STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
Cabin/Home Site Sale Procedure Disclosure Form

This disclosure form summarizes much of the land banking procedure from nomination to closing but it is not a complete source or the only source of information. Additional process information is available from the Department. Terms in the Agreement to Sell Improvements, Cabin/Home Site Offer to Purchase and Bid Deposit Receipt, and the Cabin/Home Site General Terms and Conditions of Sale Form override any statements in this disclosure form. All applicable Administrative Rules of Montana and applicable laws of the State of Montana override any statements in this disclosure form.

The DNRC cannot provide you with any legal advice. If you have any questions regarding the legal implications of moving forward with the nomination process, you should engage the services of a private attorney before returning the Nomination Form.

Please read the entire document. If you have questions about an item, ask for clarification before initialing the line. The person(s) initialing this disclosure form has read the statements and understands the disclosures made. Sign where indicated at the bottom of the back page to show that you have read the form and understand the disclosures.

___ 1) If, during the course of the sale process, the Department discovers that the parcel proposed for sale does not qualify for sale, the department reserves the right to withdraw the parcel from sale.

___ 2) If a parcel is removed from sale consideration by the Department you have 15 days from the date of the Department’s notification to you to appeal the Department decision to the State Board of Land Commissioners and the Land Board will make the final determination of whether or not to sell the parcel.

___ 3) If you are the current lessee of the land nominated for sale, you have the right to withdraw from the sale process at anytime up to 10 days prior to the auction date.

___ 4) Improvements owners, who are no longer the lessees, do not have the right to withdraw the parcel from sale once it has been nominated.

___ 5) This sale must receive preliminary approval from the Board of Land Commissioners (Land Board) in order for the sale process to commence.

___ 6) After the lessee or improvement owner submits the $100 nomination fee, signed Nomination Form and Disclosure Form, the Department will provide the lessee/improvements owner a list of no less than two acceptable appraisers to conduct the appraisal for both the land and the improvements. The lessee or improvement owner will select 50% of the appraisers on the list. The Department will solicit for bids to the selected appraisers. The Department will choose from the responding appraisers to conduct the appraisal.
__7) You will be notified of the estimated processing costs that will be required in order to move forward with the sale process, (including but not limited to appraisal attributable to the improvements under consideration for sale on the state-owned lease site, cultural survey, indirect costs pursuant M.C.A. §17-1-106, etc.), and you will have 10 days after the Department’s notification to submit payment for such processing costs. These costs are estimated and may vary from actual expenses. Upon receipt payment for the estimated processing costs, the Department will contract for the appraisal.

__8) If you are the current lessee, and do not want to pay the processing costs and/or do not want to proceed with the sale process, you must notify the Department in writing, either by letter or email, and the parcel will be removed from consideration for sale. Once costs are incurred in the sale process, limited, if any, refunds can be made.

__9) Parcels with legal access are appraised as such. Parcels without legal access are appraised as if they had legal access. The appraiser will provide separate values for the state owned land and non-state owned improvements under consideration for sale. Once the appraisal has been reviewed by the Department the lessee/improvements owner will be notified of the appraised value(s).

__10) If you do not agree with the recommended values, you must notify the Department in writing within 10 days of the Department notification of the appraised values if you wish to be granted an informal administrative hearing before the Department to dispute the values. If you are the current lessee and have initiated the sale and submitted the estimated processing costs, you may remove the parcel from the sale process, and the existing lease continues under the present terms. If any estimated processing cost funds remain, they will be refunded. If actual expenses exceed estimates you will be billed.

__11) The Department will present to the Land Board the appraisal and appraisal review along with the Department’s findings, conclusions and recommended values from the informal administrative hearing, if any. The Land Board will then set the minimum bid for the land and the maximum value of the improvements under consideration for sale. If you are the current lessee and choose to remove the parcel from the sale process, you must notify the department in writing that you wish to withdraw the parcel from the sale process. The existing lease will continue under the present terms. If any estimated processing cost funds remain, they will be refunded. If actual expenses exceed estimates you will be billed.

__12) If, after the Land Board has set the minimum bid for the land and the maximum value of the improvements, you wish to move forward with the sale and consent to the terms and conditions of the proposed sale, you must complete an Agreement to Sell Improvements contract. The Agreement to Sell Improvements contract will include the terms of the improvements sale, including maximum value of the improvements (see #11), and marketing obligations. You will be contractually obligated to transfer any and all interest in the improvements upon the lease lot, with clear title, should you not be the highest bidder at auction.

__13) Current Lessee/improvements owner will be required to allow reasonable access for prospective bidders to view the potential sale parcel and improvements under consideration for sale.

__14) All parcels are sold through a public auction in the county where the land is located. The Department will set a date and time for the auction. All qualified bidders, must appear in person or designate a legal representative to appear and bid on their behalf. The Department shall, at a minimum, publish the notice of the auction in a newspaper of general circulation in said county once a week for at least four consecutive weeks preceding the due date for bid deposits, and will post the cabin or home site on the Department website.

__15) All qualified bidders, including the current lessee or improvements owner, shall submit an Offer to Purchase Form along with a bid deposit, by certified check or electronic funds transfer drawn on any Montana bank, equal to or greater than 5% of the minimum bid amount for the land only. Said bid deposit must be postmarked no later than 20 days before the auction, and must be received by the Department 15 days prior to the auction (see item #18). The Offer to Purchase Form will be available online after the Land Board sets the minimum bid (per item #11). The form will also be mailed by the Department directly to the lessee or improvements owner who nominated the sale.
16) It is your responsibility to verify whether any additional bid deposits have been received by the Department if you are concerned about competitive bidding. If you are the current lessee and have initiated the sale and submitted the estimated processing costs and wish to remove the parcel from the sale process, you must notify the Department in writing by Certified Mail so that notice is received by the Department no less than 10 days before the date of the auction (see #18). If you remove the parcel from the sale process, the existing lease continues under the present terms. All costs incurred in preparing the parcel for sale will be paid out of the money submitted for estimated processing costs and the bid deposit. Any funds, submitted for estimated processing costs or bid deposit, remaining will be returned to the lessee. If actual expenses exceed estimates you will be billed.

17) If the current lessee fails to notify the Department in writing by Certified Mail no less than 10 days before the date of the auction, the auction will not be cancelled. Improvements owners, who are no longer the current lessee, do not have the right to withdraw the parcel from sale.

18) You are responsible for meeting established deadlines for any submission or notification to the Department. If you are sending mail from a location that is expected to have slow mail service to the Department for any reason (from outside of the U.S., outside of Montana, or other reason), you are responsible for ensuring the department receives your mail in the established timeframe. This may require sending submissions or notices through expedited mail delivery.

19) All bidding is done by oral bid on the date of auction. Bidding will begin with the competitive bidder(s) submitting a bid of no less than the minimum bid amount listed in the auction notice. Bids for less than the minimum will not be accepted. Bidding will continue until the competitive bidders no longer wish to raise the bid. The Department representative conducting the auction will then ask the current lessee if they wish to exercise their lessee preference right to match the high bid. If the current lessee chooses to exercise that right, the bidding may begin again if the competitive bidders wish to bid a higher amount. The bidding only stops when the competitive bidders wish to cease bidding and/or the current lessee chooses not to match the high bid.

20) The sale will be presented to the Land Board for final approval. The Land Board has the final say on approving or disapproving of the sale. If the Land Board does not approve the sale, the successful bidder is not responsible for processing costs.

21) The parcel is sold to the highest bidder who consummates the terms of the sale (successful purchaser). The current lessee has the right to match the high bid at the oral auction. The owner of the improvements (if no longer the current lessee) does not have the right to match the high bid. The Department retains the bid deposit of the highest bidder and will return bid deposits of all unsuccessful bidders within 15 business days of the auction. If the highest bidder fails to comply with the terms of the sale, for any reason, and thus fails to consummate the sale, the bidder’s bid deposit is forfeited unless the next higher bidder or a subsequent bidder, in sequence of bid amount, agrees to the terms of the sale and finalizes the sale.

22) If the successful purchaser is not the owner of the improvements, the owner of the improvements will be obligated to transfer any and all interest in the improvements upon the lease lot, with clear title, per the Agreement to Sell Improvements contract (See #12). The purchaser shall compensate the owner of the improvements no more than the maximum value of the improvements set by the Land Board (see #11). The owner of the improvements may choose to accept an amount less than the value set by the Land Board, but not more. The sale/purchase of the improvements must be completed prior to closing on the land.

23) All state trust land property is sold in “AS IS” condition. “As is” means that the buyer accepts the property in its present condition. The buyer takes the property at his or her own risk, without recourse against the seller for its condition or faults, whether the faults are apparent or not. No express or implied warranty(ies) will be provided by the Department with the sale. The failure of any bidder to inspect, or to be fully informed as to the condition of all or any portion of the property offered will not constitute grounds for any claim or demand for adjustment, reimbursement or withdrawal of a bid after the close of the auction.
Title to the land is granted by a patent, grant or quit claim deed. No warranty deed is issued. The state does not furnish title insurance.

Mineral rights are reserved by the state in accordance with M.C.A. §77-2-304.

The State does not guarantee access. As part of the sale process, the state will convey any access that it may have and can convey to provide access to the cabin site or home site. The State does not provide road maintenance. Purchasers may be required to join a road user’s association.

By signing this document, you indicate that you have read the form and understand the disclosures therein.

Lessee/Improvement’s Owner Signature: ____________________________ Date __________
Printed Name

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