

## **INFORMATION FOR POTENTIAL BUYERS OF LAND BANK PROPERTIES**

The Niagara Orleans Land Improvement Corporation, also known as NORLIC or the Land Bank (the "Land Bank"), acquires properties that are tax delinquent, vacant, abandoned, or underutilized and sells them to qualified buyers with the goal of returning the properties to productive use.

This handout is intended to provide a brief explanation of certain terms of the Land Bank's Contract to Purchase. It does not cover all of the terms and conditions contained in the Contract to Purchase. Accordingly, please review the Contract to Purchase carefully. Information obtained from this handout should not be relied upon as legal advice. The Land Bank strongly recommends that potential buyers have an attorney assist them with reviewing the Contract to Purchase.

Potential buyers should be aware of the following key points before entering into the Contract to Purchase:

**Title Documents.** The Land Bank does not provide abstracts of title, tax searches, or land surveys to the buyer. The buyer is responsible for obtaining any abstract of title, tax search, land survey, title insurance or other title item at its sole cost and expense. The preparation of such title documents can take several weeks and, as such, if a buyer decides to obtain such title documents they are encouraged to do so as soon as possible following the Land Bank's acceptance of their purchase offer in order to facilitate a timely closing.

**Representations and Warranties.** Most of the Land Bank's properties have been acquired following a municipal tax foreclosure proceeding. As such, the Land Bank makes no representations or warranties as to title to the property which is the subject of the Contract to Purchase except that the Land Bank has not done anything to encumber the property. The Land Bank does not promise that it has good and marketable title to the property and, as such, it is incumbent on the buyer to carefully review title to the property. In addition, the Land Bank makes no representations or warranties as to the condition, quality, or habitability of the property. Land Bank properties are sold "as is," and no Property Condition Disclosure Statement will be provided to the buyer by the Land Bank.

**Attorney Approval Contingency Clause.** The Contract to Purchase does not contain an attorney approval contingency clause. Accordingly, the Land Bank advises all buyers to consult with an attorney before signing the Contract to Purchase.

**Inspection Period.** The buyer, at his or her sole cost and expense, is permitted to conduct any inspections, tests, or other desired evaluation of the property. If the results of the buyer's inspections, tests, or other evaluation are unsatisfactory, the buyer has the option of terminating the Contract to Purchase by providing written notice to the Land Bank within 15 days from the date that the Land Bank accepted the signed Contract to Purchase.

**Real Estate Transfer Tax.** The Land Bank is a tax exempt organization and, as such, the buyer is responsible for the payment of any real estate transfer tax due at closing.

**Property Tax.** If acquired by the Land Bank from a tax foreclosure, the property is exempt from real property taxes. This exemption ends on the date of transfer to the purchaser. As such, purchasers should expect a future charge of taxes from the date of transfer and subsequent in accordance with NY Real Property Tax Law 520.

**Restrictive Covenant.** If rehabilitated with grant funds from the NYS Attorney General, the deed shall contain an affordability requirement. The restriction applies for 5 or 10 years depending on the grant funds used.