

Adopted: January 9, 2018

Resolution No. 2018-03

Relating to the Sale of Railroad Land Near Otto Lake in the Alaska Railroad Healy Reserve

WHEREAS, the Alaska Railroad Corporation ("ARRC") owns an approximately 47.04-acre parcel of land in the Alaska Railroad Healy Reserve near Otto Lake in Healy, Alaska, which is more particularly shown on Exhibit 1 attached to this resolution (the "Property"); and

WHEREAS, an approximately 29.52-acre portion of the Property, which is more particularly shown on Exhibit 2 attached to this resolution (the "Leased Parcel") is currently subject to a ground lease, ARRC Contract No. 8972, currently between ARRC, as lessor, and Denali Outdoor Center, Inc. ("DOC"), as lessee (the "Lease"); and

WHEREAS, the Property consists of lakefront land and associated uplands upon which Alaska Tourism Development, LLC wishes to build a tourist lodge and associated resort facilities; and

WHEREAS, ARRC is authorized to sell its land pursuant to AS 42.40.285, 42.40.350 and 42.40.352 upon (i) the making by the Board of Directors of certain findings relating to sale of the Property, (ii) the provision of public notice of ARRC's intent to sell the Property, (iii) the provision to the existing lessee of a right of first refusal to purchase the Leased Parcel; and (iv) approval of the proposed sale by the Alaska Legislature; and

WHEREAS, Alaska Tourism Development, LLC has offered to pay ARRC a purchase price of Four Hundred Thousand and no/100 Dollars (\$400,000.00) for the conveyance of ARRC's full title to the Property, less Seller's reasonable closing costs; and

WHEREAS, the Board of Directors finds, based on a recent appraisal, that the proposed purchase price set forth in the preceding recital constitutes a fair market value offer for the Property; and

WHEREAS, Alaska Tourism Development, LLC has agreed that its purchase of the Property would be conditional on (i) it obtaining DOC's full leasehold interest under the Lease by means of a lease assignment, and (ii) on the subsequent termination of the Lease before or at the time of closing of said purchase; and

WHEREAS, the Board of Directors finds that proposed sale of the Property for the purpose of construction of a tourist lodge and associated resort facilities in exchange for payment of fair market value is in the best financial interest of ARRC; and

WHEREAS, the Board of Directors specifically and expressly finds that (i) the Property is not necessary for railroad purposes, and (ii) the sale of the land is in the best interest of the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED that the ARRC Board of Directors hereby approves the proposed sale of the Property to Alaska Tourism Development, LLC in exchange for a cash payment of Four Hundred Thousand and no/100 Dollars (\$400,000.00) less reasonable Seller's closing costs, with such sale being conditional upon (i) Alaska Tourism Development, LLC obtaining, before closing, DOC's entire leasehold interest in the Lease; (ii) the parties terminating the Lease no later than the time of closing; and (iii) conveyance of the Property being accomplished on an "as-is, where-is" bases by means of a quit claim deed; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the ARRC Board of Directors hereby directs and authorizes the President and CEO, or his designee, to take such actions as are reasonably necessary to meet all obligations of ARRC relating to the sale of the Property as described above, including but not limited to (i) issuing required public notice; (ii) drafting and submitting appropriate legislation either to secure the approval of the Alaska Legislature for the proposed sale of the Property or to eliminate the requirement of such Legislative approval; and (iii) if legislative approval is obtained or is no longer required, negotiating, finalizing and executing all documents necessary to complete said transaction.

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2018-03 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its special meeting on January 9, 2018.

Date

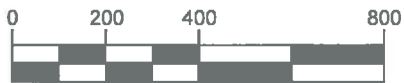
1/9/2018

Andy Behrend
Andy Behrend
Board Secretary

Corporate Seal



Exhibit 1 to Resolution No. 2018-03 Diagram of Property.



1 Inch = 400 Feet

For indexing purposes this property is located in Section 25, T12S, R8W, F.M.



ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Area near Otto Lake for Appraisal
Area = 2,049,206 sq ft ± (47.04 ac±)

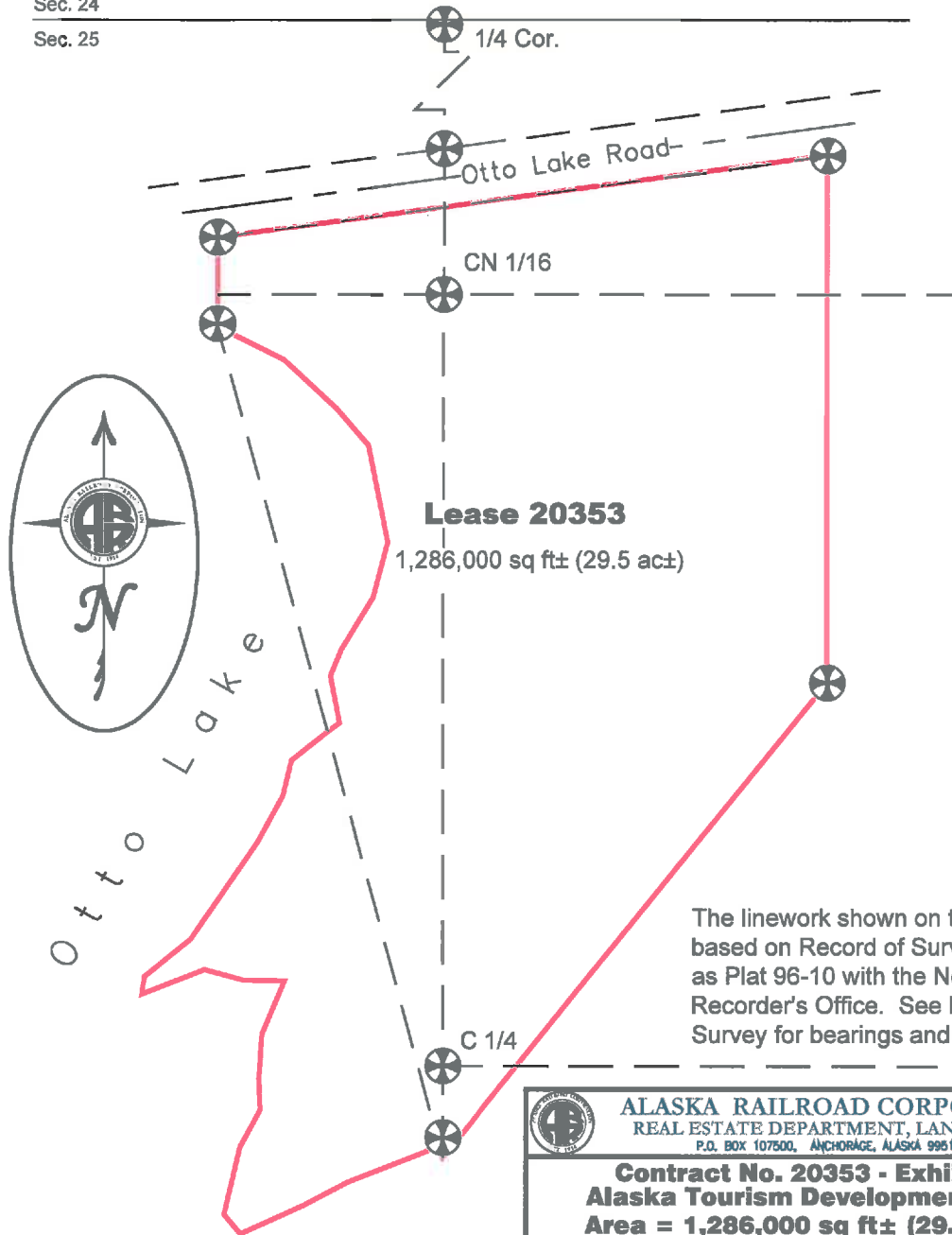
ARRC title - Patent Book 33 Page 968

DRAWN BY:	AMB	SCALE: 1" = 400'	DATE: 2017-09-11
CHECKED BY:	DAS	Healy Reserve	
APPROVED BY:	DAS		
R:\00 RED\Other Misc\HEA\Proposed Otto Lake Disposal.dwg			

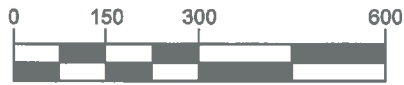
Exhibit 2 to Resolution No. 2018-03 Diagram of the Leased Parcel.

ALASKA RAILROAD

Sec. 24
Sec. 25



The linework shown on this exhibit is based on Record of Survey recorded as Plat 96-10 with the Nenana Recorder's Office. See Record of Survey for bearings and distances.



1 Inch = 300 Feet
For indexing purposes this property is located in Section 25, T12S, R8W F.M.

	ALASKA RAILROAD CORPORATION REAL ESTATE DEPARTMENT, LAND SERVICES P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500	
	Contract No. 20353 - Exhibit A Alaska Tourism Development, LLC Area = 1,286,000 sq ft± (29.5 ac±)	
ARRC title - Patent Book 33 Page 968 Nenana Recording District		
DRAWN BY:	AMB	SCALE: 1" = 300'
CHECKED BY:	DAS	DATE: 2017-12-15
APPROVED BY:	DAS	Healy Reserve
R:\00 RED\LEASES\HEA\20353-L.dwg		