

BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT

Rules and Procedures for Sale of Delinquent Property by Public Auction

The following rules and procedures apply to the sale of assessment-delinquent property at public auction:

Comments on these rules and procedures are invited within 30 days, upon which these rules, subject to any amendments made in response to comments, will be considered final. Comments may be sent to BBGHAD Tax Collector Kenneth A. Ehrlich by mail at: Elkins Kalt Weintraub Reuben Gartside, LLP, 10345 W. Olympic Blvd., Los Angeles, CA 90064, or by email at: KEhrlich@elkinskalt.com. Comments must be received by no later than Wednesday, October 15, 2025. Following the public comment period any or all of these rules and procedures may be modified with appropriate notice at any time until the auction concludes.

ARTICLE I

Auctioning Agency And Owner Default

1.1. The Broad Beach Geologic Hazard Abatement District was formed as an independent special district in 2011 following a petition to the City of Malibu under the Geologic Hazard Abatement District Law, Public Resources Code section 26500 – 26601.

1.2. Owners of real property within the District consented to, and the Board of Directors levied, assessments on real property in the District in 2012, 2015 and 2017 to fund implementation of the District’s Plan of Control. Public Resources Code sections 26587 and 26550 et seq. authorize, after a noticed public hearing, the levy and collection of such assessments pursuant to the Municipal Improvement Act of 1913, Streets & Highways Code sections 10000 et seq.

1.3. The owner of the real property to be sold by the District has failed to pay the assessments levied under the District’s authority covering Fiscal Years 2019/20 through 2024/25. However, if the owner pays the assessments and authorized fees and costs before the auction, the sale will not proceed.

ARTICLE II

Property And Purpose Of Sale

2.1. Real property with improvements consisting of a beach clubhouse and other structures located on Assessor’s Parcel Number 4469-026-016 in Los Angeles County at the address of 30756 Pacific Coast Highway, Malibu, California 90265

("Property") shall be auctioned off to pay the unpaid, delinquent assessments owed by the property owner to the District and to convey the Property to a responsible owner. The Property is listed and shown as Parcel Number 7 on the assessment roll and diagram at Book 194, pp. 28-31 of the Office of the County Recorder of the County of Los Angeles. The Property is exempt from property taxes but not from the District's assessments.

2.2. Potential bidders are to make valuation and desirability determinations about the Property based on their own investigation, inquiry, and information to their own satisfaction and should take note that the District is owed : \$496,462.33 in delinquent, unpaid assessments levied on the Property, as well as \$240.90 in costs for providing notice of the public auction, totaling \$496,703.23. The District is selling the Property to recover this amount. (Potential bidders should reference Articles VII and VIII below as to the District's right to payment of this amount and as to redemption by property owner). THE PROPERTY IS SOLD AS IS, WITHOUT WARRANTY. The District makes no guarantee, express or implied, relative to the title, location, acreage or condition of the property. The District assumes no liability for any other possible liens, encumbrances, easements, recorded or not recorded.

ARTICLE III Authority for Sale

3.1. The District's Resolution No. 2024/02 adopted August 25, 2024, establishes procedures for sale of defaulted properties exempt from property taxation generally and of the Property specifically. Those procedures implement the tax sale procedures of the Municipal Improvement Act of 1913 (Streets & Highways Code sections 10400 through 10508). Potential bidders are notified to consult both Resolution 2024/02 (which is available at http://www.bbghad.com/documents/executed-resolutions-2024/Executed%20Resolution%202024_02.pdf) and the Municipal Improvement Act of 1913.

ARTICLE IV Advance Submission of Bids

4.1. Any interested and qualified (see Article VI below) persons may submit bids in writing in advance of the day of the auction by correspondence sent to Tax Collector Kenneth A. Ehrlich as follows:

By mail: Elkins Kalt Weintraub Reuben Gartside, LLP
Attn: Kenneth Ehrlich
10345 W. Olympic Blvd.
Los Angeles, CA 90064

By email: KEhrlich@elkinskalt.com

By facsimile: 310-746-4499

Said written bids shall be submitted no later than November 11, 2025 (i.e., the day before the auction). Written bids shall remain sealed until the auction begins, at which point they will be opened and read to all in attendance before live bids may be made. Anyone who submits a bid in advance must provide an address, telephone number, and any other contact information necessary to reach them at any time on the day of the auction.

4.2. Subject to the provisions of Article VII below, if any bid submitted in advance is the highest bid and exceeds the amount due the District under section 2.2 above, the Property will be sold for the amount stated by the bid, provided the bidder qualifications are fully met. If the bidder qualifications are not met, the Property will become the property of the District under the terms of Article VI. Failure by the District to receive or otherwise consider written bids for any reason, including failure to send or receive electronic submissions, failure of mail or other delivery services to deliver bids, power outages, computer failures, or any other natural or man-made circumstance shall not result in sale of the Property to that bidder and no person may rely upon a written bid. To assure one's bid is received and considered by the District one must attend the auction in person.

ARTICLE V Submission of Bids at Auction

5.1. The auction is scheduled to occur on November 12, 2025 at 12:00 pm at the law office of Elkins Kalt Weintraub Reuben Gartside, LLP, located at 10345 W. Olympic Blvd., Los Angeles, California 90064. The Tax Collector shall open, conduct, and close the auction. However, the Tax Collector may choose to delay the auction if, in his discretion, he believes the circumstances warrant it. The Tax Collector shall decide in which room, rooms, or offices at that location the auction shall occur and shall have the discretion to relocate the auction at that same date and time. The Tax Collector shall announce the beginning and end of the auction to those present. In his sole discretion, the Tax Collector may pause, discontinue, postpone, or reschedule the auction at any time. A stenographer will be present and a verbatim recording or transcript may be

made of the auction proceedings but any failure in that transcription will not affect any sale concluded at the auction.

5.2. Bids may be submitted at the auction orally or in writing once the Tax Collector announces the auction has begun. The Tax Collector shall announce each bid after it is made and invite higher bids. Any person submitting a bid must identify him- or herself when making the bid with a government-issued driver's license, passport or other identification which will be photocopied and returned. Bids will not be accepted once the Tax Collector announces the bidding has ended.

5.3. In the Tax Collector's sole discretion, the Tax Collector may enlist or designate any person, other than a bidder, to assist with any responsibilities of the Tax Collector for conducting the auction set forth in this Article.

ARTICLE VI Successful Bidder Qualifications

6.1. For a bid to be successful, the bidder must meet all of the following qualifications. Failure to meet any of these shall disqualify a bid:

(a) Bidder must present identification as specified in section 5.2 above, so that District may issue a deed to the Property to the successful bidder if it is not redeemed by the current owner within the time required under Article VIII. If a bid is made on behalf of an entity, documentary evidence of authority to bind the entity reasonably satisfactory to the Tax Collector shall be provided.

(b) Bidder must submit a bank-issued cashier's check, bank-issued money order or bank-wired transfer that is actually received by the Tax Collector by no later than 5:00 P.M. on November 17, 2025, three business days following the auction to receive a Certificate of Sale as described within Section 9 of Resolution No. 2024/02. If full payment in this form is not received by that time, a Certificate of Sale shall not issue to that bidder and the Property shall become District property subject to Article VII. Failure on the part of the successful bidder to consummate the sale within the specified time shall result in the forfeiture of all rights that the successful bidder may have had with respect to the Property. Tax Collector may provide more specific payment instructions to a successful bidder at the time of the auction.

ARTICLE VII Payment And Sale to the District

7.1. The Property is being sold to satisfy the indebtedness of the Property in the amount specified in section 2.2 above and to convey the Property to a responsible

owner. A successful bidder's payment shall be transferred to the District in accordance with Streets & Highways Code section 10424 and used to satisfy the indebtedness. Prospective bidders should be aware of additional taxes and fees referenced within Article IX.

7.2. If no bid is received equaling or exceeding the amount specified in section 2.2 above, the Property shall be sold to the District with a redemption price equal to that amount.

7.3. If no bids are received, the Property shall be sold to the District with a redemption price in the amount specified in section 7.1 above.

ARTICLE VIII Redemption

8.1. The owner of the Property as of the auction date may redeem the Property by paying the full amount of the successful bid within 1 year of the auction. Prospective bidders should be familiar with the redemption rights of the Property owner stated in the District's Resolution 2024/02 and Streets & Highways Code section 10415 and the notice requirements of sections 10417 through 10419 of that Code. District may not issue a deed to the Property to a successful bidder that does not comply with the notice requirements of these sections. Upon a failure to satisfy the notice requirements, the Property shall be redeemed to the owner as of the auction date or become the property of the District if the current owner has not paid the redemption amount.

ARTICLE IX Additional Disclaimers

9.1. District is not aware of known or suspected contamination of the Property. Potential bidders should contact their attorneys regarding the possible purchase of contaminated properties and responsible public agencies for listed contaminated properties.

9.2. Prospective bidders are advised that some bonds or other assessments which are levied by agencies other than the District may remain outstanding after the tax sale.

9.3. Prospective bidders should be aware that 26 USC Sec. 3712(g) and 7425(d) may apply, which provide that when a property is sold at a public auction, on which the Internal Revenue Service holds a tax lien, the United States has a right of redemption for 120 days from the date of sale. The Internal Revenue Service will pay

the amount the bidder paid for the Property, plus interest from the date of sale, plus the expenses of sale that exceed any income the bidder received from the Property.

9.4. County and city documentary transfer taxes may be added to, and collected with, the full purchase price. These taxes are expected to be \$.55 per \$500.

9.5. Prospective bidders should be aware of the liens and encumbrances listed in Revenue and Taxations Code section 3712 that are not subject to the transfer of title on sale of defaulted property.

The foregoing Rules and Procedures for Sale of Delinquent Property by Public Auction were proposed on September 15, 2025, posted to the District's website on September 15, 2025, and notice of them was or will be provided by newspaper notice published on November 18, 2025 and November 25, 2025 in the Malibu Times. The foregoing Rules and Procedures for Sale of Delinquent Property by Public Action are hereby adopted after consideration of any comments received by the deadline for such comments noted above.

Date: September 15, 2025



Kenneth A. Ehrlich
Tax Collector/General Counsel
Broad Beach Geological Hazard Abatement District