# A Guide to Prepare the Chapter 8 Agreement Sale Package

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Introduction

A Guide to Prepare the Chapter 8 Agreement Sale Package is produced by the State Controller’s Office, Local Government Programs and Services Division, Property Tax Standards Unit. This guide is intended to be used as a sample for County Tax Collectors to aid in the assembly of documents needed in a Chapter 8 agreement sale package for submittal to the California State Controller’s Office for approval. This guide can be used along with the County Tax Sale Procedural Manual, which includes step-by-step procedures on Chapter 8 tax sales.

NOTICE: This guide is provided by the State Controller’s Office, Property Tax Standards Unit, as a general resource for California’s County Tax Collectors. Information contained in this guide is to assist the counties in performing their duties under the law. This publication is intended primarily for County Tax Collectors and does not constitute legal advice.
Agreement Sale Checklist

General Information:

Checklist – A:

- SCO internal checklist used by staff. It is provided to serve as a reference and aid to assembling required documentation.
- Depending on the type of chapter 8 sale, documents required may vary.

Checklist – B:

- SCO sample checklist for completing the entire Chapter 8 process. This is a useful tool for tax collectors and staff.

Sources:

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 9: Authorization from the State Controller's Office

State Controller’s Office Sample Form
SCO 8-17.1 – Checklist of Mandatory Requirements (Chapter8)
Agreement Sale Checklist 2015

Documents required for Chapter 8 Agreement Sales

_____ Notice of Power to Sell (RTC §§3691, 3773)
_____ Application (SCO Form 8-16) (RTC §§ 3695.4, 3695.5)
_____ Objection Letter- Required for objections only (RTC §§3695.4, 3695.5)
_____ Agreement (SCO Form 8-13 or 8-15) (RTC §3795)
_____ County Board of Supervisors Resolution or Minute Order Approving the Sale (RTC §3794.3)
_____ Chapter 7 Tax Sale Resolution – Required for objections only (RTC §3694)
_____ Publication (RTC §3702)

Additional Components for Nonprofit

_____ Articles of Incorporation (RTC §§3772.5, 3795.5)
_____ Document listing each parcel and intended use (RTC §§3772.5, 3695.5)

Revised 4/15
RESOLUTION/AGREEMENT SALE NO. ___________________  DATED ________________

The following requirements should be fulfilled by the tax collector to lawfully initiate, process, and complete a tax sale by agreement under Division 1, Part 6 of the California Revenue and Taxation Code. Unless otherwise noted, all code section citations are from the California Revenue and Taxation Code. (Note: Additional details and time lines are located in the County Tax Sale Procedural Manual Chapter II: Chapter 8 Tax Sales.)

Agreement Processing:

☐ Obtain required documents from the purchasing entity.
  - Application to purchase tax defaulted property (SCO 8-16) (§3695.4, §3695.5);
  - An objection letter if the parcel is scheduled for a Chapter 7 Tax Sale (§3695, §3695.4, §3695.5)
  - A Chapter 8 purchase resolution from the purchaser’s governing body (§3695);
  - A signed/dated Agreement to Purchase Tax Defaulted Property (§3695.4, §3695); and
  - Other documentation as required by the county (§3795.5).

☐ If the purchaser is the State or the county, obtain approval of the purchase price from the county board of supervisors and the State Controller. In addition, if the property is within a city’s limits, approval from the city is required (§3775). See the State Controller’s Office sample form, Agreement to Purchase Tax Defaulted Property (SCO 8-13).

☐ Submit to the State Controller for approval the executed agreement and any other required documents (§3795).

☐ Following agreement approval from the State Controller and direction from the State Controller the tax collector shall give notice of the agreement (§3796, §3797).

☐ Mail a copy of the notice to each assesse and party of interest not less than 45 but no more than 60 days prior to the effective date of the agreement (§3799).

☐ Mail the notice of agreement sale to the IRS (26 U.S. Code §7425).

☐ Publish and/or post the notice of agreement. The first publication and/or posting shall be started not less than 21 days prior to the effective agreement date (§3798, §3802).

☐ The agreement becomes effective no sooner than 5:01 pm on the 21st day after the first publication of the notice of agreement (§3802).

☐ Prepare an affidavit showing notice of agreement has been given as prescribed. The affidavit shall be filed in the office of the county tax collector (§3801).

On or Following Effective Date of Sale:

☐ Execute a deed to the purchaser once terms for property transfer as outlined in the agreement are met (§3804, §3805).

☐ Record the deed with the county recorder (the recorder shall record the deed without charge) (§3804).

☐ Send a conformed copy of the deed to the State Controller (the recorder shall prepare the conformed copy of the deed without charge) (§3804).

☐ Deposit money received from the sale like tax collection (§3808).

☐ Transmit a report of sale to the State Controller, auditor, and assessor (§3811).

☐ Distribute necessary funds prior to determining excess proceeds (§4672-§4673.1).

☐ Mail the notice of the right to claim excess proceeds to the last known mailing address of parties of interest if the excess proceeds exceed one hundred and fifty dollars ($150). If the last known address of a party of interest cannot be obtained, the notice shall be published (§4676).

☐ Distribute the excess proceeds to any parties of interest no sooner than one year following the recordation of the tax collector’s deed to the purchaser (§4675).
Notice of Power to Sell

General Information:

- An official county document that describes a property and its default status and that the county has the statutory authority to sell the property in order to recoup past taxes due.
- This document is recorded with the county clerk.
- All properties listed in a sale should have a corresponding Notice of Power to Sell to confirm status.
- One notice per parcel must be included for the application to be considered complete.
- Double check the parcel number(s) to ensure accuracy.

Sources:

Revenue and Taxation Code
§3691, §3773

County Tax Collectors’ Reference Manual: Chapter 7000
Sections 7100-7133

County Tax Sale Procedural Manual
Chapter I: Chapter 7 Tax Sales, Section 1: Overview of Chapter 7 Tax Sales
Chapter II: Chapter 8 Tax Sales, Section 3: Identifying the Purchasing Entity

State Controller’s Office Sample Forms
SCO 7-01.1 – Notice of Power to Sell – Five & Three Year Schedule
SCO 7-01.2 – Notice of Power to Sell – Five Year Schedule by County Ordinance or Resolution
SCO 7-01.3 – Notice of Power to Sell – Three Year Schedule
RECORDING REQUESTED BY: 
LARRY WALKER, 
AUDITOR-CONTROLLER/ 
TREASURER/ TAX COLLECTOR 
SAN BERNARDINO COUNTY
WHEN RECORDED RETURN TO: 
SAN BERNARDINO COUNTY TAX COLLECTOR 
922 WEST THIRD STREET, FIRST FLOOR 
SAN BERNARDINO CA 92405-0000

NOTICE OF POWER TO SELL TAX-DEFALUTED PROPERTY

Which, pursuant to law was desired to be tax-defaulted on 06-30-08 
for the nonpayment of delinquent taxes in the amount of $2,699.16
for the Fiscal Year 2007-2008 Default Number 0327-104-14-0-000

Notice is hereby given by the Tax Collector of San Bernardino County, that five or more years have elapsed since the duty assessed and legally levied taxes on the property described herein were declared in default and that the property is subject to sale for nonpayment of taxes and will be sold unless the amount required to redeem the property is paid to the Tax Collector of said County before sale. Any parcel remaining unsold may be offered for sale within a 90-day period and any new parties of interest shall be notified in accordance with Section 770. The real property subject to this notice is assessed to

SEIZED PROPERTY

and is situated in said County, State of California, described as follows: 0327-104-14-0-000
01 TR NO 1834 ARROW BEAK PARK UNIT NO 2 LOT E2 26 HK 5
0327-102-22-0-000 (Assessor's Original Parcel Number)

STATE OF CALIFORNIA 
SAN BERNARDINO COUNTY 

EXEDED ON: FEBRUARY 3, 2014 

Larry Walker

TAX COLLECTOR

On FEBRUARY 3, 2014, Larry Walker, personally sworn to me, Dennis Draeger, County Clerk, on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal

COUNTY CLERK

Betty T. Yee California State Controller 9
Application

General Information:

- A standard form issued by the Controller’s Office which consolidates pertinent information and serves as official registration as to the purchaser’s interest and intention, as required by statute.
- This form is completed by the purchaser and submitted to the tax collector.

Currently Scheduled for a Chapter 7 Sale

- The application must be filed (dated) prior to the first publication of the notice of intended sale.
- An objection letter is required for the application to be considered valid.
- Double check the parcel number(s) to ensure accuracy.

NOT Currently Scheduled for a Chapter 7 Sale

- This is NOT an objection. Therefore, no objection letter or objection is required.
- Double check the parcel number(s) to ensure accuracy.

Multiple Parcels

- One application can be used to purchase multiple parcels.
- Attach an exhibit for the property information when the space provided is insufficient.

Sources:

Revenue and Taxation Code
§3695.4 -§3695.5

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8320-8325

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 4: Public Agency Purchase Eligibility Review
Chapter II: Chapter 8 Tax Sales, Section 6: Nonprofit Organization Purchase Eligibility Review

State Controller’s Office Sample Forms
SCO 8-16 – Application
SCO 8-14 – Exhibit A
A Guide to Prepare the Chapter 8 Agreement Sale Package

Application Sample

This application must be completed by an eligible purchasing entity to commence purchase of tax defaulted property by agreement sale from the county under applicable provisions of the California Revenue and Taxation Code. Complete the following sections and supply supporting documentation accordingly. Prior to purchase approval the county may require the applicant submit additional information or documentation. **Completion of this application does not guarantee purchase approval.**

**For county use only:**
1. Date application received: (date)  
2. If applicable, date written objection to Chapter 7 tax sale was received: (date)

Applicant must complete Sections A through D.

**A. Purchaser Information**

1. Name of Organization: ____________________________________________  
2. Corporate Structure:  
   - □ Nonprofit Organization  
   - □ Public Agency *(please select type of public agency)*  
   - □ A taxing agency, revenue district, or special district  
   - □ The State or County

**B. Property Status and Use Information**

1. Is the parcel currently (at the time of application) approved for a Chapter 7 tax sale?  
   - □ Yes  
   - □ No
  
  If yes, a written objection must be included with the application. If a written objection was submitted to the county prior to application, what is the date of the objection? *(date of objection)*

2. The purpose of the purchase: *(check one box only)*  
   - □ For low income housing  
   - □ To otherwise serve low income persons  
   - □ To preserve open space  
   - □ To preserve a lien  
   - □ For public purpose: *(describe public purpose)*

**C. Property Information**

Provide the following information. *(If more space is needed exhibits may be attached)*

1. County where the parcel(s) is located: *(county)*  
2. Assessor’s Parcel Number (APN): *(list all APNs applying to purchase):*

**D. Acknowledgement**

Identification and signature of the purchasing entity’s authorized officer:  

<table>
<thead>
<tr>
<th>Print Name</th>
<th>Print Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Signature</td>
<td>Date</td>
</tr>
</tbody>
</table>
Objection Letter

General Information:

- A letter or document declaring an objection to certain parcels being sold at a currently scheduled county public auction.
- An objection letter is only required if the parcel(s) in question is currently scheduled for a Chapter 7 sale.
- The objection must be filed (dated) prior to the first publication of the notice of intended sale.
- Double check the parcel number(s) to ensure accuracy.

Sources:

Revenue and Taxation Code
§3695.4 -§3695.5

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8232-8233

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 4: Public Agency Purchase Eligibility Review
Chapter II: Chapter 8 Tax Sales, Section 6: Nonprofit Organization Purchase Eligibility Review
Objection Letter Sample

April 22, 2014

Kelly McKee, Tax Sale Supervisor
Office of Auditor-Controller/ Treasurer-Tax Collector
County of San Bernardino
172 West Third Street, 1st Floor
San Bernardino, CA 92415-0380

RE: 2014 Chapter 8 Tax Sale Request

Dear Ms. McKee,

The SAN BERNARDINO MOUNTAINS LAND TRUST, a charitable 501(c)(3) nonprofit corporation, would like to apply for a Chapter 8 purchase of the tax defaulted parcels listed below that are scheduled for the May 2014 County Tax Sale Auction.

Please accept this letter as our formal request under the Chapter 8 guidelines of the San Bernardino County Tax Code to object to the public auction of the following properties identified below:

<table>
<thead>
<tr>
<th>Auction Item No</th>
<th>Assessor Parcel Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>927</td>
<td>0327-104-14 (0327-103-22)</td>
</tr>
<tr>
<td>928</td>
<td>0327-104-27 (0327-103-57)</td>
</tr>
<tr>
<td>929</td>
<td>0327-104-30 (0327-103-58)</td>
</tr>
<tr>
<td>2153</td>
<td>0447-291-02 - (K)</td>
</tr>
<tr>
<td>2154</td>
<td>0447-291-03 - (K)</td>
</tr>
<tr>
<td>2155</td>
<td>0447-291-04 - (K)</td>
</tr>
<tr>
<td>2156</td>
<td>0447-291-05 - (K)</td>
</tr>
</tbody>
</table>

Thank you for your assistance.

Sincerely,

Peter Jorris
Executive Director
(909) 887-3536
A Guide to Prepare the Chapter 8 Agreement Sale Package

Agreement

General Information:

- Also known as the Agreement Contract or Agreement to Sell Tax–Defaulted Property.
- Agreements must be approved by the board of supervisors.
- Date on the first page of agreement should match date from the County Board of Supervisor Resolution or Minute Order approving the sale.
- A contract between the county and the purchaser.
- This document is a standard format and contains a preamble stating the date of the contract and defining the parties involved.
- The document also outlines the payment conditions, as well as any specific requirements and stipulations of the sale, including purpose and intended use of the property, along with a list of the property involved.
- All signatures required must be present before application will be considered valid.
- Double check the parcel number(s) and purchase price to ensure accuracy.

Sources

Revenue and Taxation Code
§3793, §3795

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8330-8352

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 5: Public Agency Application Requirements
Chapter II: Chapter 8 Tax Sales, Section 7: Nonprofit Organization Application Requirements

State Controller’s Office Sample Forms
SCO 8-13 – Agreement to Purchase Tax-Defaulted Property (Public Agency)
SCO 8-14 – Exhibit A
SCO 8-15 – Agreement to Purchase Tax-Defaulted Property (Non-Profit)
Public Agency Agreement Sample

This agreement is made this (day) day of (month), (year) by and between the (county) County Board of Supervisors and (purchasing entity), in accordance with provisions of California law. The County (“SELLER”), subject to the State Controller’s approval, does hereby agree to sell to (purchaser) (“PURCHASER”) the real property described in Exhibit ‘A’ of this agreement. The real property situated within said county, hereinafter set forth and described in Exhibit ‘A’ of this agreement, is tax defaulted and is subject to the power of sale by the tax collector of said county for the nonpayment of taxes.

The PURCHASER agrees to pay the sum of $(price) and which is tendered in the form of (cash/negotiable paper/etc) with this document.

The following is a sample listing of terms and conditions, any of which may be included in Chapter 8 Sale Agreements at the discretion of the County. This list is not inclusive and pursuant to California Revenue and Taxation Code sections 3795.5 and 3794.3 the board of supervisors may establish conditions of sale.

Consultation with county counsel is recommended before establishing conditions of sale.

In consideration of the mutual promises herein set forth, the parties mutually agree as follows:

- Approval by the State Controller. California Revenue and Taxation Code section 3795 requires this agreement to be submitted to and approved by the California State Controller before it becomes final. This agreement is not in effect until the California State Controller’s authorization is received and the noticing process is complete.

- Purchase and Evidence of Title. Within 21 days from the effective date of this agreement, the PURCHASER agrees to pay a sum sufficient to redeem the delinquent property taxes pursuant to California Revenue and Taxation Code section 3793.1(a) or a reduced price in accordance with section 3793.1(b). The approval and notice process will determine the effective date of the sale and the final purchase price. The PURCHASER agrees to pay the amount specified in Exhibit ‘__’ for the properties described in Exhibit ‘A’. Payment shall be in cash or certified funds payable to the (county) County Tax Collector. Upon receipt of said sums by the Tax Collector, the Tax Collector shall execute and record a deed conveying the title to said property to PURCHASER and after recordation the deeds will be returned to the purchaser by the County Clerk/Recorder.

- No Representation. The SELLER makes no representation concerning the condition of title to the subject property. The SELLER does not warrant title to the property or make any representations concerning the title. Additionally, the SELLER makes no representation concerning the physical condition of the subject property and the PURCHASER acknowledges that it is not relying upon any statements or representations of the SELLER concerning the subject property and is purchasing the subject property in its ‘as is’ condition.
• **Other Expenses**: The PURCHASER shall pay the other expenses in addition to the purchase price of the property, including but not limited to: the cost of giving notice of the notice of agreement, the cost of publishing or posting the notice of agreement, the cost of proceeding to obtain a clear title to the property, and the expenses incurred in the payment, compromise, or other method of removal of any liens or adverse claims against the property.

• **Intent of Use**: The public purpose and specified intent of use set forth by the PURCHASER for the purchased property is as follows:

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____________________________________________________
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• **Jurisdiction Boundaries**: If the PURCHASER is a ‘district’ as defined by Government Code 56036(a) the purchased property must be within their jurisdiction, unless a letter from purchasers’ legal counsel stating that either the influence has been extended by the Local Agency Formation Commission (LAFCo) to include the property or the property may be purchased without conflict with sphere of influence parameters.

• **Real Property Taxes, Fiscal Year (current)-(current)**: The purchase price does not include the property taxes for Fiscal Year (current)-(current). The PURCHASER shall be responsible for payment in full of the Fiscal Year (current)-(current) property taxes for the property in addition to the purchase price.

• **Treated as a Single Transaction**: The SELLER shall sell the property(s) listed in Exhibit ‘__’ as a single transaction to the PURCHASER in consideration of the receipt of the payments listed in this agreement.

• **Redemption**: If any of the properties listed in Exhibit ‘__’ are redeemed prior to the effective date of this agreement, this agreement shall be null and void as to that property or properties. Notwithstanding the foregoing, the agreement shall be binding and shall remain in full force and effect with respect to any remaining property (s).

• **Void/Incomplete Purchase**: This agreement shall become null and void and the right of redemption restored upon the failure of the PURCHASER to comply with the terms and conditions of this agreement prior to the tax deed recordation. The PURCHASER will be required to reimburse the Tax Collector for the costs for producing notice, publication, and actual costs incurred for preparing and conducting the agreement sale if these expenses have already been incurred.
• **Indemnity**: The PURCHASER shall indemnify the SELLER from and against any and all liability, loss, costs, damages, attorney’s fees, and other expenses which the SELLER may sustain or incur by reasons of a challenge to validity of the tax default sale of the property described in Exhibit ‘__’. Pursuant to California Revenue and Taxation Code section 3809, a proceeding based on alleged invalidity or irregularity of any proceeding instituted can only be commenced within one year after the date of execution of the Tax Collector’s deed.

• **Environmental Condition of Property**: The property acquired pursuant to this agreement may contain hazardous wastes, toxic substances, or other substances regulated by federal, state, and local agencies. The SELLER in no way whatsoever assumes any responsibility, implied or otherwise, and makes no representations that the property (s) are in compliance with federal, state, or local laws governing such substances. The SELLER in no way assumes any responsibility, implied or otherwise, for any costs or liability of any kind imposed upon or voluntarily assumed by the PURCHASER or any other owner to remediate, clean up, or otherwise bring into compliance according to federal, state, or local environmental laws property purchased.

• **CERCLA**: The SELLER and the PURCHASER agree that under United States Code, title 42, section 9601(20,d), the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) expressly excludes local and state governments from clean up liability for properties they acquire as a result of tax delinquencies. Notwithstanding this provision, the PURCHASER shall defend, indemnify, and hold harmless the SELLER, its board of supervisors, officers, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys’ fees, arising out of or resulting from the performance of this agreement, regardless of whether caused in part by a party indemnified hereunder, including but not limited to allegations that the SELLER and/or the SELLER’s officers, directors, agents, employees, or volunteers are liable for costs or other charges related to the remediation, clean up, or other work necessary to bring any property purchased under this agreement into compliance with deferral, state, or local environmental laws.
The undersigned hereby agree to the terms and conditions of this agreement and are duly authorized to sign for said agencies.

**Note:** If more than one executed copy is required, add the following statement above the signature block:

This document is being executed in counterpart each of which constitutes an original

**ATTEST:**

___________________________________
By: ________________________________

Purchaser

**ATTEST:**

___________________________________
By: ________________________________

CLERK OF THE BOARD OF SUPERVISORS

By: ________________________________
By: ________________________________

DEPUTY

**Note:** If the purchaser is the State or the county and is located within the boundaries of a city, add this signature block:

Pursuant to the provisions of Revenue and Taxation Code section 3775, the governing body of the City of (city) hereby agrees to the selling price as provided in this agreement.

**ATTEST:**

___________________________________
By: ________________________________

CITY OF

___________________________________
By: ________________________________

DEPUTY

**Note:** If the purchaser is the State or the county, use this signature block for the State Controller:

Pursuant to the provisions of Revenue and Taxation Code section 3775, the Controller agrees to the selling price hereinbefore set forth and, pursuant to the provisions of section 3795, approves the foregoing agreement this this (day) day of (month), (year) is approved.

BETTY T. YEE, CALIFORNIA STATE CONTROLLER
By: ________________________________

**Note:** For agreements with agencies other than the State or the county, use this signature block for the State Controller:

Pursuant to the provisions of Revenue and Taxation Code section 3795, the Controller approves the foregoing agreement this this (day) day of (month), (year) is approved.

BETTY T. YEE, CALIFORNIA STATE CONTROLLER
By: ________________________________
Non-profit Agreement Sample

This agreement is made this (day) day of (month), (year) by and between the (county) County Board of Supervisors and (purchasing entity), a nonprofit corporation organized in accordance with provisions of California law. The County ("SELLER"), subject to the State Controller’s approval, does hereby agree to sell to the nonprofit corporation ("PURCHASER") the real property described in Exhibit ‘A’ of this agreement.

As set forth in Purchaser’s Articles of Incorporation within Exhibit ‘A’ of this agreement, the PURCHASER is formed for the purpose of either rehabilitating or constructing dwellings and selling to, or otherwise using the property to serve, qualified low-income persons as defined in Health and Safety Code section 50093, or for dedication of that vacant land to public use pursuant to the provisions of Division 1, Part 6, Chapter 8 of the California Revenue and Taxation Code.

The real property situated within said county, hereinafter set forth and described in Exhibit ‘A’ of this agreement, is tax defaulted and is subject to the power of sale by the tax collector of said county for the nonpayment of taxes.

The PURCHASER agrees to pay the sum of $(price) and which is tendered in the form of (cash/negotiable paper/etc) with this document.

The following is a sample listing of terms and conditions, any of which may be included in Chapter 8 Sale Agreements at the discretion of the County. This list is not inclusive and pursuant to California Revenue and Taxation Code sections 3795.5 and 3794.3, the board of supervisors may establish conditions of sale, including reporting, to ensure maximum benefit to low-income persons.

Consultation with county counsel is recommended before establishing conditions of sale.

In consideration of the mutual promises herein set forth, the parties mutually agree as follows:

- Any violations of the terms and conditions of this agreement shall constitute an event of default.

- Use by Low Income Persons. Low income persons are defined in Health and Safety Code section 50093. The property may not be transferred, sold, leased, rented, or made use of by persons who do not qualify as low income persons as defined by Health and Safety Code section 50093.

- Approval by the State Controller. California Revenue and Taxation Code section 3795 requires this agreement to be submitted to and approved by the California State Controller before it becomes final. This agreement is not in effect until the California State Controller’s authorization is received and the noticing process is complete.
Purchase and Evidence of Title. Within 21 days from the effective date of this agreement, the PURCHASER agrees to pay a sum sufficient to redeem the delinquent property taxes pursuant to California Revenue and Taxation Code section 3793.1(a) or a reduced price in accordance with section 3793.1(b). The approval and notice process will determine the effective date of the sale and the final purchase price. The PURCHASER agrees to pay the amount specified in Exhibit ‘__’ for the properties described in Exhibit ‘__’. Payment shall be in cash or certified funds payable to the (county) County Tax Collector. Upon receipt of said sums by the Tax Collector, the Tax Collector shall execute and record a deed conveying the title to said property to PURCHASER and after recordation the deeds will be returned to the purchaser by the County Clerk/Recorder.

- **Use of Residential Property.** In the case of residential property, PURCHASER (the nonprofit organization) shall rehabilitate and sell or rent to, or otherwise use the property to serve, low-income persons. **The property may not be transferred, sold, leased, rented, or made use of by persons who do not qualify as low income persons as defined by Health and Safety Code section 50093.**

- **Intent of Use.** The public purpose and specified intent of use set forth by the PURCHASER for the purchased property is as follows:__________________________________________

- **Review of Use.** The intended use of each property involving a low-income housing project will be reviewed by the appropriate county housing agency and determined, in writing, to be consistent and in compliance with the local jurisdiction’s consolidated plan or community development plan. A detailed list of the intended use for each property will be included as Exhibit ‘__’.

- **Time to Completion.** The PURCHASER agrees to complete the rehabilitation or construction of residential dwellings on the property and sale within a reasonable period of time and the maximum benefit to low-income persons. The reasonable period of time for completion determined by the PURCHASER and the SELLER is specified in Exhibit ‘__’.

- **Code Compliance.** The PURCHASER shall maintain any existing structures and ensure compliance with all applicable county code provisions (e.g., substandard housing, building, and zoning). Within six months of transfer of title, the PURCHASER shall remediate any outstanding code violations and correct and repair any dangerous, unsightly, or blighted condition which reduces the aesthetic and property values in the neighborhood, is offensive to the senses, or is detrimental to the health, safety, and welfare of the public. Within six months of transfer of title, the PURCHASER shall also remove overgrown, diseased, dead, or decayed trees, weeds, or other vegetation, exterior trash, debris, junk, rubbish, graffiti, and abandoned and/or inoperable vehicles. The PURCHASER shall also ensure the property and all building entry points including doorways, windows, or other openings are closed, maintained, or secured to prevent entry by persons or animals. The property shall be fenced if appropriate.
- **Contractors.** The PURCHASER will ensure that the contractor building or rehabilitating the housing is a licensed general contractor in good standing with the California Contractor State Licensing Board, and a member of the development team. The contractor shall have constructed or rehabilitated, as appropriate to the Chapter 8 request, at least two residential dwellings listing their dates of completion and their complete addresses. The contractor shall not be a member of the board of the nonprofit corporation.

- **Manufactured Homes.** In the case of manufactured homes, the PURCHASER shall ensure that the manufactured home is attached to a permanent foundation.

- **Current Incorporation.** The PURCHASER shall be currently incorporated and shall provide a copy of its articles of incorporation filed with the Secretary of State, stating that the organization is incorporated for at least one of the purposes specified in the California Revenue and Taxation Code section 3772.5(b).

- **Progress Updates.** The PURCHASER shall report back to the (county) Board of Supervisors regarding the progress of the low-income housing project at the following intervals:
  - When building or rehabilitation begins;
  - If rehabilitation or construction of residential dwellings on the property will not be completed by the agreed upon timeline and a modification of the rehabilitation/construction timeline is needed;
  - When the property is leased with documentation that the lessee is qualified for low-income housing;
  - When the property is sold with documentation for the sale of the home including:
    - That the home was sold to a qualified low-income person(s),
    - That the sale price of the house is in compliance with the accepted maximum estimated sales prices established by the United States Department of Housing and Urban Development for low-income household incomes pursuant to Health and Safety Code section 50093.

- **Non-discrimination.** The PURCHASER shall not discriminate in the selection of low-income persons because of color, race, creed, national origin, religion, gender, sexual orientation, age, or physical or mental handicap in accordance with Title VI of the Civil rights Act of 1964 (42 U.S.C. section 2000D), the Americans with Disabilities Act (42 U.S.C. section 12131 et seq.), and all other applicable laws and regulations prohibiting discrimination. Purchaser shall include this nondiscrimination provision in all contracts for services in the construction, rehabilitation and sale of the property related to this agreement.
• **Default:** The PURCHASER shall fully comply with the terms and conditions of this agreement. The following shall constitute events of default to the purchase agreement:

  - Any violation of the terms and conditions of this agreement;
  - Transfer and/or lease of the property to a person who does not qualify as a low-income person as defined in Health and Safety Code section 50093;
  - In the event that a petition of bankruptcy shall be filed by or against the PURCHASER, and the petition has not been dismissed or discharged within 180 days of its filing;
  - Failure to maintain the property improvements and the property to the minimum housing standards of the County, to keep the property free from any accumulation of debris, waste materials and/or to maintain all landscaping in a healthy condition;
  - Failure to complete the rehabilitation of construction of the residential dwelling(s) on the property within the reasonable period of time as agreed upon in the purchase agreement.

• **Breach:** In the event the PURCHASER is in default, the SELLER shall give written notice of default to the PURCHASER specifying the event of default. The PURCHASER must commence to cure, correct, or remedy the default within five days of receipt of notice of default and must fully cure, correct, or remedy the default within 30 days of receipt of notice of default.

If the PURCHASER does not cure the default the PURCHASER shall take one of the following actions:

  - Transfer the property to a different Nonprofit Organization that qualifies pursuant to California Revenue and Taxation Code section 3772.5 and that is agreed to by the SELLER;
  - Transfer the property to the SELLER at the sole discretion of the SELLER;
  - At the sole discretion of the SELLER, the SELLER may permit the PURCHASER to sell the property for costs incurred to a new PURCHASER (including a for-profit entity) that agrees to continue the completion of the rehabilitation or construction of residential dwellings on the property to low-income person as outlined in the Terms and Conditions of the Agreement.

In the event of transfer of the property as a result of inability to fully cure default, the PURCHASER shall relinquish any claim to the property without any compensation or refund. The PURCHASER shall pay any and all costs required to cure a default including the transfer of property.

In addition to any other rights or remedies, the SELLER may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of the purchase agreement. Such legal action must be instituted in the Superior Court of (county) County.
• **No Representation.** The SELLER makes no representation concerning the condition of title to the subject property. The SELLER does not warrant title to the property or make any representations concerning the title. Additionally, the SELLER makes no representation concerning the physical condition of the subject property and the PURCHASER acknowledges that it is not relying upon any statements or representations of the SELLER concerning the subject property and is purchasing the subject property in ‘as is’ condition.

• **Other Expenses:** The PURCHASER shall pay the other expenses in addition to the purchase price of the property, including but not limited to: the cost of giving notice of the notice of agreement, the cost of publishing or posting the notice of agreement, the cost of proceeding to obtain a clear title to the property, and the expenses incurred in the payment, compromise, or other method of removal of any liens or adverse claims against the property.

• **Real Property Taxes, Fiscal Year (current)-(current):** The purchase price does not include the property taxes for Fiscal Year (current)-(current). The PURCHASER shall be responsible for payment in full of the Fiscal Year (current)-(current) property taxes for the property in addition to the purchase price.

• **Treated as a Single Transaction:** The SELLER shall sell the property(s) listed in Exhibit ‘__’ as a single transaction to the PURCHASER in consideration of the receipt of the payments listed in this agreement.

• **Redemption:** If any of the properties listed in Exhibit ‘__’ are redeemed prior to the effective date of this agreement, this agreement shall be null and void as to that property. Notwithstanding the foregoing, the agreement shall be binding and shall remain in full force and effect with respect to any remaining property(s).

• **Void/Incomplete Purchase:** This agreement shall become null and void and the right of redemption restored upon the failure of the PURCHASER to comply with the terms and conditions of this agreement prior to the tax deed recordation. The PURCHASER will be required to reimburse the Tax Collector for the costs for producing notice, publication, and actual costs incurred for preparing and conducting the Chapter 8 agreement sale if these expenses have already been incurred.

• **Indemnity:** The PURCHASER shall indemnify the SELLER from and against any and all liability, loss, costs, damages, attorney’s fees, and other expenses which the SELLER may sustain or incur by reasons of a challenge to validity of the tax default sale of the property described in Exhibit ‘__’. Pursuant to California Revenue and Taxation Code section 3809, a proceeding based on alleged invalidity or irregularity of any proceeding instituted can only be commenced within one year after the date of execution of the Tax Collector’s deed.
• Environmental Condition of Property. The property acquired pursuant to this agreement may contain hazardous wastes, toxic substances, or other substances regulated by federal, state, and local agencies. The SELLER in no way whatsoever assumes any responsibility, implied or otherwise, and makes no representations that the property(s) are in compliance with federal, state, or local laws governing such substances. The SELLER in no way assumes any responsibility, implied or otherwise, for any costs or liability of any kind imposed upon or voluntarily assumed by the PURCHASER or any other owner to remediate, clean up, or otherwise bring into compliance according to federal, state, or local environmental laws property purchased.

• CERCLA. The SELLER and the PURCHASER agree that under United States Code, title 42, section 9601(20,d), the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) expressly excludes local and state governments from clean up liability for properties they acquire as a result of tax delinquencies. Notwithstanding this provision, the PURCHASER shall defend, indemnify, and hold harmless the SELLER, its board of supervisors, officers, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys’ fees, arising out of or resulting from the performance of this agreement, regardless of whether caused in part by a party indemnified hereunder, including but not limited to allegations that the SELLER and/or the SELLER’s officers, directors, agents, employees, or volunteers are liable for costs or other charges related to the remediation, clean up, or other work necessary to bring any property purchased under this agreement into compliance with deferral, state, or local environmental laws.

This document is being executed in counterpart, each of which constitutes an original.

ATTEST:
By ________________________________

BOARD OF SUPERVISORS:
________________________________ 
Chairman
________________________________ 
A California Corporation

By ________________________________ 
Secretary

________________________________ 
A California Corporation

By ________________________________ 
President/Vice-President

Pursuant to the provisions of California Revenue and Taxation Code section 3795, the foregoing agreement on this (day) day of (month), (year) is approved.

BETTY T. YEE, CALIFORNIA STATE CONTROLLER
By ________________________________

2017

Betty T. Yee California State Controller 24
### Exhibit A Sample

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#### INTENDED USE

| NOTE: TO BE MADE PART OF EACH CHAPTER 8 AGREEMENT |

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2017

Betty T. Yee California State Controller 25
Chapter 8 Purchase Resolution

General Information:

- An official document submitted by the purchaser that shows the authority to make the purchase has been approved by the governing body of the agency or nonprofit.
- Double check the parcel number(s) and purchase price to ensure accuracy.
- Unless this is an objection to a parcel(s) that is scheduled for a Chapter 7 sale, the purchaser’s resolution **SHOULD NOT** include the word “objection.”

Sources:

Revenue and Taxation Code
§3695
Chapter 8 Purchase Resolution Sample

EXCERPT
APRIL 2014 MINUTES -- San Bernardino Mountains Land Trust--

ITEM 4.E. Approval for Chapter 8 Purchase

MINUTES
San Bernardino Mountains Land Trust
BOARD OF DIRECTORS MEETING, Monday April 21, 2014

Members Present: President Jim Asher, Vice-President Polly Sauer, Executive Director Peter Jorris, Secretary Bill Engo, Treasurer Carin Cassidy, and Projects Manager Kevin Kellems

Members Absent: Amie Bean

Visitor: Erin Smith, prospective volunteer for Outreach

The meeting was called to order by President Asher at 5:10 PM.

1. APPROVAL OF MINUTES of the March 17, 2014 Board of Directors Meeting.

2. FINANCIAL BUSINESS

3. CONSENT AGENDA

4. LAND ACQUISITION & STAFF REPORT

   E. Chapter 8 Properties

   Jorris proposed that the Land Trust consider filing a County Tax Sale Chapter 8 Request for three Deep Creek lots in Arrowbear. Two of these parcels are located along Highway 18 and the third one is between lots currently owned by the Land Trust.

   Projects Manager Kellems reported that the Rose Mine property was also listed for sale at the County tax sale Auction for $35,100. The 68-cents property is located east of Baldwin Lake along Forest Service Road 2N02 near the Bighorn Mountains Wilderness area.

   Motion to file a Chapter 8 request for 3 Deep Creek lots (APN's 327-104-14, -27, -30) and the Rose Mine property (APN's 0447-291-02, -03, -04, -05) for a total cost of $44,900 and to place bids at the August Tax sale auction on the remaining six parcels for a total of $9,000. MSVC (Sauer/Cassidy).

4. CONTINUING BUSINESS

5. NEW BUSINESS

6. DIRECTOR COMMENTS

   Next Board of Directors Meeting: Monday May 19, 2014 at 5:00 PM

   The meeting was adjourned at 8:05 PM.

   Minutes submitted by Bill Engo and Kevin Kellems
County Board of Supervisors Resolution or Minute Order

General Information:

- A copy of the minutes order, resolution or similar official document from a public hearing showing the county board of supervisors has approved the proposed sale.
- Make sure to double check the parcel number(s) and purchase price to ensure accuracy.

Sources:

Revenue and Taxation Code
§3794.3

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8340-8346

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 8: Requesting Approval from the Board of Supervisors

State Controller’s Office Sample Form
SCO 8-02.2 – Request for Approval to Sell Tax Defaulted Property Subject to the Power of Sale (Chapter 8)
A Guide to Prepare the Chapter 8 Agreement Sale Package

County Board of Supervisors Resolution or Minute Order Sample

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

August 19, 2014

FROM: LARRY WALKER, Auditor-Controller/Treasurer/Tax Collector
       Auditor-Controller/Treasurer/Tax Collector

SUBJECT: CHAPTER 8 SALE OF TAX-DEFAULTED PROPERTY TO SAN BERNARDINO MOUNTAINS LAND TRUST

RECOMMENDATION(S)
1. Approve the sale of the tax-defaulted parcels located in Arrow Bear Park within the San Bernardino National Forest, listed on Exhibit “A” of the Agreement, (Agreement No. 14-729) to San Bernardino Mountains Land Trust for the price of $9,800, plus the cost of notice.
2. Authorize the Chair of the Board of Supervisors to execute the agreement and return it to the Auditor-Controller/Treasurer/Tax Collector for transmittal to the State Controller.

(Presenter: Larry Walker, Auditor-Controller/Treasurer/Tax Collector, 386-9000)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES
Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT
Approval of this item will not result in the use of any additional Discretionary General Funding (Net County Cost). As authorized under California Revenue and Taxation Code §3898 and §3898.9, the minimum sale price of an eligible tax-defaulted parcel shall be an amount equal to, but not less than, the amount required to redeem the property, plus costs associated with the sale, including advertising and recording costs. The sale price of $9,800, plus the cost of giving notice, will satisfy all taxes, reimburse costs, and be apportioned accordingly.

BACKGROUND INFORMATION
Pursuant to California Revenue and Taxation Code §3891, the Tax Collector has the power to sell properties that have been tax-defaulted for five or more years in an effort to return these parcels to active property tax paying status. Chapter 8 of the California Revenue and Taxation Code (§3771, et seq.) authorizes the Tax Collector to offer these tax-defaulted properties to taxing agencies or eligible non-profit organizations for the purpose of public benefit. The San Bernardino Mountains Land Trust has requested a Chapter 8 sale of tax-defaulted parcels, Nos. 0327-104-14-0000, 0327-104-27-0000, and 0327-104-30-0000, for preserving the scenic, wildlife, watershed, and lesser open space values of each parcel. All of the parcels are located in Arrow Bear Park within the San Bernardino National Forest and are each approximately 3,000 square feet in size.

Page 1 of 2
Pursuant to Chapter 8 of the California Revenue and Taxation Code, taxing agencies or eligible non-profit organizations have the ability to request to purchase a parcel once it has become subject to the Tax Collector's power of sale. For properties currently scheduled for public sale, the request to purchase must be made prior to the first newspaper publication to the general public. The application and intent to purchase are submitted to the Tax Collector and reviewed for eligibility requirements. If eligible, the Tax Collector prepares an agreement for completion by the taxing agency or eligible non-profit organization, including a request for the following documents: mission statement, resolution by the entity's Board authorizing the purchase, and a map or description of the survey area, if applicable. Upon receipt and satisfactory review of these documents, the sale agreement is presented to the Board of Supervisors for approval.

Upon execution of the Agreement by the Chair of the Board of Supervisors, it is submitted to the State Controller's Office for approval. Once the State Controller's Office has approved the sale agreement, notification is provided to parties of interest a minimum of 45 days prior to completion of the sale. If the tax-defaulted parcel is not redeemed, the sale is completed and the tax deed is recorded.

REVIEW BY OTHERS
This item has been reviewed by County Counsel (Phoebe Chu, Deputy County Counsel 307-5455) on July 18, 2014; Finance (Ginger Porter, Administrative Analyst 307-4983) on July 14, 2014; and County Finance and Administration (Katrina Turcero, Deputy Executive Officer 307-5423) on July 22, 2014.
Chapter 7 Tax Sale Resolution

General Information:

- A copy of the county board of supervisor’s resolution approving the Chapter 7 tax-sale.
- This document is only needed when the parcel(s) requested for purchase is currently approved and scheduled for a Chapter 7 tax sale.
- The list of parcels approved must be included showing the parcels in question (see sample)

Sources:

Revenue and Taxation Code
§3694, §3698

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8210-8217

County Tax Sale Procedural Manual
Chapter I: Chapter 7 Tax Sales, Section 7: Requesting Approval from the Board of Supervisors
Chapter II: Chapter 8 Tax Sales, Section 5: Public Agency Application Requirements
Chapter II: Chapter 8 Tax Sales, Section 7: Nonprofit Organization Application Requirements

State Controller's Office Sample Forms
SCO 8-02 – Request for Approval to Sell Tax Defaulted Property Subject to the Power of Sale (Chapter 7)
SCO 8-03 – Authorization and Report of Sales
REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

February 25, 2014

FROM: LARRY WALKER, Auditor-Controller/Treasurer/Tax Collector
Auditor-Controller/Treasurer/Tax Collector

SUBJECT: PUBLIC SALE OF TAX-DEFAULTED PROPERTY - TAX SALE #354

RECOMMENDATION(S)
1. Authorize the Auditor-Controller/Treasurer/Tax Collector to sell at public auction the tax-
defaulted properties listed on the attached schedule.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to sell at a reduced minimum bid
those properties which have been previously offered for tax sale at least once and did not
receive a minimum bid.

(Presenter: Larry Walker, Auditor-Controller/Treasurer/Tax Collector, 385-0000)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES
Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT
Approval of this item will not result in the use of additional Discretionary General Funding (Net
County Cost). The estimated public auction cost of $150,000 has been included in the Auditor-
Controller/Treasurer/Tax Collector’s 2013-14 Adopted Budget and will be fully reimbursed
through tax sale fees.

BACKGROUND INFORMATION
Pursuant to Revenue and Taxation Code Section 3851, the Tax Collector has the power to sell
properties that have been tax-defaulted for five or more years, and the ability to sell previously
offered tax-defaulted properties at a reduced minimum bid, in an effort to return those properties
to property tax paying status. Property tax dollars are used to fund key public services including
education, police and fire protection, social and public health services.

Each year the Tax Collector holds a public auction of tax-defaulted properties and the next sale is
scheduled to begin May 17, 2014 (Tax Sale #354). This sale will include both newly eligible
properties (i.e., those just reaching 5 years defaulted) and previously offered properties, which
will now be offered at reduced minimum bids. As authorized per the State of California Revenue
and Taxation Code Sections 3898 and 3898.5, the minimum price shall be an amount equal to,
but not less than, the amount required to redeem the property, plus costs associated with the
sale, including advertising and recording costs. Where property or property interest have been

Page 1 of 2

J. Duke
CFO/Controller
File - ATL w/Attachment
3/9/14

Record of Action of The Board of Supervisors
APPROVED/CONSENT CALENDAR
COUNTY OF SAN BERNARDINO
Board of Supervisors

J. Duke, Chair
N. Valderas, 1st Vice-Chair
D. Raksin, 2nd Vice-Chair
L. Chacon, Clerk

LAURA H. WELCH, CLERK-RECORDING
By
DATED: February 25, 2014

ITEM 11
PUBLIC SALE OF TAX-DEFAULTED PROPERTY – TAX SALE #364
FEBRUARY 25, 2014
PAGE 2 OF 2

offered for sale at least once and no acceptable bids have been received, the Tax Collector may, at his or her discretion and with the approval of the Board of Supervisors, offer that property or those interests at the next scheduled sale at a minimum price that the Tax Collector deems appropriate. The official list of properties that have been declared in default and subject to the power of sale under Tax Sale #304 is attached.

Any parcel remaining unsold may be reoffered within a 90-day period and any new parcels of interest shall be notified in accordance with Revenue and Taxation Code Section 3701.

REVIEW BY OTHERS
This item has been reviewed by County Counsel (Kevin Mavis, Deputy County Counsel, 387-5455) on January 27, 2014; Finance (Ginger Perles, Administrative Analyst, 387-4883) on January 24, 2014; and County Finance and Administration (Karina Tartaro, Deputy Executive Officer, 387-5423) on February 10, 2014.
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A Guide to Prepare the Chapter 8 Agreement Sale Package

2017

Betty T. Yee California State Controller
A Guide to Prepare the Chapter 8 Agreement Sale Package

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Page 13 of 71

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Publication

General Information:

- A copy of the notice of intended sale as published in the newspaper with affidavit of publication dates attached.
- This document is only needed when the parcel(s) requested for purchase is currently approved and scheduled for a Chapter 7 tax sale.
- If the publication is large, it is required to only send the specific pages listing the parcels in question (see sample).

Sources:

Revenue and Taxation Code
§3702

County Tax Collectors’ Reference Manual: Chapter 8000
Section 8222

County Tax Collectors’ Reference Manual: Chapter 9000
Sections 9500-9504, 9510-9512

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 15: Publishing/ Posting Notice of Sale

State Controller's Office Sample Form
SCO 9-02 – Affidavit of Posting Notice of (Public Auction/ Sealed Bid) Sale
Publication Sample

SAN BERNARDINO COUNTY SUN
172 W THIRD ST 1ST FLR
SAN BERNARDINO, CA - 92415-0390

PROOF OF PUBLICATION

(2015 C.C.P.)
State of California
County of SAN BERNARDINO

Notice Type: TUC - TAX COLLECTOR NOTICE

Ad Number: 364 Tax Sale Pub

I, and who is the tax collector of the city of San Bernardino, hereby report that on the date of publication, the above-entitled matter was noticed in the above-entitled monthly Tax Sale Notice. The principal office of the San Bernardino County Sun, a newspaper published in the English language in the city of San Bernardino, County of San Bernardino, is located at 172 W Third St, San Bernardino, CA 92415. This newspaper is a newspaper of general circulation as defined by the laws of the State of California. A copy of this Notice of Publication was published in the San Bernardino County Sun, on the date of publication, and a copy of this Notice of Publication was filed with the Recorder of San Bernardino County, California, on the same date. This Notice of Publication is a true copy of the tax sale notice published in the San Bernardino County Sun, and it is a true copy of the newspaper of general circulation as defined by the laws of the State of California. The Notice of Publication was published on the date of publication, and the Notice of Publication was filed with the Recorder of San Bernardino County, California, on the same date.

-created on 10/05/14
-At Riverside, California

I hereby certify that the foregoing is true and correct.

[Signature]

2017 Betty T. Yee California State Controller 37
A Guide to Prepare the Chapter 8 Agreement Sale Package
Articles of Incorporation

General Information:

- Outline of the objectives or purpose of the nonprofit.
- For the purpose of Chapter 8 tax sales, the nonprofit’s objectives must be consistent with one or more of the requirements defined in §3772.5.
- This document is required for NON-PROFITS ONLY.
- Copy submitted must be certified by the Secretary of State.
- All amendments filed must be included.

Sources

Revenue and Taxation Code
§3772.5, §3795.5

Corporations Code
§5130-§5134

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8313, 8325, 8344, and 8351

County Tax Sale Procedural Manual
Chapter II: Chapter 8 Tax Sales, Section 7: Nonprofit Organization Application Requirements
Articles of Incorporation Sample

State of California

SECRETARY OF STATE

CORPORATION DIVISION

I, BILL JONES, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

JUN. 25 1996

[Signature]
Secretary of State
ARTICLES OF INCORPORATION
OF
SAN BERNARDINO MOUNTAINS LAND TRUST
A CALIFORNIA PUBLIC BENEFIT CORPORATION

ONE: The name of this corporation is San Bernardino Mountains Land Trust.

TWO: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes for which this corporation is organized include, but are not limited to the preservation of land for scientific, historic, educational, ecological, biological, recreational, water resource, wildlife corridors, wildlife habitat, scenic, and open space opportunities.

THREE: The name and address in the State of California of this corporation's initial agent for service of process is Carol J. Peddicord, 1340 Scenic Way, Rancho Cucamonga, CA 91730.

FOUR: (a) This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.
PAGE TWO OF FOUR

(c) No substantial part of the activities of this corporation shall consist of carrying on propaganda or attempting to influence legislation and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements in its behalf or, in opposition to, any candidate for public office).

FIVE. The names and addresses of the persons appointed to act as the initial Directors of this corporation are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carol J. Fisher</td>
<td>1140 Stonic Way, P.O. Box 598, BimForest, CA 92378</td>
</tr>
<tr>
<td>Rebecca Hansen</td>
<td>1186 Yellowstone Dr., P.O. Box 2317, Lake Arrowhead, CA 92352</td>
</tr>
<tr>
<td>Hugh Bialeski</td>
<td>96555 Spyglass, P.O. Box 275, Bim Forest, CA 92378</td>
</tr>
<tr>
<td>Larry Brown</td>
<td>27820 Cedarwood Dr., P.O. Box 22, Lake Arrowhead, CA 92352</td>
</tr>
<tr>
<td>Steve Combs</td>
<td>22075 Cedar Way, P.O. Box 8715, Crestline, CA 92325</td>
</tr>
<tr>
<td>John Keithan</td>
<td>22899 Byron Rd., #106, P.O. Box 6149, Crestline, CA 92325</td>
</tr>
<tr>
<td>Maureen Masa</td>
<td>21727 Ridge Dr., P.O. Box 9128, Cedrinsite Park, CA 92352</td>
</tr>
<tr>
<td>Carol Sebastian</td>
<td>2076 Wilderness, P.O. Box 1650, Running Springs, CA 92382</td>
</tr>
<tr>
<td>Shilton Sroat</td>
<td>4578 High St., Riverside, CA 92507</td>
</tr>
<tr>
<td>Miriam Bentley</td>
<td>23531 Oaklodge Ln., P.O. Box 4580, Crestline, CA 92325</td>
</tr>
<tr>
<td>Peter Jorris</td>
<td>2326 Fox Ln., P.O. Box 4026, Arrowhead, CA 92323</td>
</tr>
</tbody>
</table>

SIX. The property of this corporation is to be used solely for charitable purposes and no part of the net income or assets of the organization shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.
In the event of a dissolution of this corporation, all corporate assets shall be disposed of in such a manner as may be directed by decree of the superior court for the county in which the corporation has its principal office, on petition thereto by the Attorney General or any person concerned in the dissolution, in a proceeding to which the Attorney General is a party.

In witness whereof, the undersigned, being the initial directors of the San Bernardino Mountains Land Trust hereby adopt these Articles of Incorporation.

Marian Black, Director
Date 3/18/96

Benjamin B. Turner, Director
Date 3/18/96

Larry Brown, Director
Date 3/18/96

Steve Cundiff, Director
Date 3/18/96

Susan Easter, Director
Date 3/18/96

Melissa Fauquier, Director
Date 3/18/96

Marilyn Harris, Director
Date 3/18/96

Joan Herndon, Director
Date 3/18/96

Maureen Mann, Director
Date 3/18/96

Carol J. Pedler, Director
Date 5/18/96

Carol Sebastian, Director
Date 3/18/96
PAGE FOUR OF FOUR

We, the above-named initial directors of this corporation, hereby declare that we are the persons who executed the foregoing Articles of Incorporation, which execution is our act and deed.

Michael Bentley, Director
Hugh Bidwell, Director
Marty Brown, Director
Steve Cunningham, Director
Benson Cundiff, Director
Sheldon Douthit, Director
Richard Hanson, Director
John Hartman, Director
Peter Harris, Director
Maureen Marc, Director
Carol J. Peddy, Director
Carol Sambanis, Director

Date
7-18-96
Date
3-18-96
Date
1-18-96
Date
5-18-96
Date
8-18-96
Date
3-18-96
Date
7-18-96
Date
3-18-96
Date
2/18/96
Date
3-18-96
I, BILL JONES, Secretary of State of the State of California, hereby certify:

That the attached transcript of __ page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAR 1 8 2006

Bill Jones
Secretary of State
CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

Peter Jorris and Richard W. Stewart, the undersigned, certify that:

1. We are the president and the treasurer, respectively, of the SAN
BERNARDINO MOUNTAINS LAND TRUST, a California corporation.

2. Article Six, paragraph one, of the Articles of Incorporation of this
organization is amended to read as follows:

   The property of this corporation is irrevocably dedicated to charitable and
   educational purposes meeting the requirements for exemption provided by
   Section 214 of the Revenue and Taxation Code. No part of the net income or
   assets of the organization shall ever inure to the benefit of any director, officer,
   or member thereof, or to the benefit of any private person.

3. The foregoing amendment of Article of Incorporation has been duly
approved by the board of directors.

4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of
California that the matters set forth in this certificate are true and correct
of our own knowledge.

DATE: February 4, 2000

Peter Jorris, President

Richard W. Stewart, Treasurer
Intended Use Statement

General Information:

- This document is required for NON-PROFITS ONLY.
- The non-profit must be incorporated for reasons similar to the public purpose proposed in the intended use statement.
- This document can be an official letter from the purchasing non-profit, or it can be included on the application submitted to the tax collector.

Sources:

Revenue and Taxation Code
§3772.5, §3795.5

County Tax Collectors’ Reference Manual: Chapter 8000
Sections 8313, 8325, and 8351
Purpose and Intended Use Statement
SAN BERNARDINO MOUNTAINS LAND TRUST 2014 Chapter 8 Request

Per the APPLICATION TO PURCHASE TAX-DEFAULTED PROPERTY submitted by the San Bernardino Mountains Land Trust, the following description of the purpose and intended use applies to the three Chapter 8 parcels listed below:

Assessor Parcel Numbers:
0527-104-14-0000
0527-104-27-0000
0527-104-30-0000

These lots are located in the riparian stream corridor of the Deep Creek floodplain, where limited utilities are available. The Land Trust is working to consolidate contiguous lots in this area of the stream basin for open space and habitat conservation purposes. Several Chapter 8 acquisitions have been approved previously by the County for this purpose.

The intended purpose for all the above parcels conforms to the Land Trust’s organizational mission, which states:

The San Bernardino Mountains Land Trust is dedicated to the acquisition of forest open space and wildlife habitat on private land holdings within the San Bernardino National Forest in order to ensure lasting public benefit of the natural mountain environment.

The purpose and intended use of these parcels will be for preservation of their scenic, public recreational, wildlife habitat, and open space values. This purpose is also consistent with the goals of the County of San Bernardino’s General Plan in respect to wildland areas within the San Bernardino National Forest, where these parcels are located.

Kevin Kelly
Project Manager
(909) 939-0196
Contact Information

State Controller’s Office  
Local Government Programs and Services Division  
Government Compensation and Property Tax Standards Section  
Post Office Box 942850  
Sacramento, California 94250-5875  
propertytax@sco.ca.gov