

SUBJECT: INFORMING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY OF THE MANAGER ENTERING INTO A TERMS PURCHASE AGREEMENT WITH A LESSEE TO PURCHASE BY APPLICATION THE ALASKA DIVISION OF LANDS, LEASE NO. 65469, FOR THE FEE SIMPLE ESTATE OF BOROUGH-OWNED LANDS (MSB999289).

AGENDA OF: August 15, 2023

ASSEMBLY ACTION: Presented to the Assembly 08/15/23 BJH

AGENDA ACTION REQUESTED: For information only.

Route To	Signatures
Originator	<div>8 / 2 / 2 0 2 3</div> <div>X J o e M e t z g e r</div> <div>Signed by: Joseph Metzger</div>
Department Director	<div>8 / 2 / 2 0 2 3</div> <div>X E r i c P h i l l i p s</div> <div>Signed by: Eric Phillips</div>
Finance Director	<div>8 / 3 / 2 0 2 3</div> <div>X C h e y e n n e H e i n d e l</div> <div>Signed by: Cheyenne Heindel</div>
Borough Attorney	<div>8 / 3 / 2 0 2 3</div> <div>X N i c h o l a s S p i r o p o u l o s</div> <div>Signed by: Nicholas Spiropoulos</div>
Borough Manager	<div>8 / 4 / 2 0 2 3</div> <div>X M i c h a e l B r o w n</div> <div>Signed by: Michael Brown</div>
Borough Clerk	<div>8 / 4 / 2 0 2 3</div> <div>X L o n n i e M c K e c h n i e</div> <div>Signed by: Lonnie McKechnie</div>

ATTACHMENT (S) : Fiscal Note (2 pp)
 Vicinity Map (1 pp)
 Terms Purchase Agreement (6 pp)

SUMMARY STATEMENT:

This is to inform the Assembly of the Borough's intent to enter into a Terms Purchase Agreement for \$33,000 as determined by third party appraisal (land only/.36 acres) for the conveyance of the fee simple estate to the Lessee by application. This action is in

accordance with MSB 23.10.020(D), MSB 23.10.060, and the adopted Land and Resource Management Division Policy & Procedures, Part 60-6, wherein the Manager has authorization "to approve, in accordance with adopted policy and procedure and without additional Assembly approval, the sale of Borough-owned real property, ten acres in size or smaller, with a pre-existing Alaska Division of Lands lease to the lessee at fair market value."

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: August 15, 2023

SUBJECT: INFORMING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY OF THE MANAGER ENTERING INTO A TERMS PURCHASE AGREEMENT WITH A LESSEE TO PURCHASE BY APPLICATION THE ALASKA DIVISION OF LANDS, LEASE NO. 65469, FOR THE FEE SIMPLE ESTATE OF BOROUGH-OWNED LANDS (MSB999289).

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$33,000	FUNDING SOURCE Land Sale Revenue
FROM ACCOUNT #	PROJECT
TO ACCOUNT : 203.000.000 3XX.XXX	PROJECT #
VERIFIED BY: <div style="text-align: right;">8 / 3 / 2 0 2 3</div> <div style="text-align: center;"> X L i e s e l W e i l a n d _____ S i g n e d b y L i e s e l W e i l a n d </div>	CERTIFIED BY:
DATE: 8/3/2023	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		33.0				
---------	--	------	--	--	--	--

FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		33.0				
TOTAL		33.0				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____

DEPARTMENT: _____ DATE: _____

IM No. 23-183

APPROVED BY:

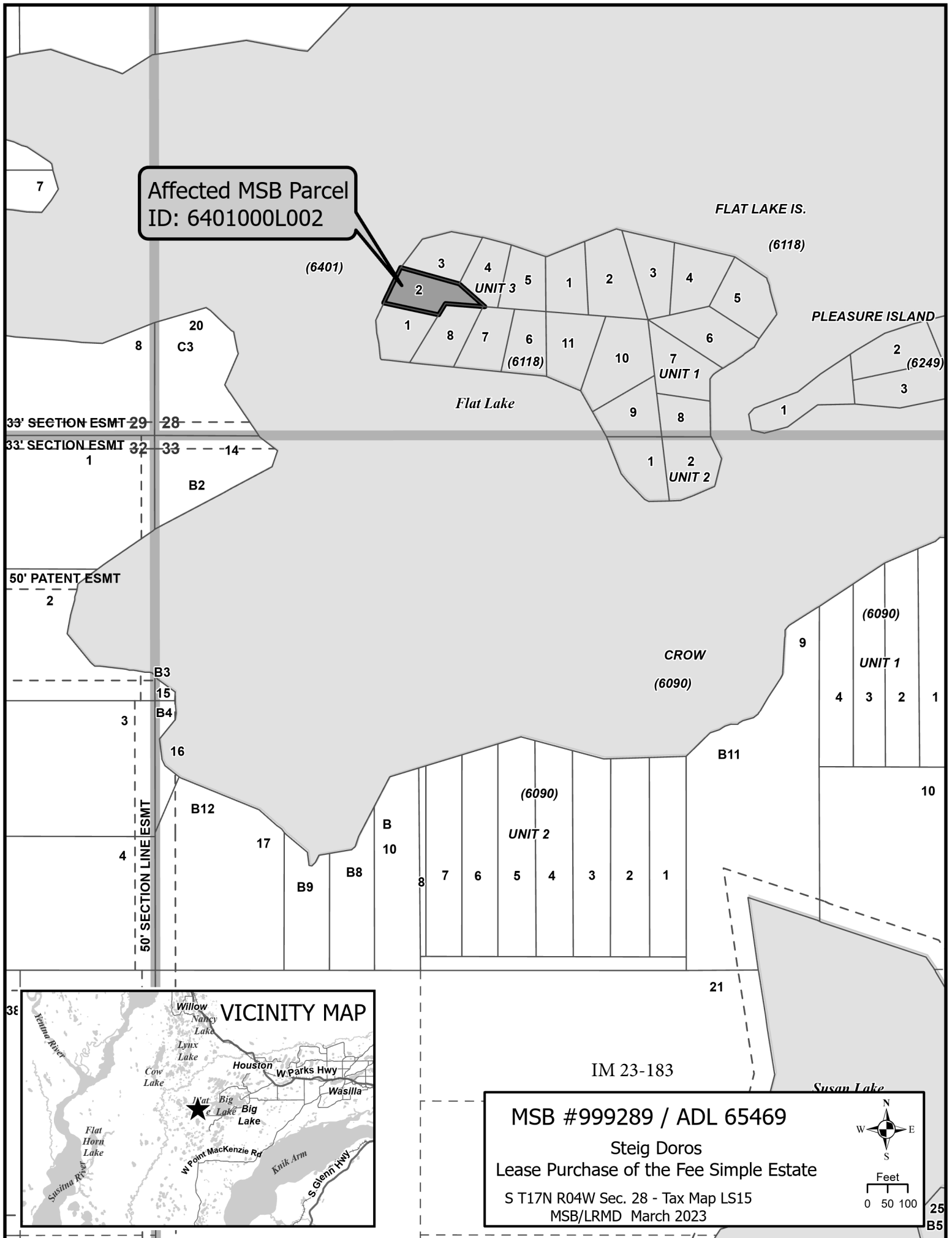
X

C h e y e n n e H e i n d e l

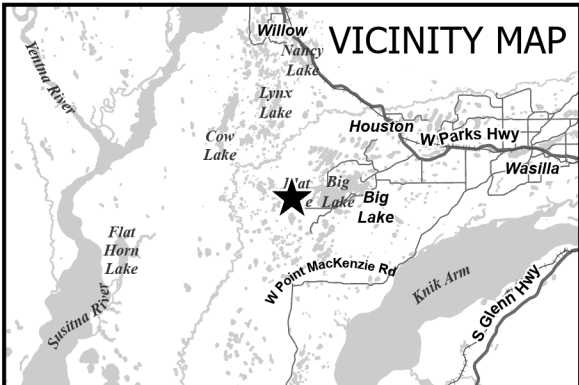
DATE:

S i g n e d b y : C h e y e n n e H e i n d e l

Affected MSB Parcel
ID: 6401000L002



VICINITY MAP

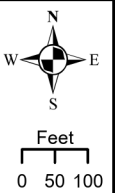


IM 23-183

MSB #999289 / ADL 65469

Steig Doros
Lease Purchase of the Fee Simple Estate

S T17N R04W Sec. 28 - Tax Map LS15
MSB/LRMD March 2023



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B5

TERMS
PURCHASE AGREEMENT

This Agreement is made on the ____ day of _____ 2023, by and between the **Matanuska-Susitna Borough**, whose address is 350 East Dahlia Avenue, Palmer, Alaska 99645, (hereinafter referred to as "Seller") and **Chris Ralph Steig and Jennifer Leigh Dooros**, whose address of record is 5560 S. Hanson Loop, Wasilla, AK 99623 (hereinafter referred to as "Buyer").

WHEREAS, Seller is the owner of that real property located in the Palmer Recording District, State of Alaska, and more particularly described as follows:

Lot 2, Unit No. 3, Flat Lake Island Subdivision, according to the official plat thereof, filed under Plat Number 71-21, in the records of the Palmer Recording District, Third Judicial District, State of Alaska.

Tax ID # 56401000L002

(hereinafter referred to as "Property"); and

WHEREAS, Buyer has made application to buy, as evidenced by the application dated October 6, 2022, which allowed holders of prior existing leases issued by the State of Alaska to purchase the fee estate to their lease under specified conditions; and

WHEREAS, this agreement shall be deemed to have been jointly drafted by both parties. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this agreement shall be governed by the laws of the state of Alaska. The titles of sections in this agreement are not to be construed as limitations or definitions but are for identification purposes only.

NOW THEREFORE, in consideration of the promises herein contained, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to buy from Seller, the Property on the terms and conditions provided and as set forth in MSB Information Memorandum Serial No. 23-183 issued in accordance with Matanuska-Susitna Borough code, including adopted policies and procedures, and more particularly set forth below.

1. PURCHASE PRICE

The purchase price of the Property is the fair market value as of December 29, 2022, in the amount of **Thirty-three Thousand and NO/100 Dollars** (\$33,000), as established by a form report appraisal performed in accordance with Borough accepted appraisal policies. The purchase price shall set the Seller's Base Sale Price for said Property and shall be paid as follows:

a. The annual lease payment \$531.14, due or paid, shall be pro-rated on a **monthly** basis to the date of recording the documents. The subject lease payments are paid through November 21, 2023. In the event recording takes place before or after November 21, 2023, the Buyer's cash purchase price will be adjusted as a credit or debit of \$44.26 per month/\$1.46 daily.

b. **Fifteen Thousand** (\$15,000), as the down payment, representing at least ten percent (10%) of the purchase price, in the form of a certified or cashier check or money order, has been paid upon the submittal of this purchase agreement to Seller, and shall be held by the Matanuska-Susitna Borough until closing, at which time this payment shall be credited to Buyer. Should the applicant decide not to complete the purchase, the applicant may continue to lease under the terms and conditions of the existing lease. The Matanuska-Susitna Borough will not be responsible to reimburse to the applicant any cost associated with the requirements to purchase.

c. Buyer shall execute the deed of trust and note to Seller, as beneficiary, for the balance of the purchase price, to be paid in **60** equal monthly payments at **\$386.89** percent (**10.5%**) interest per annum.

d. Buyer is responsible for all current or future Property Taxes and Local Improvement District payments to the Matanuska-Susitna Borough for Account No. 56401000L002.

2. TITLE

The Buyer may purchase an owner's standard title policy as required by closing agent. Buyer shall provide a standard mortgagee's policy of title insurance, to Seller as the insured, which indicates the Deed of Trust in favor of Seller is in a first lien position upon the subject parcel. The condition of title delivered to the Buyer shall be subject to reservations, exceptions, easements, rights-of-way, covenants, conditions, and restrictions of record or created by operation of law; and liens and encumbrances of record affecting the Buyer; and also subject to governmental regulations including, but not limited to, setback, use classifications, zoning or special permit requirements and any matters including, but not limited to, existing trails or encroachments which would be disclosed by actual inspection or survey of the property. The Seller shall initiate the order for the title report from the Title Company selected by the Buyer. Title shall be delivered at time of closing by quitclaim deed, with no warranties, which shall be issued to Buyer as:

Chris Ralph Steig and Jennifer Leigh Dooros, husband and wife

3. ESCROW AND CLOSING COSTS

The Seller will initiate the closing and deliver the documents necessary to the Escrow Company selected by the Buyer.

In addition to the purchase price, Buyer agrees to pay all closing costs associated with this Agreement, which may include but are not limited to: title insurance fees, recording fees, document preparation fees, mortgage credit report, escrow collection fees (set-up and annual fees), escrow closing fees, and other fees associated with the process.

4. CLOSING

Buyer and Seller agree that time is of the essence and within sixty (60) days from the date this Agreement is made: (a) both parties shall execute any and all documents necessary to close and transfer title; and (b) Buyer shall deposit in escrow the remaining downpayment amount and all escrow and closing costs; EXCEPT, in the event this transaction is not completed all cost of cancellation will be paid by Buyer.

5. POSSESSION

Possession shall be delivered to Buyer at time of recording.

6. BREACH BY BUYER; REMEDIES OF SELLER

In the event that Buyer fails to make any payment required, or fails to execute any and all documents and papers necessary in connection with closing and transfer of title within the time periods specified in this Agreement, the application to purchase made by Buyer shall be terminated by Seller. Seller will retain \$500 of deposit made by Buyer and this agreement shall be terminated. The existing lease will continue in effect according to the terms and conditions therein. The Buyer shall be responsible for any cancellation fee due third parties who have provided services under the terms and conditions of this Agreement.

7. DEFENSE AND INDEMNIFICATION

Buyer agrees that it shall defend, indemnify and hold harmless Seller from and against all claims, demands, judgements, costs, expenses and fines (including reasonable attorney's fees) which may arise, for any reason, from the use of or presence on the Property by Buyer, its agents, contractors or invitees. This provision shall survive the termination of this purchase agreement.

Buyer acknowledges they accept the Property in an “**AS-IS, WHERE-IS**” condition.

8. HAZARDOUS MATERIAL

a. Buyer acknowledges having been in possession of the property as lessee since October 28, 2008, and that they have personally inspected the above-described property, and after due and diligent inquiry found no evidence of environmental contamination on or near the Property; and that the Seller, to the best of its knowledge, is unaware of any environmental contamination on or near the Property; and that the Buyer will maintain the Property in such a manner as to prevent the occurrence of any environmental contamination; and Seller makes no warranties express or implied with respect to the condition of the Property, the existence or non-existence of environmental contamination or the suitability for any purpose whatsoever.

b. Buyer agrees that if the presence of hazardous material on the Property is caused or permitted by Buyer, its agents, employees, contractors, or invitees, or if contamination of the

Property by hazardous materials otherwise occurs on the Property, Buyer shall defend, indemnify, and hold harmless Seller from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, but not limited to, sums paid in the settlement of claims, attorneys' fees, consultant fees and expert fees) which indemnification includes, without limitations, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, restoration work required by any federal, state or local government on or under the Property. As used herein, the term "hazardous material" means any hazardous or toxic substance, material, or waste, which is or becomes regulated by any local government authority, the state of Alaska, or the United States government.

c. Nothing in this section shall be construed so as to release the Seller from liability arising as a result of its negligence or willful misconduct.

9. ASSIGNMENTS

This Agreement may not be assigned without the written Agreement of Seller, which may be withheld for any reason. This Agreement shall be binding on and shall inure to the benefit of the parties and their heirs, successors and assigns.

10. ENTIRE AGREEMENT

This Agreement and the documents referred to herein contain the entire agreement of the parties with respect to the subject matter hereof. Any changes, additions or deletions hereto must be made in writing and signed by both Seller and Buyer. The provisions contained in this Agreement with respect to the Deed of Trust Note and Deed of Trust shall be binding upon and shall inure to the benefit of all parties to the same as well as subsequent owners of the Property, and the said Deed of Trust Note and Deed of Trust.

11. MISCELLANEOUS

a. Buyer agrees to comply with the Declaration of Covenants, Conditions, and Restrictions of record, if any, affecting the Property.

b. Buyer acknowledges its responsibility to inspect the property and agrees the Seller assumes no liability for matters, which would have been disclosed to the Buyer by an inspection of the property. Buyer further acknowledges that the Seller makes no warranties, either expressed or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the property, to include, without limitation, the soil conditions, water drainage, physical access, availability of personal use wood supplies now or in the future, or natural or artificial hazards which may or may not exist, or merchantability, suitability, or profitability of the property for any use or purpose. All rights to dispute acreage are waived by Buyer.

c. Buyer agrees construction and maintenance of any improvements, roads, drainage systems and common areas shall be the responsibility of the Buyer. The Buyer further agrees to comply with all federal, state, and borough regulations regarding the use and development of the property, which includes but is not limited to State of Alaska, Department of Conservation

regulations regarding water and sewer installation; and if applicable, regulations of the U.S. Army Corp of Engineers regarding filling or draining of any area within the property designated as wetlands by the appropriate authority.

d. Buyer and Seller agree that pursuant to AS 34.70.110, the provisions of AS 34.70.010-200, Disclosures in Residential Real Property Transfers, is hereby expressly waived and shall not apply to this sale.

e. Buyer acknowledges that in event of default in addition to nonjudicial and judicial foreclosure remedies the forthcoming Deed of Trust Note will provide the lender with the option to use on the Note and obtain judgement against the trustor for satisfaction of the amount due under the Note either before or after judicial foreclosure of the deed of trust under AS 09.45.170 - AS 09.45.220.

f. Seller does not represent themselves as a professional account or attorney. The Purchasers is urged to seek their own tax advice and legal counsel regarding this transaction.

h. Time is of the essence in the performance of this Agreement.

This Agreement has been executed by the parties on the day and year first above written.

BUYER:

SELLER:

Chris Ralph Steig

Michael Brown, Borough Manager
MATANUSKA-SUSITNA BOROUGH

Jennifer Leigh Dooros

APPENDIX A

ACKNOWLEDGEMENT AND UNDERSTANDING
WAIVER OF AS-BUILT SURVEY

The undersigned, as the Lessee(s) of the Alaska Division of Lands Lease, ADL No. 65469, MSB999289(MSB Lease File) does hereby acknowledge and understand the waiver of the as-built survey by a licensed surveyor requirement as set forth therein.

WHEREAS, according to the original ADL lease agreement executed with the State of Alaska, as Lessor, thence transferred by Patent No. 16125 to the Matanuska-Susitna Borough, recorded at Book 928 and Page 461, on December 30, 1997, Seward Meridian, in the Palmer Recording District, Alaska, the Lessee(s) are responsible for properly locating improvements within the confines of the leasehold estate. Moreover, if the Property lies within the jurisdiction of any authorized building or zoning authority, the Property shall be utilized in accordance with the rules and regulations promulgated by said authority.

WHEREAS, Lessee Purchase of the Fee Simple Estate for Lands 10 Acres in Size or Smaller, Alaska Division of Lands (ADL) Lease Purchase of the Fee Simple Estate is pursuant to the Land and Resource Management Division, Policy and Procedure Manual, Part 60-6, effective December 3, 2019, desires to waive the as-built survey by a licensed surveyor requirement and purchase by that certain Purchase Agreement dated August , 2023 the following described land(s):

Lot 2, Unit No. 3, Flat Lake Island Subdivision, according to the official plat thereof, filed under Plat Number 71-21, in the records of the Palmer Recording District, Third Judicial District, State of Alaska.

Tax ID # 56401000L002

The Buyers understand that waiving the as-built survey by purchase of the real property does not relieve or remedy any violations of federal, state, or borough codes or regulations that may exist on the Property and would be disclosed by an as-built survey, such as, but not limited to boundary, structures, and shoreline setbacks.

Now and forever, this Acknowledgement and Understanding of Waiver Of As-Built Survey shall survive the transfer of title by Quitclaim Deed from the Matanuska-Susitna Borough to the Buyer(s).

BUYER(S)/LESSEE(S)

Chris Ralph Steig

Date

Jennifer Leigh Dooros

Date