

# STRATEGIC MUNICIPAL INVESTMENTS, LLC

BIDDER'S INFORMATION PACKAGE

AUGUST 6, 2008

ASSETS EXCLUSIVELY OFFERED

TAX LIEN PORTFOLIO

The Assets are being offered on a servicing-released basis. The Sale will be conducted as a sealed bid auction and is offered exclusively by STRATEGIC MUNICIPAL INVESTMENTS, LLC.

**BIDS ARE DUE MONDAY, SEPTEMBER 8<sup>th</sup> 2008 AT 1:00 P.M. EST.**

Strategic Municipal Investments, LLC

179 Washington Lane

Jenkintown, PA 19046

215-884-8820

Fax 215-884-8708

# **Bidder's Information Package**

## **Disclosure Statement**

The information provided herein is subject to change before the bid date. While the Seller believes that the information provided is accurate, there is no warranty, either expressed or implied, that the information is accurate or complete, other than the Limited Warranty as outlined below. Only those representations and warranties made of the portfolio in the form of a written Sale Agreement that has been executed by both the Purchaser and Seller shall have any legal effect, and such representations and warranties will be subject to such limitations and restrictions as may be specified in the Sale Agreement. No other written or oral communication with a prospective purchaser shall be binding on the Seller.

The Seller reserves the right to withdraw or add at any time, for any reason and without notice (i) any asset from the sale or (ii) withdraw the entire portfolio. In the event any assets are withdrawn from the sale following the bid date, the portfolio lien amount would be adjusted accordingly. This Bidder's Information Package has been prepared for the exclusive use of the Seller and those parties to whom the Seller makes it available.

## **As-Is, Where Is, Without Representation or Warranty**

The lien and REO Pool is being sold on an As Is, Where Is, and with all faults basis without representation and warranty of any kind other than the limited warranty outlined below. Upon the sale of the tax lien and REO pool the Sellers shall have no further interest or liability regarding any tax certificate assigned or REO transferred. Buyer will be required to state affirmatively that it has not relied upon and will not rely upon, either directly or indirectly, any claimed representation or warranty of Sellers, Servicer or any of their respective agents and acknowledges that no such representations have been made other than the limited warranty outlined below. Buyer will be required to represent that it is a knowledgeable, experienced and sophisticated buyer of tax sale certificates and real estate and that it is relying solely on its own expertise and that of Buyer's consultants in purchasing the tax lien and REO pool. Buyer will conduct such inspections and investigations of the tax lien and REO pool as Buyer deems necessary. Buyer acknowledges and agrees that on the closing date, Sellers shall sell and convey to the Buyer and Buyer shall accept the pool As Is, Where Is, with all faults without recourse to Sellers, except for the limited recourse outlined below. Buyer will further be required to acknowledge and agree that there are no oral agreements, warranties or representations by Sellers, servicer or any of their respective agents that are collateral to or affecting the tax lien and REO pool. The terms and conditions of this provision shall expressly survive the closing, not merge with the provisions of any closing documents and shall be incorporated into the Deed with reference to any REO property and tax lien. Sellers will not be liable

or bound in any manner by any oral or written statements, representations, or information pertaining to any tax sale certificate or REO property furnished by any real estate broker, agent, employee, servant or other person. Buyer acknowledges that the purchase price reflects the As Is, Where Is, nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with any tax lien or REO property. Buyer has fully reviewed with its counsel the disclaimers and waivers set forth in this provision and understand the significance and effect thereof.

### **Limited Warranty and Recourse**

Seller has removed from the pool all liens known to be: involved in bankruptcy; involved in litigation other than Quiet Title or Foreclosure; expired; or foreclosed out. Buyer shall within 60 days of the date of closing notify Seller in writing and provide satisfactory proof of any lien which is unsatisfactory to Buyer because it was discovered to be at the closing date: involved in bankruptcy; involved in litigation other than Quiet Title or Foreclosure; expired; or foreclosed out. Seller shall refund to Buyer the amount paid for any lien satisfactorily proven to be involved in bankruptcy, litigation (other than QT or F/C), expired or foreclosed-out.

## **A. Introduction**

Strategic Municipal Investments, LLC's (SMI) portfolio consists of approximately 361 tax liens and approximately 253 REO properties representing a total portfolio of approximately \$7,600,000.00 in lien balances (as of 8/1/08). The lien balances and number of liens are based on the portfolio as of 7/25/08 with interest projected forward to 8/1/08. The liens are primarily located throughout, Alabama, Connecticut, D.C., New Jersey and New York. The portfolio will be sold servicing released. The Seller reserves the right to (i) withdraw or add at any time, for any reason and without notice, any asset from this sale or (ii) withdraw the entire portfolio.

Included with the package is a CD containing an Excel spreadsheet that can be used for your review.

## The Sale Transaction

### i) Form of sale

The Assets will be sold on a servicing released basis.

### ii) Key Dates

<b><u>Activity</u></b>	<b><u>Date</u></b>
Bid Deadline pm EST	September 8, 2008 @ 1:00
Winning Bidder Notification pm EST	September 15, 2008 @ 5:00
10% Bid Deposit Due Date EST	September 22, 2008 @ 5:00 pm

Final Executed Sales Agreement Due September 29, 2008 @  
5:00 pm EST

Closing and Funding

October 6, 2008 @ 5:00 pm EST

## **Bid Instructions**

1. Bids should be made as a percentage of the total of the lien balance, on the specific pools identified and/or on the entire offered portfolio. Bids must be accompanied by an Excel spreadsheet showing the amount to be paid for each individual lien. Bids must be submitted on the enclosed Offer-to-Purchase Form and must be received in our office no later than 1:00 pm EST on September 8, 2008. Bids may be mailed, faxed or hand delivered to the address below. Please note that if bids are faxed, the original hardcopy must follow within 24 hours.

Strategic Municipal Investments, LLC

179 Washington Lane

Jenkintown, PA 19046

(215) 884-8820

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2. The portfolio has been segregated into five pools by state location and may be bid on a pool-by-pool basis. Any condition or contingency to the bid should be clearly described in the condition section of the Offer-to-Purchase Form.
3. The Seller reserves the right to amend the bid and funding dates and times as necessary.
4. Sale is subject to negotiation, execution, and delivery of a mutually acceptable Sale Agreement.
5. Sale is subject to the approval of a majority of the members of the Seller if the sale encompasses the sale of all or substantially all of the assets of the Seller.

### **Bid Instructions (cont'd)**

6. Within seven (7) days of Seller's notification to Buyer that Buyer's Bid has been selected as a Winning Bid, the Winning Bidder shall be required to provide Seller with a deposit equal to 10% of the Purchase Price.
7. The Winning Bidder(s) (as hereinafter defined) will be required, among other things, to execute and deliver to Servicer on or before two (2) weeks after Winning Bidder receives notice of its

Winning bid, the Purchase and Sale Agreement in the form contained in the Bid Package, without alteration, except for: (i) names and other indentifying information of Sellers and Buyer; (ii) the insertion of various pricing terms to be derived from the Winning Bid (as hereinafter defined); and (iii) changes which may be required by Sellers and are acceptable to the Winning Bidder. Potential bidders are advised to carefully review the form of the Purchase and Sale Agreement prior to submitting bids, as the Purchase and Sale Agreement contains detailed information regarding monetary payments and other terms, conditions and obligations that are imposed on the Winning Bidder.

## **Portfolio Sources**

The portfolio consists of liens which have been acquired through purchase from municipalities, auction or third party investors.

## **Collateral Valuations**

Assessment data is provided where available. With respect to Real Estate Owned (REO), the current listing price is supplied. Bidder is solely responsible for determining collateral valuations. Seller makes no representations or warranties as to collateral valuations.

## **Sale Agreement and Closing Procedures**

The Sale Agreement should be reviewed prior to the bid date with any major concerns on the part of the Bidder being noted as conditions on the Bid Form.

**Offer-To-Purchase Form**

Name of Bidder: \_\_\_\_\_

Bidding for its own account (as principal), bids the following price for the portfolio.

Pool	Lien Balance	Price (%)	Proceeds (\$)
NJ			
AL			
CT			
DC			
NY			
Total			

Bid Conditions: If your bid is subject to any condition (s), please state below.

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We, the Bidder, represent and acknowledge that we have received and reviewed all material included in the Bidder's Information Package and that we are prepared to purchase the described assets on which we are bidding subject only to conditions noted above with a closing date of \_\_\_\_\_

We acknowledge that the Seller reserves the right to accept or reject any bid.

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Name (Type or Print)	Signature
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Title	Date
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Company Name (Bidder)	Telephone Number
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Address	Facsimile Number
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City, State, Zip