



REQUEST FOR PROPOSALS  
FOR THE PURCHASE OF  
DELINQUENT MUNICIPAL TAX LIENS  
OF THE TOWN OF STRATFORD  
RFP #2009-043

The Town of Stratford, Connecticut (the "Town") is requesting written sealed proposals from interested parties (the "Purchaser/s") for the purchase of part of the Town's delinquent municipal tax liens ("Delinquent Tax Liens") pursuant to the provisions of the General Statutes of Connecticut §12-195h attached as Exhibit A (the "Act"), in accordance with the terms of this Request for Proposals (the "RFP").

Section 1: Submission and Deadline

All proposals shall be submitted to the Purchasing Department Room 202 and must be received no later than 11:00 a.m. EDT, Friday, May 11, 2009. Purchasers must exercise their duty of due diligence to determine the amount of their aggregate bid for the Delinquent Tax Liens on the list (the "Report"), prior to that date.

One (1) original and three (3) copies of the written sealed proposal must be clearly identified and addressed to:

Purchasing Department  
Town of Stratford  
2725 Main St Room 202  
Stratford, CT 06615

Written questions regarding any portion of this RFP may be directed to:

Deborah Heim, Tax Collector  
Town of Stratford  
2725 Main St  
Stratford, CT 06615  
Telephone: (203) 385-4030  
FAX: (203) 381-2059

E-Mail DHEIM@TOWNOFSTRATFORD.COM

## Section 2: Scope

The Town intends to assign a portion of its Delinquent Tax and Sewer Usage Liens to a third party in accordance with the provisions contained herein and pursuant to Title 12-195h and Title 7-254 of the Connecticut General Statutes (C.G.S.).

The Purchaser agrees to incorporate the conditions required of them by the Town in this RFP in any future sale or assignment of said Delinquent Tax Liens and Sewer Usage as authorized by the Town. The provisions of this RFP and all future agreements between the Purchaser and the Town shall be binding upon both parties, their heirs, successors and assigns.

### a. Withdrawal of Liens

The Town reserves the right to withdraw any Delinquent Tax Lien and Sewer Usage Lien from the Report prior to the date of the award. Any lien so withdrawn by the Town, in accordance with this section, shall be deleted from the Report and shall be excluded altogether from the sale of the Delinquent Tax Liens and the purchase price reduced by the proportion that such lien bears to all liens to be assigned.

Subsequent to award, further withdrawals by the Town may be made between selection of the winning proposal and compilation of the final schedule of Delinquent Tax and Sewer Usage Liens to be assigned (the "Schedule"). Any item in the report may be withdrawn in the event of payment, or a suit or claim requiring any lien or in the sole and absolute discretion of the Town. In the event of any further withdrawal, the purchase price shall be reduced by the proportion that such lien bears to all liens to be assigned. The Purchaser agrees to indemnify, defend and hold harmless the Town for any and all legal actions arising out of, resulting from, or related to the assignment of liens.

Notice of the Schedule shall be confirmed by authorized signatures of both parties on the closing date, as contained in Section 4 herein, and shall be deemed final and binding. Said Schedule shall be incorporated into the form of the Assignment of Delinquent Tax and Sewer Usage Liens (the "Assignment"). No further withdrawal of Delinquent Tax and Sewer Usage Liens from the Schedule shall be permitted except in the event that the Town

incorrectly recorded any Delinquent Tax or Sewer Usage Lien on the Schedule, in which case appropriate adjustments will be made within a reasonable time of discovery.

The amount of the lien for those taxes which have been paid in full or in part prior to closing will be adjusted by the Town, if necessary, and deducted from the final aggregate price and, if paid in full, the Delinquent Tax and Sewer Usage Lien will be released and removed from the Schedule. The Purchaser's bid may be adjusted in the event of a full or partial payment on any lien listed in the Report.

b. Administration of Accounts

The Purchaser shall be required to collect and process all accounts at its cost. Such processing shall include the recording of the Assignments on the land records for all liens on the Final List. The Purchaser shall be responsible for all collection and enforcement efforts with respect to such liens, including all lawful collection procedures and, as the Purchaser deems appropriate, lawful foreclosure proceeding. The Purchaser shall provide the Town's Tax Collector with a monthly report, listing all accounts on the Final list and the status of each as the collection effort.

c. Right of First Refusal for Purchase of Future Tax Liens

The Purchaser, its heirs, successors and assigns, at their option, shall notify the Town of their intent to exercise the right of first refusal for the purchase of any future tax and sewer usage liens on the 2008 Grand List and subsequent Grand Lists of properties listed on the final Schedule only ("Future Tax and Sewer Usage Liens"), for consideration not less than the full amount of all taxes, sewer usage, interest and fees due the Town.

In 2009 and all-subsequent years, notice of intent to purchase said Future Tax Liens must be received by March 1st, with payment in full on said Future Tax Liens to be made within forty-five (45) days after the Town files the Lien Continuation Certificate.

In the event a Future Tax and Sewer Usage Lien is not purchased in accordance with this section, the Purchaser agrees that such Future Tax and Sewer Usage Liens, when retained by the Town, shall have priority over all Delinquent Tax and Sewer Usage Liens previously sold to the Purchaser and that the Town shall retain the right to enforce any such Future Tax Liens in any manner provided by law. Any payment received by the Purchaser of

Delinquent Tax and Sewer Liens must be paid over to the Town in satisfaction of any such Future Tax Liens retained by the Town, until such Future Tax and Sewer Usage Liens are paid in full and released.

Liens that will be filed on the 2008 Grand List are considered Future Tax and Sewer Usage Liens for the purpose of this RFP and are inclusive in the amounts provided in the Report.

The terms of this RFP and all subsequent agreements between the Purchaser, its heirs, successors or assigns, and the Town shall also apply to the sale of Future Tax and Sewer Usage Liens.

### Section 3: Proposal Requirements

Each respondent shall submit a cover letter, addressed to the Purchasing Agent of the Town of Stratford, signed by an authorized agent of the Purchaser, which provides an overview of the Purchaser's proposal, as well as the name, title and phone number of the person to whom the Town may direct questions concerning the proposal. The letter should also include a statement by the Purchaser accepting all terms and conditions contained in this RFP. The proposal shall include as a minimum:

- a. Title Page
- b. Table of Contents
- c. Transmittal Letter
- d. Firm Qualifications
- e. Individual Staff Qualifications
- f. Disclosure of Principals
- g. Similar Engagements with Other Government Entities

The Town shall provide the Purchaser with the name of the taxpayer, grand list number, property address and amount due and such information shall be provided in an excel spreadsheet furnished through E-Mail. Each proposal shall include an aggregate amount bid for the liens listed on the Report, up to and including the 2007 Grand List and shall include the amount necessary to reimburse the Town for administrative and legal costs as set forth in the Report. All bids will be considered final. The Town is soliciting bids for the full amount of taxes, interest, and fees due the Town.

The Town is requesting two separate bids from each bidder. One bid should be for the best price the bidder is willing to pay for all accounts listed in this

RFP, stated in both dollars and in percentage. The second bid should list all accounts for which the bidder is willing to pay no less than 100% of all taxes, interest and lien fees.

A bid bond in the form of a bank check, in the amount of \$50,000.00 payable to the bidder and such check will be endorsed over to the Town at the time the successful bid is awarded.

The bid must specify the amount being bid for the outstanding liens in absolute dollars specifying the tax amount and the percentage that the bid represents relative to the total amounts being offered for assignment. If a premium is being bid which causes the purchase price to exceed the total dollars offered for assignment, it should be detailed separately.

Each proposal shall identify officers or agents of the Purchaser who will be responsible for concluding this transaction with the Town and include information pertinent to an evaluation by the Town that the Purchaser has the requisite experience, financial capability, skills and qualifications to conclude its purchase of the Delinquent Tax and Sewer Usage Liens, including two years financial statements.

Each proposal shall also address the scope of administrative support the Purchaser will have in place to facilitate the collection, execution, payment, accounting, allocation, distribution, release and recording of release assigned Delinquent Tax and Sewer Usage Liens and Future Tax and Sewer Usage Liens.

Each proposal shall include a description of the level of maintenance that will be provided to those properties to which the purchaser takes title.

The Purchaser will be required to include with the Assignment appropriate representation to the effect that there is no legal disability or litigation pending or threatened against the Purchaser, which would adversely affect its performance of any duties or obligations incurred pursuant to this transaction.

The Town reserves the right to require such additional representations and warranties of the selected Purchaser, as it reasonably deems necessary.

The Town retains the right to withdraw, extend, re-offer or amend this RFP at any time or to reject any or all bids and to withdraw from the sale any Delinquent Tax and Sewer Usage Liens, all at the Town's sole and absolute discretion. The Town will not be liable for any costs incurred in the preparation of a response to this RFP.

**Non-Discrimination:** No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from the agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Town contracts. The proposer shall at all time in the proposal and contract process complies with applicable Town, State and Federal anti-discrimination laws, rules, regulations and requirements thereof.

#### Section 4: Evaluation and Award

The Town may award the contract to the Respondent whose proposal is deemed to be in the best financial interests of the Town.

As a guaranty of good faith, the Purchaser shall, at the time of award, tender a certified or cashiers check drawn upon a solvent bank or trust company payable to the order of the "Town of Stratford", in the amount of \$100,000.00, to be retained as a non-refundable partial payment for the Delinquent Tax and Sewer Usage Liens on the final Schedule.

The parties will execute and deliver the Assignment and all other closing documents required by the Town on the Closing Date in return for the aggregate bid for the Delinquent Tax and Sewer Usage Liens, as adjusted in accordance with Section 2 hereof and as adjusted by the payment of any liens prior to closing (the "Purchase Price").

The Purchase Price will be paid in Federal Wire Transfer to the Town's account as directed or by certified, immediately negotiable check made payable to the "Tax Collector – Town of Stratford", on the Closing Date.

It is anticipated that a final award will be made no later than May 22, 2008 and respondents must agree to hold firm until date of award.

It is expected that the Assignment of Delinquent Tax and Sewer Usage Liens and payment in full of the Purchase Price in accordance with this Section will be no later than ten (10) days subsequent to the final award.

#### Section 5: Terms and Conditions

The Purchaser shall be responsible for the due diligence of evaluating any risk that may be associated with any Delinquent Tax and Sewer Usage Lien or any property listed on the Report. The Town makes no representations or warranties as to the condition of property, title of any property or as to the collect ability of any Delinquent Tax and Sewer Usage Lien on the Report. All property is sold "as is", subject to any and all liens, Choate liens, inchoate liens and any legal interest as recorded on the Town land records.

The Purchaser may retain any firm, partnership, corporation or other entity ("Collectors") to collect any and all of Delinquent Tax and Sewer Usage Liens and Future Tax and Sewer Usage Liens assigned by the Town. Such Collector shall provide the Town with any and all information required by the Purchaser under this RFP.

The Purchaser and any Collector engaged by the Purchaser agrees to comply with all relevant state and federal laws and regulations pertaining to collection practices and procedures, including, but not limited to, provisions of the Connecticut General Statutes governing tax collection and the statutory rate of interest.

#### Section 6: Provisions Applicable to Successful Bidder

- 1.) Payment of Purchase Price. The Seller shall determine the terms and conditions relating to the manner of payment of the purchase price. Notwithstanding any such payment mechanism elected by the Seller, the Purchaser shall be required to fund the entire purchase price at closing by federal wire transfer into an account or accounts designated by the Seller. Following the closing, all interest and penalties shall be for the account of the Purchaser collected on account of the purchase of the tax and sewer usage liens.
- 2.) Abandoned Properties. Purchaser will agree to maintain any and all abandoned properties which Purchaser or its affiliate acquires through the exercise of foreclosure of any particular tax and sewer usage lien.

Such maintenance shall be in accordance with reasonable property management techniques and the Purchaser shall be required to designate a property manager with an address in the State of Connecticut to manage such properties.

- 3.) Servicing. Purchaser shall be required to demonstrate that it has the ability and experience to provide comprehensive collection and administration of the tax liens. Such ability and experience shall include, but not be limited to: (a) an administrative office located in Connecticut; (b) satisfactory accounting procedures; (c) demonstrated experience in other municipalities involving comprehensive responsibility for collection and administration of tax liens secured by real estate; (d) an on going active business or organization with an operating history of at least two years: and (e) such other experience as the Seller deems appropriate.
- 4.) Modification of Request for Proposals. The Town reserves the right to modify any or all provisions of this request for proposals.
- 5.) Priority of Future Tax Liens. Purchaser and its successors and assigns will agree to subordinate the priority of its tax and sewer usage liens to future Town real property tax and sewer usage liens in the event that Purchaser is in violation of its obligations under the Agreement of Purchase and Sale or in the event that the term of such Agreement is not extended beyond the initial term plus all renewal options available to the Purchaser.
- 6.) Prohibitions on Assignment. With respect to the tax and sewer usage liens which the Purchaser purchases pursuant to this RFP, the Purchaser will agree that such tax and sewer usage liens will be held for its own account and will not sell, transfer, assign or convey such tax and sewer usage liens to any other person or entity and will agree not to sell or securitize such tax and sewer usage liens unless prior consent to such a sale or transfer is obtained from the Seller; provided, however, notwithstanding the foregoing, the Purchaser shall be entitled to conditionally pledge a security interest in such tax and sewer usage liens in order to finance the Purchaser's acquisition of such tax and sewer usage liens provided that such pledge is to an affiliate of Purchaser. Furthermore, nothing herein shall prohibit

the Purchaser from designating an affiliate to take title to properties acquired through foreclosure or deed in lieu of foreclosure.

Section 7: Contract: Any successful bid shall be subject to the signing of a definitive Delinquent Lien Assignment Agreement satisfactory in all respects to the successful bidder and the Town incorporating the provisions of this RFP, such other provisions as the Town may reasonably require and the following specific representations and undertaking of the Purchaser, its heirs, successors and assigns:

- a) Be duly organized and in good standing under the laws of the State of Connecticut, or, if organized in another state, then qualified to do business in the State of Connecticut.
- b) Authorize the Secretary of State to accept service on its behalf.
- c) Represent that the transactions of assignment or resale, if any, shall be in compliance with all appropriate state and federal securities laws, or that such transactions shall be exempt from such securities laws.
- d) Agree upon execution of the Delinquent Lien Assignment Agreement to indemnify and hold harmless the Town, its employees, agents and officials, including any of the foregoing sued as individuals, from any lawsuit, counterclaim, or administrative proceeding seeking money damages, refund or discharge of taxes, equitable or other relief of any kind, arising from or in connection with (i) the exercise of powers and the authority granted by this RFP over the Delinquent Tax and Sewer Usage Liens, (ii) any collection efforts by the Purchaser, (iii) the institution of foreclosure of any of the Delinquent Tax and Sewer Usage Liens, (iv) any violation or purported violation of any state or federal securities or blue sky law, statute, rule or regulation or, (v) any other acts of Purchaser (including its agent and assigns) to collect amounts secured by the Delinquent Tax and Sewer Usage Liens or any other transaction contemplated by this RFP. Indemnification shall include payment of any judgment, legal fees and costs.
- e) In the event that the Purchaser commences a foreclosure action to enforce any Delinquent Tax and Sewer Usage Lien, it shall give notice

to the Town in the same manner as required to any interest in any other foreclosure action in order to afford the Town adequate opportunity to take any necessary or appropriate action to preserve its interest therein. The Purchaser further agrees to indemnify the Town for the loss of any interest the Town would otherwise have in its unassigned Future Tax and Sewer Usage Liens and but for the foreclosure action. In no event shall the Purchaser name the Town as a defendant in such action to foreclose any subsequent tax and sewer usage liens. However, the Purchaser will agree to name the Town of Stratford as a plaintiff and will foreclose Sewer Usage Liens. The purchaser shall allow the Town Attorney's Office to file an appearance in addition and allow the Town Attorney's Office to move for a deficiency judgment on behalf of any unpaid Sewer Usage Lien which is unsatisfied. Upon taking title, the Purchaser shall remedy all blighted conditions.

- f) Keep on file with the Tax Collector and Town Clerk a corporate, partnership, or LLC resolution of the Purchaser, which sets forth the current address of the Purchaser for payment purposes. Such resolution shall (if a corporate resolution) be accompanied by a Secretary's certificate and seal, or, (if a partnership or LLC) certification containing the notarized signatures of all partners or members of an LLC.

Section 8: Tax exemption The Town Federal Tax Exemption number is 06-The Town is exempt from State Sales Tax under State General Statutes Chapter 219, Section 12-412 Subsection A. No exemption certificates are required and none will be issued.

#### Section 9: Lien Information

The listing of lien properties for the Sale is available from:

Office of the Tax Collector  
Town of Stratford  
2725 Main St  
Stratford, CT 06615

To the best knowledge of the Town, any properties, which fall into the following categories, have been eliminated from the list.

Bankruptcy

Town Foreclosure

Town Payment Plan

Elderly Tax Relief Roll

EPA Liens

Personal Disabilities

Pending Tax Appeals

Tax Abatement Requests

The Town does not warrant that every parcel so conditioned has been removed, but has performed to the best of our information and belief. A sample page is attached to the cover letter for format purposes.