

**NOTICE OF SALE – N.D.C.C. ch. 15-07
GRANT COUNTY
ACQUIRED/NON-GRANT LAND NO NET LOSS LAND SALE - PUBLIC AUCTION**

The State of North Dakota (the "State"), acting through the Board of University and School Lands (the "Board"), will offer for sale at public auction on June 2, 2022 at 10:00 AM MT at the Grant County Courthouse, Courtroom in Carson, North Dakota, the following trust lands in GRANT COUNTY, NORTH DAKOTA:

TRACT 1:

Township 136 North, Range 86 West
Section 28: NW¼
160 acres, more or less

Minimum Bid: \$99,000.00

TRACT 2:

T136 North Range 86 West
Section 32: N½NE¼, N½NW¼
160 acres, more or less

Minimum Bid: \$93,000.00

These tracts will be auctioned separately.

This sale will be conducted as a no net loss land sale with any potential bidder agreeing to provide accessible and leasable land in accordance with N.D.A.C. ch. 85-04-08. This no net loss land sale will be conducted in accordance with N.D.C.C. ch. 15-07 and N.D.A.C. ch. 85-04-08. The minimum bid is \$99,000.00 for tract 1 and \$93,000.00 for tract 2 which is the appraised value for the trust land tracts to be offered for sale.

Any potential bidder will be required to offer lands meeting the requirements of sale provided in N.D.A.C § 85-04-08-02 as follows:

Any sale of acquired lands, with the exception of tracts provided in subsections 1 and 2 of section 85-04-08-01 is subject to the following:

1. The proposed sale would result in no net loss of leasable acquired lands;
2. The applicant agrees to provide accessible and leasable land equal or greater in acres and value to the trust from which the acquired lands were sold, for which the department [of trust lands] then shall consider the criteria listed below in subdivisions a through f in any no net loss sale. Land provided for a no net loss sale is not required to satisfy all six criteria outlined below.
 - a. Equal or greater value.
 - (1) In connection with any no net loss sale the department may use information, provided by the applicant or the department's own knowledge, regarding lands and resources to estimate value for purposes of a preliminary evaluation, including completion of an environmental assessment. The commissioner [of university and school lands] shall procure appraisals, completed by a certified appraiser, to determine the value of the trust lands and the proposed no net loss sale land. The same appraiser shall conduct appraisals of the trust lands and the proposed no net loss sale land. In the event the commissioner is not satisfied with the appraisals, the commissioner may require additional appraisals by alternative certified appraisers.
 - (2) The department shall advise the appraiser regarding the scope of work to ensure the value of the trust lands is determined by the highest and best use of the land, not simply the present use. For example, if a no net loss sale is proposed in which the trust lands are currently leased for grassland but the land is in the path of residential, commercial, or

industrial development, the trust lands must be appraised for the highest and best use for residential, commercial, or industrial development rather than its current use as grassland.

- (3) The department shall consider features not reflected in the market price that are difficult to assign a monetary value, including location, proximity to public lands, recreational opportunities, scenery, other amenities, and results of cultural resources inventories in evaluating the relative value of trust lands.
- b. Equal or greater income to the trusts. A no net loss sale must result in the board receiving equal or greater income to the trusts. The projected income for the proposed no net loss sale land will be estimated using the board's minimum lease rate. The minimum lease rate for the proposed no net loss sale land will be compared to the present income received by the trusts from the trust lands, including all current and potential future revenue streams from surface leases, encumbrances, development of natural resources, and other sources, and any tax liability.
 - c. Acreage. A no net loss sale should result in the board receiving equal or greater acreage. The board may, however, consider receiving less acreage in return for one or more of the following:
 - (1) Improved dedicated access;
 - (2) Substantially higher value; or
 - (3) Substantially higher income.
 - d. Consolidation of trust lands. The proposed no net loss sale must not fragment trust land holdings by creating isolated parcels of trust land. In all no net loss sales, the board shall reserve all minerals underlying the trust lands pursuant to section 5 of article IX of the Constitution of North Dakota subject to applicable law.
 - e. Potential for long-term appreciation. The proposed no net loss sale land must have similar revenue potential as the trust lands.
 - f. Access. A no net loss sale must not diminish access to trust lands. The no net loss land should provide equal or improved access.

For each tract, any potential bidder is required to submit a letter of application and a land sale application fee of \$500.00 per tract to the Department of Trust Lands, 1707 North 9th Street, PO Box 5523, Bismarck, ND 58506-5523, with any letter of application being received in the office of the Department of Trust Lands by 5:00 p.m. on March 10, 2022. The letter of application must include the legal description of the trust lands the potential bidder intends to bid on and a legal description of the lands to be provided as consideration to ensure no net loss under N.D.A.C. § 85-04-08-02.

The State shall secure an appraisal of the proposed no net loss sale land with the cost being paid by the potential bidder prior to the appraisal.

On the day of the auction, the successful bidder for each tract shall deposit a down payment of twenty percent of the highest bid amount, together with the respective advertising costs, in the form of a personal and/or cashier's check. This down payment, less any costs or expenses as allowed under N.D.A.C § 85-04-08-04, may be returned upon completion of sale and conveyance of land being offered as consideration by the successful bidder. If the Board does not proceed with the sale, any earnest money and down payment, less any costs or expenses as allowed under N.D.A.C § 85-04-08-04, may be returned. If the successful bidder fails to complete the purchase of the land offered for sale, the State shall retain all earnest money and down payment.

Final payment in accordance with N.D.A.C. ch. 85-04-08 must be conveyed within 60 calendar days from the date of sale. The balance due date may be extended at the Commissioner's discretion up to a maximum of 180 days from the date of sale. The difference between the minimum bid amount and the highest bid amount must be payable in cash; however, at

the Board's discretion, additional lands may be evaluated as consideration and the acceptance of any additional lands as consideration for this difference is strictly subject to post-auction approval by the Board.

The State shall issue a Quit Claim Deed to the purchaser conveying title to the land offered for sale. The purchaser shall issue a Warranty Deed to the State for the land provided as consideration. The purchaser must be 18 years of age or older on the date of the auction.

The State shall reserve and except all rights and privileges vested in the State of North Dakota under the provisions of its Constitution and laws; and shall further reserve and except all minerals on or underlying the land, including but not limited to oil, gas, coal, cement materials, sodium sulfate, sand and gravel, scoria, road material, building stone, chemical substances, metallic ores, uranium ores, and colloidal and other clays; and shall further reserve and except title to all historical, archaeological, and paleontological materials on or below the Property.

The State shall also reserve and except the right of access to the Property at all times for the purpose of developing all of the reserved substances, including but not limited to mining, drilling, excavating, exploring, and operating, and the storing, handling, transporting, and marketing of all reserved substances with the right to remove from the Property all property and improvements placed thereon for any of the foregoing purposes.

The State will neither warrant nor defend title to the property to be sold nor will the State make any warranty as to the condition of the land or any permanent improvements on the land. Permanent improvements are sold on an "as is" basis. Purchaser assumes all risk of any loss of and damage to the land and permanent improvements that may occur after the date of the public auction. The purchase of the land is subject to the presence of non-permanent improvements (e.g. fences, corrals, water tanks, feed bunks) placed on the land by current occupants. Removal of any such non-permanent improvements shall be the sole responsibility of the current occupant and must occur by June 30, 2022.

The property will be sold subject to existing easements, and oil, gas, coal, and mineral leases.

The purchaser is responsible for payment of all costs, including appraisals, title examinations, and other costs as may be necessary to complete the sale.

All sales are subject to approval by the Board.

For more information, call (701) 328-2800 or visit our website at www.land.nd.gov. If you plan to attend the auction and will need special facilities or assistance relating to a disability, please contact the Department of Trust Lands at the above telephone number by May 26, 2022.

Dated **01/25/2022**

/s/ Jodi Smith
Commissioner of University and School Lands