

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Rural Alaska Community Action Program, Inc.****Federal Tax ID: 92-0033876****Project Title:****Project Type: Other**

Rural Alaska Community Action Program, Inc. - RurAL CAP Child Development Center

State Funding Requested: \$800,000
One-Time Need**House District: Anchorage Areawide (16-32)****Brief Project Description:**

RurAL CAP plans to purchase a vacant 8,000 sq. ft. early care and learning facility in downtown Anchorage. The larger facility will enable RurAL CAP to expand child care services to more low income families.

Funding Plan:

Total Project Cost:	\$2,225,000
Funding Already Secured:	(\$585,696)
FY2013 State Funding Request:	(\$800,000)
Project Deficit:	\$839,304

Funding Details:

Received: 2009 Municipality of Anchorage Community Development Block Grant \$389,696; 2010 RurAL CAP allocation \$20,000; RurAL CAP Child Development Center Parent Committee \$1,000; 2012 Municipality of Anchorage Community Development Block Grant \$175,000. Requested: Rasmuson Foundation \$450,000; 2013 Municipality of Anchorage Community Development Block Grant \$210,304; Other foundation and community donations \$179,000.

Detailed Project Description and Justification:

RurAL CAP will purchase a vacant early care and learning facility located in downtown Anchorage. The facility will replace our existing center currently located in a midtown strip mall. The proposed center is approximately 8,000 sq. ft. and has served as an early care and learning facility for various tenants over the past fifteen years. The facility will include two toddler classrooms, two preschool classrooms, a commercial kitchen, family room, offices, reception area and an outdoor playground with appropriate impact surfaces. The larger facility will enable RurAL CAP to expand early care and learning services to an additional 30 children (19 months to age 5), and support an additional 24 families in the Parents as Teachers (PAT) program. The total number of children to be served in the downtown center will be 64 children in child care, and 48 families in Parents as Teachers.

There are approximately 15,800 children in Anchorage who live in families where every parent works. With only 273 licensed child care centers offering a total of 9,288 slots in the Municipality of Anchorage, need greatly exceeds availability. Average monthly costs range from \$600-1,000 per child. Finding available and affordable childcare can be a significant barrier for working families in Anchorage. By providing affordable, quality child care to low income working parents, the project addresses one of the highest priority community development needs as presented in the Municipality of Anchorage

Consolidated Plan Table 2B.

Project Timeline:

RurAL CAP Board of Approval 1/12/12; Site control/Earnest Money Agreement 2/15/12; Closing Date 7/31/12; Open for services 9/1/12. RurAL CAP anticipates utilizing this project funding at the time of purchase, 7/31/12.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Rural Alaska Community Action Program.

Grant Recipient Contact Information:

Name: David Hardenbergh
Title: Executive Director
Address: 731 East 8th Avenue
Anchorage, Alaska 99520
Phone Number: (907)865-7364
Email: dhardenbergh

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No



Rural Alaska Community Action Program, Inc.

P.O. Box 200908, Anchorage, AK 99520-0908

(907) 279-2511 ♦ Fax: (907) 278-2309

www.ruralcap.com

Anchorage Child Development Center

Program Overview

Rural Alaska Community Action Program (RurAL CAP) is a statewide nonprofit organization working to improve the quality of life for low-income Alaskans. The empowerment of low-income Alaskans is achieved through four distinct areas: Anchorage Services, Child Development, Community Development, and Planning and Construction.

The **Child Development Center (CDC)** is a full-day, year-round, licensed child care facility for thirty children ages 19 months to five years old. For the past fifteen years, we have provided high quality early care and learning services for low income families in the Anchorage community. Over 500 children and families have received services at our midtown location.

The **Anchorage Parents as Teachers Program (PAT)** is located at the CDC. The PAT Program is an early childhood parent education and family support program designed to empower parents to give their children the best possible start in life. Home visits and group socializations are offered to families. The PAT approach is to support all children so that they will learn, grow and develop to realize their full potential.

The Project

To address the critical shortage of child care spaces in Anchorage, RurAL CAP plans to purchase an existing 8,000 square foot early care and learning facility located at 545 E. 5th Avenue. The currently vacant facility will accommodate 64 children in an early care and learning model and 48 families in the PAT program. The proposed project will include two preschool classrooms, two toddler classrooms, a family room, a playground with equipment and soft surface ground cover, a commercial kitchen, offices and a reception area. Ample parking will be available. The total project cost is estimated at \$2.225 million.

Expansion Plan

	Current Facility	New Facility
Child Development Center	30	64
Parents as Teachers	24	48

Project Status

- Site control in progress
- Project recognized by the Municipality of Anchorage as one of the top three priorities for non-housing CDBG
- MOA Assembly passed a resolution supporting RurAL CAP's expansion of child care services
- FY 13 State Capital Request submitted for \$800,000
- Community partners and private foundations have documented support for the project

New Facility Description

Building Total.....8,000 sq. ft.

- Two Toddler Classrooms
- Two Preschool Rooms
- Family Room
- Commercial Kitchen
- Office Space
- Full playground



For further information contact Debi Baldwin, Child Development Division Director

dbaldwin@ruralcap.com or (907) 865-7317

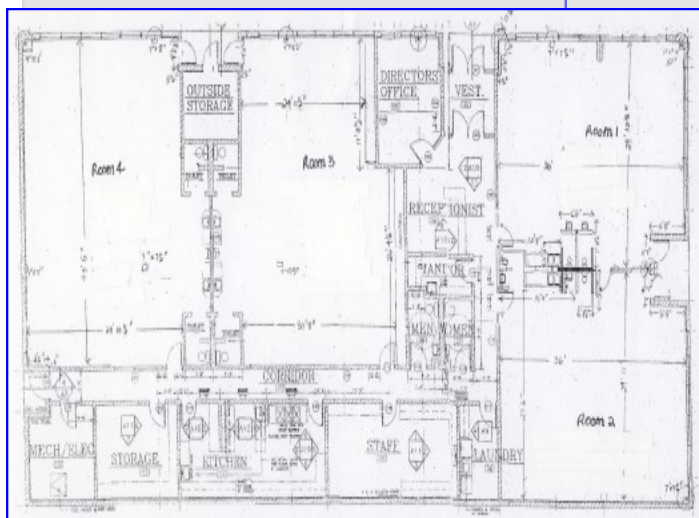
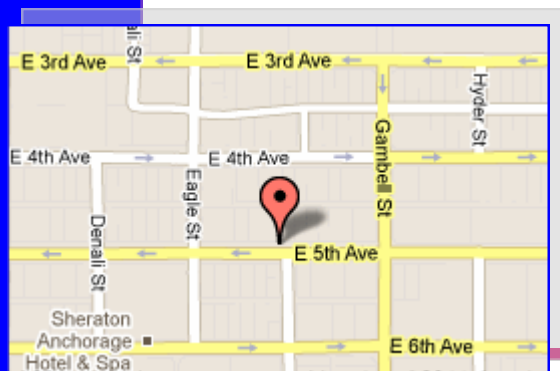
545 E. 5th Avenue

FOR LEASE



- Day Care Facility
- 8,000 Square Feet
- 4 Class Rooms
- Commercial Kitchen
- Laundry Facilities
- Full Playground with equipment & soft surface ground cover.

- Possible capacity of 123 children
- On site ample parking



Bond, Stephens & Johnson

3201 "C" Street, Suite 200, Anchorage, Alaska 99503

Lottie M. Michael, CCIM

Associate Broker & Owner

(907) 786-7308

lottiemichael@gci.net

J. Michael James

Salesperson

(907) 786-7323

jmjames@acsalaska.net



Anchorage School District

5530 E. Northern Lights Blvd.
Anchorage, Alaska 99504-3135
(907) 742-4000

SCHOOL BOARD

John Steiner
President

Tim Steele
Vice President

Kathleen Plunkett
Treasurer

Jeannie Mackie
Clerk

Jeff Friedman

Pat Higgins

Crystal Kennedy

SUPERINTENDENT

Carol Comeau

March 5, 2010

Debi Baldwin
Child Development Division Director
RurAL CAP
P.O. Box 200908
Anchorage, Alaska 99520

Dear Ms. Baldwin,

I am writing this letter in support of the Rural Alaska Community Action Program's (RurAL CAP) effort to build a new Child Development Center in Anchorage. The RurAL CAP Child Development Center currently serves 30 low-income children between 19 months and 5 years. A new facility would more than double the number of children and families served. Few other early care and learning programs operated by non-profits specifically target affordable care for low-income families. Given the shortage of affordable, quality early care and education programs in the Municipality of Anchorage, I am very excited about your decision to expand your services, as they are sorely needed in our community.

Not surprisingly, the benefits of quality early learning and care for children are numerous. From birth to age 5, a "window of opportunity" exists where early experiences dramatically impact a child's healthy development, and is critical to their future success in school and in life. Providing a rich, supportive learning environment gives an important foundation for future learning and an opportunity to begin school ready to learn. Earlier investments in children's learning have long term payoffs such as a reduction in juvenile crime rates, increases in high school completion, healthier families, and greater productivity and earning power of the workforce.

RurAL CAP has been providing high quality early care and learning services in the state of Alaska for 45 years. Their interest in building a new age-appropriate, energy efficient early care and learning facility should be welcomed and supported by the Anchorage community. The Anchorage School District would welcome the opportunity to work in partnership with the new Child Development Center.

Please do not hesitate to contact me if you have any questions. I can be reached at comeau_carol@asdk12.org

Sincerely,

Carol Comeau
Superintendent

Debi Baldwin
Child Development Division Director
RurAL CAP
P.O. Box 200908
Anchorage, Alaska 99520

As a parent, I support the Rural Alaska Community Action Program's (RurAL CAP) effort to build a new Child Development Center (CDC) in Anchorage. The CDC currently provides affordable, high quality early care and learning services for 30 children between 19 months and 5 years. A new facility would more than double the number of children and families served.

As a parent, the importance of a high quality early care and learning program can not be overstated. Knowing that my child is in a safe, caring learning environment during the day supports me in my ongoing effort to balance work and family responsibilities. In addition, my child benefits from experiencing a supportive learning environment which prepares my child for school.

Sincerely,

Sincerely,

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Kempres

Becannabran

Maria J. Larson

[Handwritten signatures]

April 14, 2010

Page 2

Justin

Joshua Butler
Onyiah

Lana Miller



Rural Alaska Community Action Program, Inc.

P.O. Box 200908, Anchorage, AK 99520-0908
(907) 279-2511 ♦ Fax: (907) 278-2309
www.ruralcap.com

November 30, 2011

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 1101
Juneau, Alaska 99811-0001

RE: RurAL CAP Child Care Center request, \$800,000 for capital project

Dear Governor Parnell:

Children under the age of five are more likely to live in a household where domestic violence occurs than are children in any other age category. Children living with domestic violence are at risk for increased emotional and behavioral problems. Early childhood programs can be a secure and nurturing place for vulnerable children. These programs provide a safe environment, create predictability and can develop strategies to support children and their families.

For the past 16 years, the Rural Alaska Community Action Program, Inc. (RurAL CAP) has served more than 500 low income children and their families through our Child Development Center in Anchorage. We provide not only high quality early care and learning, but we help parents with parenting information, referrals to community services and access to technology for research, resume writing, and job searches. We sponsor healthy family activities. All parents in our Center hold jobs or are enrolled in degree completion or job skills programs. In 2006, we added Parents as Teachers services to help 24 families increase their parenting skills and their own abilities to serve as their child's first and best teacher. Multiple studies have demonstrated that early learning programs can help low-income parents by providing social support, helping to increase resiliency and self-sufficiency and, fostering a greater understanding of age appropriate development for their children.

While the majority of our families have not suffered domestic violence, some have and many have found themselves in extremely stressful situations including single parenthood, very limited financial resources, unreliable work situations, food insecurity and limited parenting experience/skills. For these families the CDC has been a lifeline of support and a key component of preparing each young child for future success in school and life.

Given the overwhelming demand for affordable early care in Anchorage (approximately 15,800 children who live in families where every parent works, but only 9,288 slots available through licensed centers and tuition at \$600-1,000/month) RurAL CAP is

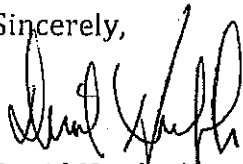
compelled to expand our services to reach 30 additional families with early learning and care and to reach 24 additional families with Parents as Teachers. With your strong interest in helping Alaskan families become more resilient, more self-sufficient and better able to raise children prepared to be successful, we hope you will join us in this effort. We request your endorsement to include \$800,000 in the capital budget for the RurAL CAP Child Development Center. The facility will include two toddler classrooms, two preschool classrooms, a gross motor skills area, two offices, a kitchen, a family room and a playground.

As you know early investments in children can make a great difference over their lifetimes. Communities that invest in early childhood learning and care benefit from lower criminal costs, reduced welfare program costs and savings on future school remedial services. Strong preschool programs lead to higher rates of high school completion, higher educational attainment, higher salaries, and fewer arrests. A 2004 study documented a financial return to society of more than \$16 for every tax dollar invested in early childhood education for low-income preschool age children.

Governor, the RurAL CAP Board of Director was disappointed when the \$800,000 capital funds designated for this project in last year's state budget suffered a line item veto. You have mentioned that you were saving some of the good capital projects for this coming year. RurAL CAP's Board believes the Child Development Center can be one of those projects.

We request a meeting with you or your delegate in early December to discuss this important investment in Alaska's families and children. We look forward to the State's commitment to this worthwhile capital project. A fact sheet with project details is enclosed. For questions about this request or to arrange a meeting, please contact Rachel Morse, Development Director, at rmorse@ruralcap.com or 907-865-7366.

Sincerely,



David Hardenbergh
Executive Director

Enclosure

cc: Karen Rehfeld
John Moller

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SEAN PARNELL, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3640

December 8, 2011

Mr. David Hardenbergh
P.O. Box 200908
Anchorage, AK 99520-0908

Re: Funding for RurAL CAP Child Care Center

Dear Mr. Hardenbergh,

Thank you for writing to Governor Parnell in support of the RurAL CAP Child Care Center and your request that funding be included in the FY2013 budget. We appreciate hearing from you and the Governor will take your request into consideration.

We are currently working with State agencies on developing the budget for FY2013 that will be released to the public and the Legislature by December 15, 2011. The December budget will be the starting point for working with the Legislature on the operating and capital spending plan for the next fiscal year. In the event the item is not included in the Governor's December 15 budget submission, the funding request can be placed in the Legislature's budget by any Legislator. The Office of the Governor will work closely with Legislators throughout the entire session to craft a responsible budget.

Again, thank you for writing with your request.

Sincerely,



Karen J. Rehfeld
Director

DOWNTOWN COMMUNITY COUNCIL

C/O PAUL J. NANGLE, PRESIDENT

101 CHRISTENSEN DRIVE

ANCHORAGE, ALASKA 99501

(907) 274-8866 FAX: 279-1794

February 3, 2012

To Whom It May Concern:

The Downtown Community Council endorses RuralCap operating a daycare/preschool at the 545 East 5th Avenue property. This is a much needed service.

Very truly yours,

DOWNTOWN COMMUNITY COUNCIL

A handwritten signature in dark ink, appearing to read "Paul J. Nangle", is written over the printed name and title.

Paul J. Nangle
President

PJN:kar

February 27, 2012

Dear Alaska Legislature,

On behalf of thread, Alaska's Child Care Resource and Referral Network, I am writing you in support of RurAL CAP's capital request of \$800,000 to support expanding child care in Anchorage.

thread promotes accessible, affordable and quality child care and early learning for Alaska's children. We work to strengthen the early care and education industry by empowering parents, educating child care professionals, and collaborating with communities. Annually, we work with over 7,500 parents to assist them in their search for early care and education programs; we provide training to over 3,000 early care and education professionals to help prepare them for their work with children; and we work with community partners such as RurAL CAP to meet the needs of working families and their children. We have a strong and valuable partnership with the RurAL CAP Child Development Center and find that they provide high quality services to some of the most vulnerable families in Anchorage.

However, finding quality and affordable child care in Alaska is often challenging. Currently in Anchorage, there are approximately 10,500 regulated early care and education spaces, yet that only meets half of the demand of working families. By supporting this capital request to expand child care in Anchorage, you will be supporting more families with access to regulated quality child care. The RurAL CAP Child Development Center currently serves 30 low income children and this relocation project would more than double the number of children served.

Given the lack of quality early care and education programs in the Municipality of Anchorage, thread is in full support of this relocation and expansion. Once expanded, thread will continue to work in partnership with RurAL CAP and can provide support through parent referrals, training and technical assistance for staff, and in any other way that seems appropriate.

Sincerely,



Stephanie Berglund, CEO

thread, Connecting Early Care and Education to Alaska

(907) 265-3101

sberglund@threadalaska.org



March 8, 2012

Mr. David Hardenbergh
Executive Director
Rural Alaska Community Action Program
PO Box 200908
Anchorage, AK 99520

Dear David,

Abused Women's Aid In Crisis, Inc. (AWAIC) supports Rural Alaska Community Action Program (RurAl Cap) in their endeavor to acquire an early care learning center in Anchorage. The need for quality childcare in Anchorage is well documented and on a personal note, AWAIC participants struggle to find safe childcare which causes barriers to achieving other goals they have for themselves and their children.

AWAIC has looked to RurAL CAP to ensure parents and children in Anchorage have the support needed to be successful. We know one of the important components of this vision is to advocate for affordable, accessible, quality child care. RurAL CAP has been providing this critical service for low income families with children ages 19 months to preschool in their current location. Like RurAL CAP, we know there are more low-income families that need quality child care for their children so they can go to work knowing their children are safe and well cared for. With a larger Child Development Center, RurAL CAP would be able to double the number of children served, including infants, which is a high need in Anchorage. The Parents as Teachers program could also double the number of families it serves.

We know this project is an important one for RurAL CAP and the low-income children and families that we both serve. All children deserve to attend a quality child care program if their parents want them to. AWAIC supports RurAL CAP's efforts to raise resources for this project knowing it will benefit the future of our children, our community, and our state.

Sincerely,



Suzi Pearson
Executive Director



Purchase and Sale Agreement for Commercial Real Estate

Listing Licensee: Lottie Michael, CCIM, & J. Michael James
Bond Stephens & Johnson
3201 C Street, Ste. 200
Anchorage, Alaska 99503

Selling Licensee: Lee Henry, CCIM, & Kathleen Kowalczyk
RE/MAX Properties, Inc.
110 W. 38th Avenue, Ste. 100
Anchorage, Alaska 99503

Date: March 5, 2012

Buyer: Rural Alaska Community Action Program
731 E. 8th Ave.
Anchorage, AK 99501

Seller: Lottie Michael Consentino aka Lottie Marie Michael
3201 C St., Ste. 200
Anchorage, AK 99503

Subject to and on the terms and conditions herein set forth, Seller hereby agrees to sell, assign, and convey to Buyer, and Buyer hereby agrees to purchase and acquire from Seller, all of Seller's rights, title, and interest in and to the real property, improvements and personal property appurtenant thereto (hereinafter collectively "Property") as described below.

Subject Property: Lots 21A & 23 REM Block 25B East Addition, Plat 83-324 records of the Anchorage Recording District, Third Judicial District, State of Alaska, commonly known as 545 E. 5th Avenue, Anchorage, Alaska, 99501.


Purchase Price:

- 1) The agreed upon Purchase price shall be subject to agreement between the parties of the value of the property as determined by the Appraisal Report of Value described herein. The Appraisal Report of Value shall be prepared by Greg Wing, MAI, appraiser (hereinafter the "Appointed Appraiser") at North Pacific Advisors, LLC. Instructions to the Appointed Appraiser in preparing the report shall be:
 - a. The appraisal shall be fully comprehensive.
 - b. The appraisal shall be for the property as improved, in fee simple title, without any business interest being conveyed.
 - c. The appraisal shall include consideration of transaction costs, brokerage fees and closing costs.
 - d. The appraisal shall be in conformance with USPAP.
 - e. The appraisal shall be inclusive of the conditions and costs imposed by the Downtown Improvement District created by Resolution No. 97-41.

- 2) The Appraisal Report of Value shall be ordered within ten business days of approval by the Buyer of the preliminary commitment for title as described below. Buyer and Seller agree that each party shall pay one half of the cost of ordering the Appraisal Report of Value at the time the Appraisal Report of Value is ordered. Buyer and Seller shall have ten business days from mutual receipt of the Appraisal Report of Value in which to agree on a final purchase price based on the Appraisal Report of Value. In the event the Buyer and Seller cannot agree on a final purchase price based on the Appraisal Report of Value within this period of time then this Agreement shall be terminated and Buyer's earnest money deposit shall be refunded in full.
- 3) Upon acceptance of this offer by Seller, Buyer shall deposit into the trust account at Stewart Title, the sum of Ten Thousand dollars (\$10,000) as earnest money and part payment for the Property and improvements thereon.

Contingencies:

1. Seller shall deliver within ten (10) business days of the date of joint execution of this Purchase and Sale Agreement for Commercial Real Estate ("Agreement"), or otherwise make available to the Buyer through means deemed acceptable by Buyer, copies of the following documents:
 - a) A copy of the updated preliminary extended ALTA title report or title policy together with copies of all documents referred to in the extended ALTA title report or policy. If this report or policy shall require additional title examination due to extended ALTA title requirements then the date for delivery shall be extended due to said additional time to acquire additional information.
 - b) Copies of all leases or subleases now in effect, if any, regarding the Property, including any and all amendments thereto and a complete accounting of all security deposits held by Seller and any correspondence between Landlord and Tenant pertaining to the Property;
 - c) Copies of all utility bills, and real and personal property tax assessments against the Property for the previous twelve (12) months;
 - d) Copies of all management contracts, maintenance and repair contracts, and all service or supply contracts or agreements relating to the Property that are currently in effect or that were in effect at any time during the previous twelve (12) months;
 - e) An updated ALTA "as built" survey dated on or after January 1, 2012;
 - f) Any existing environmental studies, soils reports, engineering or architectural studies, grading plans, topographical maps and other similar data in Seller's possession with respect to the Property;
 - g) An accurate and complete schedule of all personal property and fixtures owned by Seller and intended to be conveyed in connection with the sale of the Property to Buyer as well as an accurate and complete list of all personal property and fixtures





leased by Seller and intended to be assigned to Buyer in connection with a sale of the Property; This shall be evidenced as shown on Exhibit "A."

- h) A list and complete copies of all licenses, authorizations, permits, maps, building inspection approvals and covenants, conditions and restrictions issued or approved by any governmental authority and relating to the operating, ownership, maintenance and improvement of the Property or any part thereof for the past five (5) years;
 - i) Copies of all appraisals in Seller's possession, whether ordered by Seller or third parties. Seller shall provide to the Buyer, as soon as reasonably possible, a copy of the summary appraisal Seller has ordered regarding the property with the understanding that this summary appraisal shall be used solely for the Seller to ascertain the value of the property for the Seller's purposes and for the Buyer to include with the Purchase Agreement to substantiate the value of the property to the parties that are providing funding to the Buyer, and for no other purposes whatsoever;
 - j) An itemized list of all major repairs or capital improvements performed at the Property at any time in the past five (5) years, identifying the nature of the repair or improvement, the approximate date that such repair or improvement was undertaken and the name of the party or contractor that completed the repair or improvement. For purposes of this disclosure, a major repair shall include any repair or maintenance item in which total cost to complete exceeded \$1,000;
 - k) Any other documents or information which may be reasonably requested by the Buyer from time to time.
2. To the extent Seller determines that any documentation required to be disclosed pursuant to Section 1 above does not exist, Seller shall so notify Buyer in writing within ten (10) business days of the date of joint execution of this Agreement. In the event Seller shall fail or refuse to disclose any of the documentation required to be disclosed pursuant to Section 1 above within the time frame contemplated herein, at Buyer's option, the earnest money shall be refunded to Buyer, without deduction, and this Agreement shall terminate.
3. Buyer shall have until July 31, 2012, to conduct its due diligence. To assist in its due diligence, the Seller shall grant the Buyer reasonable access to the Property, including its tenants, and to the records relating thereto upon reasonable notice and consistent with the rights and requirements of the tenants, and to interview any persons involved in the management or operation of the Property.

Buyer may elect at any time through July 31, 2012, in its sole and absolute discretion, to terminate the Agreement, without cost or penalty, in which case the earnest money shall be refunded to Buyer, without deduction, and this Agreement shall terminate.

Buyer may, at any time during due diligence period, provide Seller written notice of its desire to proceed with the purchase of the Property.

Should Buyer in their sole discretion, reject the property for any reason whatsoever prior to the expiration of the Due Diligence Period by written notice to the Seller, this Agreement shall be terminated and of no further force or effect to the parties and the Buyers earnest money shall be returned in full to Buyer, including any interest earned thereon, within ten (10) days of such termination without the need for demand.

4. This offer is subject to and contingent upon Buyer's review and approval of an environmental review (Phase One Environmental Site Assessment) on or before July 31, 2012, to be performed by a reputable company with experience sufficient to substantiate a claim as to being an expert in such matters. In the event the report describes an elevated level of risk then the Buyer shall notify the Seller of this in writing within 3 days of receipt of said report. Seller shall have ten business days thereafter in which to elect to either a) indemnify the Buyer from any future cause of action against the Buyer by any third parties by posting a bond sufficient to cover said indemnity and any cost of cure, or b) to agree to further identify and timely cure said possible contamination as described in the environmental report. In the event the Seller fails to a) indemnify or b) agree to cure, then Buyer shall have the right to terminate this Agreement and Seller shall reimburse Buyer for all direct out of pocket expenses incurred in the due diligence process.
5. This offer is subject to and contingent upon Buyer's review and approval of a preliminary commitment for title insurance and copies of the exceptions it discloses showing the condition of the title to the Property. Upon execution of this Agreement by all parties, Seller shall, at Seller's sole expense, promptly order the preliminary title report and relevant exceptions from Stewart Title and furnish this preliminary commitment for title to Buyer. If an acceptable "as-built" survey is not available then Seller shall pay for this survey and provide it to the Buyer. Buyer shall pay, for ALTA Survey costs in excess of the cost of the standard as-built cost for title insurance purposes. Upon receipt of the extended ALTA Title report, survey and exceptions, Buyer shall have ten business days within which to notify Seller, in writing, of any matters disclosed in the title report and ALTA survey which are unacceptable to Buyer or Buyer's lender. Buyer's failure to timely object within ten business days, in writing, to any matters disclosed in the report shall constitute acceptance of the report. If, within ten (10) business days following receipt of the written objections from Buyer, Seller fails to remove or correct the matters identified in the written objection, or does not give written assurances reasonably satisfactory to Buyer that such objections will be removed or corrected at or prior to closing, this transaction may be terminated at the sole discretion of the Buyer.

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6. In the event the Buyer elects to terminate this transaction then the earnest money shall be refunded in full to the Buyer
7. This offer is further subject to the approval of the final agreed purchase price by the Rural Alaska Community Action Program Board of Directors. Board of Directors approval shall be obtained on or by May 31, 2012. . In the event May 31, 2012 approval is not timely obtained, the earnest money shall be refunded to Buyer, without deduction, and this Agreement shall terminate.
8. This offer is further subject to approval by governmental regulatory agencies as a child care facility on or by July 31, 2012.
9. This offer is further subject to approval of the funding and purchase of the Property by the State of Alaska prior to July 31, 2012. Buyer and Seller shall each make a diligent and good faith effort to secure such approval. In the event July 31, 2012 approval is not timely obtained, the earnest money shall be refunded to Buyer, without deduction, and this Agreement shall terminate.
10. This offer is further subject to approval of the funding and purchase of the Property by the Rasmuson Foundation prior to July 31, 2012. Buyer and Seller shall each make a diligent and good faith effort to secure such approval. In the event July 31, 2012 approval is not timely obtained, the earnest money shall be refunded to Buyer, without deduction, and this Agreement shall terminate.
11. In the event the approval of the funding for the purchase of the Property by the State of Alaska and the Rasmuson Foundation is received by the Buyer on or by July 31, 2012, then one half of the earnest money Five Thousand dollars (\$5,000) shall become non-refundable to Buyer, unless Seller is in default of any of its obligations under this Agreement.
12. This offer is contingent upon the statutory requirements of the Environmental Review process under 24 CFR 58 by July 31, 2012 and approval of the request for the release of CDBG HUD Grant Funds by September 14, 2012 according to 24 CFR Part 58.
13. On September 15, 2012 the remainder of the earnest money, Five Thousand dollars (\$5000) shall become non-refundable to the Buyer if the approval of the request for the release of CDBG HUD Grant Funds is received by the Buyer, unless Seller is in default of any of its obligations under this Agreement.

Closing and Other Terms and Conditions:

- 1) This transaction shall record on October 1, 2012, or earlier by mutual agreement. Seller and Buyer agree before recording can take place, funds provided to the Closing Agent shall be in the form of cash, interbank electronic transfer, money order, certified

check, or cashier's check drawn on a financial institution located in the State of Alaska, or any combination that permits the Closing Agent to convert the deposit to cash no later than the next business day. For purposes of this transaction, the parties agree that Stewart Title - Shari Bahma shall be deemed an acceptable Closing Agent and that the closing shall occur at the offices of the Closing Agent or another mutually acceptable location.

- 2) Buyer agrees to purchase said Subject Property in its current condition and configuration, with no warranties or guaranties implied from the Seller other than as listed below.

Buyer acknowledges and warrants to Seller that it is purchasing the Subject Property in its "as-is" condition and that at closing it has completely satisfied itself by its own due diligence that the Subject Property is suitable for its needs. Buyer also agrees that it has and will undertake its own independent confirmation of those representations and warranties that it deems material prior to closing.

The Seller hereby makes the following representations and warranties with respect to the Subject Property, it being understood and agreed that references to Seller's representations shall mean all information actually known to the partners of Seller, Seller has not undertaken any duties of due diligence in making these representations and warranties:


- a) Authorization Seller has the right, power, legal capacity, and authority to enter into, and perform its obligations under this Agreement, and no approvals or consents of any other persons or entities are necessary. Seller is not in default, and the execution and delivery of this Agreement by Seller will not constitute a default or an event that, with notice or lapse of time or both, would be a default, breach or violation of any mortgage, lease, deed of trust, note, judgment, injunction, order or decree, or other instrument relating to the Subject Property or binding upon Seller. There are no outstanding agreements (written or oral) that are binding upon Seller and pursuant to which Seller (or any predecessor to or authorized agent of Seller) have agreed to sell or have granted an option to purchase the Subject Property (or any part thereof) to any party other than the Buyer.
- b) No Special Taxes. Except as set forth in the Title Commitment, there are no outstanding assessments or special taxes due, and Seller has no knowledge of any pending or threatened assessments affecting the Subject Property.
- c) Compliance with Existing Laws. To the best of the Seller's knowledge, the Seller has not received notice within the past two years of any existing violation of any provision of any applicable building, zoning, subdivision, environmental, or other governmental ordinance, statute, order, or regulation with respect to the ownership, use, or condition of the Subject Property or any part thereof, and requiring any repairs or alterations or other remediation other than those that have been made prior to the date hereof.
- d) Condemnation Proceedings: Roadways. To the best of Seller's knowledge, it has not received notice of any condemnation or eminent domain proceedings that are currently pending or threatened against the Subject Property.

- e) Litigation. To the best of the Seller's knowledge, there is no action, suit, or proceeding pending against or affecting the Seller in any court or before or by any Governmental Body which (i) affects the validity or enforceability of this Agreement, (ii) could prohibit the Seller from performing its obligations hereunder or under any document to be delivered pursuant hereto, or (iii) could materially adversely affect the Subject Property or the use, operation, condition, or occupancy thereof.
 - f) Leases. The Seller will deliver to the Buyer a copy of the Lease Agreements, with all subsequent Addendums, Exhibits, Notices, Estoppels and the like, for all tenants in the building. Seller shall not, prior to the Closing Date, except as otherwise provided in this Agreement or with the prior written consent of Buyer, (1) enter into, extend or modify any agreement, contract, commitment, lease or other transaction which affects the Subject Property in any way, or (2) sell, dispose of or encumber any portion of the Subject Property.
 - g) Environmental. To the best of the Seller's knowledge, without undertaking due diligence, there are no Hazardous Substances on the Subject Property.
 - h) All Accounts Paid. All charges that have been incurred by Seller for work, labor and materials in connection with any building, repair or renovation undertaken by Seller upon the Subject Property have been fully paid, or will be paid at Closing.
- 3) Possession shall be given to the Buyer upon recording of the deed. Buyer reserves the right to conduct a final walk-through inspection of the Property not more than forty-eight (48) hours prior to closing to ensure that the Property is in the same material condition as upon initial inspection. Seller agrees to remove all debris and personal property not sold to the Buyer, and leave the Property in clean condition. At closing, Seller shall provide keys and/or means to operate all locks, including but not limited to: mailboxes, security systems, alarms, and any portable devices for accessing the Property.
- 4) Seller shall pay the following closing costs:
- a) ½ recording fees
 - b) ½ document preparation fees
 - c) ½ escrow closing fees
 - d) ½ tax registration fee
 - e) All assessments levied or pending as of the date of recording.
 - f) Own attorney's fees
 - g) Standard Owners Title Insurance Policy and Preliminary Commitment for Title Insurance
 - h) Brokerage Fee paid as per separate agreement to be paid at closing from the sale proceeds.

- i) Re-conveyance fee, if any
 - j) Warranty Deed
- 5) Buyer shall pay the following closing costs:
- a) ½ recording fees
 - b) ½ document preparation fees
 - c) ½ escrow closing fee
 - d) ½ tax registration
 - e) Own attorney fees
 - f) Loan/Grant origination and application fees
 - g) All other lender/funding fees customary for similar financing/funding.
 - h) Inspection fees
 - i) ALTA Extended Title Policy in excess of Standard ALTA Owner's Policy (based on Minimum Simultaneous Issue Rate)
 - k) Environmental Study fees (Phase I only)
- 6) Seller agrees at closing to assign to Buyer all rights to current and previous environmental reports, appraisals, plans, studies, architects reports and any and all other rights to personalty associated with the property which are not otherwise included in the bill of sale for personal property pertaining to the child care facility.
- 7) Property taxes shall be prorated to the date of recording the deed. Rents, if any, shall be prorated to the date of recording the deed and Security Deposits, if any, shall be transferred to the Buyer as a credit on the Settlement Statement, at closing. The liability created by Resolution No. 97-41 levying assessment for Downtown Business Improvement District No. 1SD97, recorded December 19, 1997 at Book 3171 Page 687 will be prorated to the day of recording. The Seller will pay all past (2011 and prior) assessments created by the Resolution No. 97-41. All other assessments, due and pending, shall be paid by Seller at closing.
- 8) Seller will furnish a good and sufficient Warranty Deed at closing, showing marketable title free and clear of the objections and all other exceptions agreed to be removed as a part of this transaction; otherwise the property shall be sold "AS IS-WHERE IS" without any warranty expressed or implied, except the warranty of title, subject to the Seller's full disclosure to the Buyer of any known property defects or deficiencies.

- 9) From the effective date of this Agreement to the closing date or earlier termination of this Agreement, Seller shall (a) maintain or cause to be maintained in full force and effect liability, casualty and other insurance upon and in respect to the Property against such hazards and in such amounts as has been previously maintained and (b) operate and manage the Property in the same manner as it has been operated and managed before, provided that during said period, Seller shall not (i) enter into any non-ordinary course of business transactions with respect to the Property, (ii) sell, encumber or grant any interest in the Property or any part thereof, or otherwise perform or permit any act which will diminish or otherwise affect Buyer's interest under this Agreement or which will prevent Seller's full performance of its obligations hereunder, (iii) enter into, amend, waive any rights under, terminate or extend any contract or lease respecting the Property or (iv) remove from the Property any fixtures currently situated therein or any of the tangible personal property intended to be conveyed hereunder.
- 10) In the event that Seller fails to perform the obligations set forth in this agreement (except as excused by the Buyer's default), Buyer will make written demand for performance. If the Seller fails to comply with such written demand within ten (10) days after receipt thereof, Buyer will have the option to waive such default, demand specific performance or terminate this Agreement and, on such termination, the earnest money will be returned to the Buyer.
- 11) This agreement is assignable in whole or in part with the express written consent of the Seller, which consent shall not be unreasonably withheld.
- 12) This document and the referenced attachment(s), if any, contain the entire Agreement between the parties. There are no understandings, oral or written, which in any manner change or enlarge what is set forth herein. The plural shall include the singular. It may not be modified except in writing signed by both parties;
- 13) It is mutually agreed upon by all parties that the Broker and/or Licensees, shall not be held liable in any manner whatsoever for damages arising from defaults or acts by or upon the part of either party to this Agreement. Brokers and/or Licensees make no representations that the improvements meet current building code, safety or other requirements.
- 14) Bond Stephens and Johnson and its licensees, Lottie Michael, CCIM, & J. Michael James, exclusively represent the Sellers and RE/MAX Properties, Inc., and its licensees, Lee Henry, CCIM, & Kathleen Kowalczyk, exclusively represent the Buyers. Both Buyer and Seller agree and acknowledge that they have received and executed a copy of the Alaska Real Estate Consumer Pamphlet. Buyer acknowledges that Lottie Michael is licensed to sell real estate in the state of Alaska and is the Seller of the subject property.

- 15) Buyer and Seller hereby understand and agree that Buyer may be required to disclose terms and conditions contained in this Agreement to funding sources and that this information may become public knowledge as a result of this disclosure. Buyer and Seller hereby agree that neither party shall otherwise disclose information regarding this Agreement other than to parties that require said information to fulfill duties imposed by this agreement;
- 16) In the event that the Title Company is unable to determine to its satisfaction which party is responsible for failing to perform the requirements of the contract, the Title Company shall request the parties to execute an Agreement for release of earnest monies to one or the other parties. Title Company need not disburse earnest monies until an Agreement is signed. Alternatively, Title Company may (a) with Buyer's and Seller's consent, submit the matter to an agreed upon arbitrator; or (b) interplead the earnest monies with the courts for determination of who is entitled to the earnest monies. The Title Company shall be entitled to an award, from the earnest monies, of reasonable attorney's fee and cost for interpleading the earnest monies.
- 17) Due to varied methods of measuring square footage, Broker and Seller make no guarantee as to the accuracy of figures quoted. Square footage should be independently measured by Buyer if exact calculations are desired as part of the due diligence conducted during the Due Diligence Period.
- 18) Buyer and Seller agree that a photocopy, electronic or facsimile transmission of any original document shall have the same effect as an original. Any signature required on an original document shall be completed when an electronic copy has been signed. The parties agree that electronic copies of documents shall be appended to the original thereof, integrated therewith and given full effect as if an original.
- 19) The Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who purchases real property located within the United States from a "foreign person" to deduct and withhold from the Seller's proceeds ten percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes non-resident alien individuals, foreign corporations, foreign partnerships, foreign trusts, and foreign estates. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit, or statement, and to perform any acts reasonable or necessary to comply with FIRPTA;
- 20) In the event of loss or damage to the subject property by fire or other casualty prior to closing, or in the event a proceeding is instituted or threatened prior to closing for the taking of all or any portion of the subject property under the power of eminent domain, Buyer shall have the right by giving written notice to the Seller within seven (7) days after the date of receipt of written notice of such casualty or taking, either to (i) consummate the purchase and sale in accordance with this Agreement, in which event Seller shall





deliver to Buyer at closing an assignment to Buyer of all the right, title and interest, if any, which Seller may have in (A) the insurance payable under all insurance policies kept or maintained by the Seller as a result of or in connection with such casualty and (B) the award payable by reason of the taking and concurrently therewith deposit into escrow the amount of any and all such proceeds or awards theretofore received by Seller; or (ii) terminate this Agreement effective as of the date such notice of termination is given to Seller, rendering this Agreement null and void with no further force or effect on the parties and the Buyer's earnest monies shall be returned to Buyer, without demand, within 15 days of such termination;


21) Each party represents that it has had an adequate opportunity to consult with its own tax, legal and other advisors prior to executing this Agreement. Buyer and Seller will have their own attorney's review this Agreement prior to signing; and this agreement shall not be strictly construed against the drafter.

22) Time is of the essence in this contract.

23) List of Exhibits:

- a) Exhibit "A" - Bill of Sale for Personal Property to be Conveyed on Sale of Real Property to Be Attached upon Completion by the Parties.
- b) Exhibit "B" - Alaska Real Estate Commission Pamphlets
- c) Exhibit "C" - Plat
- d) Exhibit "D" - ALTA As-Built Survey to Be Attached upon Completion by Surveyor.



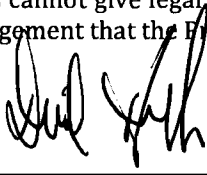


Buyer Acknowledgement of Offer

I/We understand that this is a legally binding contract. Selling Licensee is hereby granted exclusive and irrevocable right for five days to obtain an acceptance of this offer.

Buyer hereby acknowledges that this agreement has significant legal and financial consequences and that he/they have been advised to seek independent legal and financial counsel. The Brokers and Licensees cannot give legal or tax advice. Buyer agrees that closing of this sale will constitute an acknowledgement that the Property is acceptable at the time the sale is closed.

Buyers:



Rural Alaska Community Action Program; David Hardenbergh, Executive Director

Date: 3/5/12

Seller Response

Seller Acceptance:


Seller accepts the foregoing offer as written and agrees to sell and convey the Property on the terms and conditions herein stated. Seller understands that this is a legally binding contract. Seller herein acknowledges that this agreement has significant legal and financial consequences and that they have been advised to seek independent legal and financial counsel. The Brokers and/or Licensees cannot give legal or tax advice.

Seller Rejection/Counter Offer:

☐ Seller hereby rejects the foregoing offer and declines to make a counter offer; or

☐ Seller hereby rejects the foregoing offer and makes the attached counter offer.

Sellers:

By:  By: _____

Lottie Michael

Date: 6 Mar 2012

