

Auction Instructions



- Participant Eligibility** Participants in the auction must be at least eighteen (18) years of age. The following persons may not participate in this auction either in their own name or in the name of their spouse, dependent child, or solely-owned or family-owned business: Borough Mayor, Borough Chief of Staff, and all employees of the Borough Land Management Department. No person who is delinquent in any property tax or other financial obligation to the Borough may participate in the auction.
- Large Tract Pre-Bid Conference** A Pre-Bid Conference is being held prior to this years auction to address specific requirements which are new this year. The three Large Tracts in Moonlight Acres Subdivision are being sold at auction with additional subdivision requirements. See page 34 for a location map, property description, sale parameters and the Contract for sale and development. **The Pre-Bid Conference is strongly recommended** but not required.
- Bidder Registration** Thoroughly research the parcels you are interested in! There is no substitute for a personal inspection of the property. Once you have found a parcel you like, you can register as an outcry bidder, October 8th through October 12th, 2007 (8:00 a.m. – 5:00 p.m.) in the Borough Land Management office, 2nd floor of the BAC, 809 Pioneer Road, Fairbanks, Alaska AND prior to the auction from 9 a.m. to 9:30 a.m. in the first floor lobby. When you register, you will pay a \$250 registration fee and receive a bidder's card. In the case of a winning bid, the registration fee is applicable to the purchase of a parcel. Your registration fee may be refunded on the day of the auction if you are not a winning bidder. Successful bidders on more than one parcel must pay an additional \$250 deposit for each parcel they wish to purchase.
- If you can't attend** Mail in registration will not be accepted. If you cannot attend the auction, you can give a power-of-attorney to someone to act on your behalf. A Special Power of Attorney form is included on page 31 of this brochure. The person with power-of-attorney must have the executed form in his/her possession at the time of bidder registration and at the auction. Be sure the person to whom you have given power-of-attorney knows that he/she must be present at the auction. If that person is not at the auction, you lose the opportunity to buy parcels.



Instructions (continued)

- Outcry Auction** The outcry (oral) auction will be held Saturday, October 13th, starting promptly at 10:00 a.m. in the Borough Assembly Chambers, 1st floor of the BAC, 809 Pioneer Road, Fairbanks, Alaska. The minimum bid for each parcel is 95% of FMV as determined by the Borough's contract appraisers. The minimum bid for each parcel is shown in the lists and tables contained in the "Parcels Available" section of the brochure. The auctioneer will begin the bidding at the minimum bid. Parcels will be auctioned in alphabetical order by subdivision. You will use your bidder's card to signal your bid(s) to the auctioneer during the auction. You may bid on more than one parcel.
- Successful Bidders** If you are the high bidder on a parcel at the auction, you will proceed to the winning bidder's table. Borough financing is available but is subject to credit approval and acceptance. If you plan to finance through the Borough, you will need to complete a credit check form and pay a non-refundable credit check fee. If you are purchasing the property jointly with another person, each person is subject to credit approval and the credit check fee (currently **\$15** per purchaser, or **\$26** per married couple). If you fail to receive credit approval, the Borough will refund your \$250 bidder registration fee.
- Terms** As a successful bidder, you will be asked to complete and sign a real estate purchase agreement with the Borough. **All closings must be completed by 5pm on December 14, 2007.** At closing, you will be required to pay the full winning bid amount unless financing through the Borough. Borough financing requires a minimum of 10% of your winning bid as down payment. Conveyance of the parcel will be by warranty deed. Closing costs average \$200. You will be notified of the exact amount of these fees at the auction. Acceptable forms of payment for the down payment and closing fees are cash, cashier's checks and certified checks. Personal and business checks will not be accepted. In addition, you will be required to submit a check for \$70.00 payable to the financial institution handling the Borough's escrow accounts for annual escrow fee and set-up fee at time of closing. The balance will be paid in equal monthly installments according to an amortization schedule currently based on 10.00% interest per year for a period of ten years. Payments of unpaid balances may be accelerated at the option of the purchaser. There is no penalty for prepayment.



Terms (cont'd)	If you fail to complete the purchase for which you are the winning bidder or fail to close by December 14th, you will forfeit the \$250 bid registration fee and the right to purchase the same parcel in the Over The Counter Sale Program.
Over the Counter Land Sale	Parcels not sold at the outcry auction will be reoffered over-the-counter beginning 10 am, Monday, October 15th , 2007 in the Department of Land Management office, 2nd floor of the BAC, 809 Pioneer Road, Fairbanks, Alaska.
Development Incentive for Lots With Borough Financing	<p>Within a three year period following the date of closing, a purchaser may receive a ten percent (10%) discount on the remaining principal balance owed on the parcel. To be eligible for this discount, the purchaser must present the current Borough Property Tax Assessment for the parcel showing that the assessed value of the improvements constructed upon the parcel equals or exceeds (1) \$25,000 in the case of designated recreational parcels, or (2) \$50,000 in the case of designated residential or commercial parcels.</p> <p>A purchaser may also qualify for this incentive if, during the three year period following the date of closing, the promissory note and deed of trust are satisfied in full through the approval of construction financing in an amount equal to or exceeding the amounts described above. The purchaser shall be responsible for providing evidence to the Borough that such financing has been approved by the lending institution.</p> <p>Note: In order to qualify for the development incentive, you must be current on your payments.</p>
Development Incentives for Large Tracts	Development incentives are integrated in the Large Tract Sale Parameters. These incentives are discussed in detail on page 28 on this brochure.