



Item: Sale of City-Owned Property: Parcel 1906600 located at 1220 38th Street North

From: Mike Haynes, AICP, Director of Planning and Community Development

Initiated By: City Manager's Office

Presented By: Mike Haynes, AICP, Director of Planning and Community Development

Action Requested: City Commission conduct the public hearing for Sale of City-Owned Property

Public Hearing:

1. Mayor conducts public hearing, calling three times for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (approve/disapprove) the sale of property at 1220 38th Street North (Parcel 1906600) to SBC Archway, LLC and authorize the City Manager to execute the necessary documents.”

2. Mayor calls for a second, discussion, and calls for the vote (Requires a four-fifths vote of the Commission).
-

Staff Recommendation: Staff recommends the City Commission approve the sale of the ±10.64 acre city-owned property at 1220 38th Street North.

Background: The City of Great Falls purchased the ±10.64 acre subject property at 1220 38th Street North from Entech Inc. in 1992 for \$75,000. In 1999, the city sold the subject property to Pasta Montana for \$75,000 and then repurchased it for \$75,000 when Pasta Montana decided to accommodate their planned warehouse expansion on their existing site. The property was used by the Parks & Recreation Department for a compost site but is now vacant and undeveloped. The subject property is zoned M-2 Mixed-use transitional.

The subject property was appraised by McKay Rowen Associates in July 2011. The Summary Appraisal Report dated July 27, 2011 estimated current market value of the property at \$385,000.

After receiving several recent inquiries regarding purchase of the subject property, it was offered for public bid. City code (Section 3.04.050 Bidding) requires “An advertisement for bids shall be made once in a paper of general circulation in the City with the publication to be not less than five nor more than twelve days before consideration of bids.”

The legal advertisement ran in the *Great Falls Tribune* on Sunday, June 24, 2012, for a bid opening at 2:30 p.m. on Wednesday, July 3, 2012 in the City Clerk’s Office.

The minimum bid price was set at the appraised value of \$385,000 with a requirement that every bid be accompanied by a cashier’s check made payable to the City of Great Falls or a bid bond executed by an authorized surety corporation for an amount not less than 10 percent of the bid price.

Prior to the bid opening deadline on July 3, 2012, two bids were received in the City Clerk’s Office.

The first sealed bid to be opened was from SBC Archway, LLC, in Billings. Their offer is an “Option to Purchase” the subject property for \$600,000 conditioned on being awarded a contract to construct a “government office facility.” That offer was duly accompanied by a cashier’s check for 10 percent of the offered purchase price (\$60,000). The Option to Purchase agreement would allow SBC Archway, LLC, up to 210 days to exercise their option to purchase and allow a further 120 days from exercising the option to close on the property. The \$60,000 deposit would be returned in full to SBC Archway, LLC, in the event the government contract not be awarded and they elect not to exercise their option to purchase the property. Note that the cover letter from SBA Archway, LLC, contained a clerical error that they requested in writing be corrected. Their bid is conditional on mutual execution of the Option to Purchase agreement by August 10, 2012 (3 days after the public hearing) to allow that agreement to be executed after the public hearing should City Commission elect to sell the subject property to SBC Archway, LLC.

The second sealed bid to be opened was from Erik Sletten. This offer was to purchase the subject property without conditions for \$387,500 and was duly accompanied by a bid bond for 10 percent of the offered purchase price (\$38,750).

City Commission set this public hearing at their meeting held on July 17, 2012. The notice of this public hearing was published in the *Great Falls Tribune* on July 22, 2012.

Staff recommends that City Commission accept the highest bid of \$600,000. While that sale is contingent on SBC Archway, LLC securing the GSA contract to build the regional facility for USDA Forest Service/DOI Bureau of Land Management, SBC Archway, LLC has a good track record of securing and executing GSA contracts (including the Social Security and Homeland Security Buildings on Lots 3D and 3F in the Med-Tech Park). The SBC offer is about 56% higher than the appraised value/minimum bid price set for the subject property and 55% higher than the competing bid from Erik Sletten, although Mr. Sletten’s bid is a cash offer without contingencies.

Please note that pursuant to City Code, a decision by City Commission to sell, trade or lease city-owned property must be passed by four-fifths (4/5) of all the members of the City Commission (Sec. 3.04.010 Sale, trade or lease).

Concurrences: N/A

Fiscal Impact: Sale of the subject property will generate revenue for the City and relieve the City of maintenance responsibility. Sale of the subject property may also expand the tax base depending on the eventual buyer and ultimate use of the property.

Alternatives: The City Commission can approve or deny the sale of the land.

Attachments/Exhibits: Bid Tabulation Summary
Notice To All Bidders
Bid Offers

CITY OF GREAT FALLS
P.O. BOX 5021
GREAT FALLS, MT 59403

BID TABULATION SUMMARY
Sale of City-Owned Property

Parcel 1906600
Bids taken at Civic Center
July 3, 2012 – 2:30 P.M.
Tabulated by Lisa Kunz

	Name and Address of Bidder	Minimum Bid Price - \$385,000	Total Bid	10% Bid Security
1	SBC ARCHWAY LLC 401 N. 31 ST ST., SUITE 1305 BILLINGS, MT 59101	X	\$600,000	Western Security Bank Cashier's Check \$60,000
2	Erik Sletten P.O. Box 2467 Great Falls, MT 59403	X	\$387,500	AIA Bid Bond 10%
3				
4				
5				

SIGN IN SHEET

BID ATTENDING – SALE OF CITY-OWNED PROPERTY, PARCEL 1906600

NAME	COMPANY REPRESENTING
Lisa Kunz	COG7
Bl. Hyn	Erik Sletten
Mike Hayler	COG7

NOTICE TO ALL BIDDERS

SALE OF CITY-OWNED PROPERTY

NOTICE IS HEREBY GIVEN that the City of Great Falls, Montana, will receive sealed bids at the City Clerk's Office, Room 204, Civic Center Building, #2 Park Drive, Great Falls, Montana, until 2:30 p.m., July 3, 2012, at which place and time they will be publicly opened, read and considered, together with all bidding for the sale of the City-owned building described as follows:

Parcel 1906600 containing ±10.64 acres, located at River Drive and 38th Street North, addressed as 1220 38th Street North, Great Falls, MT 59403.

Each and every bid shall be accompanied by a cashier's check drawn on a responsible bank payable to the City of Great Falls or a bid bond executed by a surety corporation authorized to do business in the State of Montana, for an amount not less than ten percent of the bid price. Minimum bids shall not be less than the appraised value as indicated below:

The minimum bid price shall be \$385,000.

The bids shall be marked on the outside: "Bid on City-owned property (2) to be opened July 3, 2012."

Map exhibits of the City owned property to be sold are on file at the Offices of the Planning & Community Development Department, City of Great Falls, Montana. Potential bidders are encouraged to contact Mike Haynes, Director of Planning & Community Development, for additional information prior to submitting a bid, at 455-8433.

The City Commission of the City of Great Falls reserves the right to reject any or all bids and to accept any bid should it be deemed in the public interest to do so.

Lisa Kunz, City Clerk

PUBLICATION DATE: June 24, 2012

SBC ARCHWAY, LLC

401 North 31st Street
1305 First Interstate Center
Billings, MT 59103-7224
Telephone: (406) 252-6666 * Facsimile (406) 252-6646
Email: gerickett@gmail.com

June 29, 2012

Via Federal Express

(406) 771-1180, Ext. 451

Lisa Kunz (Email: lkunz@greatfallsmt.net)

City Clerk

City of Great Fall

Civic Center Building, Room 204

2 Park Drive South

Great Falls, MT 59401

RE: Sealed Bid to Purchase City-owned land pursuant to Public Notice dated June 24, 2012, (the "Notice").

Dear Ms. Kunz:

In response to the attached Public Notice dated June 24, 2012, pertaining to the proposed sale of city-owned land, SBC Archway, LLC, a Montana limited liability company, hereby tenders this Sealed Bid to purchase the following described real property owned by City of Great Falls:

Parcel 1906600 containing approximately 10.64 acres, located at River Drive and 38th Street North, addressed as 1220 38th Street North, Great Falls, Montana 59403.

The Bid Price is: **SIX HUNDRED THOUSAND AND 00/100 DOLLARS (\$600,000.00).**

This Bid is made conditional upon mutual execution of the attached Option to Purchase between SBC Archway, LLC and City of Great Falls on or before August 10, 2010.

As provided in the Notice, enclosed is a cashier's check in the amount of \$60,000.00 made payable to the City of Great Falls, which amount represents a deposit of ten percent (10%) of the tendered Bid Price. We understand the Bid opening is scheduled for 2:30 p.m. on Tuesday, July 3, 2012.

OPTION TO PURCHASE

Dated this 29 day of June 2012.

Billings, Montana

In consideration of the payment SBC ARCHWAY, LLC, a Montana Limited Liability Corporation, or Assignees (hereafter referred to as Optionee), in the amount of: SIXTY THOUSAND DOLLARS (\$60,000.00) (the "Option Deposit"), receipt of which is hereby acknowledged, and City of Great Falls, Montana (hereafter referred to as Optionor), grants to Optionee an option to purchase the real property described as: Tract 1, Certificate of Survey No. 1638, Cascade County, Montana, a parcel containing approximately 10.64 acres as shown on attached "Exhibit A".

FOR A PURCHASE PRICE THAT IS: SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) upon the following:

TERMS and CONDITIONS: CASH AT CLOSE OF ESCROW.

THE PARTIES ACKNOWLEDGE THAT OPTIONEE HAS TENDERED AN OPTION DEPOSIT OF SIXTY THOUSAND DOLLARS (\$60,000.00) TO THE CITY OF GREAT FALLS IN CONNECTION WITH THE SEALED BID DATED JULY 3, 2012. SUBSEQUENTLY, THE CITY OF GREAT FALLS APPROVED THE FORM AND CONTENT OF THIS OPTION TO PURCHASE. THE OPTION DEPOSIT SHALL BE APPLIED TO THE PURCHASE PRICE AT CLOSING. IN THE EVENT OPTIONEE IS NOT AWARDED THE CONTRACT TO CONSTRUCT THE PROPOSED GOVERNMENT OFFICE FACILITY ON THE ABOVE DESCRIBED PROPERTY, UPON WRITTEN NOTICE TO OPTIONOR, WITHIN TEN (10) BUSINESS DAYS, THE OPTION DEPOSIT WILL BE REFUNDED TO OPTIONEE.

ENCUMBERANCES: In addition to any encumbrances referred to above, Optionee shall take title to the property subject to: 1) Real Estate Taxes not yet due and 2) covenants, conditions, restrictions, reservations, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property. The amount of any bond or assessment, which is a lien, shall be () paid, () assumed by OPTIONOR.

EXAMINATION OF TITLE: Fifteen (15) days from the date of exercise hereof are allowed the Optionee to examine the title to the property and to report in writing any valid objections thereto. Any exceptions to the title, which would be disclosed by examination of the records, shall be deemed to have been accepted unless reported in writing within said 15 days. If Optionee objects to any exceptions to the title, Optionor shall use all due diligence to resolve such exceptions at his expense within 60 days thereafter. But if such exceptions cannot be removed within the 60 days allowed, all rights obligations hereunder may, at the election of the Optionee, terminate and end, and the option payment shall be returned to Optionee, unless he elects to purchase the property subject to such exceptions. Title will be in the form of a GENERAL WARRANTY DEED.

EVIDENCE OF TITLE: Evidence of Title shall be in the form of () a policy of title insurance () other; _____ to be paid for by OPTIONOR.

CLOSE OF ESCROW: Within ONE HUNDRED TWENTY (120) days from exercise of the option, and after full and mutual execution of the PROPOSED GOVERNMENT OFFICE Lease, and upon the removal of any exceptions to the title by the Optionor, as provided above, whichever is later, both parties herein shall deposit with the authorized escrow holder, all funds and instruments necessary to complete the sale in accordance with the terms and conditions hereof.

POSSESSION: Possession shall be delivered to Optionee upon recordation of the deed.

PRORATIONS: Rents, taxes, premiums on insurance acceptable to Optionee; Interest and other expenses of the property to be prorated as of recordation of deed. Security deposits, advance rentals or considerations involving future lease credits shall be credited to Optionee.

MAINTENANCE: Until possession is delivered, Optionor agrees to maintain the grounds in their present and existing condition.

NOTICES: By acceptance hereof, Optionor warrants that he has no notice of violations relating to the property from City, County, State or Federal agencies.

TIME: Time is of the essence of this agreement.

EXPIRATION OF OPTION: If not exercised, this option to purchase shall expire TWO HUNDRED TEN (210) days

from date. If Optionee fails to exercise this option during the option period, then Optionor shall be released from all obligations hereunder and all of Optionee's rights hereunder, legal or equitable, shall cease. The parties herein may extend this option as mutually agreed to in writing.

EXERCISE OF OPTION: The option shall be exercised by mailing or delivering written notice to the Optionor prior to the expiration of this option with a copy to the closing agent, Chicago Title Company, Great Falls, Montana.

NOTICES: If mailed, shall be by certified mail, postage prepaid, to the Optionor and/or Optionee at the addresses set forth below, and shall be deemed to have been received upon the day following the day shown on the postmark of the envelope in which such notice is mailed.

IN THE EVENT: The option is exercised, the consideration herein above received by Optionor shall be credited to the purchase price.

CITY OF GREAT FALLS, MONTANA

SBC ARCHWAY, LLC

By _____ Title _____

By *Glen E. Rickett*
Glen E. Rickett, Managing Member

P.O. Box 5021, Great Falls, Montana, 59403
Address

401 North 31st Street, Suite 1305, Billings, MT 59103-7224
Address

(406) 455-8433
Telephone

406) 252-6666
Telephone



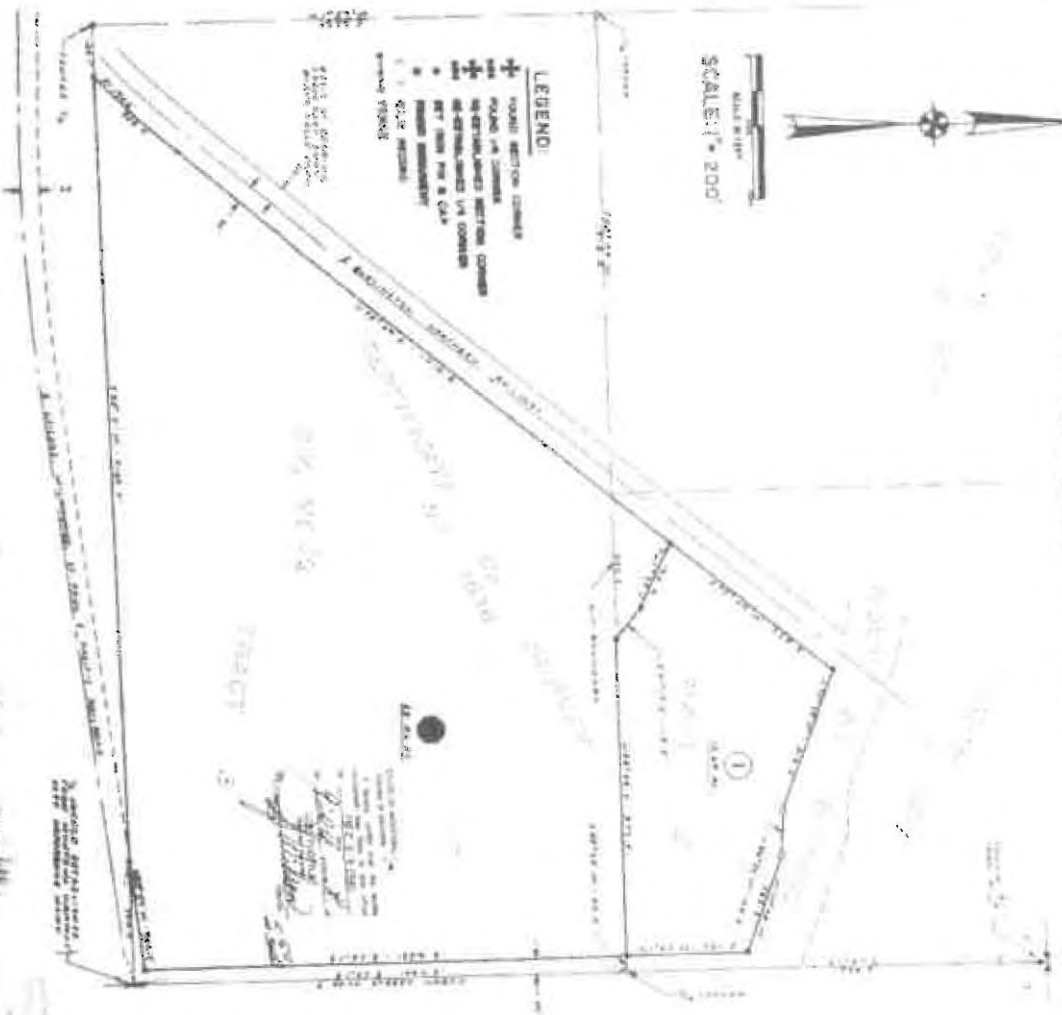
CERTIFICATE OF SURVEY

A PORTION OF THE NE 1/4, SECTION 9, T20N, R1E,
10 W., CASCADE COUNTY, MONTANA



SCALE: 1" = 200'

- LEGEND:**
- ✚ FOUND SECTION CORNER
 - ✚ RE-ESTABLISHED SECTION CORNER
 - ✚ RE-ESTABLISHED VIA CORNER SET FOR THE S. 1/4
 - ✚ FOUND MONUMENTARY
 - ✚ OLD MONUMENT
 - ✚ FOUND STAKE



1. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

2. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

3. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

4. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

5. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

6. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

7. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.

8. The survey was made by the undersigned on the 10th day of August, 1910, and the same is hereby certified to be correct and true.



THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A310

Bid Bond

BOND # ES070312

KNOW ALL MEN BY THESE PRESENTS, that we **ERIK SLETTEN**

P.O. Box 2467, Great Falls, MT 59403

(Here insert full name, and address or legal title of Contractor)

as Principal, hereinafter called the Principal, and **Travelers Casualty And Surety Company Of America**
One Tower Square, Hartford, CT 06183-6014

(Here insert full name, and address or legal title of Surety)

a corporation duly organized under the laws of the State of **CT**

as Surety, hereinafter called the Surety, are held and firmly bound unto

City Of Great Falls

P.O. Box 5021, Great Falls, MT 59403

(Here insert full name and address or legal title of Owner)

as Obligee, hereinafter called the Obligee, in the sum of

Ten Percent of Amount Bid _____ Dollars (**\$ 10.00%**),

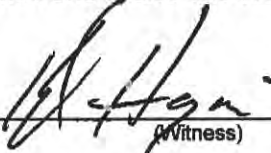
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for
**Parcel # 1906600-River Drive and 38th Street North-
1220 38th Street N, Great Falls, MT 59403**

(Here insert full name, address and description of project)

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid then this obligation shall be null and void, otherwise to remain in full force and effect.

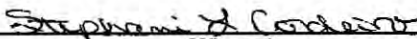
Signed and sealed this **3rd** day of **July** **2012**



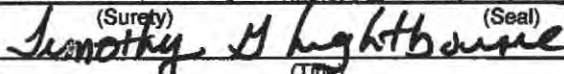
(Witness)

ERIK SLETTEN
(Principal)  (Seal)

(Title)



(Witness)

Travelers Casualty And Surety Company Of America
(Surety)  (Seal)

(Title)
Timothy G. Lightbourne, Attorney-In-Fact

(LAND) BUY-SELL AGREEMENT



1 This Agreement stipulates the terms of sale of this property. Read carefully before signing. This is a legally
2 binding contract. If not understood, seek competent advice.

4 Great Falls, Montana, (date) 07/03/12,
Erik Sletten, as

6 [] joint tenants with rights of survivorship, [] tenants in common, [X] single in his/her own right, [] Other
7 (hereinafter called "Buyer") agrees to purchase, and the Seller agrees to sell the following described real
8 property (hereinafter referred to as "Property"), commonly known as
1220 38th Street North 59403, Parcel 1906600, +/-10.64 acres, Geo 02301605101090000
10 in the City of Great Falls, County of Cascade
11 Montana, legally described as:
S05, T20N, R04E, 1642, Parcel 000, TR 1, COS #1642, IN NE4 MK P1

15 TOGETHER with all interest of Seller in vacated streets and alleys adjacent thereto, all easements and other
16 appurtenances thereto, uncut timber and non-harvested crops and all improvements thereon except:
none

19 PERSONAL PROPERTY: The following items of personal property, free of liens and without warranty of condition, are
20 included and shall be transferred by the bill of sale:
none

23 PURCHASE PRICE AND TERMS:

24 Total purchase price is Three Hundred Eighty-Seven Thousand Five Hundred
25 U.S. Dollars (\$ 387,500.00) payable as follows:
26 \$ earnest money to be applied at closing.
27 \$ 10% Bid Bond as additional cash payment, payable on or before closing.
28 \$ 348,750.00 balance of the purchase price will be financed as follows:
29 [X] Conventional [] Other Financing [] Seller Financing [] Assumption [] Home equity

43 CLOSING DATE: The date of closing shall be (date) 08/03/12. The parties may, by
44 mutual agreement, agree to close the transaction at any time prior to the date specified. The Buyer and Seller will
45 deposit with the closing agent all instruments and funds necessary to complete the purchase in accordance with this
46 Agreement.

48 POSSESSION: Seller shall deliver to Buyer possession of the property and allow occupancy:
49 [X] when the closing agent is in receipt of all required, signed documents and all funds necessary
50 for the purchase; OR
51 [] on the date of recording the deed, notice of purchaser's interest, OR
52 []

53 Seller shall provide keys and/or means to operate locks, mailboxes, security systems, alarms, garage door opener(s),
54 and Homeowner's Association facilities, if applicable.

Buyer's Initials

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Land Buy-Sell Agreement, April 2012

Page 1 of 7 / Seller's Initials



55 **RECEIPT OF EARNEST MONEY:** Buyer agrees to provide Earnest Money in the amount of _____
56 _____ U.S. Dollars (\$ _____) as evidenced by Cash,
57 the receipt of which is acknowledged by the undersigned Broker/Salesperson; OR Check, the receipt of which is
58 acknowledged by the undersigned Broker/Salesperson; OR, **10% Bid Bond Presented with this offer**
to the City of Great Falls

60 If Buyer fails to pay the Earnest Money as set forth above, Buyer will be in default of this Agreement and Seller shall be
61 entitled to immediately terminate this Agreement and declare any Earnest Money already paid by Buyer to be forfeited.

63 All parties to this transaction agree, unless otherwise provided herein, that the earnest monies will be deposited
64 pursuant to Montana Law OR within (_____) business days of the date all parties have signed the Agreement or

66 and such funds will be held in a trust account by _____.
67 Parties agree that interest accruing on earnest money, if any, while deposited shall be payable to: _____.

69 If interest is payable to the Broker it is agreed that sums so paid are consideration for services rendered.

71 _____ (Broker/Salesperson's Printed Name and Phone Number) _____ (Signature of Broker/Salesperson)

72 To be signed only if in actual receipt of Cash or Check.

74 The parties authorize the holder of the earnest money to forward to the closing agent, upon its request, all or any
75 portion of the earnest money required to complete the closing of the transaction.

77 **FINANCING CONDITIONS AND OBLIGATIONS:**

79 **BUYER'S REPRESENTATION OF FUNDS:** Buyer represents that they have sufficient funds for the down
80 payment and closing costs to close this sale in accordance with this Agreement and are not relying upon any
81 contingent source of such funds unless otherwise expressly set forth herein.

83 **LOAN APPLICATION:** If Buyer fails to make written application for financing and pay to the lender any
84 required fees, apply for assumption of an existing loan or contract, or initiate any action required for
85 completion of a contract for deed by 5:00 P.M. (Mountain Time) (date) _____ **complete**
86 Buyer will be in breach of this Agreement and Seller can exercise Seller's remedies under this Agreement.

88 **CONTINGENCIES:** The contingencies set forth in this Agreement or on attached addenda shall be deemed to have
89 been released, waived, or satisfied, and the transaction shall continue to closing, unless, by 5:00 p.m. (Mountain Time)
90 on the date specified for each contingency, the party requesting that contingency has notified the other party or the
91 other party's Broker/Salesperson in writing that the contingency is not released, waived, or satisfied. If a party has
92 notified the other party on or before the release date that a contingency is not released, waived, or satisfied, the
93 transaction is terminated, and the earnest money will be returned to the Buyer, unless the parties negotiate other terms
94 or provisions.

96 **FINANCING CONTINGENCY:**


97 This Agreement is contingent upon Buyer obtaining the financing specified in the section of this Agreement
98 entitled "PURCHASE PRICE AND TERMS". If financing cannot be obtained by the Time for Completion
99 (defined below), this Agreement is terminated and the earnest money will be refunded to the Buyer. If
100 third-party financing of a type specified herein is required by the terms of this Agreement (including
101 assumptions, contracts for deed, and lender financing) the closing shall occur on the date specified or as
102 soon thereafter as financing is completed, but no later _____ days after the stated closing date (the
103 "Time for Completion"); OR

104 This Agreement is contingent upon the Buyer obtaining financing for the Property on terms acceptable to
105 Buyer. Release Date: _____.

107 **APPRAISAL CONTINGENCY:**

108 Property must appraise for at least (\$ _____). If the Property does not appraise for at least the
109 specified amount, this Agreement is terminated and earnest money refunded to the Buyer unless the Buyer
110 elects to proceed with closing this Agreement without regard to appraised value. Written notice of Buyer's
111 election to proceed shall be given to Seller or Seller's Broker/Salesperson within _____ days of Buyer or
112 Buyer's Broker/Salesperson receiving notice of appraised value; OR

113 Property must appraise for at least (\$ _____). Release Date: _____.


Buyer's Initials

114 **TITLE CONTINGENCY:** This offer is contingent upon Buyer's receipt and approval (to Buyer's satisfaction) of
115 the preliminary title commitment. Release Date: _____ days from Buyer's or Buyer's
116 representative's receipt of preliminary title commitment.

118 **PROPERTY INVESTIGATION:** This offer is contingent upon Buyer's independent investigation of the following
119 conditions relating to the property, including but not limited to; covenants, zoning, access, easements, well
120 depths, septic and sanitation restrictions, surveys or other means of establishing the corners and boundaries,
121 special improvement districts, restrictions affecting use, special building requirements, future assessments,
122 utility hook up and installation costs, environmental hazards, airport affected area, road maintenance
123 obligations or anything else Buyer deems appropriate. Buyer agrees that any investigations or inspections
124 undertaken by Buyer or on his/her behalf shall not damage or destroy the property, without the prior written
125 consent of Seller. Further, Buyer agrees to return the property to its original condition and to indemnify Seller
126 from any damage or destruction to the property caused by the Buyer's investigations or inspections, if Buyer
127 does not purchase the property. Release Date: complete.
128 **This offer is contingent upon** _____

_____ Release Date: _____
134 **This offer is contingent upon** _____

_____ Release Date: _____
139

141 **ADDITIONAL PROVISIONS:** _____

161 **CONVEYANCE:** The Seller shall convey the real property by General Warranty
162 deed, free of all liens and encumbrances except those described in the title insurance commitment, as approved by
163 Buyer. The Seller shall convey the personal property by Bill of Sale.

165 **WATER:** All water, including surface water or ground water, any legal entitlement to water, including statements of
166 claim, certificates of water rights, permits to appropriate water, exempt existing rights, decreed basins or any ditches,
167 ditch rights, or ditch easements appurtenant to and/or used in connection with the Property are included with the
168 Property, except _____

170 Filing or transfer fees will be paid by Seller, Buyer, split equally between Buyer and Seller.
171 Documents for transfer will be prepared by _____

ES
Buyer's Initials

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Land Buy-Sell Agreement, April 2012

Page 3 of 7 _____
Seller's Initials

172 **WATER RIGHT OWNERSHIP UPDATE DISCLOSURE:** By Montana law, failure of the parties at closing or transfer
173 of real property to pay the required fee to the Montana Department of Natural Resources and Conservation for
174 updating water right ownership may result in the transferee of the property being subject to a penalty. Additionally, in
175 the case of water rights being exempted, severed, or divided, the failure of the parties to comply with section 85-2-424,
176 MCA, could result in a penalty against the transferee and rejection of the deed for recording.

178 **CLOSING AGENTS FEES:** Closing agents fees will be paid by Seller Buyer Equally Shared.

180 **TITLE INSURANCE:** Seller, at Seller's expense and from a title insurance company chosen by Seller, shall furnish
181 Buyer with an ALTA Standard Coverage Owners Title Insurance Policy (as evidenced by a standard form American
182 Land Title Association title insurance commitment) in an amount equal to the purchase price. Buyer may purchase
183 additional owner's title insurance coverage in the form of "Extended Coverage" or "Enhanced Coverage" for an
184 additional cost to the buyer. It is recommended that buyer obtain details from a title company.

186 **CONDITION OF TITLE:** All mortgages, judgments and liens shall be paid or satisfied by the Seller at or prior to
187 closing unless otherwise provided herein. Seller agrees that no additional encumbrances, restrictions, easements or
188 other adverse title conditions will be placed against the title to the property subsequent to the effective date of the
189 preliminary title commitment approved by the Buyer.

191 **SPECIAL IMPROVEMENT DISTRICTS:** Special Improvement Districts (including rural SIDs), including those that
192 have been noticed to Seller by City/County but not yet spread or currently assessed, if any, will be:

193 paid off by Seller at closing;
194 assumed by Buyer at closing; OR

195 _____

196 All perpetual SIDs shall be assumed by Buyer.

198 **ASSOCIATION SPECIAL ASSESSMENTS:** Any special or non-recurring assessments of any non-governmental
199 association, including those that have been approved but not yet billed or assessed, will be:

200 paid off by Seller at closing;
201 assumed by Buyer at closing; OR

202 _____

204 **PRORATION OF TAXES AND ASSESSMENTS:** Seller and Buyer agree to prorate taxes, Special Improvement
205 District assessments for the current tax year, as well as pre-paid rents, water and sewer system charges, heating fuel
206 and tank rental, irrigation assessments, Homeowner's Association dues and/or common maintenance fees, if any, as
207 of the date of closing unless otherwise agreed and:

212 **CONDITION OF PROPERTY:** Seller agrees that the Property shall be in the same condition, normal wear and tear
213 excepted, from the date of the execution of this Agreement up to the time Buyer takes possession of the Property.
214 Seller will remove all personal property not included in this sale prior to closing.

216 **NOXIOUS WEEDS DISCLOSURE:** Buyers of property in the state of Montana should be aware that some properties
217 contain noxious weeds. The laws of the State of Montana require owners of property within this state to control, and to
218 the extent possible, eradicate noxious weeds. For information concerning noxious weeds and your obligations as an
219 owner of property, contact either your local County extension agent or Weed Control Board.

221 **MEGAN'S LAW DISCLOSURE:** Pursuant to the provisions of Title 46, Chapter 23, Part 5 of the Montana Code
222 Annotated, certain individuals are required to register their address with the local law enforcement agencies as part of
223 Montana's Sexual and Violent Offender Registration Act. In some communities, law enforcement offices will make the
224 information concerning registered offenders available to the public. If you desire further information please contact the
225 local County Sheriff's office, the Montana Department of Justice, in Helena, Montana, and the probation officers
226 assigned to the area.

CS
Buyer's Initials

227 **BUYER'S REMEDIES:** (A) If the Seller fails to accept the offer contained in this Agreement within the time period
228 provided in the BUYER'S COMMITMENT section, all earnest monies shall be returned to the Buyer. (B) If the Seller
229 accepts the offer contained in this Agreement, but refuses or neglects to consummate the transaction within the time
230 period provided in this Agreement, the Buyer may:

- 231 (1) Demand immediate repayment of all monies that Buyer has paid as earnest money, and upon the return of
- 232 such money, the rights and duties of Buyer and Seller under this Agreement shall be terminated; OR
- 233 (2) Demand that Seller specifically perform Seller's obligation under this Agreement; OR
- 234 (3) Demand monetary damages from Seller for Seller's failure to perform the terms of this Agreement.

236 **SELLER'S REMEDIES:** If the Seller accepts the offer contained in this Agreement and Buyer refuses or neglects to
237 consummate the transaction within the time period provided in this Agreement, the Seller may:

- 238 (1) Declare the earnest money paid by Buyer be forfeited; OR
- 239 (2) Demand that Buyer specifically perform Buyer's duties and obligations under this Agreement; OR
- 240 (3) Demand that Buyer pay monetary damages for Buyer's failure to perform the terms of this Agreement.

242 **BUYER'S AND SELLER'S CERTIFICATION:** By entering into this Agreement, each person or persons executing this
243 Agreement, as Buyer or Seller, represents that he/she is eighteen (18) years of age or older, of sound mind, and
244 legally competent to own or transfer real property in the State of Montana; and, if acting on behalf of a corporation,
245 partnership, or other non-human entity, that he/she is duly authorized to enter into this Agreement on behalf of such
246 entity.

248 **FOREIGN PERSON OR ENTITY:** Sellers are not foreign persons, non-resident aliens, foreign corporations, foreign
249 partnerships, foreign trusts, or foreign estates, as those terms are defined in the Internal Revenue Code and the
250 Income Tax Regulations promulgated there under. Unless the purchase price of the Property does not exceed
251 \$300,000 and the Buyer is purchasing the Property for use by Buyer as a personal residence, Sellers shall deliver to
252 Buyer a certificate of non-foreign status in the form required by the Income Tax Regulations and reasonably
253 acceptable to Buyer and/or Buyer's attorney. In the event Sellers do not deliver the certificate to Buyer at or before
254 closing, Sellers acknowledge and agree that Buyer may withhold ten percent (10%) of the Purchase Price and submit
255 this amount to the Internal Revenue Service, pursuant to Section 1445 of the Internal Revenue Code.

257 **CONSENT TO DISCLOSE INFORMATION:** Buyer and Seller hereby consent to the procurement and disclosure by
258 Buyer, Seller, and Salespersons and their attorneys, agent, and other parties having interests essential to this
259 Agreement, of any and all information reasonably necessary to consummate the transaction described in this
260 Agreement, specifically including access to escrows for review of contracts, deeds, trust indentures, or similar
261 documents concerning this property or underlying obligations pertaining thereto.

263 **RISK OF LOSS:** All loss or damage to any of the above-described real property or personal property to any cause is
264 assumed by Seller through the time of closing unless otherwise specified.

266 **TIME IS OF THE ESSENCE:** Time is of the essence as to the terms and provisions of this agreement.

268 **BINDING EFFECT AND NON-ASSIGNABILITY:** This Agreement is binding upon the heirs, successors and assigns
269 of each of the parties hereto; however, Buyer's rights under this Agreement are not assignable without the Seller's
270 express written consent.

272 **ATTORNEY FEES:** In any action brought by the Buyer or the Seller to enforce any of the terms of this Agreement, the
273 prevailing party in such action shall be entitled to such reasonable attorney fees as the court or arbitrator shall
274 determine just.

276 **COMMISSION:** The Seller's and/or Buyer's commitment to pay a commission in connection with this transaction is an
277 integral part of this Agreement.

279 **FACSIMILE:** The parties agree that a facsimile copy of this Agreement to Sell and Purchase which contains the
280 parties' signatures may be used as the original.



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281 **ENTIRE AGREEMENT:** This Agreement, together with any attached exhibits and any addenda or amendments
282 signed by the parties, shall constitute the entire agreement between Seller and Buyer, and supersedes any other
283 written or oral agreements between Seller and Buyer. This Agreement can be modified only in writing, signed by the
284 Seller and Buyer.

286 **COUNTERPARTS:** A copy of this document may be executed by each individual/entity separately, and when each
287 has executed a copy thereof, such copies, taken together, shall be deemed to be a full and complete contract between
288 the parties.

290 **EARNEST MONEY DISPUTES:** Buyer and Seller agree that, in the event of any controversy regarding the earnest
291 money and things of value held by the Broker, closing agent, or any person or entity holding such money or property,
292 unless mutual written instructions are received by the holder of the earnest money and things of value, Broker or
293 closing agent shall not be required to take any action, but may await any proceedings, or, at Broker's or closing
294 agent's option and sole discretion, may interplead all parties and deposit any monies or things of value in a Court of
295 competent jurisdiction and may utilize as much of the earnest money deposit as may be necessary to advance the
296 cost and fees required for filing such action.

298 **ADDENDA AND/OR DISCLOSURES ATTACHED:** (Check all that apply.)

- 299 Sale of Buyer's Property 1031 Tax Deferred Exchange
300 Addendum for Additional Provisions Back-up Offer
301 Water Rights Acknowledgement
302 _____

304 **RELATIONSHIP CONFIRMATION:** The parties to this agreement confirm that the real estate licensees identified
305 hereafter have been involved in this transaction in the capacities indicated below and the parties have previously
306 received the required statutory disclosures setting forth the licensees duties and the limits of their obligations to each
307 party:

309 _____ of _____
310 (name of licensee) (name of Brokerage company)
311 is acting as Seller's Broker/Salesperson; Dual Broker/Salesperson; Statutory Broker.

313 Kyle Haynie of Russell Country Realty
314 (name of licensee) (name of Brokerage company)
315 is acting as Buyer's Broker/Salesperson; Dual Broker/Salesperson; Statutory Broker;
316 Seller's Broker/Salesperson (includes Seller's Sub-Broker or Salesperson).

318 **BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges that he/she has examined the real and personal property, that
319 Buyer enters into this Agreement in full reliance upon his/her independent investigation and judgment, that prior
320 verbal representations by the Seller or Seller's agent or representatives do not modify or affect this Agreement, and
321 that by signing this Agreement Buyer acknowledges having read and understood this entire Agreement.

323 **BUYER'S COMMITMENT:** I/We agree to purchase the above-described Property on the terms and conditions set
324 forth in the above offer and grant to said Salesperson until (date) 07/03/12
325 at 5:00 a.m. p.m. (Mountain Time) to secure Seller's written acceptance, whether nor not that
326 deadline falls on a Saturday, Sunday or holiday. Buyer may withdraw this offer at any time prior to Buyer being
327 notified of Seller's written acceptance. If Seller has not accepted by the time specified, this offer is automatically
328 withdrawn.

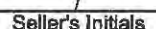
329 The parties hereto, all agree that the transaction contemplated by this document may be conducted by electronic
330 means in accordance with the Montana Uniform Electronic Transaction Act.



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Land Buy-Sell Agreement, April 2012

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Seller's Initials

331 I/WE HEREBY ACKNOWLEDGE receipt of a copy of this Agreement bearing my/our signature(s).

333 Buyer's Address: _____ City _____

335 State _____, Zip Code _____ Phone Number _____

337 Buyer's Name Printed: _____ Erik Sletten _____

339 Dated this 07/03/12, at _____ am pm (Mountain Time).

341  _____

342 (Buyer's Signature) _____ (Buyer's Signature) _____

345 OFFER PRESENTATION: This offer was presented to the Seller(s) on

347 Date: _____ Time _____ am pm By: _____

348 _____ (Signature of person presenting the offer)

349 SELLER'S COMMITMENT: I/We agree to sell and convey to Buyer the above-described Property on the terms
350 and conditions herein above stated. I/We acknowledge a receipt of a copy of this Agreement bearing my/our
351 signature(s) and that of the Buyer(s) named above.

353 Seller's Address: _____ City _____

355 State _____, Zip Code _____ Phone Number _____

357 Seller's Name Printed: _____ City of Great Falls _____

359 Dated this 07/03/12, at _____ am pm (Mountain Time).

361 _____

362 (Seller's Signature) _____ (Seller's Signature) _____

364 ACTION TAKEN, IF OTHER THAN ACCEPTANCE:

366 I/We acknowledge receipt of this Agreement bearing my/our initial(s) and the signature(s) of the Buyer(s) named
367 above.

369 Rejected by Seller _____ / _____ / _____ Modified per Attached Counter _____ / _____ / _____
370 Seller's Initials Date Seller's Initials Date

NOTE: Unless otherwise expressly stated the term "Days" means calendar days and not business days. Business days are defined as all days as except Sundays and holidays. Any performance which is required to be completed on a Saturday, Sunday or a holiday can be performed on the next business day.