



The Montana Department of Natural Resources & Conservation

Invitation to Purchase State Land at Public Oral Auction and General Terms and Conditions for Cabin/Home Site Sale

The **STATE OF MONTANA**, administered through the **Department of Natural Resources and Conservation** (“Department”), offers a parcel of land in _____ County (the “Cabin/Home Site”) for sale at public oral auction.

Information and documents are available on the Department’s website at:
<https://dnrc.mt.gov/Water-Resources/State-Water-Projects-Lands-Cabin-Home-Site-Sales/>

For more information, please contact Eve Riley at DNRC, Water Resources Division, State Water Projects Bureau, (406) 444-6645 or eve.riley@mt.gov.

CABIN/HOME SITE DESCRIPTION

Legal Description	Sec.	Twsp.	Rng.	County

APPRAISED VALUE / MINIMUM BID

The minimum bid has been established by the Department. Bids at this auction are for the purchase of land only. The minimum bid will be used as the minimum acceptable bid at the auction under the terms and conditions provided herein.

The minimum bid is \$

ADDITIONAL PURCHASE OF IMPROVEMENTS

The improvements and any other personal property (“Improvements”) on the Cabin/Home Site are owned by a prior Lessee or other third party. The successful bidder (“Buyer”) shall be required to pay the sum of \$ _____, which is the appraised value of the Improvements, in addition to the purchase price of the Cabin/Home Site determined by the highest bid at the auction, in accordance with MCA §85-1-812.

PROCESSING COSTS AND CLOSING COSTS

Buyer shall also pay approximately \$ _____ for processing costs related to the sale, which include, but are not limited to, the cost of the appraisal attributable to the Improvements, legal advertisements of the sale, water rights transfer fees, and the indirect costs administrative fee. This cost is an estimate only. If actual costs differ from this estimate, either credit or debit will be reflected on the settlement statement at closing. The Department shall pay one-half (½) of the closing agent’s closing and escrow fees for the sale of the land. Buyer shall pay one-half (½) of the closing agent’s closing and escrow fees for the sale of the land. In

addition, Buyer shall pay all other closing costs related to the sale of the Improvements, including but not limited to, recording fees, title insurance (to be purchased only at Buyer's option), and lender fees (if any).

SITE INSPECTION AND OPEN HOUSES

The Cabin/Home Site will be sold "AS IS", meaning it will be sold in its present condition. Buyer purchases the Cabin/Home Site without any recourse against the Department for its condition or faults, whether or not the faults are apparent. Interested parties are strongly encouraged to do an on-site inspection of the Cabin/Home Site and Improvements prior to submitting an *Offer to Purchase and Bid Deposit Receipt*. There will be two (2) open houses during which the Cabin/Home Site and Improvements will be open for public viewing. The open houses are scheduled to occur _____ and _____.

ACCESS RESERVATIONS

The Department shall convey the Cabin/Home Site with whatever access the Department has to convey. The Department will reserve any and all easements or rights-of-way to other public or state land, former public or state land, public water, and any existing easements or rights-of-way purchased to access adjacent private lands.

PUBLIC RECORDS INSPECTION

The Cabin/Home Site will be sold subject to all existing easements, encumbrances, zoning ordinances, and applicable building codes. It is recommended that interested parties inspect all public records pertaining to this Cabin/Home Site prior to submitting an *Offer to Purchase and Bid Deposit Receipt*.

RESERVATION OF MINERAL RIGHTS

All mineral rights shall be reserved from sale.

AUCTION DATE, TIME, AND LOCATION

_____, 20____, at _____ AM/PM
_____, _____, _____, Montana

TERMS OF THE AUCTION

A Bid Deposit equal to five percent (5%) of the minimum bid for the land must be submitted to the Department with a completed *Offer to Purchase and Bid Deposit Receipt* form 15 calendar days before the auction. The Buyer's Bid Deposit will be applied to the purchase price. The entire balance of the purchase price, along with the Improvements cost, processing costs, and Buyer's share of the closing costs, must be paid in full on the closing date. The Department will set a closing date that is mutually agreeable to Buyer and the Department. Closing must occur within 120 days of final approval by the Department. If Buyer fails to pay all amounts due on the closing date, the entire Bid Deposit will be forfeited to the Department without any further action required by the Department. All unsuccessful Bid Deposits will be returned to the submitter.

BID DEPOSIT

A Bid Deposit in the amount of \$_____ is required in the form of a cashier's check or other certified funds drawn on any Montana bank, made payable to the Department of Natural Resources and Conservation. **Do Not Send a Personal Check.** Each *Offer to Purchase and Bid Deposit Receipt* must be made on the form available on the Department's website and must be received by the Department 15 calendar days before the auction.

QUALIFIED BIDDERS

All persons must be at least 18 years of age to participate in the auction. Bids made by public employees must comply with the Standards of Conduct set forth in Title 2, Chapter 2, MCA. All bidders who plan to obtain financing to purchase the Cabin/Home Site will be required to provide a prequalification letter from a mortgage broker or lending institution for at least the minimum bid amount plus the value of the Improvements, and provide said lender's conditions for the closing. All other bidders must provide proof of funds demonstrating cash deposits equal to at least the minimum bid amount plus the value of the Improvements.

DEADLINE TO SUBMIT BID DEPOSIT

The *Offer to Purchase and Bid Deposit Receipt* form and a bid deposit of \$ _____, along with either a prequalification letter or proof of funds, must be received by the Department no later than **5:00 PM on _____, 20_____**. Bid Deposits received after the deadline will not be considered. Incomplete, unsigned, and/or not dated *Offer to Purchase and Bid Deposit Receipt* forms will be disqualified. Offers submitted without a sufficient bid deposit or with a personal check will be disqualified.

AUCTION PARTICIPANTS

Only individuals who submit a complete *Offer to Purchase and Bid Deposit Receipt* form, along with the Bid Deposit and either a prequalification letter or proof of funds, will be allowed to participate in the auction.

SALE PROCEDURE

On the day of the auction, Department staff will conduct a public oral auction to sell the land. All qualified bidders must appear in person or be represented by a legal representative at the auction to present an oral bid. Only qualified bidders will be allowed to bid. Bids below the minimum bid will not be accepted. If there are multiple qualified bidders, the bidding will continue until no one wishes to offer a higher bid. If one of the qualified bidders is a current Lessee, they may match the highest bid until there is no higher bid or the current Lessee no longer wants to match the highest bid. The land will be sold at the highest bid. At the close of the auction, the highest bidder shall execute a *Buy-Sell Agreement* with the Department for the purchase and sale of the Cabin/Home Site, the form of which is available on the Department's website.

CLOSING

The Department will set a closing date that is mutually agreeable to both parties, provided that such date is within one hundred and twenty (120) days of the Department's final approval of the sale. The Department will choose the closing agent. The balance of the purchase price for the Cabin/Home Site, the cost of the Improvements, the processing costs, and the Buyer's share of the closing costs must be paid in full at the closing in the form of a cashier's check or other certified funds drawn on a Montana bank and made payable to the Department of Natural Resources and Conservation.

REAL PROPERTY TAXES

The State of Montana is exempt from paying real property taxes. The purchaser will be responsible for future real property taxes from the date of closing. Taxes and assessments due for the current year on the Improvements, if any, shall be prorated between the Improvements owner and Buyer as of the closing date.

TITLE INSURANCE

The Department does not warrant title for this property and will not provide any title insurance. Buyer may elect to order and purchase title insurance at Buyer's expense.

CONVEYANCE

Title to the Cabin/Home Site shall be delivered by a Quit Claim Deed by the Department.

CONDITIONS

The Department reserves the right to postpone or cancel this offering, in whole or in part, to change the minimum price of the Cabin/Home Site, or to withdraw the Cabin/Home Site from this sale at any time prior to the sale, without notice. The Department shall not be liable for any expenses incurred by any parties participating in this sale as a result of, but not limited to, a change in the minimum price or withdrawal of the Cabin/Home Site from sale.