

SALE INSTRUCTIONS

PARTICIPANT ELIGIBILITY

1. Participants in the sale must be at least eighteen (18) years of age.
2. No person who is delinquent in any property tax or other financial obligation to the Borough may participate in the sale.

TERMS

A minimum downpayment of ten percent (10%) of the purchase price. The balance shall be paid in equal monthly installments according to an amortization schedule based on 10.00 percent (10.00%) interest per year, for a period of ten (10) years.

Payments of unpaid balances may be accelerated at the option of the purchaser. There is no penalty for prepayment.

DEVELOPMENT INCENTIVE

Within a three (3) 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.

A purchaser may also qualify for this incentive if, during the three year period following the date of closing, the deed of trust note and deed of trust are satisfied in full through the approval of construction financing in an amount equal to or exceeding the values shown in paragraph 1. The land value will be deducted from the total amount of the financing to determine the value of the proposed improvements only. This will be the basis for determining whether the minimum improvement values (shown in paragraph 1) have been met. The purchaser shall be responsible for providing evidence to the Borough that such financing has been approved by the lending institution.

Note: In order to qualify for the development incentive, you must be current on your payments.

How to Purchase a Parcel

1. Parcels are sold at appraised value on a first-come, first-served basis at the Department of Land Management office on the second floor of the Borough Administration Building located at 809 Pioneer Road in Fairbanks, Alaska. Parcels can also be purchased through the mail. Contact us for more information.
2. When you have identified a parcel you would like to purchase, you will be asked to complete a Real Estate Purchase Agreement form and to pay a \$250 **nonrefundable** earnest money deposit per parcel.
3. At the time that you complete the Real Estate Purchase Agreement, a sale closing date will be scheduled. The closing will be completed within 60 days of the date of your deposit. At closing, you will be responsible for payment in full, or if financing, a minimum downpayment of 10% of the appraised value (see Terms, above).

If financing, you will also be asked to execute a deed of trust, deed of trust note, and collection agreement. Conveyance of the parcel will be by warranty deed. Closing costs average \$200.

4. Financing is subject to credit approval and acceptance. You will be required to complete a credit check form and pay a nonrefundable credit check fee. Currently, these fees are \$15 per purchaser, or \$26 per married couple. If you are purchasing the property jointly with another person, each person is subject to credit approval and the credit check fee. If you fail to receive credit approval, we will refund your \$250 earnest money deposit.

IF YOU CANNOT BE PRESENT TO PURCHASE A PARCEL

If you cannot be present to purchase a parcel, you can give power-of-attorney to someone to act on your behalf. A Special Power-of-Attorney forms specifically for the sale is included at the back of this brochure. You must use this special form. The person with power-of-attorney must have the form in his/her possession at the time they complete the Real Estate Purchase Agreement.

LEGAL STUFF

This brochure is for informational purposes only, and does not constitute an offer to sell. It is possible that, after the publication of the brochure, modifications may become necessary. Anyone wishing information concerning modifications may call or write the Borough Department of Land Management at P.O. Box 71267, Fairbanks, Alaska 99707-1267, 1-907-459-1241. Any such changes will be announced as soon as possible and will be available at the Department of Land Management and on the sale website. However, it is your responsibility to keep yourself informed of any changes or corrections.

Although the Borough has researched the land that is for sale, the Borough makes no representation, either expressed or implied, with respect to the land that is for sale, regarding its quality, merchantability, or fitness for a particular purpose. This land is sold "as is" and you, the buyer, are assuming the entire risk as to its quality and suitability for your intended use.

In no event shall the Borough be liable for direct, indirect, special, incidental, or consequential damages arising out of the use or the inability to use the land that is for sale, even if advised of the possibility of such damages.

The right is reserved to adjourn, postpone, or vacate this sale, in whole or part, at any time prior to or during the offering, where such action is deemed necessary by the Borough Administration to protect the interest of the Borough. One or more parcels may be modified, or withdrawn, at any time prior to or during the disposal period.

The right is reserved to waive any technical defects in this brochure.

FURTHER INFORMATION

Further information may be obtained from the Department of Land Management, Fairbanks North Star Borough, P.O. Box 71267, Fairbanks, Alaska 99707-1267, or by phoning 1-907-459-1241.

SITE INSPECTION

ALL PARTICIPANTS ARE STRONGLY URGED TO PERSONALLY EXAMINE THE PARCEL(S) IN WHICH THEY ARE INTERESTED PRIOR TO BIDDING. The Borough does not warrant that the parcels are suited for any particular use whatsoever. There is no substitute for a thorough personal inspection of the parcel(s).

CONVEYANCES AND TAXES

Conveyance of title to parcels sold in this auction will be by warranty deed. The Borough obtained patent to the land from the State of Alaska through the *Municipal Selections Act (AS 29.18.201-.213)*. There are no known intervening owners or claimants, except where noted in this brochure. The title will be subject to known easements and reservations of record.

Property sold in this auction is also subject to property taxes and assessments. Presently there is no property tax due. You will be responsible for property taxes beginning with the tax year following the year in which you purchase the property.

ZONING

All parcels offered in this auction are zoned in accordance with Title 18 of the Fairbanks North Star Borough Code of Ordinances, and shall be used only in accordance with the zoning. For all zones other than General Use-1 (GU-1), a Zoning Permit must be obtained from the Borough, Department of Community Planning, before the start of any excavation, construction, or installation for a new structure or for the modification of any existing structure which would result in a different use of the structure, an increase in number of dwelling units in the structure, or in the size, height, or location of the structure. There is no charge for a Zoning Permit. Call the Department of Community Planning at 1-907-459-1260 for more information.

A Zoning Permit is not a Building Permit. It is used to determine compliance with the local zoning designation. Construction within the City of Fairbanks must conform to City building codes. Construction outside the City is under the jurisdiction of the State of Alaska. The State Fire Marshal is the State Building Official. Construction, repair, remodel, addition, or changes of occupancy of any building/structure, or installation or change of fuel tanks must be approved by the State Fire Marshal's Office before any work is started. Residential housing that is three-plex or smaller is exempt from this requirement.

PLATTING

The plat for a subdivision contains more details than can be included in the maps in this web site. You are encouraged to inspect copies of the plats located at the Department of Land Management. Please call us at 1-907-459-1241 for more information.

MINERAL RESOURCES

The State of Alaska retains ownership of all oil, gases, coal, ores, minerals, fissionable material, geothermal resources and fossil fuels which may be in or upon land conveyed to the Borough. The State has reserved the right to enter upon the land to explore for and develop these materials. The State may lease them or allow mining claims to be staked. However, Alaska law also provides that the surface owner be compensated for damages resulting from mineral exploration and development.

UTILITIES

Electric service may not be available to all subdivisions and parcels. Engineering and eco-

conomic considerations, availability of rights-of-way, and how quickly the parcels are occupied will all play a role in determining how soon a particular parcel can be served. **If electric service is important to you, contact Golden Valley Electric Association at 1-907-452-1151 for more information before purchasing a lot.** It is your responsibility to check on the specific availability of power to the lot in which you are interested. **To determine the availability of telephone service, contact Alaska Communications System, Inc. at 459-6200 or toll free at 1-800-808-8083.**

SEWER AND WATER

Purchasers are responsible for their own water supply and sewage disposal systems. The Borough does not provide installations, test borings, percolation tests, wells, or other improvements. All water and sewer-related improvements are subject to applicable State of Alaska regulations enforced by the State of Alaska, Department of Environmental Conservation (ADEC). These regulations detail specific requirements for water supply systems, sewage disposal systems, and solid waste disposal. Call 451-2360 for more information. All subdivisions have been reviewed and approved by ADEC as required by state regulation 18 AAC 72.065. **Potential purchasers are urged to examine the subdivision plats for any conditions of approval.** Purchasers are required to contact ADEC prior to beginning any construction of a dwelling on a parcel to familiarize themselves with the governing state regulations and any special requirements that might apply. All sewage systems must be approved by ADEC.

To obtain water rights, the purchaser must apply to the State of Alaska, Department of Natural Resources, Division of Mining, Land and Water. Contact them at 451-2790.

DRIVEWAYS, ROADS AND DRAINAGE

No obstructions shall be placed in drainage ditches adjoining any subdivision lot. Culverts of not less than 12 inches in diameter by 20 feet in length shall be placed on grade under driveways leading from the public roads onto any lot to avoid obstruction of any drainage ditch. If a parcel is not within a road service area, the road maintenance responsibilities rest with individual purchasers. If a parcel is in a road service area, you will need a driveway permit from the Fairbanks North Star Borough, Department of Public Works, in order to install a driveway. Contact them at 1-907-459-1345.

TRAILS AND EASEMENTS

The lots being offered for sale may be subject to trails or easements of various types. These trails and easements are delineated on the plat for each subdivision. It is important that you inspect the full-sized subdivision plat(s) in the Department of Land Management office to ensure that you are aware of the presence of any trails or easements which may affect the lot in which you are interested.

FINDING THE PARCELS

The corners of all of the parcels are marked by various means. Look for flagging, survey stakes, fluorescent paint on trees, brushed lines, and metal survey monuments. If you need help finding the corners of a parcel, please contact the Department of Land Management at 1-907-459-1241.

CHECKLIST

The following checklist is for your convenience in making an informed decision. All of these factors should be considered by a prospective purchaser, but other factors not included in this list may also be of importance to you.

_____ *HAVE YOU INSPECTED THE PARCEL PERSONALLY?* You are strongly encouraged to review all information and personally inspect the parcel you intend to purchase.

_____ Are there any easements or other encumbrances on the parcel which you intend to purchase? This information is available at the office of the Borough Department of Land Management.

_____ Does the zoning of the parcel allow the use you anticipate for it? The Department of Community Planning can answer questions you may have regarding specific uses. Call them at 459-1260 for more information.

_____ Does the parcel have adequate access year around for your vehicle? What provisions will be necessary for a driveway?

_____ Is the parcel suitable for your anticipated use? Is there a good building site on the parcel considering the following:

- soils and vegetation
- wetlands
- easements
- slope and aspect
- zoning and setbacks
- flood zones

_____ Are the soils on the parcel satisfactory for your intended use? What is the potential for permafrost and/or thermokarst pitting? Contact the USDA Natural Resources Conservation Service (1-907-479-2657) for specific information about soil types.

_____ Is the slope satisfactory? Is the slope too great for your intended type of construction?

_____ Are the utilities you desire presently available, or soon to be available? If they are not available, how much will it cost to bring them to the parcel? See the land descriptions in the *Properties for Sale* section of this brochure for information on utilities.

_____ If you desire a well, how deep is the water table? Is the available water of good enough quality to fit your needs?

_____ Always check what is happening on land adjacent to the parcel. What is the

potential for further development in the area, and will further development be of concern to you?

_____ Are there use restrictions (covenants) for the parcel in which you are interested? The Borough Department of Land Management can provide a copy of any restrictions or covenants for a parcel.

_____ Are there any other factors besides these which are important to you?

Over-the-Counter Land Sale

MONTHLY PAYMENT ESTIMATOR

(based upon 10.00% interest/year)

This estimator assumes that you have elected to make the minimum downpayment of 10% of the purchase price.

If your purchase price is ...	Your monthly payment will be approximately ...
\$10,000	\$118.92
\$15,000	\$178.38
\$20,000	\$237.83
\$25,000	\$297.29
\$30,000	\$356.75
\$35,000	\$416.21
\$40,000	\$475.67
\$45,000	\$535.13
\$50,000	\$594.59
\$60,000	\$713.50
\$70,000	\$832.42
\$80,000	\$951.34
\$90,000	\$1,070.26
\$100,000	\$1,189.17

For purchase prices higher or lower than those shown here, please contact us at property@co.fairbanks.ak.us or at 1-907-459-1241.

**FAIRBANKS NORTH STAR BOROUGH OVER-THE-COUNTER SALE SPECIAL
POWER OF ATTORNEY**

I, _____ of _____ being a United States Citizen, or resident alien, and being 18 years of age, hereby appoint _____ as my attorney in fact, for the purpose of the Fairbanks North Star Borough Over-the-Counter Sale and to execute, on my behalf, any documents necessary to purchase the property described as _____ at the Fairbanks North Star Borough Over-the-Counter Sale, including but not limited to: Credit Application, Real Estate Purchase Agreement, Buyer's Closing Statement, Federal Truth in Lending Disclosure Statement, Disclosure Statement, Deed of Trust, Deed of Trust Note and Escrow Agreement, unless I have specifically excluded an item by drawing a line through and initialing it.

I hereby certify that I have reviewed and understand the Fairbanks North Star Borough Over-the-Counter Sale instructions and sample closing documents.

Signature

ACKNOWLEDGMENT

STATE OF ALASKA)
)SS.
FOURTH JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2007, by _____.

Notary Public in and for the State of Alaska
My commission expires: _____