

Agenda Item #: 5E1

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date:	January 13, 2015	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Department of Economic Sustainability		

I. EXECUTIVE BRIEF



Motion and Title: Staff recommends motion to: (A) Conceptually approve the sale of property owned by NOAH Development Corporation (NOAH) to HTG Covenant Villas, LLC, a Florida limited liability company (Purchaser) consisting of the Palm Beach County Housing Authority (Housing Authority) and HTG Housing Group (HTG); (B) Direct staff to negotiate the terms of a loan agreement with Purchaser to allow Purchaser's assumption of County's loans to NOAH, and the restructuring and subordination of that debt to a primary lender in exchange for receipt of \$1,000,000 from NOAH's property sale proceeds; (C) Conceptually approve the award of \$500,000 of HOME funds to Purchaser pursuant to a new loan agreement in exchange for repayment of NOAH's expended funds and termination of NOAH's 2013 HOME Loan Agreement (R2013-1808); and (D) Authorize the County Administrator or his designee to execute a new loan agreement, assignment and assumption and modification of loan agreements, mortgages, promissory notes, restrictive covenants, termination and satisfactions of mortgages, subordination agreements, a new HOME loan agreement, amendments, and all other documents necessary for the transaction.

Summary: Covenant Villas is a 144-unit apartment complex in Belle Glade. It was built in 1987 by NOAH, a non-profit organization whose mission has been to create affordable housing in the Glades area. NOAH used a combination of public and private financing, including the sale of bonds and a County loan and grant in the amount of \$2.7 Million to develop Covenant Villas. Due to economic challenges in the Glades, the project is in need of significant repair and is currently only 40% occupied. In 2013, the County provided \$500,000 to commence rehabilitation on 25 units, however, NOAH continued to face challenges in the rehabilitation process. To remedy this on-going issue, DES took a proactive role in recognizing the need for a private developer to partner with NOAH and the County to realize the success of this project and the completion of much needed safe and affordable housing in the Glades. The County has partnered with HTG on numerous successful projects including Pine Run Villas, a \$13 Million complex consisting of 63 townhome style affordable rental units in Lake Worth. HTG submitted an offer to purchase the property in partnership with the Housing Authority and take over the \$17 Million rehabilitation and the operation of Covenant Villas. The Housing Authority has committed 116 HUD project rental vouchers to the project. These are grant funds which require no local match. (DES) District 6 (JB)

Background and Justification: On March 26, 2013, the County entered into a Loan Agreement (R2013-0350) with NOAH Development Corporation for the loan of \$875,000 in ad valorem funding. The Loan Agreement provided for the 2013 loan of \$875,000 together with an extension of the 1987 loan of \$1,350,000 plus interest. On May 31, 2013, the County closed on the new loan and existing loan extension, and received a Promissory Note secured by a modified mortgage from NOAH in the amount of \$2,539,969.85 (2013 mortgage). On September 10, 2013, NOAH was awarded \$500,000 in HOME funds from the County for rehabilitation of a portion of Covenant Villas pursuant to RFP DES 2013.1. In addition to the 2013 Mortgage and the HOME loan mortgage, the County also holds two lesser SHIP-funded mortgages as well as a Declaration of Restrictive Covenants that secures a grant to NOAH for hurricane hardening.

Attachments:

1. Location Map
2. Resolution by the Palm Beach County Housing Authority
3. Purchase and Sale agreement for the Covenant Villas property
4. Disclosure of Beneficial Interests

Recommended By:		1-8-15
	Department Director	Date
Approved By:		1-8-15
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

Tracy J. Thomas
 for Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

* No additional fiscal impact. The new agreement funding is the same as old agreement funding.

Susan Neary 1/9/15
 OFMB ^{h/p} _{1/8} ^{AK} _{1/9}

Dr. J. Jacobson 1/9/15
 Contract Development and Control
 1-9-15 *B. Chalmers*

B. Legal Sufficiency:

DR for Jim Brako 1/9/15
 Assistant County Attorney

C. Other Department Review:

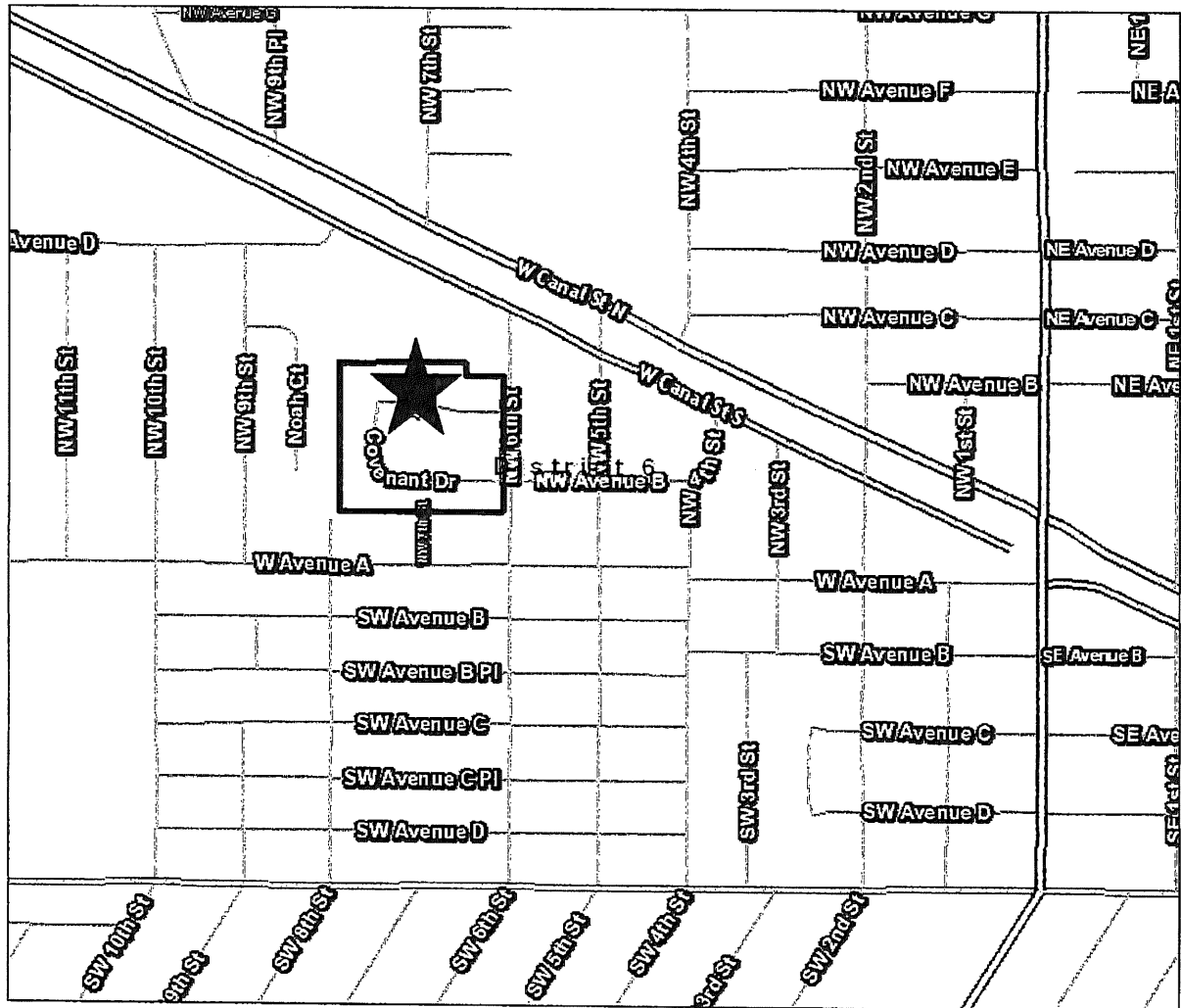
 Department Director

LOCATION MAP



Covenant Villas, 601 Covenant Drive, Belle Glade, FL 33430

North



RESOLUTION #876

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO COLLABORATE WITH THE PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY (DES) AND HOUSING TRUST GROUP FOR REDEVELOPMENT OF COVENANT VILLAS:

Whereas, the Palm Beach County Housing Authority (the "PBCHA"), is a stakeholder, owner and Property Manager of Affordable Housing in the Glades Region; and has demonstrated its continued interest in the sustainability, development and redevelopment of apartment homes in the cities of Belle Glade and Southbay, Florida, and

Whereas, On September 17, 2014, the chair of the Board of Directors of NOAH Development Corporation (Edna McClendon) wrote a letter to the Executive Director (Van Johnson), requesting PBCHA to collaborate with their selected Developer (Housing Trust Group) in the redevelopment of Covenant Villas (a distressed 144 Unit Low- Income Housing Apartment Community located in the City of Belle Glade) and,

Whereas, The Housing Trust Group has provided all information requested about the redevelopment to the Executive Director, and the Executive Director has consulted with Mr. Leroy Moore of the Tampa Housing Authority (as directed by the Board), and,

Whereas, in the professional opinion of Mr. Moore, PBCHA should agree to collaborate with PBC Department of Economic Sustainability (DES) and the Housing Trust Group in the redevelopment of Covenant Villas

Resolved, that Van Johnson, the Executive Director of the Authority, is authorized, empowered and directed to firmly execute all necessary documents and take such further actions as may be necessary in connection to collaborate with The Palm Beach County Department of Economic Sustainability (DES) and Housing Trust Group for Redevelopment of Covenant Villas.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PALM BEACH COUNTY HOUSING AUTHORITY, which they Approve, and Authorize the Executive Director to collaborate with The Palm Beach County Department of Economic Sustainability (DES) and Housing Trust group for the Redevelopment of Covenant Villas.

BE IT FURTHER RESOLVED, that this Resolution was passed and adopted in open session on the 19th day of November, 2014

AYES

Marcia Haydel
[Signature]
[Signature]
Dugan Stone

NAYS

ABSENT

PALM BEACH COUNTY HOUSING AUTHORITY

By: It's Board of Commissioners

Marcia Haydel

Chairman of the Board

Van Johnson

Recording Secretary

SEAL



PALM BEACH COUNTY HOUSING AUTHORITY

January 5, 2014

Edward W. Lowery, J.D., Director
Department of Economic Sustainability
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

**RE: Covenant Villas Rehabilitation Project
Authority to Project Base 116 Housing Choice Vouchers**

Dear Mr. Lowery,

The Palm Beach County Housing Authority Board of Commissioners has authorized me via **Board Resolution # 876** (attached) to collaborate with the Department of Economic Sustainability (DES), and the Housing Trust Group for Redevelopment of Covenant Villas (a distressed 144 Unit Low-Income Apartment Community located in Belle Glade, Florida). This letter is written to specifically affirm PBCHA's commitment to the financial success of the project by providing 116 project-based – Housing Choice Vouchers (subject to HUD approval). PBCHA has already begun the process of acquiring HUD approval to make this provision.

Sincerely,

Van Johnson, Executive Director

PALM BEACH COUNTY HOUSING AUTHORITY
3432 W 45th Street
West Palm Beach, FL 33407
Office: 561.684.2160
Fax: 561.253.0706
www.pbchafl.org

AGREEMENT FOR PURCHASE AND SALE

This AGREEMENT FOR PURCHASE AND SALE (this "Agreement") is entered into by NOAH DEVELOPMENT CORPORATION, a Florida Non Profit Corporation (referred to herein as the "Seller") and HTG COVENANT VILLAS, LLC, a Florida limited liability company ("Buyer").

BACKGROUND:

Seller is currently the owner of approximately 8.23 acres of land in the City of Belle Glade, Florida, County, Palm Beach, which is more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"). The parties to this Agreement have agreed to the sale and purchase of the Property on the terms and conditions which are set forth in this Agreement.

AGREEMENT:

1. **Purchase and Sale.** Subject to all of the terms and conditions of this Agreement, Seller will sell to Buyer and Buyer will purchase from Seller the Property, together with all appurtenances, rights, easements and rights of way incident thereto.

2. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property is Four Million and Seven Hundred Thousand Dollars and no/00 (\$4,700,000), comprised of Two Million Three Hundred Thousand and no/00 Dollars (\$2,300,000) in cash (the "Cash") and the assumption of approximately Two Million Four Hundred Thousand and no/00 Dollars (\$2,400,000) in debt (the "Debt"), (the Cash and the Debt shall collectively be referred to herein, as the "Purchase Price").

(a) **Deposits.**

(i) **First:** Within five (5) business days of the Effective Date (as defined herein), Buyer shall deposit with Florida Title & Escrow Professionals, Inc., as escrow agent ("Escrow Agent"), the sum of Ten Thousand and no/00 Dollars (\$10,000.00) (the "First Deposit").

(ii) **Second:** Assuming Buyer has not otherwise terminated this Agreement, Buyer shall deposit the sum of Fifteen Thousand and no/00 Dollars (\$15,000.00) ("Second Deposit") with Escrow Agent upon the expiration of the Contingency Period (as defined in Section 5 below).

(iii) The First Deposit, Second Deposit and any Closing Date Extension Payment (as later defined) are hereinafter referred to, collectively, as the "Deposit". Any and all interest earned on the Deposit shall be paid to Buyer unless Buyer shall be in default of its obligations under this Agreement and in such event such interest shall be paid to Seller.

(b) **Refundability.** The Deposit shall be refundable to Buyer if Buyer terminates this Agreement for any reason and in its sole and absolute discretion between the Effective Date and the expiration of the Contingency Period. Following the expiration of the Contingency Period, the Deposit shall be non-refundable to Buyer, unless Buyer terminates this

Agreement due to any of the following: (1) pursuant to Buyer's right to terminate pursuant to this Agreement, (2) pursuant to Buyer's right to terminate in the event of an uncured title defect, (3) pursuant to Buyer's right to terminate as a result of a moratoria at the Property as described in Section 14, (4) pursuant to Buyer's right to terminate as a result of a condemnation at the Property as described in Section 16, and (5) as a result of Seller's breach of this Agreement.

(c) Payment of Purchase Price. At the time of the Closing, Buyer will pay to Seller, by wire transfer of funds, the Purchase Price as adjusted for prorations and adjustments as set forth in this Agreement. At the Closing, the Deposit shall be credited to Buyer's obligations to pay the Purchase Price hereunder.

3. Title and Title Insurance and Survey.

(a) Title. Five (5) business days after the Effective Date, Seller shall provide Buyer with its owner's title policy received by Seller at the time of Seller's acquisition of the Property, if any, insuring Seller's title to the Property. Buyer may obtain a commitment (the "Title Commitment") for an owner's title insurance policy, together with legible copies of all documents referenced therein, issued by a title insurance company acceptable to Buyer ("Title Company"). The Title Commitment shall have a date subsequent to the Effective Date and shall show that title to the Property is good and marketable and insurable subject to no liens, encumbrances, exceptions or qualifications which would preclude Buyer, in its sole discretion, from constructing and developing the Contemplated Improvements (as defined herein). Buyer shall have fifteen (15) business days from receipt of the Title Commitment and the Survey (as defined herein) in which to examine the condition of title. If Buyer fails to provide Seller with written notice of specific defects that make title to the Property other than as required by this Section 3 within such fifteen (15) business day period, then, for all purposes of this Agreement, Buyer shall be deemed to have accepted title in the condition described in the Title Commitment. Any title exceptions which are not objected to within such fifteen (15) business day period shall be deemed to be acceptable in all respects to Buyer. If Buyer timely notifies Seller that title does not satisfy the requirements of this Section 3, then Seller agrees to use reasonable diligence to make title good, marketable and insurable, for which purpose Seller shall have a reasonable time in which to do so but in no event more than sixty (60) days from the receipt of Buyer's written notice that title is unacceptable. After reasonable diligence on the part of Seller, if title is not rendered as required by this Section 3, then at the end of such sixty (60) day period, the Deposit, at the election of Buyer, shall be returned to Buyer, this Agreement shall be terminated and all parties hereto shall be released from any and all obligations and liabilities hereunder other than those that specifically survive hereunder. At any time prior to such termination, Buyer may elect by written notice to Seller to waive any defects in title, in which event the Closing shall take place pursuant to this Agreement without any abatement whatsoever in the Purchase Price. In the event that any title exception shall appear subsequent to the date of the Title Commitment, the existence of same shall constitute a default hereunder, unless Buyer shall not object to such title exception.

(b) Survey. Within five (5) business days after the Effective Date, Seller shall provide Buyer with the most recent survey of the Property in Seller's possession. Buyer may, at Buyer's expense, order and subsequently obtain a current topographical and boundary survey of the Property (the "Survey"). The Survey shall show that there are no encroachments on the

Property. Any encroachments shown shall be treated as a title defect and the terms and conditions set forth in Section 3(a) of this Agreement shall apply with respect thereto. Buyer shall notify Seller of survey defects within fifteen (15) business days following receipt of the Title Commitment and the Survey.

4. **Investigation Period.** Buyer shall have the period beginning on the Effective Date and ending one hundred and twenty (120) days thereafter (the "Investigation Period") in which to determine that the Property can be rehabilitated, brought up to current building code standards and include green building features (the "Contemplated Improvements"), pursuant to a plan satisfactory to Buyer in its sole and absolute discretion. Among other things, Buyer shall verify that (a) adequate utility service is or will be made available by a public utility company to a boundary of the Property; (b) municipal fees, including sewer and water connection fees, do not exceed an amount acceptable to Buyer; (c) there are not unusual soil conditions which would prohibit the standard construction practice for Buyer's intended use of the Property; (d) a market survey and financing feasibility study substantiates the need for a rental housing development in the area of the Property; and (e) all other matters (including, without limitation, the results of any physical inspections, environmental assessments, wetlands assessments, engineering studies and site plan studies) affecting or relating in any way to the Property are otherwise satisfactory to Buyer. During the Investigation Period and until the Closing, Seller shall provide Buyer and its agents with access to the Property, upon forty eight (48) hour advanced notice, to perform tests and inspections and otherwise do all things that may be necessary (including, without limitation, clearing the Property for survey purposes, soil borings, and environmental investigations, among other things), as determined by Buyer in order to accomplish Buyer's goals as set forth in the immediately preceding sentence. Buyer hereby indemnifies and holds Seller harmless from any loss, cost or expense, including, but not limited to, attorneys' fees and costs incurred by Seller as a result of the gross negligence or intentional misconduct of any of Buyer's agents who enter the Property. Notwithstanding anything contained herein to the contrary, Buyer shall have no indemnification obligation with respect to, or other liability for, or in connection with any claims arising from, pre-existing conditions on or under the Property, or those arising from the presence, discovery or disturbance of Hazardous Substances, Hazardous Waste, and Hazardous Materials (as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. '9601 et seq. and the regulations promulgated thereunder (as amended from time to time) and shall include oil and oil waste as those terms are defined in the Clean Water Act, 33 U.S.C. '1251 et seq. and the regulations promulgated thereunder (as amended from time to time), the Resource, Conservation and Recovery Act, 42 U.S.C. '6901 et seq. (as amended from time to time), and the Florida Resource Recovery and Management Act, Florida Statutes '403.70-403.73 (as amended from time to time) and shall include any other elements or compounds contained in the list of hazardous substances adopted by the United States Environmental Protection Agency ("EPA") and the list of toxic pollutants designated by the United States Congress or EPA as defined by any other Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree relating to standards of conduct concerning any toxic or dangerous waste or substance). No later than seven (7) days after the Effective Date, Seller shall provide to Buyer any and all information relating to the Property which is in Sellers' possession or control or in the possession or control of Sellers' agents, employees and/or professionals, including, without limitation, full and complete copies of all leases, surveys, topographical maps, soil boring reports, traffic studies, any and all environmental reports, site planning concepts, project approvals, permits, licenses, title policies, proof of payment of school, water, sewer, road and

recreational impact fees, homeowners' association documents, developer agreements (whether recorded or not) and any other document of which Seller has knowledge. If for any reason Buyer, in its sole and absolute discretion, determines that the Contemplated Improvements cannot be built on the Property or that Buyer wishes to terminate this Agreement for any reason or no reason at all, then no later than the expiration of the Investigation Period, Buyer shall, in writing, notify Seller that it has elected not to proceed with the transaction contemplated hereby. Thereupon, the Deposit shall immediately be returned to Buyer without the need for any authorization from Seller to Escrow Agent and the parties hereto shall be relieved of all liability under this Agreement other than those that specifically survive hereunder. In the event that Buyer fails to timely notify Seller in writing of its election not to proceed with the transaction contemplated hereby, Buyer shall be deemed to have elected to proceed. Following any inspections upon the Property, Buyer or Buyer's agents shall return the Property to the condition it existed immediately prior to such inspections, reasonable wear and tear excepted.

5. **Financing Contingency Period.** Seller acknowledges that Buyer is an experienced developer of low income housing and tax credit financed housing and Buyer intends to apply for and pursue an allocation for funding from the Florida Housing Finance Corporation ("FHFC") and other sources. Once Buyer has obtained allocations or commitments for funding in Buyer's sole and absolute discretion necessary for Buyer's financing for the Contemplated Improvements, Buyer shall notify Seller that it will proceed to Closing ("Notice to Proceed"). Buyer shall have the period beginning on the Effective Date and ending on August 30, 2015 (the "Contingency Period") to provide Seller a Notice to Proceed. If the Contingency Period has expired without the Seller receiving a Notice to Proceed from Buyer, this Agreement shall be automatically terminated. Thereupon, the Deposit shall immediately be returned to Buyer without the need for any authorization from Seller to Escrow Agent and the parties hereto shall be relieved of all liability under this Agreement other than those that specifically survive hereunder. In the event that a Notice to Proceed has been sent by Buyer to Seller on or before August 30, 2015, the Deposits shall thereupon automatically become non-refundable, as specified and with the exceptions stated of Section 2(b) of this Agreement. Seller shall cooperate with Buyer, at Buyer's expense, in obtaining any other required governmental approvals and financing to be issued by FHFC.

6. **Conditions Precedent to Buyer's Obligation to Close.** The following are specific conditions which must be satisfied prior to, and must be true at, Closing:

(a) **No Governmental Prohibitions.** There are no governmental prohibitions that prevent Buyer from constructing the Contemplated Improvements.

(b) **Access.** There shall be direct, uninterrupted and continuous ingress and egress access for pedestrian and vehicular traffic to and from the Property.

(c) **Other.** All of the other conditions set forth in this Agreement to be satisfied prior to the Closing shall have been satisfied in all respects as required by the terms of this Agreement.

7. Closing and Closing Costs.

(a) Closing Date. The purchase and sale contemplated by this Agreement shall close (the "Closing") within 90 days after Buyer has provided a Notice to Proceed to Seller (the "Closing Date").

(b) Closing Extensions. Buyer shall, at its sole option, be entitled to two (2) successive Thirty (30) day extensions of the Closing Date (each a "Closing Date Extension"). For each Closing Date Extension, Buyer shall pay the sum of Five Thousand and no/00 Dollars (\$5,000.00) to Escrow Agent (each such \$5,000.00 payment is hereinafter referred to as a "Closing Date Extension Payment"). At the end of each period that is the subject of a particular Closing Date Extension, Buyer may, at its sole option: (a) proceed to the Closing of the transactions contemplated hereby or (b) elect to extend the Closing Date pursuant to this Section. Buyer shall receive a credit against its obligation to pay the Purchase Price hereunder in an amount equal to the aggregate of each Closing Date Extension Payment paid to Seller hereunder. Each such Closing Date Extension Payment shall be non-refundable to Buyer, unless Buyer terminates this Agreement due to any of the following: (1) pursuant to Buyer's right to terminate pursuant to this Agreement, (2) pursuant to Buyer's right to terminate in the event of an uncured title defect, (3) pursuant to Buyer's right to terminate as a result of a moratoria at the Property as described in Section 14, (4) pursuant to Buyer's right to terminate as a result of a condemnation at the Property as described in Section 16, and (5) as a result of Seller's breach of this Agreement.

(c) Closing Location. The Closing will be held at the offices of Escrow Agent or at such other place as the parties may mutually agree upon.

(d) Early Closing. Notwithstanding anything contained herein to the contrary, at any time prior to the scheduled Closing Date, Buyer in its sole discretion may elect to close this transaction. Buyer shall exercise this election by delivering to Seller written notice of Buyer's intention to close which notice shall set a closing date not more than thirty (30) days from the date of such notice.

(e) Costs. Seller shall pay the cost of all transfer fees, including, documentary stamps to be affixed to the deed and for the recording of, and any and all other costs relating to obtaining title corrective instruments and any fees, costs or expenses owed to Escrow Agent. Buyer shall pay the cost of the recording of the deed, the owner's title insurance policy premium, the cost of the Survey, any title updates, investigation and lien searches and for all recording costs (except the costs of recording curative documents required pursuant to the terms of Section 3 hereof, which costs shall be paid for by Seller). Seller and Buyer shall each pay for their own legal fees in connection with this Agreement.

8. Seller's Deliveries. Seller shall deliver to Buyer at least five (5) days prior to the Closing copies of the following documents (with the exception of subsection (c) below which shall be delivered at Closing), dated as of the day of Closing, the delivery and accuracy of which shall be a condition to Buyer's obligation to consummate the transactions contemplated hereby:

(a) Warranty Deed. A special warranty deed (the "Deed") in recordable form, duly executed by Seller, conveying to Buyer good, marketable and insurable fee simple title to the Property subject only to those exceptions contained in the Title Commitment and approved by Buyer pursuant to the terms of this Agreement, with the legal description provided in the Title Commitment, together with any relevant Florida Department of Revenue forms, if necessary.

(b) Affidavit. A no-lien and exclusive possession affidavit in form and content customarily used in Palm Beach County, Florida. The no-lien affidavit shall relate to any activity of Seller at the Property within the period that a mechanic's lien can be filed based on such activity prior to the Closing.

(c) Title Insurance. To the extent necessary to permit the Title Company to remove any exception in the Title Commitment for mechanics' and material men's liens and general rights of parties in possession, an affidavit as to debts and liens and parties in possession executed by Seller, made to Buyer and the Title Company and in a form reasonably acceptable to the Title Company, along with a GAP Affidavit and any other items reasonably required by the Escrow Agent.

(d) FIRPTA Affidavit. In order to comply with the requirements of the Foreign Investment Real Property Tax Act of 1980 ("FIRPTA"), Seller will deliver to Buyer at the Closing Seller's affidavit under penalty of perjury stating Seller is not a "foreign person," as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations promulgated thereunder, setting forth Seller's taxpayer identification number, and that Seller intends to file a United States income tax return with respect to the transfer. Seller represents and warrants to Buyer that it has not made nor does Seller have any knowledge of any transfer of the Property or any part thereof that is subject to any provisions of FIRPTA that has not been fully complied with in all respects. As required by law, if Seller fails to comply with the requirement of this subsection, Buyer shall withhold ten percent (10%) of the Purchase Price in lieu of payment thereof to Seller and pay it over instead to the Internal Revenue Service in such form and manner as may be required by law.

(e) Seller's Certificate. A duly executed certification (the "Seller's Certificate") that every warranty of Seller under this Agreement is true and correct as of the Closing as if made by Seller at such time. Such warranties will survive the Closing for a period of 12 months.

(f) Corporation Documents, if applicable. A company resolution and incumbency certificate duly executed, authorizing Seller to close the transaction contemplated hereby and execute any and all documents in connection therewith, together with (a) certified, by the Florida Secretary of State, articles of incorporation ; (b) certified, by the Florida Secretary of State, certificate of active status, and (c) By-Law.

(g) Other Documents. Any and all other documents as may be reasonably necessary or requested by Buyer in order to fully and completely consummate the transactions contemplated hereby pursuant to the terms of this Agreement.

9. **Buyer's Deliveries.** At the Closing, and after Seller has complied with all of the terms and conditions of this Agreement and simultaneously with Seller's delivery of the documents required in Section 8 hereof, Buyer shall:

(a) **Purchase Price.** Pay to Seller, by wire transfer of funds, the Purchase Price, adjusted for the pro rations and other payments provided for in this Agreement; and

(b) **Buyer's Resolution.** Deliver to Seller a resolution, duly executed, authorizing Buyer to close the transaction contemplated hereby.

10. **Taxes and Prorations.** At the Closing, the taxes on the Property shall be prorated as of the Closing Date, between the parties on the basis of the taxes paid for the most recent year that have been assessed and billed. If the actual taxes for the year of Closing are not determinable on the date of the Closing, then the parties agree to re-prorate taxes promptly upon issuance of the tax bill for the year of the Closing. Any special assessment liens certified as of the date of the Closing shall be paid for by Seller. Any pending liens shall be assumed by Buyer. This provision shall survive the Closing of the transaction.

11. **Possession.** Buyer shall be granted full possession of the Property at Closing, subject to any existing leases with the current apartment tenants ("Leases").

12. **Seller's Warranties.** Seller hereby warrants to Buyer as follows:

(a) **Title.** Seller is vested with good and marketable fee simple title to the Property subject only to the permitted title exceptions as provided herein.

(b) **No Condemnation.** There are no condemnation or eminent domain proceedings pending or, to the best of Seller's knowledge, contemplated against the Property or any part thereof, and Seller has received no notice of the desire of any public authority to take or use the Property or any part thereof.

(c) **No Litigation.** Seller has not received notice of any pending suits or proceedings against or affecting Seller or any part of the Property which (i) do or could affect title to the Property or any part thereof or (ii) do or could prohibit or make unlawful the consummation of the transactions contemplated by this Agreement, or render Seller unable to consummate the same.

(d) **Environmental.** Seller has not violated any applicable environmental laws affecting the Property, including, without limitation, any laws relating to toxic and/or hazardous wastes as defined by Federal or Florida law.

(e) **Authority.** Seller has full power and authority to execute and deliver this Agreement and all documents now or hereafter to be delivered by it pursuant to this Agreement and to perform all of its obligations arising under this Agreement.

(f) **No Violation of Seller's Agreements.** This Agreement and any of the documents executed or to be executed by Seller hereunder do not and will not contravene any provision of any document governing Seller's authority to act hereunder, any present judgment,

order, decree, writ or injunction, or any provision of any currently applicable law, rule or regulation, in each case applicable to Seller and/or the Property.

(g) Tax Liens. The Property is free and clear of all liens except for ad valorem taxes for the year of Closing, not yet due and payable, and for all subsequent years.

(h) No Violation of Laws. There is no violation of, any law, regulation, ordinance, order or judgment affecting the Property.

(i) No Unrecorded Encumbrances. There are no unrecorded easements, restrictions or encumbrances affecting all or any part of the Property.

(j) No Knowledge of Facts. There are no facts that prohibit it from closing the transaction contemplated hereby in accordance with the terms hereof.

(k) No Untrue Statements. No representation or warranty by Seller, to Seller's knowledge, in this Agreement or in any instrument, certificate or statement furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

(l) No Adverse Tax Matters. There are no agreements, waivers or other arrangements providing for any extension of time with respect to the assessment of any type of tax or deficiency against Seller with respect to the Property, nor to the best of Seller's knowledge, are there any actions, suits, proceedings, investigations or claims for additional taxes and assessments asserted by any taxing authority.

(m) No Mechanics' Liens. There are no mechanics' or material men's liens against the Property and if subsequent to the Closing hereunder, any mechanics' or other liens shall be filed against the Property or against Buyer or its assigns and not caused by Buyer, based upon any act or omission occurring prior to the Closing on the Property, Seller shall take such action, within ten (10) days after notice of the filing thereof, by bonding, deposit, payment or otherwise, as will remove, transfer or satisfy such lien of record against the Property, at Seller's sole cost and expense.

(n) No Parties in Possession. Other than those tenants under the Leases, there are no parties in possession of any portion of the Property, whether as lessees, tenants-at-sufferance, trespassers or otherwise. Within seven (7) days from the Effective Date, Seller will make available to Buyer accurate information and complete copies of all Leases and service contracts which are in Seller's files and to the best of Seller's knowledge. Seller has delivered or made available all other reasonable due diligence materials requested in writing by Buyer which are in Seller's possession.

At the Closing, Seller shall, in writing, reaffirm to Buyer pursuant to the Seller's Certificate the truth and correctness, as of the date of the Closing, of each of the aforementioned warranties and agrees to indemnify and hold Buyer harmless from and against any and all loss or damage suffered by Buyer on account of the untruth or incorrectness of any such warranties. The aforementioned warranties shall survive Closing for a period of 12 months.

13. Covenants of Seller. Seller hereby covenants with Buyer as follows:

(a) No Creation of Encumbrances. Between the Effective Date and the date of Closing, Seller will not, without Buyer's prior written consent, which shall not be unreasonably withheld or delayed, create by its consent any encumbrances on the Property. For purposes of this provision the term "encumbrances" shall mean any liens, claims, options, mortgages or other encumbrances, encroachments, rights-of-way, leases, easements, covenants, conditions or restrictions.

(b) No Zoning Action. Between the Effective Date and the date of the Closing, Seller will not file any application for any change of the present zoning classification of the Property, unless requested to do so by Buyer. In the event Buyer requests Seller to file any such application, Seller will cooperate fully with Buyer in all respects by executing consents, applications and other such documents reasonably requested by Buyer in connection with its efforts in developing the Property.

(c) No Environmental Action. Between the Effective Date and the date of the Closing, Seller will not file any application for any environmental permit or any change to any existing environmental permit, approval, report, status or condition of any kind relating to the Property unless such change is requested by Buyer. Seller will cooperate fully with Buyer in all respects by executing consents, applications and other such documents reasonably requested by Buyer in connection with its efforts in developing the Property to a condition such that building may commence.

(d) Maintenance of Insurance. Between the Effective Date and the date of the Closing, all existing insurance policies shall remain continuously in full force and effect.

14. Moratoria. If, at the time of the Closing, there are sewer, water, building or other moratoria in effect which would interfere with the immediate construction and occupancy of the Contemplated Improvements, then Buyer, at its sole option, may: (a) terminate this Agreement and obtain a return of the Deposit, whereupon the parties shall be relieved from all further liabilities and obligations hereunder other than those that specifically survive hereunder or (b) close the transactions contemplated hereby without regard to the moratoria and without any adjustment in the Purchase Price or extension of the Closing date.

15. Real Estate Commissions. Buyer and Seller hereby warrant to each other that neither party are represented by a real estate broker or agent and that no other real estate commission shall be paid in connection with this transaction and each party shall indemnify the other from any claims of any parties claiming a commission by, under or through either party. This provision shall survive the Closing of the transaction.

16. Condemnation. In the event of the institution against the record owner of the Property of any proceedings, judicial, administrative or otherwise, relating to the taking, or to a proposed taking of any portion of the Property by eminent domain, condemnation or otherwise (which materially impairs the proposed development of the Property), prior to the Closing, or in

the event of the taking of any portion of the Property by eminent domain, condemnation or otherwise, prior to the Closing, then Seller shall notify Buyer promptly and Buyer shall have the option, in its sole and absolute discretion, of either (a) terminating this Agreement and obtaining a return of the Deposit, whereupon the parties shall be relieved from all further liabilities and obligations hereunder other than those that specifically survive hereunder or (b) proceeding to the Closing in accordance with the terms of this Agreement, but at the Closing Seller shall assign to Buyer all of Seller's right, title and interest in, to and under any and all awards that have been or may be made with respect to such eminent domain proceeding or condemnation. Any such election hereunder must be made by Buyer within twenty (20) days of the notice furnished by Seller. If Buyer fails to make an election in writing, Buyer shall be deemed to have elected alternative (a) above.

17. **Loss or Damage.** Any loss or damage to the Property between the Effective Date and the Closing shall not void this Agreement or modify the provisions hereof, provided, that Seller shall repair such loss or damage to the Property prior to the Closing as a condition of Buyer's obligations to proceed to the Closing hereunder. In the event that Seller fails to repair such loss or damage prior to the Closing, Buyer may, at its sole election and option, either (a) suspend the Closing for a sufficient period of time in order to allow Seller to complete the repairs or (b) deduct from its obligation to pay the Purchase Price hereunder a sum sufficient to complete the repairs as certified by Buyer's architect or engineer.

18. **Default.**

(a) **Buyer Default.** If the transactions contemplated hereby do not close solely due to a refusal or default on the part of Buyer, then the Deposit, together with any and all interest earned thereon, shall be delivered by Escrow Agent to Seller as liquidated and agreed upon damages and thereafter, Buyer shall be relieved from all further obligations under this Agreement and Seller shall have no further claim against Buyer for specific performance or for damages by reason of the failure of Buyer to close the transactions contemplated hereby.

(b) **Seller Default.** If the transactions contemplated hereby fail to close due to a default on the part of Seller, then at the option of Buyer the Deposit shall be returned by Escrow Agent to Buyer, together with any and all interest earned thereon, provided, however, that such return shall not limit Buyer's right to maintain an action for specific performance of this Agreement by Seller and to pursue any and all other rights and remedies available to Buyer at law and in equity for damages suffered by Buyer as a result of Seller's default.

19. **Escrow.** Escrow Agent, in receiving funds to hold in escrow hereunder, is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with terms and conditions of this Agreement. Failure of clearance of funds shall not excuse performance by Buyer. In the event of doubt as to its duties or liabilities under the provisions of this Agreement, Escrow Agent may, in its sole discretion, continue to hold the monies which are the subject of this escrow until the parties mutually agree to the disbursement thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or it may file an interpleader action and deposit all the monies then held pursuant to this Agreement with the Clerk of the Circuit Court of

Palm Beach County, Florida, and upon notifying all parties concerned of such action, all liability on the part of Escrow Agent shall fully terminate, except to the extent of accounting for any monies theretofore delivered out of escrow. In the event of any suit between Buyer and Seller wherein Escrow Agent is made a party by virtue of acting as escrow agent hereunder, or in the event of any suit wherein Escrow Agent interpleads the subject matter of this escrow, Escrow Agent shall be entitled to recover a reasonable attorneys' fee and costs incurred, said fees and costs to be charged and assessed as court cost in favor of the prevailing party. All parties agree that Escrow Agent shall not be liable to any party or person whomsoever for misdelivery to Buyer or Seller of monies subject to this escrow, unless such misdelivery shall be due to a willful breach of this Agreement or gross negligence on the part of Escrow Agent. Any fees, costs or expenses owed to Escrow Agent, shall be payable by Seller.

20. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated herein, and it supersedes all prior understandings or agreements between the parties.

21. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and permitted assigns.

22. **Survival of Paragraphs.** The terms, conditions and warranties contained herein that state they specifically survive shall survive the Closing and delivery of the Deed or earlier termination of this Agreement as set forth herein.

23. **Waiver; Modification.** The failure by Buyer or Seller to insist upon or enforce any of their rights shall not constitute a waiver thereof, and nothing shall constitute a waiver of Buyer's right to insist upon strict compliance with the terms of this Agreement. Either party may waive the benefit of any provision or condition for its benefit that is contained in this Agreement. No oral modification of this Agreement shall be binding upon the parties and any modification must be in writing and signed by the parties hereto.

24. **Governing Law; Venue.** This Agreement shall be governed by, and construed in accordance with the laws of, the State of Florida. The venue of any litigation arising out of this Agreement shall be Palm Beach County, Florida.

25. **Headings.** The section headings as set forth in this Agreement are for convenience of reference only and shall not be deemed to vary the content of this Agreement or limit the provisions or scope of any section herein.

26. **Notices.** Any notice, request, demand, instruction or other communication to be given to either party, except where required by the terms of this Agreement to be delivered at the Closing, shall be in writing and shall be sent by registered or certified mail, return receipt requested, facsimile, electronic mail or by express overnight courier, as follows:

If to Buyer:

HTG Covenant Villas, LLC.
3225 Aviation Avenue, Suite 602
Coconut Grove, Florida 33133
Attention: Mr. Matthew Rieger

Telephone: (305) 856-8700
Facsimile: (305) 856-1475
Email: matthewr@htgf.com

If to Seller:

NOAH Development Corporation
Address: 601 Covenant Drive
Belle Glade, Florida
Attention: Edna McClendon
Telephone: (561) 996-2300
Facsimile: (561) 996-1865
Email: McClendon@Noahark.org

Escrow Agent:

Florida Title & Escrow Professionals, Inc.
141 NE 3rd Avenue, 5th Floor
Miami, FL 33132
Attention: Patrick Lombard
Telephone: (305) 571-0145 ext. 112
Email: plombard@fitep.com

Notice shall be deemed given if forwarded by certified mail through the facilities of the United States Postal Office on the day following the date that the notice in question is deposited in the facilities of the United States Postal Service. If notice is forwarded by express overnight courier, it shall be deemed given on the day following the date that the notice in question is deposited in the facilities of an express overnight courier. Notice may also be provided by confirmed facsimile or via electronic mail.

27. **Assignment.** This Agreement may be assigned by Buyer. Seller may not assign its rights under this Agreement.

28. **Attorneys' Fees.** In the event that it becomes necessary for either party to bring suit to enforce the terms of this Agreement, then the prevailing party shall be entitled to recover all costs, including attorneys' fees, incurred in connection with such litigation (including appellate proceedings) against the non-prevailing party. This provision shall survive the Closing of the transaction.

29. **Effective Date.** The effective date of this Agreement (the "Effective Date") shall be the date upon which the last party to execute this Agreement has delivered the fully executed Agreement to the other party in accordance to Section 26.

30. **Time of the Essence.** Time is of the essence with respect to each provision of this Agreement that requires action be taken by either party within a stated time period, or upon a specified date, provided, however, if the date for performance is on a Saturday, Sunday or federal holiday, the date for performance shall be extended to the next business day.

31. **Counterparts; Email or Facsimile Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which, together, shall constitute but one and the same instrument. This Agreement shall be effective when the parties have emailed or faxed their respective signatures either to the other party or to the other party's counsel. Email or facsimile signatures shall have the same legal effect as original signatures.

32. **Limited Power of Attorney.** After the expiration of the Investigation Period, Seller authorizes Buyer to act on behalf of the Seller for the limited purpose of applying for and obtaining approvals and executing various other applications and agreements and other documents related to the Contemplated Improvements to be developed on the Property ("Building Approvals"), so long as such Building Approvals do not irrevocably bind the Property. Building Approvals may include applications for site plan approvals, building permits, zoning waivers, and other applications similar in nature, and may include executing agreements with public or provide utility providers, with municipalities or other government authorities, and other agreements related to obtaining a final building permit or ready permit letter.

[SIGNATURES BEGIN ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year last below written.

BUYER:

HTG Covenant Villas, LLC,
a Florida limited liability company

By: [Signature]
Matthew Kieger, Manager

Date: January 9, 2015

SELLER:

NOAH Development Corporation,
a Florida Non Profit Corporation

By: [Signature]
Name: Edna O. McKeen
Title: Board Chair

Date: January 9 2015

EXHIBIT "A"
The Property

**DISCLOSURE OF BENEFICIAL INTERESTS
(REQUIRED BY FLORIDA STATUTES 286.23)**

TO: PALM BEACH COUNTY CHIEF OFFICER, OR HIS OR HER OFFICIALLY
DESIGNATED REPRESENTATIVE

**STATE OF FLORIDA
COUNTY OF PALM BEACH**

BEFORE ME, the undersigned authority, this day personally appeared, _____, hereinafter referred to as Affiant who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the _____, of HTG Covenant Villas, LLC, a Florida limited liability company, which entity proposes to purchase and redevelop the Covenant Villas apartment complex located at 601 Covenant Drive, Belle Glade, FL 33430.
2. Affiant's address is: _____.
3. Attached hereto, and made a part hereof, as Attachment 1 is a complete listing of the names and addresses of every person or entity having a five percent (5%) or greater beneficial interest in HTG Covenant Villas, LLC, and the percentage interest of each such person or entity.
4. Affiant acknowledges that this Affidavit is given to comply with Florida Statutes 286.23, and will be relied upon by Palm Beach County.
5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.
6. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct, and complete.

FURTHER AFFIANT SAYETH NAUGHT.

Affiant Signature: _____

The foregoing instrument was acknowledged before me on _____, 20____, by _____, who is personally known to me or has produced _____ as identification and who did/did not take an oath.

Signature: _____

Notary Name: _____
Notary Public - State of Florida

(NOTARY SEAL ABOVE)

ATTACHMENT 1 TO DISCLOSURE OF BENEFICIAL INTERESTS

SCHEDULE TO BENEFICIAL INTERESTS IN PROJECT PROPOSAL

Affiant is only required to identify five percent (5%) or greater beneficial interest holders in the proposed project. If none, so state. Affiant must identify individual owners. If, by way of example, the proposed project is wholly or partially owned by another entity, such as a corporation, Affiant must identify such other entity, its address and percentage interest, as well as such information for the individual owners of such other entity.

NAME	ADDRESS	PERCENTAGE OF INTEREST