Resources, or have provided Visa, MasterCard, or Discover information and authorization for payment, in an amount not less than five percent of the bid amount as a bid deposit to purchase the above described parcel. I agree that the bid amount represents the purchase price that I shall pay for the parcel if my offer is accepted. I further agree that the bid deposit also constitutes a deposit required under AS 38.05.860(a) to reimburse the department for costs incurred in the disposal, and an earnest money deposit required under AS 38.05.860(b). If my offer is accepted, and for whatever reason I decide not to purchase the parcel, I understand that this bid deposit shall be forfeited as earnest money to the State of Alaska.

By my signature below, I hereby certify that:

- I am 18 years of age or older;
- I have checked for any erratas or supplemental information and accept the terms and conditions therein, and;
- I am making an unconditional promise to pay, on demand or on the date of acceptance of this bid, a bid deposit of at least 5% of the bid amount, to the order of the Department of Natural Resources.

By signing below, I also acknowledge that if I am the successful bidder and do not meet the qualifications for a purchase contract listed below, I must pay the bid amount in full.

- I have not held a purchase contract or lease issued by the department that has been administratively foreclosed or terminated for cause within the past three years;
- I am not currently in default for nonpayment on a purchase contract or lease issued by the department;
- I have not been notified that I am in default for nonpayment of municipal taxes or assessments on a purchase contract or lease issued by the department;
- I am not currently in default of the clearing and preparation for cultivation requirements of a previous Agricultural purchase contract, and;
- I am not currently in default of any condition associated with a note, lease or other authorization issued by the Agricultural Revolving Loan Fund.

Signature: _____ Date: _____

Signature: _____ Date: _____

NOTE: This bid form must be filled out completely and submitted with all of the appropriate attachments and fees. Failure to do so may result in the rejection of your bid. AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information at the time the bid is opened under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a) (9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.

Please read the back of this form for more information and to pay by Credit Card





CREDIT CARD USERS: This authorization constitutes an unconditional promise to pay the bid deposit amount, if you are the successful bidder. This authorization includes consent to adjust the amount charged if the amount you specify is less than the required 5% of the bid amount. Your credit card will not be charged unless you are the successful bidder when all bids are opened. All credit card information will be destroyed immediately following the auction and will not become public information. Please print information clearly.

Check one: VISA _____ Mastercard _____ Discover _____

Credit Card Number: _____ - _____ - _____

Expiration Date: _____ Amount of Charge: \$ _____

Name on Card: _____

Billing Address (optional): _____

Customer Signature: _____

Phone Number: _____
Please provide a phone number where you can be reached the day of the auction

Note: All hand delivered bids must be received at one of the Department of Natural Resources' Public Information Centers or a Division of Agriculture office no later than 4:00 p.m., Friday, October 17, 2014. All hand delivered bids will be time-stamped when received. Mailed bids should be sent to:

2014 Alaska Agricultural Land Auction #473
Division of Agriculture
1648 South Cushman, Suite 201
Fairbanks, Alaska 99701-6206

Please submit this bid form inside an envelope and place that envelope inside an other envelope. The outside of the interior envelope should be labeled:

2014 ALASKA AGRICULTURAL LAND AUCTION #473
Parcel # _____, ADL # _____
Names of All Bidders for this Submission: _____
Primary Bidder's Mailing Address: _____
Primary Bidder's Phone Number(s): _____
Primary Bidder's Email Address (Optional): _____

This interior envelope should be placed in another envelope which should read 2014 Alaska Agricultural Land Auction #473 if being hand delivered or addressed as shown above.

Bids received after the designated time will not be considered.

CHECK LIST Make sure you have included:

Completed bid form 5% down payment SASE for return of Down Payment

A separate envelope to put the sealed bid envelope in and addressed appropriately

If bidding on behalf of a business, mailed all required documents to Dan Proulx at the Division of Agriculture Fairbanks office at the address above separate from the bid submission





P A G E I N T E N T I A L L Y L E F T B L A N K

