

OFFICIAL TERMS AND CONDITIONS OF THE 2016A PUBLIC AUCTION

DATE OF AUCTION – October 17 and 18, 2016

A. ALL BIDDERS MUST REGISTER IN ADVANCE

- Registration dates are **Monday, September 12, 2016** through **Friday, September 30, 2016**.
- Registration hours are 8:00 a.m. through 5:00 p.m.
- **REGISTRATION CLOSING ON FRIDAY, SEPTEMBER 30, 2016, at 5:00 p.m.**
- **THE TREASURER AND TAX COLLECTOR (TTC) WILL NOT ACCEPT REGISTRATIONS THROUGH THE MAIL.**
- **THERE IS NO REGISTRATION THE DAY OF THE AUCTION OR AT THE AUCTION SITE.**

ALL BIDDERS MUST HAVE AN ASSIGNED BIDDER CARD

- To obtain a bidder card, register in person at the Office of the TTC located at 225 North Hill Street, Room 130, Los Angeles, CA 90012.
- The TTC requires a **valid government issued photo identification** at the time of registration (i.e., Driver's License, military ID card, Mexican Matricula Consular, passport, California ID card). The TTC does **NOT** consider expired identification cards/documents as valid identification.
- Replacement bidder cards cost \$10 each. Valid identification is required for a new card.

BIDDERS MUST SUBMIT A BID DEPOSIT IN ADVANCE TO THE COUNTY

- A registration deposit of \$5,000 is required for each bidder card issued.
- Bidders must pay the deposit at the time of registration by cash, cashier's check, or bank-issued money order. Other money orders and personal or business checks are not acceptable.
- The TTC will apply a bidder's deposit on as many parcels as a bidder wins, in the order won, until it is exhausted.
- The TTC will refund any unused deposit amount by County Warrant issued in the name of the vesting party(ies) and mailed to the address indicated on the Bidder Registration Form within **30 calendar days** from the date of the close of auction. The TTC will not refund deposits at the auction site.

AUCTION TRUST ACCOUNT

After completing registration and at any time up to **Friday, October 14, 2016, on or before 5:00 p.m.**, a registered bidder may establish an Auction Trust Account.

- To set up the Auction Trust Account, contact the Bidder Registration Unit at (213) 974-2040. The TTC will only accept cash, cashier's checks or bank-issued money orders payable to the **Los Angeles County Treasurer and Tax Collector** for the Auction Trust Accounts.
- To open an Auction Trust Account, a bidder must deposit a **minimum of \$5,000, IN ADDITION to the \$5,000 registration deposit**. There is no maximum deposit amount.
- During the auction, the winning bidder must proceed to the Auction Desk and indicate whether he or she wants to pay the minimum amount due or pay the full purchase price of the property. If the bidder instructs the Auction Operator to pay for the purchase from his or her Auction Trust Account, the Auction Operator will prepare and provide the bidder a Purchase Agreement indicating the amount that the TTC will deduct from the bidder's Auction Trust Account.
- The TTC cannot apply any funds to the purchase until the bidder signs the Purchase Agreement.
- As long as there are sufficient funds in a bidder's Auction Trust Account, there will be **NO** need for that bidder to pay additional funds to the cashier to complete the purchase.

Please be advised that the TTC will refund, by mail, unused monies from the bidder's Auction Trust Account within 30 calendar days from the date of the close of sale. THE TTC WILL NOT ISSUE REFUNDS AT THE AUCTION SITE.

A BIDDER MUST VEST THE WAY HE OR SHE REGISTERS

Examples of vesting:

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

ONCE REGISTRATION IS COMPLETED, THE TTC WILL NOT ACCEPT CHANGES TO THE VESTING.

B. PLACE, DATE, AND TIME OF PUBLIC AUCTION

The TTC will conduct a public auction of tax-defaulted real property at:

Place: Los Angeles County Fairgrounds – Pomona Fairplex
1101 West McKinley Avenue, **Building 6**
Pomona, California 91768

Date: October 17 and 18, 2016

Time: 9:00 a.m.

The TTC will conduct the public auction over a two-day period starting **Monday, October 17, 2016**, from 9:00 a.m. to 5:00 p.m. and resuming **Tuesday, October 18, 2016**, from 9:00 a.m. to 5:00 p.m. If the Auctioneer completes the offering of all the parcels slated for sale prior to the scheduled closing time of the auction on the second day, the Auctioneer will announce an earlier closing time.

The staff of the FAIRPLEX at the Los Angeles County Fairgrounds does not have any information regarding this sale, so please do not contact them. For information about the auction, please call the TTC's Tax-Defaulted Land Section at (213) 974-2045 or visit the website at **ttc.lacounty.gov**.

C. MINIMUM BID

The minimum price for properties in this sale will be an amount not less than the total amount necessary to redeem plus the costs of the sale. The minimum bid amount for each property is located next to the corresponding property description in the list of properties. **Click here** for the list of properties.

D. PROPERTIES IN THE PUBLIC AUCTION

The TTC assigns item numbers to identify each property. The TTC uses these item numbers to organize the list of properties and the order by which the Auctioneer will offer the properties at the auction. If there is an item number not offered from the list of properties, it means that the TTC has withdrawn the item prior to the sale or that a responsible party redeemed the item. Updated lists of items remaining in the sale will be available periodically at the TTC's office and on our website at **ttc.lacounty.gov**. Weekly updates will start **Tuesday, September 6, 2016**, and daily updates will start **Tuesday, October 4, 2016**.

When the TTC offers a property for sale at least once and there are no acceptable bids, the TTC **may** re-offer that property at a **reduced minimum bid**. For any property that is sold below the **original minimum bid**, the winning bidder will be responsible for **any and all unpaid CURRENT year taxes**.

E. CAUTION: INVESTIGATE BEFORE YOU BID

The purpose of the auction is to collect the delinquent 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 K.

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 solely 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 A TAX DEED

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."

IRS liens WILL NOT be discharged with a tax deed. For information related to the IRS's Redemption Rights and Release of Right of Redemption, refer to IRS Code Section 7425. To receive assistance from the IRS regarding specific properties with IRS liens, contact the IRS Foreclosure Redemption Section at 1(800)913-6050. For a given property, the IRS requires the following documentation:

- A copy of the Federal Tax Lien. To obtain a copy, contact the Los Angeles Registrar-Recorder/County Clerk's (RR/CC) Office located at 12400 Imperial Highway, Norwalk, California 90650.

**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 (R&TC) 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 under this chapter. [Chapter 7 of the R&TC]
- (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 liens that, pursuant to provisions of federal law, are not discharged by the sale, even though the tax collector has provided proper notice to the Internal Revenue Service before that date.
- (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.

H. BIDDING INFORMATION

Prospective bidders or their representatives must personally attend the auction and bid on property when the Auctioneer offers it for sale. The TTC cannot give preference to anyone. The Auctioneer will only recognize each bidder by the assigned bidder number. The Auctioneer will determine and announce the winning bidder for each property and failure by the Auctioneer to recognize a bid, for any reason, will not invalidate the sale or cause bidding to be re-opened. All such determinations made by the Auctioneer are final.

BIDDING WILL BE IN THE FOLLOWING INCREMENTS:

<u>Current Bid Amount</u>	<u>Increments</u>
\$100 to \$2,000	\$100
\$2,001 to \$5,000	\$500
\$5,001 to \$25,000	\$1,000
\$25,001 to \$50,000	\$5,000
\$50,001 to \$250,000	\$10,000
Over \$250,000	\$25,000

The Auctioneer reserves the right to adjust the bidding increments as needed, and will announce when the increments will change.

ALL SALES ARE FINAL.

- If the winning bidder mistakenly bids on the wrong property, the sale will remain final.
- If the winning bidder does not complete the purchase of a property, the Auctioneer will declare the sale of that property null and void and immediately re-offer it.
 - The TTC will not afford winning bidders any time to acquire sufficient funds (i.e. going to the bank) to complete payment on the bidder's purchase. As such, if a bidder fails to complete a purchase, any other bidder interested in that particular property **should remain at the auction** until he or she knows that the winner bidder has paid for the property and that it will not be re-offered.

I. PAYMENT FOR PROPERTY PURCHASED AT A PUBLIC AUCTION

The TTC will sell each property at this auction to the highest bidder. As soon as the Auctioneer declares the winning bidder, that bidder must immediately pay for the purchase. If the bidder delays in completing the purchase, the auction staff may assist in escorting the bidder to our operators, but it is ultimately the responsibility of the bidder to comply with the purchase requirements. The TTC reserves the right to confiscate immediately all bidder cards registered to any winning bidder that fails to pay the necessary deposit or purchase price, as applicable, after the completion of the bidding on a particular property.

Upon confiscation of bidder cards, the Auctioneer will not recognize or accept subsequent bids attempted by that bidder or any co-registered bidder.

The bidder shall pay the amount due at the time of sale in cash, cashier's checks or bank-issued money orders payable to the Los Angeles County Tax Collector. The TTC will not accept **personal checks, traveler's checks, checks payable to a party other than TTC, or two-party checks (including the bidder).**

Bidders must pay in full at the time of purchase any winning bid amount of \$5,000 or less.

Bidders are encouraged to bring payment instruments to the sale in denominations of \$5,000 or less. Please be aware that if bidders do not heed this advice and require more than \$5,000 in change back from their purchase, the Auction Operators will direct them to a special transaction line that may delay participation in the auction.

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

Deferred Payment Option:

This payment option affords the bidder the option to 1) pay \$5,000 or 10 percent of the purchase price, whichever is greater, and 2) pay the balance due up to 30 calendar days from the date of the close of auction.

Deferred payments (i.e. outstanding balances) are due **Friday, November 18, 2016, no later than 5:00 p.m.** at the TTC’s office at 225 North Hill Street, Room 130, Los Angeles, CA 90012. **Payment must be in the form of cash, cashier’s check or bank-issued money order payable to Los Angeles County Treasurer and Tax Collector.** The TTC will not record a Tax Deed to the Purchaser (which conveys title) unless the TTC receives the total purchase price by the due date.

See table below on how to calculate the minimum deposit for various winning bid amounts.

HOW TO CALCULATE THE MINIMUM DEPOSIT FOR A WINNING BID (PER PROPERTY)		
Purchase Price		Minimum Deposit Required (Per Property)
From	To	
\$1	\$5,000	Full purchase price is required.
\$5,001	\$50,000	\$5,000 deposit is required (see example below)
\$50,001	Over	10% of purchase price (see example below)

**EXAMPLE 1: Purchase price is \$55,000 (\$55,000 x 10% = \$5,500)
Required deposit is \$5,500 (which is 10% of the purchase price and GREATER than \$5,000)**

**EXAMPLE 2: Purchase price is \$40,000 (\$40,000 x 10% = \$4,000)
Required deposit is \$5,000 (\$5,000 is GREATER than the \$4,000, which is 10% of the \$40,000)**

At least one party who signed the Bidder Registration Form must sign the Purchase Agreement.

J. FORFEITED SALES

If the buyer fails to pay the balance of a deferred payment before the deadline, which is **Friday, November 18, 2016, on or before 5:00 p.m.**, the buyer forfeits his or her deposit, and obtains no rights to the property, pursuant to R&TC Section 3693.1.

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 R&TC Section 3456.

K. TITLE

The TTC will record tax deeds approximately **60-70 days after the sale**. After recording, the RR/CC’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 Public Auction.

L. BREACH OF TERMS AND CONDITIONS

Prior to the winning bidder receiving his or her recorded tax deed from the RR/CC's Office, the following actions are a breach of the terms and conditions of the sale:

- Trespassing.
- Attempting to collect rents, dispossessing, or in any way harassing/intimidating 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.

M. ADDITIONAL TAXES/FEEES ON PROPERTIES PURCHASED AT THE PUBLIC AUCTION

- 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

N. REDEMPTION

The right to redeem tax-defaulted property subject to the Tax Collector's power to sell in this auction terminates on **Friday, October 14, 2016 at 5:00 p.m.**, 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. 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.

P. ERRONEOUS SALES

Occasionally, the TTC sells property in error. So long as the TTC has not recorded the tax deed, the TTC may cancel any erroneous sale. Upon cancellation of any sale, the TTC shall (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 further 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.

Q. 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