

PUBLIC LAND SALE AUCTION OF PROPERTY
OWNED BY THE INGHAM COUNTY TREASURER
DUE TO DELINQUENT PROPERTY TAXES
PURSUANT TO MCL 211.78

INGHAM COUNTY, MICHIGAN

8:30 A.M. REGISTRATION
10:00 A.M. SALE

JULY 24, 2018
LANSING CENTER
333 E. Michigan Avenue
Lansing, Michigan 48933

INGHAM COUNTY TREASURER
LAND SALE AUCTION
JULY 24, 2018

RULES AND REGULATIONS

This auction is being held in compliance with the Michigan General Property Tax Act, more specifically MCL 211.78m, all applicable court decisions and these Rules and Regulations. The property is sold “as is” with no warranties either expressed or implied. The Ingham County Treasurer (“Treasurer”) has not made a visual inspection of the interior of any improved property, and makes no warranties as to the physical condition of the premises. Announcements made on the day of the auction shall take precedence over previously published or verbally conveyed terms and conditions. The Treasurer as the Foreclosing Governmental Unit reserves the right to bundle any and all parcels of property. The sale will not be interrupted for any questions.

REGISTRATION

Pre-registration is available at www.BippusUSA.com. **Bidders are strongly encouraged to pre-register.** The sale will not be delayed to accommodate on-site registrants. On-site registration will begin at 8:30 a.m. and the sale will begin promptly at 10:00 a.m. No bids will be accepted unless the bidder has registered and received a pre-numbered bid card. A valid driver’s license or other photo ID and social security number will be required to register. Bidders will be required to show \$1,000.00 in cash or certified funds to be able to receive a bidder card at the Ingham County Treasurer’s Auction. (Checks should be made payable to yourself, if you are not a successful bidder at the auction you will then be able to redeposit the funds back into your account, if you are a successful bidder you will then sign the check over to us as payment towards your purchase.) **There are no exceptions to this rule.**

No individual or entity directly or indirectly holding more than a *de minimus* interest in any property currently owing delinquent real property taxes to the Treasurer will be allowed to register. This includes entities whose owners and/or members owe delinquent real property taxes to the Treasurer. **Furthermore, if the Treasurer discovers, after the transfer of property referenced above, that an individual, entity or entity whose owners and/or managers owe delinquent real property taxes to the Treasurer has purchased real property from this auction, the Treasurer has the right to *rescind the sale* of any property sold to said individuals, entities**

and entities whose owners and/or members owe delinquent real property taxes to the Treasurer with no recourse, remedy and/or damages available to the purchaser.

You will be responsible for all purchases made under your registration and will be required to sign that you have read and understood the rules and regulations of the Ingham County Treasurer Land Sale Auction.

PROPERTIES OFFERED

The properties offered have been foreclosed for non-payment of delinquent real property taxes and/or special assessments. The Treasurer reserves the right to pull parcels from the sale prior to the auction and anytime up to execution and delivery of the deed. According to the state statutes, all prior liens, other than IRS liens, future installments of special assessments, and liens recorded by this state or Ingham County pursuant to the Natural Resources and Environmental Protection Act of 1994 (“NREPA”, 1994 PA 451, as amended), are cancelled by the Ingham Circuit Court Order dated February 21, 2018. The Treasurer does not guarantee the usability or access to any of these lands.

It is the responsibility of the prospective purchaser to do their own research as to the use of the land for their intended purpose and to make a personal inspection of the property on the ground to determine if it will be suitable for the purposes for which it is being purchased. The Treasurer makes neither representations nor claims as to fitness for purpose, ingress/egress, conditions, easements, covenants, or restrictions. Occupied structures may not be entered without the tenant’s permission; secured vacant structures may not be entered.

PLEASE KNOW WHAT YOU ARE BUYING, THERE ARE NO REFUNDS OR CANCELLATIONS OF SALES.

All offered properties may be subject to flooding. Any new construction or reconstruction should be elevated above the 100-year flood plain. Also, any filling, dredging, or other permanent construction below the ordinary high-water mark of the water body involved may be subject to the provisions of MCL 324.30101, *et seq* and/or MCL 324.9101, *et seq.*. Any earth change on the property may be subject to the provisions of MCL 342.9101, *et seq.* These properties may also be subject to the provisions of MCL 324.30301, *et seq.*

It may be determined by a Unit of Local Government and agreed to by the Treasurer that certain tax foreclosed properties may be dangerous buildings, public nuisances and/or may be considered hazardous to public health, safety and welfare pursuant to city ordinances and the Michigan Public Health Code. Upon agreement between a Unit of Local Government and the Treasurer as to which foreclosed parcels may be dangerous buildings, public nuisances and/or may be considered hazardous to public health, safety and welfare pursuant to city ordinances and the Michigan Public Health Code, the parties may enter into a Consent Agreement, Order and Notice for Demolition

(“Agreement”) relative to the affected foreclosed properties. This Agreement will be recorded with the Ingham County Register of Deeds, serve as an Order of Demolition and Notice of same to all subsequent holders of title at time of execution and recording of the Agreement, the Treasurer has waived any and all rights to inspections, notices of code violations, publication of violations, hearings, including all hearings before the Building Board of Appeals, and notices of demolition to which the Treasurer might be entitled under local ordinances and policies for each property subject to an Agreement. All foreclosed properties subject to an Agreement will require a performance bond to facilitate and guarantee compliance with the demolition order.

MINIMUM BID PRICE

At the 1st 2018 Public Land Sale Auction held on Tuesday July 24, 2018, no sales will be made for less than the minimum bid price indicated. “Minimum Bid” is defined in MCL 211.78m (11) as “the minimum amount established by the foreclosing governmental unit for which property may be sold under this section. The minimum bid shall include all of the following: (a) All delinquent taxes, interest, penalties, and fees due on the property...(b) the expenses of administering the sale, including all preparations for the sale.”

At the 2nd 2018 Public Land Sale Auction held on Tuesday August 28, 2018, the Treasurer as the foreclosing governmental unit will establish a reasonable opening bid at the sale to recover the cost of the sale of the parcel or parcels as provided by law, including, where applicable, a performance bond to facilitate and guarantee compliance with any existing demolition order.

BIDDING

Any registered person may bid on the properties offered. A bidder must display a bidder’s card to bid. A person unable to attend the sale can be represented at the sale by an agent or representative with legal authority to bind and otherwise represent the person. **The registered bidder is legally and financially responsible for all parcels bid upon whether representing oneself or acting as a representative.**

Parcels will be sold as Bid Item 33 001 thru Bid Item 33 067. Bid item 33 003, 33 050, and 33 055 will be auctioned on-site on July 24, 2018 at times listed on the cost summary. All other bid items will be sold at the Lansing Center. The parcels available for sale are listed in the attached Exhibit A. All parcels in a given Bid Item will be sold as one unit. The sale will be awarded to the individual bidding the highest amount equal to or greater than the starting bid for the Bid Item in question.

Bids will be accepted in increments established and announced by the auctioneer starting with the minimum bid. A bid accepted at public auction is a legal and binding contract to purchase. No sealed bids will be accepted and the Treasurer reserves the right to reject or accept any or all bids.

TERMS OF THE SALE

Ten Percent (10%) of the full purchase price (“Deposit”), with a minimum Deposit of \$2,000.00, must be paid the day of the sale by 4:30 P.M. The full purchase price must be paid within fourteen (14) days of the date of the Land Sale Auction. In the event the full purchase price is not paid within the fourteen (14) day requirement, the Deposit paid on the day of the Land Sale Auction will be forfeited to the Treasurer. The purchase price consists of the final bid price, a ten percent (10%) auctioneer fee¹, a \$59.00 per parcel deed preparation fee and will also include and require, where applicable, a performance bond to facilitate and guarantee compliance with any existing demolition order. The Deposit and minimum bid must be paid with cash, certified funds or bank cashier’s checks. The balance of the purchase price may be paid for by any negotiable instrument, including personal or business check, money orders and travelers checks. **The Treasurer may prosecute or sue any purchaser who delivers a check with insufficient funds or fails to consummate a purchase.** Bidders who fail to consummate any purchase will forfeit all monies paid and will also be banned from bidding in ALL future Ingham County Treasurer’s Land Sale Auctions. Checks should be made payable to “Ingham County Treasurer”.

Pursuant to MCL 211.78m(2), the Treasurer reserves the right to cancel ANY sale, on ANY parcel, at ANY time, including up to the time of execution and delivery of the deed.

PURCHASE RECEIPTS

Successful bidders at the sale will be issued a receipt for their purchases upon payment.

TITLE CONVEYANCE

A Quit Claim deed pursuant to 1999 PA 123, conveying fee simple title and, drafted with the name(s) as entered on the registration, will be recorded by the Ingham County Treasurer’s Office with the Ingham County Register of Deeds’ Office within 14 days from the date of final payment of all amounts required und these Rules and Regulations. Quit Claim deeds will only be issued after the purchaser has provided proof of payment of current taxes. The Quit Claim deed will contain and be subject to the following reverter clause:

The following right of reverter running with the land: If the Purchaser(s) allow the Property to go into forfeiture for unpaid delinquent real property taxes, as described in the Public Land Sale Rules acknowledged by the Purchaser(s), at any time within five (5) years from the date hereof, and if the Property is allowed to be forfeited for unpaid delinquent real property taxes in violation of this restriction, then the property shall automatically revert to Grantor in fee simple title. Any due process requirements with regard to any subsequent reversion, will be considered complied with by notice of said pending reversion to the address of this property or to last

¹ For example, if a property is purchased for \$25,000.00, the amount to be paid on the day of the Land Sale Auction representing the Deposit is \$2,750.00. This is calculated on the basis of a \$25,000.00 bid price, plus \$2,500.00 auctioneer fee. The total cost of the property to the purchaser would be \$27,559.00, including \$59.00 for preparing the deed. However, the Deposit will be calculated on the total of the bid price and the auctioneer fee only.

known address of Purchaser and any subsequent purchasers. Recording of this deed affirms that Purchaser and any subsequent purchasers acknowledge and accept said method of due process reference above.

Certain commercially zoned parcels will also contain and be subject to the following reverter clause:

The following right of reverter running with the land: If the purchaser(s) fail to occupy the Property for commercial purposes within twelve(12) months from the date hereof, then the property shall automatically revert to Grantor in fee simple title. Examples of commercial occupancy may include, but are not limited to, registration with the State of Michigan, department of Licensing and Regulatory Affairs, and associated Federal Employer Identification Number, signage, or posted business hours.

The Treasurer will request the Register of Deeds to send the recorded deed to the purchaser. It is the purchaser's responsibility to contact the assessor and treasurer of the city, township, or village in which the property is located and file a "Property Transfer Affidavit." Title insurance companies may or may not issue title insurance on properties purchased at the sale. The Treasurer makes no representation as to the availability of title insurance. The unavailability of title insurance is not grounds for re-conveyance to the Treasurer. Purchaser may incur legal costs for a quiet title action to satisfy the requirements of title insurance companies in order to obtain title insurance. These legal costs are solely the responsibility of the purchaser.

Some parcels available for auction may be subject to a Declaration of Restrictive Covenant ("DRC"). The DRC will contain as a condition of the sale the Buyer agrees and hereby affirms and declares that:

- A.) the Property shall not be at any time a rental property that is subject to regulation under the Codified Ordinances of the applicable local unit of government as amended from time to time,
- B.) this restriction is an encumbrance on the Property, runs with the Property, and is binding upon the Owner and the Owner's heirs, successors, assigns, and transferees,
- C.) this restriction is given and declared for the benefit of the Owner, the Property, the community in which the Property is located, and the Treasurer, and the Treasurer has the right to enforce the restriction at law or in equity to prevent a breach of the restriction or to compel compliance with the restriction,
- D.) during its term, this restriction may not be amended or terminated unless it is done so in a written instrument that is signed by both the Owner and the Treasurer and recorded in the real estate records maintained by the Ingham County Register of Deeds,

E.) this restriction will terminate immediately and automatically twenty (20) years after its date unless, within the last five (5) years of the restriction, the restriction is extended for an additional period of up to twenty (20) years by a written instrument that is signed by the Treasurer and recorded in the real estate records maintained by the Ingham County Register of Deeds, and

F.) the rights of the Treasurer under this declaration may be exercised by the Treasurer and the Treasurer's successors and assigns.

Furthermore the Treasurer, at his discretion, may require that, as a prerequisite to closing a sale for a parcel within the City of Lansing, the Buyer will have to provide a copy of a filed City of Lansing Rental Housing Application, with a receipt of the appropriate filing fee, if said Buyer is not providing a DRC. All Buyers should consider that they may have to provide a DRC or proof of completion and payment of a City of Lansing Rental Housing Application when bidding at the Auction.

The Treasurer may, at his own expense and discretion, provide a warranty deed and title insurance to any auction purchaser willing to sign a DRC.

SPECIAL ASSESSMENTS AND CONDOMINIUM FEES

All bidders should contact the county, city township or village office to determine if there are any special assessments for future tax years, on the properties offered. They should also check for other assessments, which may include but are not limited to County Drain, Road Commission or other Local Government assessments such as weed cutting, sewer, debris removal, demolitions and recorded non-exempt liens. **Buyers of condominium property are responsible for any and all condominium association dues, fees or costs assessed to the property on or after April 1, 2018.**

For some parcels offered for sale there may exist a demolition order or a Department of Environmental Quality ("DEQ") lien. Prior to closing the sale of these properties, the buyer must agree to the following:

A.) to the extent demolition or contamination removal has been completed, reimbursement to the county must be made for the cost of the demolition or contamination removal, or

B.) to the extent that the demolition or contamination removal is not complete, there must be proof satisfactory to the Treasurer of the buyers ability to satisfy the Treasurer's obligations via payment of a performance bond.

C.) to the extent that a DEQ lien exists on the property there must be proof satisfactory to the Treasurer of the buyers ability to satisfy the lien.

If the parcel offered for sale is a “facility” as defined under section 20101(9)(o) of the NREPA, after the sale and prior to the transfer of the property under this section, the property is subject to all of the following:

A.) Upon reasonable written notice from the DEQ, the Treasurer shall provide access to the DEQ, its employees, contractors, and any other person expressly authorized by the DEQ to conduct response activities at the foreclosed property. Reasonable written notice under this subdivision may include, but not be limited to, notice by electronic mail or facsimile.

B.) If requested by the DEQ to protect public health, safety, and welfare or the environment, the Treasurer shall grant an easement for access to conduct response activities on the foreclosed property under chapter 7 of the NREPA.

C.) If requested by the DEQ to protect public health, safety, and welfare or the environment, the Treasurer shall place and record deed restrictions on the foreclosed property as authorized under the NREPA.

D.) The DEQ may place an environmental lien on the foreclosed property as authorized under section 20138 of the NREPA.

Purchaser may also be subject to other rules and regulations under Part 201 of the NREPA.

PROPERTY TAXES

The new owner will be responsible for the current year summer and winter taxes including any penalties and fees that become due and payable on or after the date of foreclosure. Purchaser must, within 21 days of the sale, provide the Treasurer with proof of payment of all current property taxes owed on the property at the time of the sale. *If a purchaser fails to provide proof of payment of all current property taxes owed within 21 days, the sale is canceled.*

Furthermore, please understand that the **buyer is responsible for all other fees and liens that accrue against a property on or after the date of foreclosure in the year that a property is auctioned.** These items are not prorated. They include, but are not limited to municipal utility or ordinance fees, and condo or property owner association fees or dues. This can also include demolition and other nuisance abatement costs. These fees and expenses **are not collected at the auction** and must be paid by the buyer after taking title to any purchased property which is subject to such fees and expenses.

POSSESSION OF PROPERTY

We recommend that no purchaser take physical possession of any property bid upon at this sale until a deed has been executed and delivered to the purchaser. No activities should be conducted

on the site other than a baseline environmental assessment for properties characterized as a “facility” pursuant to Part 201 of NREPA.

However, steps should be taken to protect your equity in this property by securing vacant structures against entry and obtaining (homeowners) insurance for occupied property. Buyers will be responsible for all procedures and legal requirements for conducting evictions. Additionally, buyers are responsible for contacting local units of government to prevent possible demolition of structures situated on parcels.

CONDITIONS

The purchaser accepts the premises in its present “as is” condition, and releases the Treasurer and employees and agents from all liability whatsoever arising from any condition of the premises, whether now known or subsequently discovered, including but not limited to all claims based on environmental contamination of the premises.

A person who acquires property that is contaminated (a “facility” pursuant to Section 20101(1)(1) of the NREPA, 1994 PA 451, as amended) as a result of release(s) of a hazardous substance(s) may become liable for all costs of cleaning up the property and any other properties impacted by the release(s). Liability may be imposed upon the person acquiring the property even in the absence of any personal responsibility for, or knowledge of, the release. Protection from such liability may be obtained by conducting a Baseline Environmental Assessment (BEA) as provided for under Section 20126(1)(c) of NREPA. However, the BEA must be conducted prior to or within 45 days of the earliest date of purchase or occupancy of the property. Persons who acquire contaminated property may have “due care” obligations under Section 20107a of NREPA even if they conduct a BEA and are not liable for the contamination.

Pursuant to Part 201 of the NREPA, the person(s) responsible for an activity causing a release at the property is obligated to pursue response activities at the property. Consequently, the non-labile purchaser may be required to provide access to a liable party to conduct response activities at the property in the future.

Section 20116 of the NREPA requires that a person who has knowledge that their property is contaminated to provide a written notice to the purchaser or other person to whom the property is transferred which discloses the general nature and extent of the release. The Treasurer will identify the parcels offered for sale at this public land sale auction which have known contamination. Additional disclosure obligations may also apply at the time the property, or an interest in the property, is transferred. Accordingly, it is recommended that a person who is interested in acquiring property through this sale contact an attorney or an environmental consultant for advice prior to the acquisition of any property that may be contaminated.

You may contact the environmental assistance center at 1-800-662-9278 for possible information regarding questions to environmental concerns on any of these properties.

These Rules and Regulations are not intended to provide any prospective purchaser with legal representations or legal positions relating to statements included in this document. Any prospective purchaser should obtain and rely upon its own counsel for legal interpretations of any statements made in these Rules and Regulations or any State of Michigan statutes relating to same.