

TERMS AND CONDITIONS OF SALE

In order to collect delinquent taxes, the Town of Old Saybrook (“Town”), under authority of Section 12-157 of the Connecticut General Statutes, intends to sell certain property at public auction. The sale is to take place on December 6, 2016, at 11:00 a.m. in the Old Saybrook Town Hall, 302 Main Street, Old Saybrook, Connecticut.

1. INTRODUCTION

A tax sale is a non-judicial foreclosure and results in the sale of the property to the successful bidder. It is not a sale of the tax lien. The sale of the property takes place at a public auction conducted by the Old Saybrook Tax Collector (“Tax Collector”) and/or an attorney engaged by the Tax Collector (“Town Attorney”). A series of notices are sent prior to the sale to the property owner(s) and to anyone with a mortgage or lien on the property to be sold. A series of notices are also published in the newspaper and notice is recorded in the land records. The town seeks to recover delinquent taxes, interest, liens fees, expenses, and other charges authorized by law including attorney’s fees.

Properties to be auctioned:

62 Cypress Rd

Reference is made to i) Town of Old Saybrook Assessor’s Map, Block, Lot 004/028 ii) Account # 00061600 iii) to that certain Quit Claim Deed dated June 14, 2012 recorded June 20, 2012 in Volume 573 at Page 740 of the Old Saybrook Land Records.

16 Ford Dr

Reference is made to i) Town of Old Saybrook Assessor’s Map, Block, Lot 040/024 ii) Account # 00470900 iii) to that certain Certificate of Devise, Descent or Distribution dated April 13, 1993 recorded April 23, 1993 in Volume 304 at Page 635 of the Old Saybrook Land Records

In addition, the following two properties will initially be auctioned together as one property and all bids must be made on the properties as one unit:

23 Oyster Point Ave. East

Reference is made to i) Town of Old Saybrook Assessor’s Map, Block, Lot 020/177 ii) Account # 00292100 iii) to that certain Warranty Deed dated August 17, 1971 and recorded August 25, 1971 in Volume 144 at Page 469 of the Old Saybrook Land Records. Excepting therefrom such portions of said parcel as may have previously been conveyed to others.

26 Oyster Point Ave. East

Reference is made to i) Town of Old Saybrook Assessor’s Map, Block, Lot 020/179 ii) Account # 00292300 iii) to that certain Quit Claim Deed dated November 23, 2002 and recorded December 10, 2002 in Volume 422 at Page 0281 of the Old Saybrook Land Records. Excepting therefrom such portions of said parcel as may have previously been conveyed to others.

The properties to be sold are not owned by the Town. They are privately owned and have delinquent taxes and other municipal debts due to the town.

The subject properties will be removed from the sale if taxes, interest, liens fees, expenses, and other charges authorized by law including attorney's fees are paid in full prior to the auction date and time.

The properties are sold "AS IS" and with all faults and conditions in every possible respect. No representations or warranties are made by the Town, its elected officials, employees, or representatives, including the Tax Collector or the Town Attorney, as to any aspect of the properties including, but not limited to the location of the property boundaries; accessibility to roadways; environmental condition; status as a building lot; physical condition of the land or any improvements thereon; fitness for habitation, commercial, or other use; suitability for any purpose; ability under applicable regulations to construct, reconstruct, or repair any buildings or other structures and improvements; compliance with any local, state, or federal laws, marketability of title, or value of the properties.

Any materials or documents concerning the auction prepared or furnished by or on behalf of the Town are for informational purposes only and no representation or warranty is made as to their accuracy or completeness.

Consequently, you must conduct your own research and investigation of the property and draw your own conclusions prior to bidding as **deposits made in connection with a successful bid are non-refundable.**

PLEASE NOTE THAT THE PROPERTIES SUBJECT TO SALE ARE PRIVATE AND NO ENTRY UPON A PROPERTY IS PERMISSIBLE WITHOUT THE PERMISSION OF THE PROPERTY OWNER. ENTERING UPON A PROPERTY IS TRESPASS WHICH WILL SUBJECT YOU TO ARREST AND PROSECUTION.

The funds collected from the successful bidder are used to pay the delinquent taxes, costs, expenses of the sale, and other debt owed to the town. Once paid the tax liens recorded against the property are released. However, the property is not immediately conveyed to the purchaser. Instead, a "Collector's Deed" is prepared and held by the Town for a period of six (6) months (referred to as the "Redemption Period"). At any time during the Redemption Period the delinquent taxpayer, mortgagee, lienholder, or other encumbrancer affected by the sale can redeem the property by paying the delinquent taxes, interest, charges, and other amounts authorized by law not recovered by the sale (including other debts owed to the municipality). In the case of a redemption, the purchase price with interest at 18% per annum (if the federal government redeems the interest paid will be at a lower rate) will be returned to the successful bidder.

If redemption does not occur during the Redemption Period, the deed can be recorded in the land records and title will pass to the purchaser free and clear of prior liens or mortgages subject to certain limited exceptions such as the redemption rights of the Internal Revenue Service if there is a federal tax lien on the property. The property is also conveyed subject to non-monetary encumbrances such as easements, restrictions and covenants, and to municipal taxes, charges, and assessments not due and payable as of the date of the sale and any other liens in favor of the municipality not recovered by the sale. See Section 8 "Transfer of Title to the Property" of these Terms and Conditions for more detail on surviving encumbrances.

If the property owner(s) or tenant(s) has not moved out by the date the Collector's Deed has been recorded it is the responsibility of the purchaser, not the Town, to use legal means to evict the property owner(s) or tenant(s).

Additional information concerning the tax sale process may be found in Section 12-157 of the Connecticut General Statutes along with related statutes.

It is highly recommend that you seek the advice of legal counsel before bidding.

2. BIDDER REGISTRATION

If you wish to bid you must pre-register before 11:00 a.m. on Tuesday, December 6, 2016. Only registered bidders will be allowed to bid at the auction which will begin at 11:00 a.m. or as soon as practical after registering the last bidder.

In order to register to bid the following information must be provided:

- a) The name, address, and daytime telephone number of the bidder
- b) The street address and mailing address (if different) of the bidder
- c) The day time telephone number of the bidder
- d) The bidder's social security number or federal employer identification number
- e) An email address for the bidder

If the person registering to bid is bidding on behalf of someone else or on behalf of an entity, the following additional information must be provided:

- a) The name of the agent
- b) The title/capacity/authority of the agent
- c) Mailing address of the agent
- d) Telephone number of the agent
- e) Email address of the agent.

In addition, in order to register the following must be produced:

- a) Valid current personal photo identification
- b) \$5,000 in cash, certified or bank check, or money order payable to John D. Watts, Trustee.

A separate deposit of \$5,000 is required for each property purchased.

In order to bid a bidder must complete and sign a Bidder Registration form.

3. PARTIES PROHIBITED FROM BIDDING

The following parties are prohibited from registering and cannot bid at the auction:

- a) The current owner or owners of the property that is being auctioned and any owner or owners as of the assessment date for any tax year which is the subject of the tax sale.

- b) Any affiliate of the owner of the property. "Affiliate" is defined as an immediate family member, any legal entity in which the property owner has a controlling interest, or any party acting in a straw-buyer capacity for the property owner.
- c) Mortgagees and lienholders.
- d) Any party that currently owes delinquent taxes or other charges to the Town.
- e) Subject to the discretion of the Tax Collector, any party that has previously defaulted on an agreement to purchase a property at a tax sale.

4. BIDDING PROCEDURES

Every registered bidder will be provided with a number on a card that is to be used to bid on a property. The bidder must hold the card up and state the amount of the bid when recognized by the Tax Collector or Town Attorney conducting the auction. Recognition of the bid is at the sole discretion of the Tax Collector or Town Attorney conducting the auction.

In the initial round the minimum opening bid will be the total amount owed to the Tax Collector and the Town on the day of the auction. The total amount owed to the Tax Collector will be posted in the room where the auction is conducted. If there are no bids in the minimum amount in the initial round the Town can bid and/or purchase the property pursuant to statute including but not limited to Connecticut General Statutes §12-157(c.) or the Tax Collector, in his sole discretion, may reopen the bidding and accept a lesser amount or adjourn the sale.

Bidding will advance in minimum increments of \$1,000, unless otherwise specified by the Tax Collector and/or Town Attorney.

The Tax Collector, in his discretion, reserves the right to reject any bid for any reason. The Tax Collector also reserves the right to adjourn the sale at any time and for any reason.

5. MUNICIPALITY BID

The Town is allowed to bid and/or purchase for its interest, including all of the taxes, interest, lien charges, costs, debts, attorney's fees and the like as provided by statute including but not limited to Connecticut General Statutes 12-157(c). In the event that any of these statutory amounts are determined, in subsequent proceedings, to be valued at different amounts, the municipality's bid is to be considered a conditional bid in that the bid and resulting contract price may in the future be reduced and will be considered only for those amounts that are determined as statutory tax amounts due. Further, the town of Old Saybrook as a Successful Bidder, may waive the deposit and balance of the purchase price requirements.

6. AFTER THE AUCTION

The successful bidder must deliver the \$5,000 deposit to the Tax Collector immediately after the completion of the auction and sign the Successful Bidder Agreement. **THE DEPOSIT IS NON-REFUNDABLE.**

Payment of the balance of the purchase must be made in cash, wire transfer, or certified funds. The funds must be made payable to and RECEIVED by “John D. Watts, Trustee,” at the Watts Law Office, 186 East Main Street, Clinton, Connecticut, 06413, no later than 4:00 pm on the date that is five (5) calendar days after the auction (or if that date is a weekend or legal holiday in the State of Connecticut, the next business day).

IF FOR ANY REASON THE SUCCESSFUL BIDDER DOES NOT DELIVER THE BALANCE OF THE PURCHASE PRICE BY THE REQUIRED DATE AND TIME THE RIGHT TO PURCHASE THE PROPERTY WILL BE LOST AND THE DEPOSIT WILL BE FORFEITED AND RETAINED BY THE TOWN.

If for any reason the highest bidder fails to consummate the sale, including the failure to deliver the deposit or the balance of the price within the required time period, the Town reserves the right to offer the property for sale to the next highest bidders in succession by amount bid.

In accordance with the provisions of Section 12-157 of the Connecticut General Statutes, written notice of the results of the auction shall be sent to the delinquent taxpayer, each mortgagee, lienholder, and other parties of record whose interest is affected by the sale and will also be published in the newspaper. As required by the statute, the notice shall state, at a minimum, the date of the sale, the name and address of the purchaser, the amount the purchaser paid for the property, and the date the redemption period expires.

7. REDEMPTION PERIOD

As provided by Section 12-157(f) of the Connecticut General Statutes, during that six (6) month period beginning on the date of the auction, the delinquent taxpayer, mortgagees, lienholders, and anyone else who has an interest in the property that will be affected by the sale has the right to redeem the property by paying the amount of outstanding taxes, interest, debts, and charges due and owing on the date of the sale together with interest on the purchase price paid by the purchaser at the rate of 18% per annum from the date of the sale plus any taxes and debts owed to the municipality that were not recovered by the sale and any additional charges under Section 12-140 of the General Statutes.

There is an exception to the redemption period for Federal Government liens that may exist or come into being. The Federal Government pays a half of one percent (0.5%) per month instead of one and one-half (1.5%) per cent. Further, except for the Internal Revenue Service (“IRS”), the Federal Government gets eighteen (18) months to redeem instead of six (6). If the IRS places the lien the IRS gets ten (10) months to redeem instead of six (6). If a Federal Government Lien comes into existence during the redemption period it is up to you to find its existence and immediately notify our office of its existence.

If the property is redeemed the sale will be cancelled and the purchase price will be returned to the purchaser along with interest at the statutory rate from the date of the auction through the date of redemption. If the Federal Government redeems the interest paid will be at a lower rate. If the property is redeemed, the interest paid to the purchaser at the statutory rate from the date of the auction through the date of redemption will be reported by the Tax Collector, or the Tax Collector’s agent, to the Internal Revenue Service and the Connecticut Department of Revenue Services.

8. TRANSFER OF TITLE TO THE PROPERTY

If the Redemption Period expires and the property is not redeemed, the Collector's Deed will be recorded in the land records by the Town and the purchaser will be the owner of the property. The property will be conveyed subject to the following:

- a) Town taxes and other charges not due and owing at the time of the sale.
- b) Municipal liens not recovered by the sale.
- c) Taxes and other charges due and owing to another municipality or to any taxing district.
- d) Rights of anyone in possession of the property.
- e) Non-monetary encumbrances such as easements, covenants, and restrictions.
- f) Interests exempt from levy and sale under the Constitution and laws of the United States including those protected by the provisions of the Servicemembers Civil Relief Act (50 App. USC §501 *et. seq.*)
- g) The right of redemption of the United States Government if there were any federal tax liens on the property, including liens recorded after the auction date.
- h) Any other interests in the property not extinguished by the levy and sale process set forth in Section 12-157 of the Connecticut General Statutes.

Note that you may not be able to obtain title insurance until at least one year has passed from the recording of the Collector's Deed, if it can be obtained at all. You should consult your attorney about obtaining title insurance on the property.

9. SURVIVAL

These terms and conditions survive the sale.

[END]