TERMS AND CONDITIONS
OF THE CITY OF NORFOLK ONLINE REAL ESTATE AUCTION

City of Norfolk, Virginia
Effective Date: April 22, 2022

Incorporation by Reference of Terms and Conditions. The following Terms and Conditions are specific to this City of Norfolk online real estate auction and are applicable to all bidders on our marketplace. All bidders and other participants of this auction do hereby acknowledge and agree they have read and fully understand these terms and conditions and agree to be bound by them.

REGISTRATION FOR AUCTION

To become a qualified participant in the online auction (a “Bidder”), you must register to bid through the online auction website at www.govdeals.com. You must also complete the Norfolk General Bidder Application. To bid on a particular property, you must complete the Norfolk Property Application and make a bidder’s deposit of ten percent (10%) of the required minimum bid. You must make your Bidder’s deposit before you will be approved as a Bidder at the auction. By registering to bid at the auction, you are affirming: 1) That you acknowledge and agree to the terms and conditions for this auction as stated herein; 2) That you are not delinquent on any City of Norfolk real estate or other taxes or fees; and 3) That you have no outstanding code violation on other property you own in the City of Norfolk.

Please be advised that, should any registrant be an employee of the City of Norfolk or a member of any of the City’s various Boards or Commissions established by the Norfolk City Code or the Norfolk City Council, certain provisions of the Virginia Conflicts of Interest Act (Va. Code § 2.2-3100 et seq.) may limit or prohibit the ability of such persons to enter into a contract with the City for the purchase of any property listed in this auction.

PROPERTIES

The City of Norfolk (“City”) is the owner in fee simple absolute of certain real property that is listed for the online auction, together with all rights and appurtenances thereunto pertaining (“Property” or “Properties”). Along with the addresses of the Properties listed for auction, there will be additional information related to each Property. The additional information may include legal descriptions, photos, certain terms and conditions, disclaimers, and may include special City requirements (“Property Purchase Requirements”).

Each of the Properties will be sold separately through the online auction and as to each of these Properties the City makes no representations and no warranties of any kind (except for the special warranty contained in the deed), including, but not limited to, making no warranty, guaranty or representation, expressed or implied, as to access (vehicular or actual), zoning, status or availability of utilities, flood zone status, trees, merchantability or fitness for any purpose of the property offered for sale, or as to any of the improvements or structures thereon.

The Properties are sold “AS IS, WHERE IS”, in gross and not by the acre, and these Properties are subject to, as provided by law and without limitation, restrictions, conditions, easements, liens or encumbrances of record, possible rights of parties in possession, encroachments, overlaps, gaps and gores, deficiency in

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quantity, all questions of boundaries, location and acreage which a current and accurate survey would disclose, roadways, environmental and wetland matters, unrecorded easements, matters which would be disclosed by an inspection of the premises, or any other matter of record or not of record. Further, the City of Norfolk does not warrant or convey title to any personal property that might be on the Property (or within any improvement or structure located on the Property). Personal property includes, without limitation, such items as storage buildings, appliances, window treatments, furniture, automobiles, etc. All parcels are bought at the purchaser’s own risk. In short, these properties are sold “as is,” “with all faults,” and without any representation or any warranty of any kind, nature, or description.

Each of the Properties has been reviewed to determine that it is likely a buildable lot under the applicable provisions of the City’s Zoning Ordinance. However, this review is not an official, legally binding determination, and all Bidders do hereby acknowledge that NO official determination that the lot is buildable will be provided except in accordance with City’s “Ownership Review Request” process, which requires completion of the application found online here and payment of the required fee of $115.00.

All Bidders do hereby acknowledge and agree that they are not entitled to any payment for loss of profit or any other money damages – special, direct, indirect or consequential as a result of participation of any kind in the online auction and that the City shall not be liable for any latent or patent defects that may exist in or on the Property.

**CONDUCT OF THE AUCTION**

The properties are offered for sale through the online auction to such Bidders in accordance with all legal requirements including all applicable Fair Housing laws. The City and Govdeals.com reserve the right to deny permission to bid or to terminate the right of any individual to bid at the auction if the Bidder violates the Terms and Conditions of the auction or otherwise interferes with the auction.

The Properties will be listed publicly on the www.govdeal.com website for review by potential Bidders for a minimum of 30 days. During this time potential Bidders will be able to perform, at their own expense, their due diligence, submit any documentation to meet any Property Purchase Requirements that may apply to a particular Property, and present their questions electronically for response. The City of Norfolk staff members will provide responses to all relevant questions regarding any particular Property listed on the online auction website.

The auction will be open for bidding for 7 days. At the end of the 7-day bidding period, City Staff will review the bids, determine the highest bid and assess the highest bidder’s ability to meet specific Property requirements as applicable. In addition, City Staff will vet the highest bidder to ensure they meet all eligibility requirements established for the auction, including but not limited to, being current on all taxes and fees owed by them, and in compliance with all City regulations. The City reserves the right to reject any and all bids. As to the auction of any particular Property, a fully vetted eligible highest bidder will be considered a “Successful High Bidder”. Note that nothing in this action, including the determination of the Successful High Bidder, constitutes an offer to sell or acceptance of an offer for the purchase land.

Once a Successful Highest Bidder is determined for a particular auctioned Property, all deposits received from unsuccessful Bidders shall be released and returned to each of them. The City Attorney’s Office will prepare and advance, for Norfolk City Council review and consideration, an ordinance authorizing the sale of each of the particular Properties to each of the respective Successful Highest Bidders for which the auction received an acceptable bid (the “Ordinance”). The City, acting by and through the Norfolk City
Council, reserves the right to reject and decline to approve any and all bids, including that of the Successful Highest Bidder.

In the event the Ordinance is adopted by the Norfolk City Council, it shall not be effective until 30 days after the date of adoption. At that time, and not before, the amount bid by the Successful High Bidder shall be deemed an offer to purchase and shall also be deemed accepted by the City.

**PAYMENT**

Upon the effective date of the Ordinance approving the sale, the City Staff will accept the bid through the GovDeals online platform. The Successful High Bidder will receive a “Buyer's Certificate” confirming and outlining the accepted bid. The Successful High Bidder will have 5 business days, after the acceptance of the bid and receipt of the Buyer’s Certificate, to make and complete “Full Payment” for the particular Property through the online platform. Successful High Bidder of more than one Property must tender separate payments for each parcel.

“Full Payment” must include the following, as will be noted on the Buyer's Certificate issued to the Successful High Bidder ("Full Payment"):  

- The High Bid
- Payment of deed recording fees and taxes, which will be calculated by the City Attorney and added to the High Bid. Verifiable evidence of real estate transfer tax exemption status must be provided to the City Attorney within 24 hours of the close of the auction and before the required Full Payment is made.
- Payment of the Auction Fee, in the amount of 5.0% of the respective successful high bid, which amount shall also be added to the high bid.

With the receipt of the Full Payment, GovDeals will provide the Successful High Bidder with a Bill of Sale. Following the City’s receipt of the full electronic payment from GovDeals (usually received by the City within five to ten (5 to 10) days of the full payment), the City Attorney’s Office will prepare the Special Warranty Deed, have it executed on behalf of the City and then record it in the Norfolk Circuit Court Clerk’s Office to transfer title to the Property to the respective Successful High Bidder. In the event the Special Warranty Deed includes the modification, revision or release of certain Protective and Restrictive Covenants, the Successful High Bidder will be required to execute the deed as well and will be so notified by the City Attorney’s Office as to where and when to sign it.

If the Successful High Bidder fails or refuses to tender the Full Payment when due, the Successful High Bidder will be in breach of the Online Auction Terms and Conditions. The Successful High Bidder agrees that in such event the deposit made at the time of registration shall be forfeited and surrendered to the City. Upon such a breach, the City may treat the particular breached sale as canceled, and, at the option and discretion of the City, may either re-auctioned the Property or seek to sell the Property to the next highest bidder in that auction, and request and obtain, by amended Ordinance, appropriate Norfolk City Council authorization to do so. Further, the City may prohibit said breaching Successful High Bidder from participation in any future online auction. All Successful High Bidder has a strict payment due date, which is five business days from the close of the auction. If the item is not paid for within those five business
days, GovDeals may lock the account of the Successful High Bidder for non-payment and assess a fee equal to 40% of the high bid amount in accordance with GovDeals’ Terms and Conditions.

**TRANSFER OF TITLE & REQUIREMENTS**

The City will convey to the Successful High Bidder by special warranty deed, subject to all applicable easements and restrictive covenants of record.

The Successful High Bidder acknowledges and agrees that the conveyance may also contain certain restrictive covenants as noted in the Property Purchase Requirements, defined above, for each particular Property. Such restrictive covenants shall be bound to and run with the title to the Property.

Construction of a residential home on the property must start within 9 months after the date of transfer on the deed and must be completed within 12 months after that construction start date. The date of completion of construction under this term shall be that date that a certificate of occupancy has been issued for the home.

In the event that the Successful High Bidder completes the purchase of the property and, thereafter, fails to comply with one or more of the restrictive covenants of record that are recited in the Special Warranty Deed, the City, as beneficiary for those covenants, may elect to enforce such noncompliance by initiating legal action to recover liquated damages in the amount of $5,000 for each covenant violated.

The Successful High Bidder shall be responsible for paying any and all taxes associated with the Property and owed after the date of the transfer of title (date of recordation of the Special Warranty Deed) as they come due.