

# General Rules of Land Sales

1. The Local Lands and Buildings Law (N.J.S. 40A:12-1 et seq) authorizes a municipality to sell any real property that is not needed for public use. Said statute is incorporated herein by reference. Any person participating in the land auction is urged to read the statute.
2. From time to time, the Township will find it in its best interests to offer certain lands that it owns for sale. Typically, the request for sale is made by an interested party. In that case, the interested or requesting party completes a form provided by the Township and makes a minimum guaranteed bid by posting a deposit of ten-percent of the bid.

Although someone may request that a parcel be placed for sale in the auction, the Township does not have to place the property for sale. The Township could decide to sell less than the full parcel requested, or add additional contiguous parcels.

If the Township does decide to place a parcel for sale, it may do so with restrictions on the use of the parcel, which restrictions shall be advertised and be made known.

3. When the Township decides which parcels it will offer for sale, the Township will approve a Resolution authorizing the sale and listing the parcels to be sold and the date of the auction. The Resolution will also fix a minimum price for each parcel, and shall reserve to the Township the right to reject all bids where the highest bid is not accepted. Notice of the open public sale at auction to the highest bidder will be advertised in the official newspaper of the Township, by two insertions at least once a week during two consecutive weeks, the last publication to be not earlier than seven days before the sale.
4. The parcels shall be sold at a public auction sale to be conducted by Tracey L. DeVico Taverner, Chief Financial Officer of the Township of Middle, her designee, or an auctioneer licensed to auction real estate in the State of New Jersey. The public auction sale will be held at the Middle Township Hall, Meeting Room, 33 Mechanic Street, Cape May Court House, New Jersey on (day) \_\_\_\_\_, (date) \_\_\_\_\_, 200\_\_.
5. The terms and conditions of the sale shall be as follows, which terms shall be incorporated into a sales contract which the High - Bidder / Purchaser shall sign at the Auction:
  - A. The sale of each parcel shall be by public auction and to the highest bidder, subject to a minimum bid set by Township Committee.
  - B. The Township reserves the right to reject all bids where the highest bid is not accepted.
  - C. The sale of the parcel is conditioned upon the confirmation by the Township Committee of the Township of Middle. Confirmation shall be by Resolution.

- D. The prevailing high bidder at the auction shall pay to the Township at the time of the sale, a sum equal to 10% of the highest bid for said parcel in cash, personal check, or by certified or bank cashier's check.
- E. In addition to the 10% payment, at the time of the public auction sale the highest bidder shall pay the sum of \$150.00 for the preparation and recording of the deed. The deed shall be prepared by the Township's Attorney. The High - Bidder / Purchaser shall also sign a contract to purchase the property in the form attached hereto at that time which shall become immediately binding.
- F. The Township shall provide the High - Bidder / Purchaser with a Bargain and Sale Deed with Covenants as to Grantor's Acts. The Deed shall name the High - Bidder / Purchaser as the Grantee. The Township will not divide a parcel into two or more deeds or to two or more Grantees. The title shall be under and subject to zoning ordinances, covenants, conditions, rights, reservations, restrictions, easements and right of way, whether for utilities or for others, recorded and unrecorded, if any, and such state of facts as an accurate survey would disclose, and any municipal, state and federal laws, ordinances and regulations affecting the use, occupancy and maintenance of the property, and such other and further restrictions as contained in the contract.
- G. It is a condition of the sale that the High - Bidder / Purchaser obtain a title insurance policy which warrants that the Township is conveying clear title. At the time of the signing of the contract (the day of the Auction Sale), the Buyer shall pay \$290.00 for the title policy. This will be enough to pay for a title policy on any parcel purchased for \$56,000.00 or less. If the price is more than that, at the time of settlement, further funds will be necessary to pay for the remaining balance due on the title policy. If a title report discloses an unmarketable condition of title (other than monetary conditions such as liens, mortgages, assessments, etc.) the remedy of the Buyer shall be limited to the return of payments made to the Township. Nothing in this paragraph shall prevent anyone from purchasing their own title insurance, which must be to the satisfaction of the municipal solicitor, and if a Buyer does purchase his/her/its own title insurance, than the \$290.00 shall be returned if Buyer provides adequate notice to the Township.
- H. The remaining balance of 90% of the highest bid shall be paid in cash or by certified or bank cashier's check to the Township of Middle, and must be received by Tracey L. DeVico Taverner, Chief Financial Officer of the Township of Middle, not later than seventy (70) days after the date of the auction sale. If the transaction is not completed within 70 days, the High - Bidder / Purchaser shall lose any and all rights to purchase the property, and shall also forfeit any deposit. If there is a settlement, it must be held at Middle Township Municipal Hall. Any and all costs of settlement are to be borne by the High-Bidder Purchaser. Such costs include any and all costs and fees, and any and all taxes as required by the State of New Jersey.
- I. If a parcel to be sold is less than the minimum lot size in the zoning district and does not have any capital improvement on it, the sale shall not be confirmed by the Township Committee until the owners of each contiguous parcel of land have been given the right to purchase the parcel to be sold upon the same terms and price offered by the highest bidder.

- J. Although a party may request that a parcel be placed on the auction list, and that party also makes a deposit as a guaranteed minimum bid, that party must still go to the auction. If no person or entity attends the auction or bids on the parcel, the guaranteed minimum bid shall be accepted. If, however, someone present at the auction bids the minimum bid, and that is the highest bid, he or she shall be declared the highest bidder. It is imperative that the party who requests the parcel be placed for sale also attend the auction and bid at least the minimum bid.
- K. The Township will allow access to the property, by request, prior to the auction to allow interested parties to determine if the property meets any bidder's needs.
- L. Once the auction has taken place and the contract has been signed there will be no extensions for payment, release of obligation, or any deviation from the Contract. If a High - Bidder / Purchaser fails to make payment within the specified time frame, all of his or her deposits will be forfeited and the property will be made available for future auctions.
- M. The Township makes no representations, warranties or guarantees about the size or dimensions of the property (potential bidders are hereby informed that the tax maps are not always accurate and are not to be relied upon), whether or not the property meets existing zoning regulations, has improved street access, is subject to any environmental constraints, or is able to be improved with any buildings or other structures. The Township of Middle will not construct or maintain access roads to any parcel. The Township of Middle specifically cautions potential bidders that the property may not qualify for a building permit due to a lack of sufficient water supply, lack of sewer service or ability to install a septic system, lack of access, inadequate lot size, or other reason. Any development or improvements to the parcel must comply with all applicable zoning, building, environmental and health ordinances regulations, local, county, state and federal. **Bidders are urged to perform their due diligence before bidding on a parcel.**
- N. The Township makes no representations, warranties or guarantees about the existence or non-existence of any covenants, restrictions, easements, right-of-way rights, or other encumbrances on the property. The High - Bidder / Purchaser takes title to the property subject to any and all such covenants, restrictions, easements, right-of-way rights, or other encumbrances. It is not a sufficient reason for a High - Bidder / Purchaser to get their deposit back that they later find out that there are significant restrictions on the property. **Bidders are urged to perform their due diligence before bidding on a parcel.**
- O. The Township makes no representations, warranties or guarantees that any and all improvements on the parcel are within the property boundaries, nor any representations, warranties or guarantees regarding the property that an accurate survey would show. **Bidders are urged to perform their due diligence before bidding on a parcel.**

A COPY OF THE CONTRACT IS ATTACHED HERETO AND MADE A PART HEREOF.