

SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION LAND SALE AUCTION PROCEDURES

Those desiring to purchase any parcel must submit a fixed price sealed bid to the Trust Lands Administration. The envelope must be labeled "SEALED BID" and include the name of the parcel for which the bid is submitted. **Bids must contain a deposit for the minimum amount specified for the parcel (at least 10%). Bid deposits may be in the form of a personal check. Make checks payable to the "Trust Lands Administration."** Bid deposits will be returned to unsuccessful bidders at the close of the auction. Sealed bids may be hand-delivered to Trust Lands Administration officials at the auction or mailed to the Trust Lands Administration, 675 East 500 South, Suite 500, Salt Lake City, UT 84102. Bids which are mailed must be received by 5:00 p.m. the day before the auction is to be held. The Trust Lands Administration will not be responsible for late or lost mail.

Properties will be offered one at a time. Bids will be opened at the auction and read aloud. Oral auctions for each property will be conducted immediately following the opening of the sealed bids. Oral auctions will begin at the high sealed bid amount for the indicated parcel. Participation in the oral auction for any parcel will be limited to the following people:

1. the three highest sealed bidders,
2. anyone whose sealed bid is at least eighty percent (80%) of the third highest bid, and
3. the surface lessee or permittee for the indicated property, provided he/she has submitted a sealed bid which is equal to or greater than the minimum selling price, if disclosed.

Bidders, or their legal representatives, must be present to participate in the oral auctions. Each parcel will be sold to the highest bidder who equals or exceeds the minimum acceptable selling price.

The Trust Lands Administration may, at its discretion, disclose minimum acceptable selling prices for the parcels. Should the Trust Lands Administration elect to disclose the minimum acceptable selling price for any parcel prior to the auction, the information will be posted on our web page prior to the auction date, or interested parties may call for updates. If the minimum acceptable selling price is disclosed, sealed bids for an amount less than the amount disclosed will not be accepted. The Trust Lands Administration reserves the right to reject any and all bids.

Certain parcels may have cultural resource reservations. These reservations will be announced before or at the auction. Other reservations of sale or restrictions for the listed properties, if any, will be announced at the auction.

A finder's fee of 3% of the final selling price is available to qualified brokers. Contact Diane Lund for further information.

CLOSING:

The prevailing bidders will be expected to close the sale prior to leaving the auction. The following fees will be due from the prevailing bidders at the close of each sale:

- Any unpaid balance necessary to bring the deposit up to at least the required down payment amount.
- Interest from the date of sale to the first day of the following month (if sale is financed).
- Closing costs, which include a \$250 application fee, a \$500 processing charge, costs for the legal advertising, appraisal, and cultural resource survey, and reimbursement costs for undepreciated range improvement projects, if any. Closing costs typically range from \$2,000 to \$10,000 per parcel, but could be more depending on costs incurred for cultural resource compliance.

The Trust Lands Administration will update its web site with specific closing cost information on parcels as information becomes available. Exact closing cost amounts for each parcel will be made clear on the day of the auction. Closing costs cannot be financed.

The Trust Lands Administration conducts or contracts for cultural resource surveys on each property prior to the auction. The cost of the surveys can often be quite expensive. The Trust Lands Administration will collect, as part of the closing costs, an appropriate amount to cover cultural resource compliance expenditures.

FINANCING:

For most parcels, prevailing bidders may finance the purchase of the properties through the Trust Lands Administration. If financing is not available for a specific parcel; that information will be noted in the "Disclosures" section for that parcel and also in the "Auction Information" section for the specific parcel.

- The Trust Lands Administration will finance the balance for up to 20 years. Annual payments will be due on or before the first day of the month following the auction, beginning the following year.
- The deposit amount specified (at least 10%) and all closing costs must be paid at the close of the auction.
- The interest rate for financed purchases is variable and is set yearly at the rate of prime plus two and one-half percent. Interest for the first year will accumulate at 5.75%.
- **Closing costs cannot be financed.**

All bidders are assumed to be knowledgeable concerning the sale process and parcel(s) on which they intend to bid. The State assumes no obligation to stake or survey the offered properties. The sale of property is subject to any and all rules and statutes concerning the sale of trust lands in force at the time of sale. The Trust Lands Administration reserves the right to reject any or all bids.