

CITY OF SPRINGFIELD TAX TITLE AUCTION

Terms and Conditions of Sale

1. Prior to the start of the auction, all bidders shall be required to provide verification of their deposit in the amount of Five Thousand Dollars (\$5,000.00), in the form of a certified check, bank check or money order, per property, payable to the City of Springfield. The successful bidders' checks will be non-refundable. The successful bidders shall pay the balance of the purchase price at the time of the closing by certified check, bank check, money order or attorney's trustee check. Bids shall be made in a minimum of One Thousand Dollar (\$1,000.00) increments, or an amount as specified by the Auctioneer.
2. Any materials or documents concerning this auction prepared or furnished by the City of Springfield or the Auctioneer are solely for informational purposes. No warranty or representation is made as to the accuracy or completeness of the information. Prospective purchasers should make their own investigations and inspections and draw their own conclusions.
3. All properties will be sold "as is". The City of Springfield, its Tax Title Custodian, its employees, representatives, and/or agents make no warranties or representations as to the properties, including but not limited to, their condition, construction, fitness for habitation or whether they conform to applicable state or local building and sanitary codes.
4. In case of any damage to the premises by fire or other casualty, after the signing and delivery of the Memorandum of Sale of Real Property, the successful bidder shall bear the risk of loss.
5. The properties shall be conveyed subject to any environmental conditions, including, but not limited to, hazardous waste conditions which may or may not be in compliance with any applicable laws, policies or regulations.
6. The properties shall be conveyed subject to tenants or occupants, if any. It will be the responsibility of the successful bidder, not the City of Springfield or its Tax Title Custodian, to evict any former owner or any other person who may be residing or conducting a business on the premises and to remove any personal property.
7. The properties shall be conveyed subject to the right of redemption, if any, of the United States of America.
8. The Tax Title Custodian reserves the right to reject any bid from any bidder, cancel the sale to any bidder and retain the deposit from any bidder who:
 - a. In connection with a previous Tax Title Auction failed to:
 1. Close on the purchase of a property;
 2. Perform, in a timely manner, any rehabilitation on a property; and/or
 3. Comply with or violated any terms and conditions of sale;

- b. Was the owner of any property upon which the City foreclosed for failure to pay:
 - 1. Real Estate Taxes; and/or
 - 2. Rents, water and sewer charges, motor vehicle excise taxes, personal property taxes, parking tickets or any other indebtedness; or
 - c. Has current code or ordinance violations or has previously failed to comply with Orders issued by any code enforcement department including, but not limited to, housing, building, fire and zoning, as determined by the City's Code Enforcement Department. Any officer, director, stockholder or member who holds ten percent (10%) or more of the outstanding stock of a corporation, limited liability company, trust, partnership, joint venture, or any other business entity, which has current code or ordinance violations or has previously failed to comply with Orders issued by any code enforcement department, as determined by the City's Code Enforcement Department, shall cause said corporation, limited liability company, trust, partnership, joint venture, or any other business entity to be subject to the provisions of this paragraph.
9. The Tax Title Custodian reserves the right to reject any and all bids at said auction and may adjourn the same if, in his opinion, no bid is made which approximates the fair market value of the property. Any adjournment thereof may be made from time to time for such periods as the Tax Title Custodian deems expedient giving notice thereof at the time and place appointed for the sale or for any adjournment thereof.
10. Sale shall not be made to the prior owner or to an agent, representative or straw of the prior owner.
11. Sale shall not be made to any person who owes the City of Springfield any monies in the form of previously incurred real estate taxes, rents, water and sewer charges, motor vehicle excise taxes, personal property taxes, parking tickets or any other indebtedness. A corporation, limited liability company, trust, partnership, joint venture, or any other business entity shall be deemed to be a person within the meaning of this paragraph. Any officer, director, stockholder or member who holds ten percent (10%) or more of the outstanding stock of said corporation, limited liability company, trust, partnership, joint venture, or any other business entity, and who owes any monies to the City of Springfield as aforesaid shall cause said corporation, limited liability company, trust, partnership, joint venture, or any other business entity to be subject to the provisions of this paragraph.
12. In the event a deposit is received from any person in violation of these Terms and Conditions of Sale, and the deed of transfer has passed, the purchaser will on demand re-convey to the City of Springfield, at no cost and for no consideration, all his/her right, title and interest in the purchased property. If such a violation of these Terms and Conditions of Sale should be determined to exist prior to the passing of the deed to the property, the sale shall be cancelled. All monies or deposits collected shall be forfeited and applied to any prior real estate taxes, rents, water and sewer charges, motor vehicle excise taxes, personal

property taxes, parking tickets or any other indebtedness owed by the purchaser, former owner, agent, representative, or straw to the City of Springfield on any property owned by the purchaser or the aforementioned.

13. The successful bidder shall be required to submit an Affidavit pursuant to M.G.L. c. 60, §77B. Also, the successful bidder will be required to submit an Affidavit of Disclosure of Property Owned in the City of Springfield. Copies of the aforementioned Affidavits are available online at www.springfieldcityhall.com or by contacting Aaron Posnik & Co., Inc. at (413) 733-5238. Copies will also be available at the Auction.
14. The successful bidder for any residential property constructed prior to 1978 will be required to sign a Lead Paint Notification Waiver and a Property Transfer Notification Certification. Copies of the aforementioned documents are available online at www.springfieldcityhall.com or by contacting Aaron Posnik & Co., Inc. at (413) 733-5238. Copies will also be available at the Auction.
15. With respect to the sale of any commercial or industrial properties, the purchaser shall be required to submit a development plan to the Office of Housing conforming with the City of Springfield Zoning Ordinance and Planning Department requirements.
16. Except as set forth in subparagraph 16 (c) below, all residential properties shall be sold subject to a restriction requiring the purchaser to occupy the property as his/her principal place of residence for a period of not less than three (3) years after transfer of title. In addition, the successful bidder shall comply with one (1) of the following three (3) options with respect to any residential property purchased at this Auction:
 - a. If the purchaser intends to rehabilitate the property and sell the property to a third-party purchaser (and not occupy it as his/her principal residence), then after the property is rehabilitated (in accordance with the timelines set forth below), said third-party purchaser shall acquire the property subject to the restriction requiring them to occupy it as his/her/their principal residence for a period of not less than three (3) years after transfer of title.
 - b. If the property is a buildable lot, and the purchaser intends to construct a residence(s) upon the property and sell the property to a third-party purchaser (and not occupy it as his/her principal residence), then after the residence(s) is/are constructed (in accordance with the timelines set forth below), said third-party purchaser shall acquire the property subject to the restriction requiring them to occupy it as his/her/their principal residence for a period of not less than three (3) years after transfer of title.
 - c. If the purchaser is an abutter and they do not intend to improve the property in accordance with the terms of Paragraph 16 (a) or 16 (b) above, then the successful bidder will be required to combine the property with his/her abutting property at closing.

- d. If the purchaser is an abutter who intends to demolish any improvements and combine the property with his/her abutting property, then said purchaser shall be required to combine the property with their abutting parcel at closing.
17. All plans, cost estimates and evidence of funds available relating to rehabilitation, new construction and site development shall be submitted to the Office of Housing for review and approval prior to transfer of title. Reviews for rehabilitation projects will be completed to ensure that once the proposed rehabilitation work is complete, the structure will comply with federal Housing Quality Standards. Reviews for new construction will be completed to ensure that the proposed structure is architecturally appropriate for the neighborhood in which it is being located. Reviews may result in recommended changes to the overall design or the inclusion of additional elements such as foundation height, window casings, porch railings, sidewalk/driveway treatment, etc. Also, the purchaser is encouraged to review the *Design Guidelines for Residential Architecture of Springfield*. These can be found on the City of Springfield's website at www.springfieldcityhall.com. In the case of properties within a local historic district, such plans shall require the approval of the Springfield Historical Commission prior to transfer of title. Further, if demolition of a structure is being proposed, depending on the age of the structure, City Ordinance, Chapter 418. (*The Preservation of Historically Significant Buildings*) may apply. After transfer of title, the timeline for completion of authorized work is as follows:
- a. Any scrub vegetation and litter must be removed within one (1) month of date of transfer of title;
- b. Rehabilitation and landscaping, fencing and paving shall be completed within twelve (12) months of transfer of title; and
- c. New construction and its accompanying landscaping, fencing and paving shall be completed within two (2) years of transfer of title.
18. The Auctioneer will identify each property located in a Local Historic District or National Register District. Prior to exterior renovations to a property in a Local Historic District, the Buyer must submit his/her plans to, and obtain approval from, the Springfield Historical Commission. Properties in a National Register District may also require review.
19. All properties will be sold free and clear of any unpaid real estate taxes or municipal liens assessed prior to foreclosure by the City. However, the successful bidder is required, pursuant to M.G.L. c. 44, §63A, to make a payment in lieu of taxes from the date of the deed transferring title from the City to the successful bidder to **June 30, 2017** (the end of the Fiscal Year). In the event the closing does not take place at least thirty (30) days prior to the end of the fiscal year, the successful bidder shall make a payment in lieu of taxes for the current and next fiscal year. Such tax shall be computed by applying the tax rate for such fiscal year to the sale price.
20. An annual "in lieu of tax" payment will be required of any tax-exempt entity purchasing property at this auction. The annual "in lieu of tax" payment will be calculated as follows:

(Assessed Value Per Thousand) x (Tax Rate) x (Fifty Percent).

The successful bidder/Grantee shall make the annual payment in lieu of tax payment commencing in the fiscal year of the closing and all subsequent fiscal years.

21. Upon payment (by certified check, bank check, money order or attorney's trustee check) of the payment in lieu of taxes, the balance of the bid amount, recording fees and the Buyer's premium by the successful bidder, a duly authorized representative of the City of Springfield will deliver a Quitclaim Deed transferring title from the City to the successful bidder.
22. The City of Springfield will record such deed at the Hampden County Registry of Deeds after the execution thereof and the successful bidder, pursuant to M.G.L. c. 60, §77A, shall pay the expense of such recording.
23. All conditions, restrictions or covenants announced at the auction for specific properties are to be taken and construed as running with the land and are to be binding upon said grantee, its successors, assignees, grantees and lessees for a term of thirty (30) years after the date of the deed creating them unless released by the City.
24. Each deed from the City conveying a property to a successful bidder shall contain the following restrictions:
 - a. The grantee shall provide the Tax Title Custodian, or his designee, with complete access to the property for periodic inspections to verify the status and progress of any rehabilitation or new construction work.
 - b. The grantee cannot sell the property until the authorized work is completed and approved by the City's Office of Housing; and
 - c. If the grantee violates any term and/or condition of sale, the City reserves the right to record the Reverter Deed thereby conveying the property back to City ownership at no cost and for no consideration. However, this restriction will not be contained in the Deed if the successful bidder obtains conventional or VA financing for the purchase of a property.
25. At closing, the successful bidder shall execute a Reverter Deed to the City which shall be held in escrow by the City pending satisfaction of any deed restrictions and the Terms and Conditions of Sale
26. Time line for closing:
 - a. If constructing a new building or rehabilitating an existing building, successful bidders must submit all documents to the Office of Housing within forty-five (45) days after auction;
 - b. The Office of Housing will have up to thirty (30) days to approve all documents;

- c. Closing will take place within thirty (30) days after the Office of Housing approves documents.
27. The Tax Title Custodian reserves the right to sell to the second highest bidder in the event that the highest bidder defaults or to the third highest bidder in the event that the second highest bidder defaults. However, this reservation of rights should not be construed as requiring the Tax Title Custodian to sell to the second highest bidder or the third highest bidder in the event of such default.
28. All properties will be sold subject to a Buyer's Premium of five percent (5%).
29. These Terms and Conditions are incorporated into the Memorandum of Sale of Real Property, a copy of which is available online at www.springfieldcityhall.com or by contacting Aaron Posnik & Co., Inc. at (413) 733-5238. Copies will also be available at the Auction. The Tax Title Custodian, in his discretion, may announce additional terms and conditions with respect to the entire auction and/or specific properties at auction at the time of the sale, which terms and conditions are also incorporated into the Purchase and Sale Agreement.

CITY OF SPRINGFIELD

**By: /s/ Stephen J. Lonergan
Stephen J. Lonergan
Tax Title Custodian**