

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

Meeting Date: August 16, 2016

[] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: County Administration

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) Approve a Budget Transfer of \$950,000 from the General Fund Contingency Reserves to the Public Building Improvement Fund;
- B) Approve a Budget Amendment in the amount of \$950,000 in the Public Building Improvement Fund to recognize the funds from the General Fund; and
- C) Authorize the County Administrator to agree to serve as Adopt-A-Family of the Palm Beaches nominee and to execute a contract for the purchase of improved real property at 1318 Henrietta Avenue; 1320 Henrietta Avenue; 549 Palm Beach Lakes Blvd.; and 559 Palm Beach Lakes Blvd. (the "Facility") owned by The Center for Family Services of PBC, Inc., to continue operations of the emergency homeless shelter contingent upon satisfactory completion of all standard due diligence investigations and receipt of appraisals valuing the property at not less than \$863,637 so that the \$950,000 purchase price is not more than 110% above appraised value.

Summary: The Center for Family Services ("CFS") acquired this property in 2001 and has operated an emergency homeless shelter specifically for families under the Responding to Emergencies and Altering the Crisis of Homelessness ("REACH") program. Recently, CFS discontinued its operations which were taken over by Adopt-A-Family of the Palm Beaches ("AAF"), a County Funded Agency pursuant to R2015-1436. AAF has been operating the Facility, which includes 19 apartment units and administrative offices, under a month to month lease with CFS while CFS has been marketing the property for sale. The lease provides AAF with a right of first refusal to purchase the Facility upon the same terms and conditions as offered by a 3rd party purchaser. CFS has entered into a contract for sale of the property for \$950,000 and has triggered AAF's right of first refusal. The Property Appraiser's assessed value is \$945,645. AAF is willing to continue to operate the REACH Program and to exercise its right of first refusal to purchase the Facility, conditioned upon the County agreeing to act as AAF's nominee, funding the purchase price and accepting title to the Facility. Staff will complete all standard due diligence, including appraisals, and Staff is recommending that the Board authorize the County Administrator, in the exercise of her reasonable discretion and upon condition that the appraisals value the Facility at not less than \$863,637, to enter into a contract for purchase of the Facility upon terms substantially equivalent to those contained in the Commercial Contract drafted for the 3rd party purchaser. Pursuant to the terms of the Commercial Contract, the County will be required to provide a deposit of \$95,000 which is refundable only if the due diligence investigations do not support the purchase. If the appraisal is not greater than \$863,637, Staff will return to the Board for direction on continuing with the purchase and if the BCC determines not to proceed with the purchase, the County will forfeit the deposit. Despite the potential risk associated with the loss of the deposit, Staff recommends proceeding due to: 1) the importance of having these units available as the last safety net for approximately 90 families annually; 2) \$95,000 being approximately equal to only 2 months of costs to the County for alternate emergency shelter accommodations in the event these units are not available; and 3) very small likelihood of replacing these units on a permanent basis for less than 18-24 months. In addition, PPM CW-L-023 requires Staff to disclose any procedural variation from the requirements of the PPM. The variations that apply here include; 1) the item not being placed on the agenda 14 days in advance of the meeting. This item must be approved by a **supermajority** vote (5 votes), and 2) the use of an alternate source selection - emergency as defined in the PPM. (Administration) Countywide/District 7 (HF)

Background & Policy Issues: (Continued on Page 3)

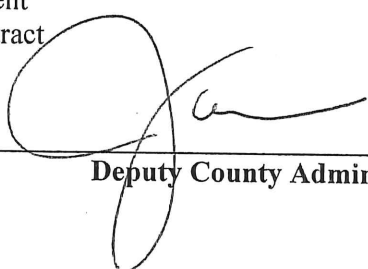
Attachments:

- 1. Location Map
- 2. Budget Transfer
- 3. Budget Amendment
- 4. Commercial Contract

Approved by: _____

Deputy County Administrator

Date



8/16/16

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Operating Costs	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
External Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Program Income (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
In-Kind Match (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET FISCAL IMPACT	<u>\$950,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included in Current Budget? Yes, With Budget Amendment No _____

Budget Account No: Fund _____ Department _____ Unit _____ Object _____

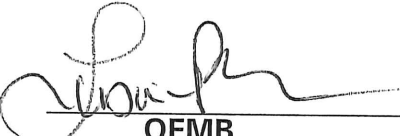
B. Recommended Sources of Funds/Summary of Fiscal Impact:

The Budget Amendment funds the maximum purchase price authorized by this item of \$950,000. In addition, up to \$25,000 will be spent from an approved project in the Capital Budget entitled Countywide-Land Acquisition which is for authorized for pre-purchase due diligence activities such as appraisals, surveys, title work, regulatory investigations and inspections. Currently the County is funding the rental payments to CFS in the monthly amount of \$5,547, which should be approximately equivalent to the costs the County will now have the obligation to fund for routine maintenance for the facility.

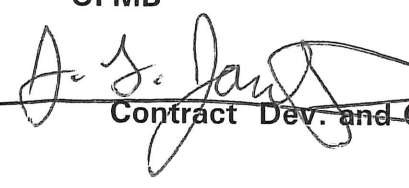
C. Departmental Fiscal Review:

III. REVIEW COMMENTS

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

 8/16/16

OFMB

 8/16/16

Contract Dev. and Control

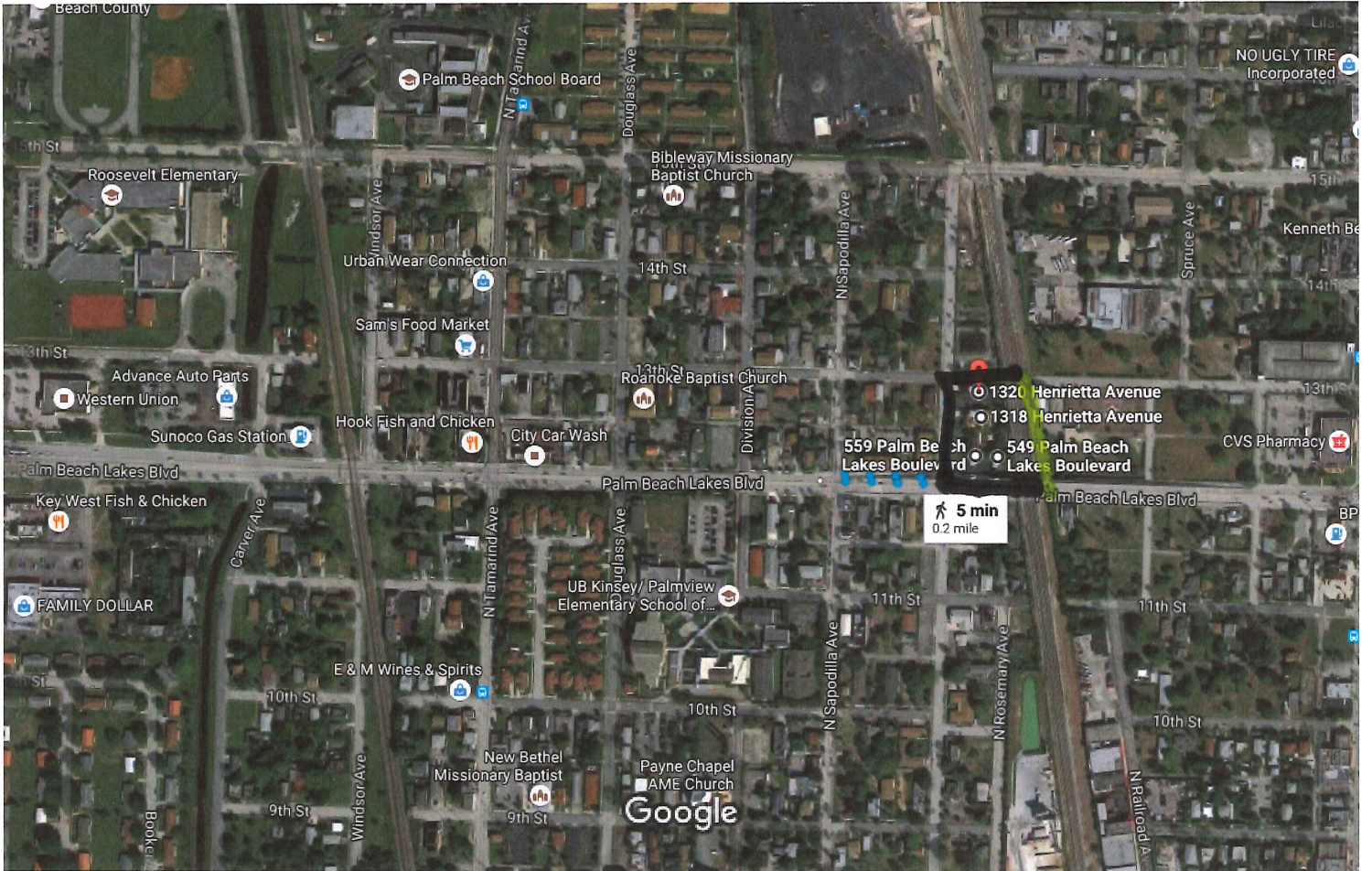
B. Legal Sufficiency:

 8/16/16

Assistant County Attorney

C. Other Department Review

Background & Policy Issues: (Continued from page 1) On May 28, 2016 the County was notified of CFS' intent to cease operations of the facility known as Pat Reeves Village. As a result, Staff reached out to the CFS Board of Directors, various funders, and area nonprofits that provide homeless services to develop a contingency plan that would allow the Facility, which is the only Palm Beach County shelter for homeless families with dependent children, to continue to operate. Community Services staff, in cooperation with CFS and AAF developed a transition plan for the Facility. On June 7, 2016, the Board approved a reallocation of funds from the 2016 Financially Assisted Agency program (FAA) for an initial month of continued operations. Upon notification that CFS could not recover its funding for the Facility, Staff returned to the Board on July 12th and obtained approval for the termination of the 2016 CFS FAA Contracts (R2015-1435, R2015-1439, and ESG contract R2015-1246) and an additional reallocation of funds and budget transfer to allow AAF to provide continued operations throughout the end of FY 2016. In addition, Staff obtained Board approval for additional budget funding to continue the operation of the Facility through FY 2017. AAF's operation of the facility has since been under a month to month lease with CFS while CFS has been marketing the property for sale. On Friday evening, August 12th, Staff was informed that CFS had secured a contract on the Facility with a 3rd party at the full asking price of \$950,000. The lease provides AAF with a right of first refusal to purchase it upon the same terms and conditions as offered by the third party purchaser.




16-1054

**BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET TRANSFER**

FUND 0001 - General Fund

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 08/16/16	REMAINING BALANCE
820-9900	9901 - General Fund Contingency	20,775,190	18,396,901		950,000	17,446,901		
820-9100	9204 - Transfer to Public Bldg Imp Fd	11,266,700	11,266,700	950,000		12,216,700		
	Total			950,000	950,000			

Facilities Development & Operations
INITIATING DEPARTMENT/DIVISION
 Administration/Budget Department Approval
 OFMB Department - Posted

Signatures	Date
	8/16/16

By Board of County Commissioners
 At Meeting of
8/16/2016
 Deputy Clerk to the
 Board of County Commissioners

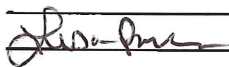
16-1053

**BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET AMENDMENT**

**PUBLIC BUILDING IMP FUND
3804**

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED 8/16/2016	REMAINING BALANCE
<u>REVENUES</u>								
800 9100	8000 Transfer from General Fund	11,266,700	11,266,700	950,000		12,216,700	0	
	Total Receipts and Balances	53,103,000	49,782,564	950,000	0	50,732,564		
<u>EXPENDITURES</u>								
<u>Henrietta/PBL Land</u>								
411 B625	6101 Land	0	0	950,000		950,000	0	
	Total Appropriations & Expenditure	53,103,000	49,782,564	950,000	0	50,732,564		

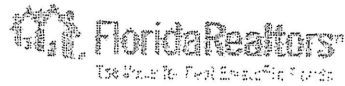
INITIATING DEPARTMENT/DIVISION
Facilities Development & Operations
Administration/Budget Department Approval
OFMB Department - Posted

Signatures	Date
	8/16/16

By Board of County Commissioners
At Meeting of 08/16/16

Deputy Clerk to the
Board of County Commissioners

Commercial Contract



1 1. PARTIES AND PROPERTY: 3900 Gwynn Oak, LLC ("Buyer")
 2 agrees to buy and Center for Family Services of Palm Beach County, Inc. ("Seller")
 3 agrees to sell the property as: Street Address: 1318 Henrietta Avenue, 1320 Henrietta Avenue, 549 Palm Beach
 4 Lakes Blvd. and 569 Palm Beach Lakes Blvd, West Palm Beach, FL 33401
 5 Legal Description: see attached
 6
 7 and the following Personal Property: all appliances, fixtures, personal properties remaining at the properties at the
 8 time of closing unless rejected by buyer
 9 (all collectively referred to as the "Property") on the terms and conditions set forth below.

10 2. PURCHASE PRICE: \$ 960,000.00
 11 (a) Deposit held in escrow by Sacs Sax Caplan P.L. \$ 95,000.00
 12 ("Escrow Agent") (checks are subject to actual and final collection)
 13 Escrow Agent's address: 6111 Broken Sound Parkway NW #200, Boca Raton FL 33487 Phone: 561-994-4499
 14 (b) Additional deposit to be made to Escrow Agent within _____ days after Effective Date \$ _____
 15 (c) Additional deposit to be made to Escrow Agent within _____ days after Effective Date \$ _____
 16 (d) Total financing (see Paragraph 6) \$ _____
 17 (e) Other cash offer with no financing contingency \$ 712,500.00
 18 (f) All deposits will be credited to the purchase price at closing. Balance to close, subject
 19 to adjustments and prorations, to be paid with locally drawn cashier's or official bank \$ 142,500.00
 20 check(s) or wire transfer.

21 3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPUTATION OF TIME: Unless this offer is signed by Seller
 22 and Buyer and an executed copy delivered to all parties on or before August 17, 2016, this offer will be
 23 withdrawn and the Buyer's deposit, if any, will be returned. The time for acceptance of any counter offer will be 3
 24 days from the date the counter offer is delivered. The "Effective Date" of this Contract is the date on which the
 25 last one of the Seller and Buyer has signed or initialed and delivered this offer or the final counter offer.
 26 Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5
 27 days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending
 28 on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. of the next business day. Time is of the
 29 essence in this Contract.

30 4. CLOSING DATE AND LOCATION:
 31 (a) Closing Date: This transaction will be closed on see line 311 (Closing Date), unless specifically
 32 extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but
 33 not limited to, Financing and Due Diligence periods. In the event insurance underwriting is suspended on Closing
 34 Date and Buyer is unable to obtain property insurance, Buyer may postpone closing up to 5 days after the
 35 insurance underwriting suspension is lifted.

Buyer (EB) and Seller (VW) acknowledge receipt of a copy of this page, which is Page 1 of 8 Pages.

37 (b) Location: Closing will take place in Palm Beach County, Florida. (If left blank, closing
38 will take place in the county where the property is located.) Closing may be conducted by mail or electronic means.

39 **F. THIRD PARTY FINANCING:**

40 **BUYER'S OBLIGATION:** Within _____ days (5 days if left blank) after Effective Date, Buyer will apply for third party
41 financing in an amount not to exceed _____% of the purchase price or \$ _____, with a fixed interest rate
42 not to exceed _____% per year with an initial variable interest rate not to exceed _____%, with points or commitment
43 or loan fees not to exceed _____% of the principal amount, for a term of _____ years, and amortized over _____
44 years, with additional terms as follows:

45 no financing contingency

46 Buyer will timely provide any and all credit, employment, financial and other information reasonably required by any
47 lender. Buyer will use good faith and reasonable diligence to (i) obtain Loan Approval within _____ days (45 days if
48 left blank) from Effective Date (Loan Approval Date), (ii) satisfy terms and conditions of the Loan Approval, and
49 (iii) close the loan. Buyer will keep Seller and Broker fully informed about loan application status and authorizes the
50 mortgage broker and lender to disclose all such information to Seller and Broker. Buyer will notify Seller immediately
51 upon obtaining financing or being rejected by a lender. CANCELLATION: If Buyer, after using good faith and
52 reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, Buyer may within _____ days (3 days if left
53 blank) deliver written notice to Seller stating Buyer either waives this financing contingency or cancels this Contract.
54 If Buyer does neither, then Seller may cancel this Contract by delivering written notice to Buyer at any time
55 thereafter. Unless this financing contingency has been waived, this Contract shall remain subject to the
56 satisfaction, by closing, of those conditions of Loan Approval related to the Property. DEPOSIT(S) (for purposes
57 of Paragraph 5 only): If Buyer has used good faith and reasonable diligence but does not obtain Loan
58 Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the
59 lender fails or refuses to close on or before the Closing Date without fault on Buyer's part, the Deposit(s) shall be
60 returned to Buyer, whereupon both parties will be released from all further obligations under this Contract, except for
61 obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract
62 as set forth above or Buyer fails to use good faith or reasonable diligence as set forth above, Seller will be entitled to
63 retain the Deposit(s) if the transaction does not close.

64 **G. TITLE:** Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty
65 deed other _____, free of liens, essements and encumbrances of record or
66 known to Seller, but subject to property taxes for the year of closing; covenants, restrictions and public utility
67 easements of record; existing zoning and governmental regulations; and (list any other matters to which title will be
68 subject) _____

69 provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the
70 Property as apartment rentals

72 (a) Evidence of Title: The party who pays the premium for the title insurance policy will select the closing agent
73 and pay for the title search and closing services. Seller will, at (check one) Seller's Buyer's expense and
74 within _____ days after Effective Date or at least 15 days before Closing Date deliver to Buyer (check one)
75 (I.) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be
76 discharged by Seller at or before Closing and, upon Buyer recording the deed, an owner's policy in the amount
77 of the purchase price for fee simple title subject only to exceptions stated above. If Buyer is paying for the
78 evidence of title and Seller has an owner's policy, Seller will deliver a copy to Buyer within 15 days after
79 Effective Date.

80 (II.) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an
81 existing firm. However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable
82 to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies
83 of all policy exceptions and an update in a format acceptable to Buyer from the policy effective date and
84 certified to Buyer or Buyer's closing agent together with copies of all documents recited in the prior policy and
85 in the update. If such an abstract or prior policy is not available to Seller then (I.) above will be the evidence of
86 title.

87 (b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller
88 of title defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or

89 Buyer (EB) (_____) and Seller (AK) (_____) acknowledge receipt of a copy of this page, which is Page 2 of 3 Pages.

90 (2) Buyer delivers proper written notice and Seller cures the defects within 5 days from receipt of the notice
91 ("Curative Period"). If the defects are cured within the Curative Period, closing will occur within 10 days from receipt
92 by Buyer of notice of such curing. Seller may elect not to cure defects if Seller reasonably believes any defect
93 cannot be cured within the Curative Period. If the defects are not cured within the Curative Period, Buyer will have
94 10 days from receipt of notice of Seller's inability to cure the defects to elect whether to terminate this Contract or
95 accept title subject to existing defects and close the transaction without reduction in purchase price.

96 (c) Survey: (check applicable provisions below)

97 (1.) Seller will, within 3 days from Effective Date, deliver to Buyer copies of prior surveys, plans,
98 specifications, and engineering documents, if any, and the following documents relevant to this transaction:
99 Copy of Current Lease, 12 months utility bills and any agreements that will survive closing
100 prepared for Seller or in Seller's possession, which show all currently existing structures. In the event this
101 transaction does not close, all documents provided by Seller will be returned to Seller within 10 days from the
102 date this Contract is terminated.

103 Buyer will, at Seller's Buyer's expense and within the time period allowed to deliver and examine title
104 evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals
105 encroachments on the Property or that the improvements encroach on the lands of another, Buyer will
106 accept the Property with existing encroachments such encroachments will constitute a title defect to be
107 cured within the Curative Period.

108 (d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

109 7. PROPERTY CONDITION: Seller will deliver the Property to Buyer at the time agreed in its present "as is"
110 condition, ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition.
111 Seller makes no warranties other than marketability of title. In the event that the condition of the Property has
112 materially changed since the expiration of the Due Diligence Period, Buyer may elect to terminate the Contract and
113 receive a refund of any and all deposits paid, plus interest, if applicable. By accepting the Property "as is", Buyer
114 waives all claims against Seller for any defects in the Property. (Check (a) or (b))

115 (a) As is: Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is"
116 condition.

117 (b) Due Diligence Period: Buyer will, at Buyer's expense and within 15 days from Effective Date ("Due
118 Diligence Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion, for Buyer's
119 intended use and development of the Property as specified in Paragraph 5. During the Due Diligence Period,
120 Buyer may conduct any tests, analyses, surveys and investigations ("Inspections") which Buyer deems necessary
121 to determine to Buyer's satisfaction the Property's engineering, architectural, environmental properties; zoning and
122 zoning restrictions; flood zone designation and restrictions; subdivision regulations; soil and grade; availability of
123 access to public roads, water, and other utilities; consistency with local, state and regional growth management and
124 comprehensive land use plans; availability of permits, government approvals and licenses; compliance with
125 American with Disabilities Act; absence of asbestos, soil and ground water contamination; and other inspections
126 that Buyer deems appropriate to determine the suitability of the Property for Buyer's intended use and
127 development. Buyer will deliver written notice to Seller prior to the expiration of the Due Diligence Period of
128 Buyer's determination of whether or not the Property is acceptable. Buyer's failure to comply with this notice
129 requirement will constitute acceptance of the Property in its present "as is" condition. Seller grants to Buyer, its
130 agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the
131 purpose of conducting inspections; provided, however, that Buyer, its agents, contractors and assigns enter the
132 Property and conduct inspections at their own risk. Buyer will indemnify and hold Seller harmless from losses,
133 damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any
134 person, arising from the conduct of any and all inspections or any work authorized by Buyer. Buyer will not engage
135 in any activity that could result in a mechanic's lien being filed against the Property without Seller's prior written
136 consent. In the event this transaction does not close, (1) Buyer will repair all damages to the Property resulting
137 from the inspections and return the Property to the condition it was in prior to conduct of the inspections, and
138 (2) Buyer will, at Buyer's expense release to Seller all reports and other work generated as a result of the
139 inspections. Should Buyer deliver timely notice that the Property is not acceptable, Seller agrees that Buyer's
140 deposit will be immediately returned to Buyer and the Contract terminated.

141 (e) Walk-through Inspection: Buyer may, on the day prior to closing or any other time mutually agreeable to the

142 Buyer (EB) () and Seller (JK) () acknowledge receipt of a copy of this page, which is Page 3 of 8 Pages.

142 parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and
144 to ensure that all Property is on the premises.

146 **8. OPERATION OF PROPERTY DURING CONTRACT PERIOD:** Seller will continue to operate the Property and any
148 business conducted on the Property in the manner operated prior to Contract and will take no action that would
147 adversely impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that
145 materially affect the Property or Buyer's intended use of the Property will be permitted only with Buyer's consent
148 without Buyer's consent.

150 **9. CLOSING PROCEDURE:** Unless otherwise agreed or stated herein, closing procedure shall be in accordance with
151 the norms where the Property is located.

152 (a) **Possession and Occupancy:** Seller will deliver possession and occupancy of the Property to Buyer at
153 closing. Seller will provide keys, remote controls, and any security/access codes necessary to operate all locks,
154 mailboxes, and security systems.

155 (b) **Costs:** Buyer will pay Buyer's attorneys' fees, taxes and recording fees on notes, mortgages and financing
156 statements and recording fees for the deed. Seller will pay Seller's attorneys' fees, taxes on the deed and
157 recording fees for documents needed to cure title defects. If Seller is obligated to discharge any encumbrance at or
158 prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.

159 (c) **Documents:** Seller will provide the deed; bill of sale; mechanic's lien affidavit; originals of those assignable
160 service and maintenance contracts that will be assumed by Buyer after the Closing Date and letters to each
161 service contractor from Seller advising each of them of the sale of the Property and, if applicable, the transfer of its
162 contract, and any assignable warranties or guarantees received or held by Seller from any manufacturer,
163 contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium
164 documents, if applicable; assignments of leases, updated rent roll; tenant and lender estoppels letters; tenant
165 subordination, non-disturbance and attornment agreements (SNDAs) required by the Buyer or Buyer's lender;
166 assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in
167 ownership/rental agent. If any tenant refuses to execute an estoppel letter, Seller will certify that information
168 regarding the tenant's lease is correct. If Seller is an entity, Seller will deliver a resolution of its Board of Directors
169 authorizing the sale and delivery of the deed and certification by the appropriate party certifying the resolution and
170 setting forth facts showing the conveyance conforms to the requirements of local law. Seller will transfer security
171 deposits to Buyer. Buyer will provide the closing statement, mortgages and notes, security agreements, and
172 financing statements.

173 (d) **Taxes and Prorations:** Real estate taxes, personal property taxes on any tangible personal property, bond
174 payments assumed by Buyer, interest, rents (based on actual collected rents), association dues, insurance
175 premiums acceptable to Buyer, and operating expenses will be prorated through the day before closing. If the
176 amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due
177 allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at request
178 of either party, be readjusted upon receipt of current year's tax bill; this provision will survive closing.

179 (e) **Special Assessment Liens:** Certified, confirmed, and ratified special assessment liens as of the Closing Date
180 will be paid by Seller. If a certified, confirmed, and ratified special assessment is payable in installments, Seller will
181 pay all installments due and payable on or before the Closing Date, with any installment for any period extending
182 beyond the Closing Date prorated, and Buyer will assume all installments that become due and payable after the
183 Closing Date. Buyer will be responsible for all assessments of any kind which become due and owing after Closing
184 Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially
185 completed as of the Closing Date but has not resulted in a lien before closing, Seller will pay the amount of the last
186 estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and
187 does not apply to condominium association special assessments.

188 (f) **Foreign Investment in Real Property Tax Act (FIRPTA):** If Seller is a "foreign person" as defined by FIRPTA,
189 Seller and Buyer agree to comply with Section 1445 of the Internal Revenue Code. Seller and Buyer will
190 complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply
191 with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or

192 Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is Page 4 of 8 Pages.

193 Social Security Numbers to the closing agent. If Buyer does not pay sufficient cash at closing to meet the
194 withholding requirement, Seller will deliver to Buyer at closing the additional cash necessary to satisfy the
195 requirement.

196 10. ESCROW AGENT: Seller and Buyer authorize Escrow Agent or Closing Agent (collectively "Agent") to
197 receive, deposit, and hold funds and other property in escrow and, subject to collection, disburse them in accordance
198 with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of
199 escrowed items to Seller or Buyer, unless the misdelivery is due to Agent's willful breach of this Contract or gross
200 negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option,
201 (a) hold the escrowed items until the parties mutually agree to its disbursement or until a court of competent
202 jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the clerk of
203 the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action,
204 Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If
205 Agent is a licensed real estate broker, Agent will comply with Chapter 475, Florida Statutes, in any suit in which Agent
206 interpleads the escrowed items or is made a party because of acting as Agent hereunder, Agent will recover
207 reasonable attorney's fees and costs incurred, with these amounts to be paid from and out of the escrowed items and
208 charged and awarded as court costs in favor of the prevailing party.

209 11. CURE PERIOD: Prior to any claim for default being made, a party will have an opportunity to cure any alleged
210 default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-
211 complying party specifying the non-compliance. The non-complying party will have 5 days (5 days if left blank) after
212 delivery of such notice to cure the non-compliance. Notice and cure shall not apply to failure to close.

213 12. RETURN OF DEPOSIT: Unless otherwise specified in the Contract, in the event any condition of this Contract is
214 not met and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit
215 will be returned in accordance with applicable Florida Laws and regulations.

216 13. DEFAULT:

217 (a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make
218 the title marketable after diligent effort, Buyer may either (1) receive a refund of Buyer's deposit(s) or (2) seek
219 specific performance. If Buyer elects a deposit refund, Seller will be liable to Broker for the full amount of the
220 brokerage fee.

221 (b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain
222 all deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the
223 execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek
224 specific performance. If Seller retains the deposit, Seller will pay the Brokers named in Paragraph 20 fifty percent
225 of all forfeited deposits retained by Seller (to be split equally among the Brokers) up to the full amount of the
226 brokerage fee. If Buyer fails to timely place a deposit as required by this Contract, Seller may either (1) terminate
227 the Contract and seek the remedy outlined in this subparagraph or (2) proceed with the Contract without waiving
228 any remedy for Buyer's default.

229 14. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the
230 prevailing party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable
231 attorneys' fees, costs, and expenses.

232 15. NOTICES: All notices will be in writing and may be delivered by mail, overnight courier, personal delivery, or
233 electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice,
234 document, or item given by or delivered to an attorney or real estate licensee (including a transaction broker)
235 representing a party will be as effective as if given by or delivered to that party.

236 16. DISCLOSURES:

237 (a) Commercial Real Estate Sales Commission Lien Act: The Florida Commercial Real Estate Sales
238 Commission Lien Act provides that a broker has a lien upon the owner's net proceeds from the sale of commercial
239 real estate for any commission earned by the broker under a brokerage agreement. The lien upon the owner's net

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241 proceeds is a lien upon personal property which attaches to the owner's net proceeds and does not attach to any
242 interest in real property. This lien right cannot be waived before the commission is earned.

243 (b) Special Assessment Liens Imposed by Public Body: The Property may be subject to unpaid special
244 assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such
245 liens, if any, shall be paid as set forth in Paragraph 9(e).

246 (c) Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in
247 sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that
248 exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon
249 and radon testing may be obtained from your county public health unit.

250 (d) Energy-Efficiency Rating Information: Buyer acknowledges receipt of the information brochure required by
251 Section 663.996, Florida Statutes.

252 17. RISK OF LOSS:

253 (a) If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, Seller will bear
254 the risk of loss and Buyer may cancel this Contract without liability and the deposit(s) will be returned to Buyer.
255 Alternatively, Buyer will have the option of purchasing the Property at the agreed upon purchase price and Seller
256 will credit the deductible, if any and transfer to Buyer at closing any insurance proceeds, or Seller's claim to any
257 insurance proceeds payable for the damage. Seller will cooperate with and assist Buyer in collecting any such
258 proceeds. Seller shall not settle any insurance claim for damage caused by casualty without the consent of the
259 Buyer.

260 (b) If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the
261 right of eminent domain, or proceedings for such taking will be pending or threatened, Buyer may cancel this
262 Contract without liability and the deposit(s) will be returned to Buyer. Alternatively, Buyer will have the option of
263 purchasing what is left of the Property at the agreed upon purchase price and Seller will transfer to the Buyer at
264 closing the proceeds of any award, or Seller's claim to any award payable for the taking. Seller will cooperate with
265 and assist Buyer in collecting any such award.

266 18. ASSIGNABILITY; PERSONS BOUND: This Contract may be assigned to a related entity, and otherwise is
267 not assignable is assignable. If this Contract may be assigned, Buyer shall deliver a copy of the assignment
268 agreement to the Seller at least 5 days prior to Closing. The terms "Buyer," "Seller" and "Broker" may be singular or
269 plural. This Contract is binding upon Buyer, Seller and their heirs, personal representatives, successors and assigns
270 (if assignment is permitted).

271 19. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between Buyer and Seller.
272 Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound.
273 Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated
274 electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or
275 typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract
276 is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be
277 construed under Florida law and will not be recorded in any public records.

278 20. BROKERS: Neither Seller nor Buyer has used the services of, or for any other reason owes compensation to,
279 a licensed real estate Broker other than:

280 (a) Seller's Broker: Rebel Cook Real Estate 3% Rebel Cook, Broker
281 (Company Name) (Licensee)
282 4621 PGA Blvd Box No. 262 561-622-8920 561-624-7030 rebelcook@rebelcook.com
283 (Address, Telephone, Fax, E-mail)

284 who is a single agent is a transaction broker has no brokerage relationship and who will be compensated
285 by Seller Buyer both parties pursuant to a listing agreement other (specify) _____
286 _____

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235 (b) Buyer's Broker: Merin Hunter Codman Inc. 3% Wendy Pierre, P.A.
236 (Company Name) (Licensee)
237 1601 Forum Plaza, Suite 200, WPE 33401 561-471-8000 wpiere@mhcrest.com
238 (Address, Telephone, Fax, E-mail)

239 who is a single agent is a transaction broker has no brokerage relationship and who will be compensated
240 by Seller's Broker Seller Buyer both parties pursuant to an MLS offer of compensation other (specify)

241 (collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to
242 inquiries, introductions, consultations, and negotiations resulting in this transaction. Seller and Buyer agree to
243 indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including
244 reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is
245 inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to
246 Paragraph 10, (3) any duty accepted by Broker at the request of Seller or Buyer, which is beyond the scope of
247 services regulated by Chapter 475, Florida Statutes, as amended, or (4) recommendations of or services provided and
248 expenses incurred by any third party whom Broker refers, recommends, or retains for or on behalf of Seller or Buyer.

249 21. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to
250 this Contract):

- | | | |
|---|--|---|
| <input type="checkbox"/> Arbitration | <input type="checkbox"/> Seller Warranty | <input type="checkbox"/> Existing Mortgage |
| <input type="checkbox"/> Section 1031 Exchange | <input type="checkbox"/> Coastal Construction Control Line | <input type="checkbox"/> Buyer's Attorney Approval |
| <input type="checkbox"/> Property Inspection and Repair | <input type="checkbox"/> Flood Area Hazard Zone | <input type="checkbox"/> Seller's Attorney Approval |
| <input type="checkbox"/> Seller Representations | <input type="checkbox"/> Seller Financing | <input type="checkbox"/> Other _____ |

251 22. ADDITIONAL TERMS:

- 252 Sale of subject property subject to First Right of Refusal with existing Tenant per Lease Agreement
253 Closing date shall be 30 days from end of Due Diligence and subject to First Right of Refusal of existing Tenant
254 Seller shall close all open permits and violations on the property if any
255 Seller has not received written notice from any governmental entity or agency as to currently uncorrected building
256 environmental or safety code violations
257 This contract is subject to partial release of cross-collateral lien by Valley National Bank, which shall be sought by
258 Seller upon expiration of the Due Diligence period
259 Buyer shall abide by the current lease agreement dated 7/1/16 and Seller shall not enter into any new lease
260 agreement or modify the current lease agreement dated as above
261 Sale of Property shall include all existing improvements, fixtures and appliances existing on the Property as
262 of the Effective Date.

263 THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE
264 ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL
265 FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE
266 PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE
267 EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR
268 REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER
269 ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL
270 REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER
271 REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF
272 THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS
273 AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE
274 AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

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334 Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other
335 party that such signatory has full power and authority to enter into and perform this Contract in accordance with its
336 terms and each person executing this Contract and other documents on behalf of such party has been duly authorized
337 to do so. 3900 Dwyer Oaks, LLC

338 By: Eli Brown, Managing Member
339

Date: 8/10/16

340
341 (Typed or Printed Name of Buyer)

Tax ID No: _____

342 Title: _____

Telephone: _____

343
344

Date: _____

345
346 (Typed or Printed Name of Buyer)

Tax ID No: _____

347 Title: _____

Telephone: _____

348 Buyer's Address for purpose of notice: _____

349 Facsimile: _____

Email: _____

350 Karen F. Hilo
351 (Karen F. Hilo)

Date: August 7, 2016 OK 8/12/16

352 Karen F. Hilo
353 (Typed or Printed Name of Seller)

Tax ID No: 59-1084179

354 Title: Interim CEO

Telephone: 651-616-1222

355
356

Date: _____

357
358 (Typed or Printed Name of Seller)

Tax ID No: _____

359 Title: _____

Telephone: _____

360 Seller's Address for purpose of notice: _____

361 Facsimile: _____

Email: _____

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