

**Bois Forte Reservation
Policy and Procedure
Assignment or Transfer of Leases**

Background: Leases of Bois Forte land may not be transferred or assigned to another tenant/lessee without the prior written consent of the Bois Forte Reservation Tribal Council. Because the leased property is Indian trust land the transfer or assignment of a lease must also be approved by the United States Secretary of the Interior, who has delegated that approval authority to the Superintendent of the Minnesota Agency, Bureau of Indian Affairs. Under federal law the Superintendent may not approve a transfer or assignment of the lease without the consent of the Lessee and the Bois Forte Reservation Tribal Council.

Policy: The policy of the Reservation Tribal Council is to meet the demand for homesites by increasing the opportunity for Band members to obtain lots that are given up by others. In the event that a present Lessee chooses to relinquish a lot, the Reservation Tribal Council has adopted a transfer mechanism that has two purposes:

1. To enable the Lessee to obtain the fair market value of all improvements made to the Leased Premises at the time of the intended sale, but excluding any value of the land or the right to occupy the land.
2. To enable Band members to obtain homesite leases without paying for the right to occupy tribal land and paying a fair price for improvements.

Procedures:

1. A Lessee who intends to give up a lease by transferring it to someone else and selling the improvements on the land must file a Notice of Intent with the Bois Forte Land/Leasing office.
2. Upon receipt of the Notice of Intent to sell, Land Leasing will post the Notice at public buildings on the Reservation and send it to all persons on the applicable waiting list.
3. The Notice of Intent to sell shall include the price the Lessee is asking for improvements. The improvements must be valued without consideration of either the value of the real estate on which they are located or the value of the leasehold interest. "Value of improvements" may only consider the following characteristics:
 - Actual and effective building age or building size
 - Number and size of other outbuildings
 - Construction type
 - Physical condition
 - Functional utility, including whether the improvements are hooked up to community water and sewer

The property information may be supported by photographs, floor plans and other information relevant to improvements made by the Lessee.

4. If an eligible* Band member agrees to purchase at the price in the Notice of Intent or at another price to which the Lessee agrees, the Lessee or Band member shall notify the Land/Leasing Office and indicate the date proposed for lease transfer.
(* “Eligible” means a Band member at least 18 years of age who does not already have a homesite lease.)
5. If an eligible Band member makes a written offer to purchase and that offer is rejected by the Lessee, the Band member may at his or her cost engage an appraiser licensed in the State of Minnesota to provide a written appraisal of the value of the improvements applying the criteria set out in paragraph 3, above. The appraisal report shall be sent to the Land/Leasing office and the Lessee.
6. If the eligible Band member then offers to purchase the improvements at the appraised value, the Lessee may either accept that offer or at his or her cost engage an appraiser licensed in the State of Minnesota to provide a written appraisal of the value of the improvements applying the criteria set out in paragraph 3, above. The appraisal shall be sent to the Land/Leasing office and the interested Band member.
7. The “value of the improvements” shall be the average of the value determinations in the two appraisal reports, provided that those values to not vary more than 15%. If the variance exceeds 15%, the Land/Leasing Office at its cost shall engage a third appraiser to provide a written appraisal of the value of the improvements. In that event, the value shall be the average of the value determinations in the two appraisals with the most nearly equivalent values and the value in the most divergent report shall be disregarded.
8. If an eligible Band member offers to purchase at the value as determined in paragraph 7, the Lessee may:
 - (a) Sell at that price, in which case the leasehold interest will be transferred to the Band member and the Lessee shall no longer be obligated under the lease; or
 - (b) Reject the offer, in which case the Reservation Tribal Council will not approve a transfer of the leasehold interest to another person and the Lessee shall remain obligated under the lease.