

OFFICIAL TERMS AND CONDITIONS OF THE SALE OF TAX-DEFAULTED PROPERTY

2017A ONLINE AUCTION – December 2, 3, 4, and 5, 2017

A. All bidders must register between November 13, 2017 and November 28, 2017.

YOU MUST REGISTER IN ADVANCE WITH BID4ASSETS

- To register and/or participate via computer, go to: bid4assets.com.
- To register and/or participate without a computer/by mail or fax: Call Bid4Assets at 1-877-427-7387.
 - Request an "Offline Bid Packet" no later than **Tuesday, November 21, 2017**. Prospective bidders may also download and print the Offline Bid Form at bid4assets.com and follow the instructions on the form.
- **DO NOT REGISTER WITH THE COUNTY.**
- There is no physical address to register in person.

YOU MUST SUBMIT A BID DEPOSIT IN ADVANCE TO BID4ASSETS

- A Bid Deposit of \$5,000 (plus a \$35 processing fee) is required in order to bid.
- Bid Deposits must be in the form of a bank wire transfer, bank-issued money order, or cashier's check. Other types of money orders and personal or business checks are not acceptable.
- Bid4Assets must receive deposit payments no later than **Tuesday, November 28, 2017, at 1:00 p.m.** (Pacific Time). Please contact Bid4Assets directly for instructions and questions pertaining to Bid Deposits.
- **DO NOT SUBMIT BID DEPOSITS TO THE COUNTY.**
- Bid4Assets will apply a bidder's deposit on as many parcels as he or she wins until his or her deposit is exhausted.
- The Treasurer and Tax Collector (TTC) will refund all overpayments (i.e. a bid deposit that is greater than the balance due at the end of the auction) within **30 calendar days** from the date of the close of auction. The TTC will issue the refund as a County Warrant in the name of the registered purchaser and mail it to the address indicated on the Bidder Registration Form.
- Bid4Assets will refund non-winner deposits no later than ten business days from the date of the close of auction.

VESTING – COMPLETED AFTER THE AUCTION

At the close of auction, Bid4Assets will send an email to all winning bidders. The email will contain a link to a vesting information form. The winning bidder must complete and submit the form as a condition of the sale. Once submitted, Bid4Assets will not accept any further changes.

Examples of vesting:

- | | |
|---|---|
| • A SINGLE MAN | • A SINGLE WOMAN |
| • A MARRIED MAN | • A MARRIED WOMAN |
| • AN UNMARRIED MAN | • AN UNMARRIED WOMAN |
| • A WIDOWER (MAN) | • A WIDOW (WOMAN) |
| • A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY | • A MARRIED WOMAN AS HER SOLE AND SEPARATE PROPERTY |
| • TENANTS IN COMMON | • HUSBAND AND WIFE AS JOINT TENANTS |
| • A CORPORATION | • A PUBLIC AGENCY |
| • OTHER | • LIMITED LIABILITY CO. (LLC) |

B. PLACE, DATE, AND TIME OF AUCTION

Bid4Assets will conduct the Online Auction of tax-defaulted real property at:

Place: bid4assets.com/losangeles

Date: December 2, 3, 4, and 5, 2017

Time: 3:00 p.m. (Pacific Time)

The auction will start on Saturday, **December 2, 2017**, at 3:00 p.m. (Pacific Time) and run continuously through Tuesday, **December 5, 2017**, until 12:00 p.m. (Pacific Time). Individual properties may be open for bidding beyond the end time so long as there is active bidding.

C. MINIMUM BID

The minimum price for all properties offered in the 2017A Follow-Up Online Auction is \$1,426.

D. PROPERTIES IN THE AUCTION

The TTC will provide Bid4Assets a list of properties slated for auction. Bid4Assets will post the list on its website starting Monday, **November 13, 2017**. Weekly updates of properties remaining in the auction will start Monday, **November 20, 2017**, and daily updates will start Monday, **November 27, 2017**.

A bidder may bid on any property that the TTC activates for bidding. If a particular property is not activated for bidding, it means that it has been redeemed, withdrawn from the sale, or the time period for bidding has expired.

E. CAUTION: INVESTIGATE BEFORE YOU BID

The purpose of the auction is to collect the unpaid taxes and to convey the tax-defaulted property to a responsible owner. The properties offered in this auction are subject to the Tax Collector's power to sell due to defaulted property taxes exceeding five years or more for residential or agricultural property (three years or more in the case of non-residential commercial property or vacant land). Parties interested in bidding on property are strongly encouraged to investigate the subject property to ensure that the property meets their needs. The information provided in the list of properties is only for identification of properties in the sale. The TTC makes no warranties or representations about other matters beyond the basic tax information as it appears in the County's official property tax records, and to convey title as described in Section L.

The TTC cannot guarantee the condition of any property nor assume any responsibility for conformance to codes, permits or zoning ordinances. An investigation may reveal that the property is part of a street or alley, located in a flood control channel or landlocked (having no means of ingress and egress). Improvements shown on the property list for a particular property may no longer exist at the time of the auction. Streets shown as such on the maps offered by the Los Angeles County Assessor's Office may or may not exist, and in some cases may be future streets. **The burden is on the bidder to thoroughly research, before the tax sale, any matters relevant to his or her decision to bid. Bidders should inspect the property before bidding, but may NOT trespass onto private property. Tax-defaulted property is sold on an "as is" basis.**

The County makes no warranty, either expressed or implied, relative to usability, ground location, or property lines of the properties. The prospective purchaser must determine the exact location, desirability, and usefulness of the properties. **The TTC will NOT refund any deposit applied to, purchase made toward, or any payment on a purchase agreement for a property sold at the auction based upon a bidder's error or failure to investigate.**

The County assumes no liability for any other possible liens, encumbrances or easements, recorded or not recorded. **Bidders should thoroughly investigate all properties of interest prior to bidding.**

F. LIENS THAT ARE NOT REMOVED BY TAX SALE

A tax deed will cancel all private liens (such as Deeds of Trust, Mechanic's Liens, Judgments, etc.), as well as all prior delinquent taxes. However, public liens such as Weed Abatement liens, Demolition liens, etc., or foreclosure judgments of those *public* liens, WILL NOT be discharged with a tax deed.

Bidders may obtain a list of properties subject to weed and brush clearance abatements from the Los Angeles City Fire Department at (213) 978-3424, or the Agricultural Commissioner at (626) 575-5488, or its website at <http://acwm.lacounty.gov>, and clicking on "Weed Abatement Program Information."

**Caution: The lists provided by these agencies may not be comprehensive.
Investigate before you purchase.**

Pursuant to State law, a tax deed DOES NOT cancel the following list of liens, special taxes, and easements. Section 3712 of the Revenue and Taxation Code states:

The deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, except for:

- (a) Any lien for installments of taxes and special assessments, which installments will become payable upon the secured roll after the time of sale.
- (b) The lien for taxes or assessments or other rights of any taxing agency which does not consent to the sale of the property at auction.
- (c) Liens for special assessments levied upon the property conveyed which were, at the time of the sale, not included in the amount necessary to redeem the tax defaulted property and, where a taxing agency which collects its own taxes has consented to the sale.
- (d) Easements of any kind, including prescriptive, constituting servitudes upon or burdens to the property; water rights, the record title to which is held separately from the title to the property; and restrictions of records.
- (e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.
- (f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 [commencing with Section 8500] of the Streets and Highways Code) which are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.
- (g) Any Federal Internal Revenue Service (IRS) liens, pursuant to provisions of federal law, are **not** discharged by the sale, even though the Tax Collector has provided proper notice to the IRS before the sale. Before contacting the IRS on properties with IRS liens, you must obtain the following information/documentation:
 - 1. IRS Code 7425C for information on IRS's Redemption Rights and Release of Right of Redemption.
 - 2. Copy of the Federal Tax Lien filed against the property you are interested in purchasing that has been recorded with the Los Angeles Registrar-Recorder/County Clerk's Office located at 12400 Imperial Highway, Norwalk, California 90650.
 - 3. The IRS Foreclosure Redemption Section can be reached at (800) 913-6050. The IRS will not be able to assist you without the above information.
- (h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 [commencing with Section 53311] of Part 1 of Division 2 of Title 5 of the Government Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.

G. CONTAMINATED PROPERTIES

Prospective bidders can obtain information regarding contaminated properties from the following agencies:

- Los Angeles County Department of Public Works, Environmental Program Division at 900 S. Fremont Ave., Third Floor Annex, Alhambra, CA 91803, (626) 458-3517.
- City of Los Angeles, Department of Public Works Bureau of Sanitation, 1149 S. Broadway, Los Angeles, CA 90015, (213) 485-3791.
- California Environmental Protection Agency, Department of Toxic Substances Control, CalSites Help Desk, (877) 786-9427 or (916) 323-3400 or at <http://www.envirostor.dtsc.ca.gov/public/>. This agency maintains a Superfund cleanup list of sites contaminated with hazardous substances referred to as "CalSites."
- Water Quality Control Board. This agency maintains a website containing a list of potentially contaminated properties in Los Angeles County. The web address for properties in Los Angeles County is <http://www.waterboards.ca.gov/losangeles> and for properties in the Antelope Valley <http://www.waterboards.ca.gov/lahontan/>.

Please be aware that not all contaminated property sites are on the Superfund list or identified by the Department of Public Works, the City of Los Angeles, or listed on any of the sites referenced above. If the TTC has knowledge of contaminated property, the TTC **may** provide that information on its website at <http://ttc.lacounty.gov>.

However, the TTC is NOT always aware of the condition of the properties in the sale and does not conduct any investigation to determine or confirm the existence or extent of the contamination. Therefore, it is ultimately the bidder's responsibility to investigate the condition and desirability of the property before purchasing at the tax sale. Again, the TTC urges bidders to conduct a thorough investigation and to contact the above agencies concerning contamination of a particular property.

H. BIDDING INFORMATION

BIDDING WILL BE IN INCREMENTS OF \$100. ALL SALES ARE FINAL.

- Property is sold to the highest bidder.
- Even if the successful bidder mistakenly bids on the wrong property, the sale will remain final.
- Payment amount will include the winning bid, plus any applicable taxes and fees.

I. ADDITIONAL TAXES/FEEES ON PROPERTIES PURCHASED AT THE AUCTION

- \$35 processing fee.
- Documentary Transfer Taxes.
- Survey Monument fees and City Transfer Taxes, when applicable. City Transfer Taxes will apply to those properties located in the following cities:

Culver City	\$4.50	per \$1,000
Los Angeles	\$4.50	per \$1,000
Pomona	\$2.20	per \$1,000
Redondo Beach	\$2.20	per \$1,000
Santa Monica	\$3.00	per \$1,000
Documentary Transfer Taxes per property	\$0.55	per \$ 500

J. PAYMENT FOR PROPERTY PURCHASED AT TAX SALE

After the sale, Bid4Assets will send an email to all winning bidders describing the payment instructions.

If the bid on any single parcel is more than \$5,000, the successful bidder does not have to pay the balance at the close of sale. He or she may exercise the Deferred Payment Option.

Deferred Payment Option:

This payment option affords the bidder additional time after the sale to pay any balance due from a purchase price that exceeds \$5,000. Deferred payments (i.e. outstanding balances) are due in Bid4Assets' office at 8757 Georgia Avenue, Suite 520 Silver Springs, MD 20910, **no later than 1:00 p.m. (Pacific Time), on Friday, December 8, 2017, and payment must be in the form of a bank wire transfer, bank-issued money order or cashier's check.**

K. FORFEITED SALES

If the buyer fails to pay the balance of a deferred payment on or before 1:00 p.m. (Pacific Time) on **Friday, December 8, 2017**, the buyer will forfeit his or her deposit, and the buyer obtains no rights to the property.

Note: If a bidder does not complete the sale for any reason, the TTC may ban said bidder from participating in future auctions for up to five years, pursuant to Revenue and Taxation Code section 3456.

L. TITLE

The TTC will record tax deeds approximately **60-70 days after the sale**. After recording, the Registrar-Recorder/County Clerk's Office will mail the tax deed(s) directly to the purchaser(s). Title conveys to the winning bidder upon receipt of the tax deed.

NOTE: Neither the State of California, nor the County of Los Angeles, nor any person designated by these agencies are liable for damages sustained to the property purchased at auction from the time of the sale until the recordation of the tax deed transferring the property.

The TTC **does not** provide the purchaser with a title insurance policy and makes no representations or warranties with respect to the condition of the title. Additionally, the TTC advises prospective bidders to contact title insurance companies prior to the auction and obtain information regarding the availability of title insurance for properties purchased at the TTC's Online Auction.

M. BREACH OF TERMS AND CONDITIONS

Title to tax-defaulted property subject to the Tax Collector's power to sell does not pass to the purchaser until the TTC **issues and records** the tax deed with the Los Angeles County Registrar-Recorder/County Clerk's Office. As such, until the winning bidder receives his or her recorded tax deed from the Los Angeles County Registrar-Recorder/County Clerk's Office, the following actions are a breach of the terms and conditions of the sale:

- Trespassing, engaging in any activity, or making any construction expenditure on the property.
- Attempting to collect rents, dispossessing, or in any way contacting the current tenants.

If a bidder engages in any of the above activities prior to receiving his or her tax deed, the TTC has the discretion to cancel the sale.

N. REDEMPTION

The right to redeem tax-defaulted property subject to the tax collector's power to sell in this auction terminates at **5:00 p.m. (Pacific Time) on Friday, December 1, 2017**, which is the last business day prior to the date of the auction. There is no extended right of redemption in the State of California.

REDEMPTION OF A PROPERTY WILL PRECLUDE ANY TRANSFER OF OWNERSHIP. THE ASSESSEE OF RECORD RETAINS TITLE TO ANY PROPERTY REDEEMED PRIOR TO THE TAX SALE.

O. WITHDRAWAL OF A PORTION OF A PROPERTY THAT IS FOR SALE

If the TTC sells a portion of a property to a taxing agency or institutes a partial redemption, the TTC reserves the statutory authority to withdraw that portion from the whole property and sell the remaining part only. This information will be included with any corresponding properties and anyone purchasing the same will do so with the full knowledge and acceptance that the property being sold is exclusive of a portion and not as advertised or set forth in the initial auction list.

P. DISASTER RELIEF

Property damaged, and not substantially repaired within the last five years, due to a local, state or federally declared disaster, may not be eligible for auction for up to ten years from the date of the disaster. If property is tax defaulted for five years or more prior to the date of a disaster, and the TTC has given Notice of Power and Intent to Sell Tax-Defaulted Property, such property shall be subject to sale by operation of law without regard to the date of the disaster.

Q. ERRONEOUS SALES

Occasionally, the TTC sells property in error. So long as the TTC has not recorded the tax deed, the TTC has the authority to cancel any erroneous sale without the winning bidder's prior consent or signature. Upon cancellation of any sale, the TTC will (1) inform the respective winning bidder and, (2) refund his or her purchase price or deposit. The TTC will initiate both of these actions with the full understanding and agreement of the purchaser that the TTC and the County of Los Angeles have no further liability in the matter. This type of tax-sale refund only includes the amount tendered. Interest is not applicable for these types of refunds.

S. ACKNOWLEDGEMENT OF TERMS AND CONDITIONS

ANY BID MADE AT THE AUCTION IS SUBJECT TO ALL OF THE FOREGOING TERMS AND CONDITIONS. BY BIDDING, THE BIDDER ACKNOWLEDGES AND AGREES TO SUCH TERMS AND CONDITIONS AND EXPRESSLY WAIVES ANY OBJECTION, CLAIM, OR RIGHT TO RESCIND A BID OR ANY PURCHASE ARISING THEREFROM.

CAUTION - INVESTIGATE BEFORE YOU BID

ALL SALES ARE FINAL - INVESTIGATE BEFORE YOU PURCHASE

**JOSEPH KELLY
LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR**