

ADDENDUM TO CONTRACT FOR SALE AND PURCHASE

SELLER: CITY OF DELRAY BEACH, FLORIDA

BUYER: DELRAY BEACH COMMUNITY LAND TRUST

PROPERTY ADDRESS: 108 NW 12th Avenue, Delray Beach, FL 33444

XV. RIDERS; ADDENDA; SPECIAL CLAUSES (Continued):

A. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"): The parties shall comply with the provisions of Internal Revenue Code Section 1445 and applicable Treasury Regulations issued thereunder. If the Seller is a U.S. person for Internal Revenue Code Section 1445 purposes, then on demand of the Buyer and prior to closing the Seller shall provide the Buyer with a certificate of non-foreign status in the manner provided in Treasury Regulations Section 1.1445-2. If the Seller provides the Buyer with such certificate, and if the Buyer is otherwise permitted to rely on such certificate under those Regulations, the Buyer shall not withhold under Internal Revenue Code Section 1445.

If the Seller is a 'foreign person' as defined by the Internal Revenue Code, the Buyer generally is required to withhold 10% of the gross sales price from the Seller at closing and to pay the withheld amount over to the Internal Revenue Service (IRS) unless an applicable exemption from withholding or a limitation on the amount to be withheld is available. To the extent that the cash to be paid over to the Seller at closing is insufficient to cover the Buyer's withholding obligation, the Seller shall provide to the Buyer at closing cash equal to such excess for purposes of making such withholding payment. If the Seller's federal income tax on the gain is less than the applicable withholding amount, the Seller may make advance application to the IRS for reduced withholding and, if granted, the Buyer shall withhold only the authorized reduced amount. If such ruling has not been received by closing, the parties at closing shall enter into an escrow agreement reasonably satisfactory to the Buyer and Seller pending receipt of the ruling, provided that at closing the Seller shall have the obligation to provide to the escrow agent from the closing proceeds (or from the Seller's other resources if necessary) cash equal to the maximum required withholding, with any excess withholding being refundable to the Seller upon receipt of a favorable ruling from the IRS.

Buyer and Seller understand that the IRS requires the Buyer and the Seller to have a U.S. federal taxpayer identification number and to supply that number on the foregoing forms. A foreign individual may acquire an International Taxpayer Identification Number for this purpose. Since it may take several weeks to receive the number after application and the IRS will not process these forms without the actual number, a party lacking a TIN is advised to apply immediately.

B. The Buyer shall have thirty (30) calendar days within which to conduct any and all feasibility studies and determinations relative to the suitability for the acquisition of the subject property by the Buyer and the Buyer reserves the express right to terminate this Contract at any time during said period for any reason or no reason, in Buyer's sole discretion, whereupon Buyer shall receive a full refund of all deposit monies paid hereunder. Buyer shall be granted reasonable access


to the premises to conduct such feasibility studies and determinations, including environmental assays, core drilling, surveys, soil sampling and other such testing.

C. This Contract is expressly contingent and conditioned upon the approval of the same by the City Commission of the City of Delray Beach.

D. Lead Warning Statement: Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase.

Seller has no knowledge of lead-based paint and/or lead based paint hazards in the housing.
Seller has no reports or records pertaining to lead-based paint and/or lead paint hazards in the housing.

Purchaser's Acknowledgement (initial):

- (a) _____ Purchaser has received copies of all information listed above.
- (b) _____ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home* 
- (c) _____ Purchaser has (check one below):
- (1) ☒ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (2) _____ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgement (initial):

- (d) _____ Agent has informed Seller of the Seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

E. With respect to Standard (A), if title is found defective, Seller may, but shall have no obligation, to render title marketable. In the event Seller does not render title marketable within thirty (30) days after the date of Buyer's notice to Seller advising the Seller of the defects in title, Buyer shall have the option of either cancelling this Contract and receiving a refund of the deposits paid, or to accept title as is and close.

F. With respect to Standard (O), if the Property is damaged by fire or other casualty before closing, Seller may elect to restore the Property, failing which, Buyer shall accept the physical condition of the Property as is or Buyer may cancel this Contract and receive a refund of its deposit.

G. Standard (S) is hereby deleted and the following is stated in its place: "If Buyer fails to perform the Contract within the time specified, Seller may cancel this Contract and be relieved of all obligations under the Contract or Seller may seek specific performance. If Seller fails to perform this Contract within the time specified, Buyer may elect to cancel this Contract and receive a return of Buyer's deposit, or Buyer may seek specific performance.

H. Buyer shall adhere to the City of Delray Beach, Local Housing Assistance Plan, Strategy E: Community Land Trust Homeownership, Sections a-h:

- a. Summary of Strategy: This strategy assists eligible first-time homebuyers with a deferred payment loan to be applied towards the principal reduction for the construction/acquisition of new/existing single-family homes within the Community Land Trust inventory.
- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019
- c. Income Categories to be served: Very-low, low- and moderate
- d. Maximum award: \$75,000
- e. Terms:
 1. Loan/deferred loan/grant: Deferred payment loan
 2. Interest Rate: 0%
 3. Term: 30 years (mortgage), 99 Years (land restriction)
 4. Forgiveness/Repayment: No forgiveness is applied. Repayment of the full loan award will be immediately due to the City at the end of the term or in the event any "qualifying event(s)" occur prior to expiration of the note.
 5. Default/Recapture: Qualifying Events shall be:
 - The Community Land Trust owner sells or transfers ownership of the property;
 - The unit is rented by homeowner without prior authorization from the Community Land Trust/City;
 - The unit is refinanced without prior authorization from the Community Land Trust/City;
 - The occupant fails to follow guidelines of the Community Land Trust/City.Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are repaid.
- f. Recipient Selection Criteria: In addition to serving an income eligible applicant as described in the Purchase Assistant Strategy, applicants must meet the following selection criteria and will be selected:
 - Applicants will be selected on a first qualified basis, first served basis
 - Must be first-time homebuyer(s), which is defined as one of the following:
 - someone who has not owned a home during the past three years;
 - a single parent who has been divorced and displaced within the 12-month period prior to time of application, and whose household includes

- children under the age of 18;
 - a displaced victim of domestic abuse within the 12-month period prior to time of application, and whose household includes children under the age of 18;
 - a person displaced as a result of a government action (other than eviction from public housing; and those who have special needs according to Chapter 67-37.002(13).
 - Must have a bank account
 - Applicants must contribute a minimum of 5% of the purchase price toward the transaction (out-of-pocket expenses are included in this calculation).
 - Applicant must have an accepted/approved contract for a home and have applied for a first mortgage with a lender.
 - The applicant must have attended and completed an approved homebuyer education course (i.e., at least four hours in length and conducted in a classroom setting) approved by the Neighborhood Services Division.
 - SHIP funds are reserved in the individual's name for a six-month period, provided that available SHIP funds remain.
- g. Sponsor/Developer Selection Criteria: Eligible sponsors will be selected via the City's Request for Proposal (RFP) process and must meet the following selection criteria:
- Designated 501(c)(3) non-profit organization under IRS guidelines;
 - Legally operating Community Land Trust within the jurisdiction of the City of Delray Beach;
 - Has demonstrated track record and production experience in the construction and delivery of affordable housing;
 - Operating non-profit in partnership with the City of Delray Beach to participate and further its goals in the delivery of affordable housing to the City's very-low, low and moderate-income households.
- h. Additional Information: The subsidy will be required to be excluded from the applicant's original purchase price in the re-sale formula and is to appear as a construction cost buy-down to maintain the unit's affordability in perpetuity for a period of ninety-nine (99) years.

I. Pursuant to the January 15, 2014, Interlocal Agreement and Multiparty Agreement for the Eagle Nest Program Project #3 at Atlantic High School Career Academy ("Interlocal Agreement") between the City of Delray Beach, the Delray Beach Community Redevelopment Agency ("CRA"), and the School Board of Palm Beach County, Buyer shall cause to be built a single-family residence using funds provided by the CRA. Upon completion of construction Buyer will resell the property and use the proceeds to first repay the CRA those funds used in the construction of the single-family residence in an amount not to exceed one hundred forty-three thousand four hundred eighty-four dollars and 91/100 (\$143,484.91). The Buyer shall second pay School Board of Palm Beach County ninety percent (90%) of the remaining funds, after sales cost and repayment to the CRA, up to seventy-three thousand three hundred sixty-three dollars and 58/100 (\$73,363.58) within seven days of reselling property to an eligible purchaser. Buyer shall third pay Seller ten percent (10%) of the remaining funds, after sales

costs and repayment to the CRA, up to eight thousand one hundred fifty-one dollars and 51/100 (\$8,151.51) within seven days of reselling property to an eligible purchaser. Buyer further agrees to comply with and be bound by all terms and conditions contained in the Interlocal Agreement.

DELRAY BEACH COMMUNITY LAND
TRUST, Buyer

By: 

Print Name: GARY P. ELIOPOULOS

Date: March 12, 2019

ATTEST:

CITY OF DELRAY BEACH, Seller

City Clerk

By: _____
Shelly Petrolia, Mayor