

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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FINANCE CORPORATION

MADISON GREEN APARTMENTS, LTD. (2003-119C)
(PROJECT NAME: MADISON GREEN APARTMENTS)

Petitioner,

vs.

Case No.: 2003-0045

FLORIDA HOUSING FINANCE CORPORATION,

Respondent.

PETITION FOR FORMAL
ADMINISTRATIVE HEARING

Petitioner, Madison Green Apartments, Ltd., ("Madison Green" or "the Applicant"), by and through its undersigned attorneys and pursuant to Sections 120.569 and 120.57(1), Florida Statutes (2002), and Rule 28-106.201 and Rule 67-48.005, Florida Administrative Code ("F.A.C."), hereby files its petition for a formal administrative hearing to review the scoring and proposed funding determination of the Florida Housing Finance Corporation ("FHFC" or "Corporation") with respect to the application/development submitted by Madison Green seeking an allocation of tax credits from the 2003 Universal Application Cycle ("2003 Cycle") funding batch.

1. Petitioner's name, address and telephone number are:

Madison Green Apartments, Ltd.
615 Crescent Executive Court
Suite 120
Lake Mary, Florida 32746
407-333-3233

2. The name, address and telephone number of Petitioner's representatives for service purposes during this proceeding are:

Michael G. Maida
J. Stephen Menton
Rutledge, Ecenia, Purnell & Hoffman, P.A.
215 S. Monroe Street, Ste. 420
P.O. Box 551
Tallahassee, FL 32302
850/681-6788

3. The name and address of the affected agency are:

Florida Housing Finance Corporation
227 N. Bronough Street
City Centre Building, Room 5000
Tallahassee, Florida 32301-1329

4. The FHFC administers the State Apartment Incentives Loan (SAIL) program, as provided in Sections 420.507 and 420.5087, Florida Statutes (2002). The SAIL program provides loans for entities constructing or rehabilitating affordable residential rental units for low income and/or very low income persons. The FHFC also administers the Low-Income Housing Tax Credit (HC) program, as provided in Section 420.5099, Florida Statutes (2002). The HC program provides tax credits for entities constructing or rehabilitating affordable residential rental units for low income and/or very low income persons. The Corporation allocates SAIL loans and HC tax credits through a combined competitive application process in accordance with Rule 67-48.004, F.A.C. Applicants compete for funding from limited allocations made from the program(s) during annual cycles. The applications are competitively ranked by program within set-aside categories.

5. In March 2003, Madison Green and many other entities submitted applications seeking an allocation of tax credits from the 2003 Cycle. Madison Green's application was assigned Application Scoring No. 2003-119C (the "Application").

6. In a Notice dated July 21, 2003, FHFC released its final scoring of the applications in the 2003 Cycle. The Applicant received the Notice on July 22, 2003 via overnight express mail. According to the Notice, Madison Green's Application received a final score of 66 points out of a possible 66 points. However, the Notice reflects the Corporation's decision that, because Madison Green allegedly failed to satisfy an application threshold requirement, its Application would not be entitled to an allocation of tax credits. Through this Petition, Madison Green challenges the conclusion that it is not entitled to an allocation of tax credits and seeks a determination that its Application satisfied the threshold requirements. Based upon the scoring of its Application, Madison Green will be entitled to an allocation of tax credits from the 2003 Cycle if it is successful in this Petition. Thus, Madison Green's substantial interests are subject to a determination in this proceeding.

7. The Corporation's July 21, 2003 Notice advised applicants of their right to contest the Corporation's scoring and threshold determinations regarding their applications. Under Rule 67-48.005, an applicant may petition for a formal hearing if the appeal involves disputed issues of material fact.

8. The following paragraphs provide more details regarding the application review and scoring process and the Corporation's erroneous determination that Madison Green's Application failed to satisfy a threshold requirement. As set forth below, the Corporation's analysis is flawed. The Corporation has not considered all of the documents and materials submitted by Madison Green,

including “cure” information submitted during the application review and scoring process. A proper and complete evaluation of all the documents submitted by Madison Green conclusively demonstrates the Application meets all threshold requirements and is entitled to an allocation of tax credits.

The Application Review and Scoring Process

9. An understanding of the application review and scoring process utilized by the Corporation is necessary in order to place the issues raised by this Petition in context. The Corporation’s scoring and evaluation process for SAIL and HC applications is set forth in Rule 67-48.004, F.A.C. Under that Rule, the applications are preliminarily scored based upon factors contained in the application package and the Corporation’s rules. After scoring, the Corporation issues preliminary scores to all applicants.

10. Following release of the preliminary scores, competitors can alert the Corporation of an alleged scoring error concerning another application by filing a written Notice of Possible Scoring Error (“NOPSE”) within a specified time frame. Because there is a great deal of competition between applicants seeking funding through the SAIL and HC programs, the applications are closely scrutinized during the NOPSE process. After the Corporation considers issues raised in a timely filed NOPSE, it notifies the affected applicant of its decision.

11. Applicants have an opportunity to submit “additional documentation, revised pages and such other information as the [a]pplicant deems appropriate to address the issues” raised by preliminary or NOPSE scoring. See, Rule 67-48.004(6), F.A.C. In other words, applicants can “cure” errors or omissions in their applications pointed out during preliminary scoring or raised by a competitor during the NOPSE process.

12. After affected applicants submit their “cure” documentation, competitors can file a Notice of Alleged Deficiencies (“NOAD”) challenging the quality or validity of a “cure.” Following the Corporation’s consideration of the cure materials submitted by the affected applicants and its review of the issues raised in the NOADs, the Corporation publishes final scores for all the submitted applications.¹

13. In addition to the competitive scoring process, in order to obtain funding or an allocation of tax credits, an application must satisfy certain threshold requirements. One of the threshold requirements for all applicants in the 2003 Cycle was to demonstrate that they had “site control” over the location of the proposed property. In other words, an applicant was required to demonstrate that it owned the project location or had a valid, binding contract to purchase the property.

The Madison Green Application

14. As noted above, the Madison Green Application received the maximum available points in the Final Scoring of the applications. However, in the Final Scoring Summary issued on July 21, the Corporation erroneously concluded that Madison Green had failed to demonstrate site control and hence had failed to satisfy threshold requirements. See attached Exhibit A. There are multiple reasons why the Corporation’s determination regarding the Application’s compliance with threshold requirements is wrong and should be reversed. The Corporation has failed to recognize that

¹The Corporation issues scores in two different categories: Total Points and Proximity Tie-Breaker Points. Total Points are based upon the Corporation’s scoring of substantive information provided by an applicant. Proximity Tie-Breaker Points are based upon the proximity of the proposed development to various services, such as grocery stores, public transportation, and medical facilities. The number of points awarded in a particular tie-breaker category depends on how close the designated service is to the development. An applicant’s tie-breaker point total increases the closer the services are to the development.

the documents submitted with the original Application conclusively demonstrated that Madison Green had control over the project site. Moreover, the Corporation disregarded relevant “cure” material that confirmed the Applicant had site control. This cure material was apparently not considered because a one-page exhibit to the clarification materials was not marked “revised.” The Corporation failed to recognize that the exhibit in question was a redundant delineation of the legal description of the project site which could be discerned from the original materials submitted with the Application. The legal description of the project site was not in fact revised and the Cure materials simply clarified the legal effect of the documents submitted with the original Application. The bottom line is that Madison Green clearly demonstrated in its Application as well as in its Cure materials that it had control over the project site. Thus, the Corporation’s contrary conclusion should be reversed.

15. The issue of site control for the Madison Green Application first arose during the preliminary scoring phase for the 2003 Cycle. In the Preliminary Scoring, the Corporation indicated that the Application failed to adequately demonstrate site control. See the 2003 Preliminary Scoring Summary for the Application attached hereto as Exhibit B. In addition, competitors filed NOPSE’s against the Application questioning whether the Applicant demonstrated site control.

16. In response to the preliminary scoring and NOPSEs, Madison Green submitted as a “cure” a Confirmation and Reaffirmation as to Purchase and Sale Agreement, as Amended (a copy of this “Confirmation Agreement” is attached as Exhibit C).

17. The Confirmation Agreement was submitted to clarify the binding effect and scope of the real estate documents that had been submitted as part of the initial Application. In the original submittal, the Applicant provided a copy of a Purchase and Sale Agreement dated May 8, 2001 (the

“Purchase Contract”) which covered approximately 20 acres of land in Flagler County which was described on Exhibit A to the Purchase Contract. That legal description included the east half of a specifically described tract in Flagler County. See attached Exhibit D, which is a composite of the documents submitted with the initial Application.²

18. Also included with the initial Application was a First Amendment to Purchase and Sale Agreement dated April 5, 2002 (the “First Amendment”). In the recitations on the first page of that First Amendment, the complete legal description for the entire 20 acres covered by the original Purchase Contract is set forth. Paragraph 2 of the First Amendment specifically states that the eastern 12.93 acres of the detailed property was to be included in the first phase being acquired by the purchaser. A copy of the First Amendment is included as part of Exhibit D.

19. As discussed below, Exhibits A and A-1 were omitted from the copy of the First Amendment submitted with the original Application. These documents were the legal description and site plan for the property. However, from the text of the Purchase Contract and the First Amendment, the property that was the subject of the agreement can be readily identified without reference to the Exhibits. Exhibit A contains nothing more than the words “the Easterly 12.93 acres of” inserted before the legal description from the Purchase Contract. As noted above, that full legal description is set forth in the text of the First Amendment.

20. The Cure that was submitted by the Applicant was not intended to change in any way the real property that was being purchased. Instead, it was simply intended to clarify the intent of the parties which could be discerned from the face of the documents themselves. Attached hereto

²The initial Application also included a copy of a Second Amendment to the Purchase Contract as well as an assignment of the Purchase Contract to the Applicant.

as Exhibit E is a legal opinion from N. Dwayne Gray, Jr. of the law firm of Greenspoon, Marder, Hirschfeld, Rafkin, Ross and Berger which confirms that, even without considering Exhibits A and A-1 of the First Amendment, the documents submitted with the original Application reflected a valid, binding agreement between the parties and provided a sufficient basis for the Applicant to seek specific performance of the Purchase Contract and First Amendment as it related to the project site. Thus, without even considering Exhibits A and A-1, the materials submitted with the original Application demonstrated site control over the property.

21. In accordance with the instructions contained in the application form, Madison Green included a Brief Statement of Explanation (the "Statement") regarding its Cure. This Statement was placed immediately in front of the Cure as required by the application instructions and explained that:

The copy of the April 15, 2002 first Amendment to the Purchase and Sale Agreement submitted as Exhibit 27 to the Application was missing Exhibit A (which is the legal description for the 12.93 +/- acre site) and Exhibit A-1.

We have provided as a cure copies of Exhibit A and Exhibit A-1, which are confirmed by the land seller and the Applicant as true, correct and complete in Section 2 of the attached Confirmation and Reaffirmation As To Purchase and Sale Agreement, As Amended. The Exhibit A and Exhibit A-1 should be attached to the First Amendment to the Purchase and Sale Agreement in Exhibit 27 to the Application.

See attached Exhibit F.

22. The Confirmation Agreement submitted as the Cure unequivocally confirmed that Madison Green has site control over the proposed development site. The seller certified in the text of the Confirmation Agreement (which conformed with all of the rule requirements) that the subject property, the legal description of which was incorporated by reference, was under the control of

Madison Green. There can be no legitimate issue or dispute that the Cure materials verified site control by the Applicant.

23. In the Final Scoring Summary released after consideration of the cures submitted by the applicants, the Corporation reiterated the position taken in the Preliminary Scoring Summary that Madison Green had not met threshold requirements because it failed to demonstrate site control. In reaching this conclusion, the Corporation not only failed to fully consider all of the documents submitted with the original Application (which created a valid, binding agreement with respect to the subject property as set forth in the legal opinion attached hereto as Exhibit E), the Corporation also refused to consider the Confirmation Agreement submitted as a Cure by the Applicant. The only basis for the Corporation's determination that the Madison Green Cure material did not satisfy threshold requirements was an alleged failure to comply with a provision in the Rule that amended material was to be marked "revised." The Corporation apparently refused to consider the Cure material submitted by the Applicant because "revised" was only hand printed on the Confirmation Agreement and one of the two exhibits to the Agreement.³ The notation "revised" was not made on Exhibit A to the Confirmation Agreement, which is the legal description referenced in the text of the Confirmation Agreement. In other words, the correct legal description was attached to and incorporated by reference into the Agreement, but it was not marked "revised." This conclusion erroneously elevates form over substance. The Confirmation Agreement unequivocally confirms that Madison Green has satisfied the purpose of the threshold requirements because it has demonstrated control over the project site. The exact legal description of the property covered by

³The Confirmation Agreement included two one-page exhibits which were specifically identified in the Agreement.

the real estate contracts could be discerned from any of a variety of sources. By referencing and incorporating the original Purchase Contract and the First Amendment, which contained the legal description in the body of the document, as well as the attached Exhibit A, the legal description was made an integral part of the Agreement as if fully set forth in the instrument.

24. Stamping or failing to stamp “revised” on a particular exhibit that is incorporated by reference into an agreement does not give the applicant a competitive advantage and any purported error was de minimis and inconsequential. In Robinson Electric Company, Inc. v. Dade County, 417 So.2d 1032 (3rd DCA 1982), the court recognized that not every deviation from the strict requirements of a bid solicitation is material. In order to accomplish the goals of competitive bidding, a governmental entity can waive irregularities in order to effectuate the purpose of the competitive process. See also, Tropabest Foods v. Department of General Services, 493 So.2d 50 (1st DCA 1986).

25. The provision requiring amended material to be marked “revised” was inserted in the Rule during the 2001 Cycle when competitors had to review hard copies of the applications at the Corporation’s office. As originally contemplated, revised material submitted as part of a cure was to be inserted into the original and copies of an application during the review process⁴. The reason for marking the pages of a cure “revised” was simply to ensure that the Corporation and competitors seeking to challenge the supplementary material would be able to distinguish between the original material submitted with the application from any material submitted as part of an applicant’s cure.

⁴ Since 2001 Applicants have been required to submit an original and three copies of an application in securely bound three ring binders. See, Rule 67-48.004(4) F.A.C.

26. However, during the 2003 Cycle the Corporation did not insert the “revised” material into an original application. Rather, applicants were required to submit cure material in separate three ring binders which remained apart from the original application throughout the NOPSE, NOAD and scoring process.⁵ Moreover, during the 2003 Cycle all original application material was scanned into the Corporation’s database and was available for review on the Corporation’s 2003 Cycle web site. When cure material was submitted, the documents were also scanned into the Corporation’s database and were available for review in a separate section of the Corporation’s web page. Thus, throughout the 2003 Cycle, the supplementary material remain separate and distinguishable from the original application. There could not be any possible confusion between the original material submitted and the supplementary cure material. Therefore, there is no reason to impose a hyper-technical interpretation of the labeling requirements.

27. Pursuant to the Corporation’s rules for the 2003 Cycle, “[p]ages of Application that are not revised or otherwise changed may not be resubmitted . . .” See, Rule 67-48.004(11), F.A.C. Applicants are therefore prohibited from submitting additional information unless that information is being used to amend the original application. In this case, the legal description of the subject property never changed and marking the legal description “revised” would potentially create further confusion and ambiguity.

28. As set forth in the legal opinion attached as Exhibit E, the documents submitted with the original Application demonstrate that the Applicant had a valid, enforceable agreement with respect to the project site. The Cure submitted by Madison Green did not seek to change the property description. The Cure simply reaffirmed that all of the parties to the real estate contracts

⁵In fact, it does not appear the contemplated insertion was done in prior cycles either.

intended and understood the Applicant had control over the project site. The Corporation's conclusion that Madison Green had not met threshold requirements because it did not demonstrate site control is simply wrong.

DISPUTED ISSUES OF MATERIAL FACT AND LAW

29. Specific disputed issues of material fact and law in this proceeding include, but are not limited to the following:

- a. Whether Madison Green satisfied the threshold requirements of the application;
- b. Whether Madison Green's Application and/or the Cure documents it submitted demonstrated that the Applicant had site control over the property;
- c. Whether the Corporation erred in its evaluation and scoring of Madison Green's 2003 Application;
- d. Whether the Corporation evaluated and scored Madison Green's 2003 Application in a manner different than the manner in which the Corporation evaluated and scored minor errors for other applicants in this Cycle;
- e. Whether the Corporation scored the Application in an arbitrary and capricious manner; and
- f. Whether failing to mark "revised" on an exhibit that has been incorporated by reference into a cure document gave Madison Green a competitive advantage over other applicants.

ULTIMATE FACTS AND LAW

30. As a matter of ultimate fact and law, Madison Green states that its Application should have been deemed to have satisfied threshold requirements and, therefore, based on its score, Madison Green was entitled to an allocation of tax credits from the 2003 Cycle.

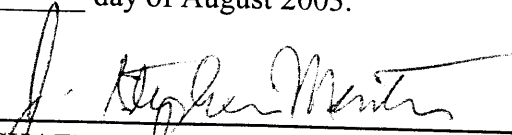
STATUTES AND RULES AT ISSUE IN THIS PROCEEDING

31. The statutes and rules at issue in this proceeding include, but are not limited to, Section 420.5099, Florida Statutes (2002); Rule 28-106.201, Florida Administrative Code; Rule 67-48.004, Florida Administrative Code; and Rule 67-48.005, Florida Administrative Code.

WHEREFORE, Petitioner Madison Green respectfully requests that:

- a. Florida Housing Finance Corporation refer this Petition to the Division of Administrative Hearing for the assignment of an Administrative Law Judge;
- b. A formal administrative hearing be conducted pursuant to Section 120.57(1), Florida Statutes (2002), to review the Corporation's determination regarding the Madison Green Application's compliance with threshold requirements;
- c. Recommended and final orders be issued determining that Madison Green satisfied the threshold requirements; and
- d. Such further relief as may be deemed appropriate be granted.

RESPECTFULLY SUBMITTED this 12 day of August 2003.



MICHAEL G. MAIDA
FL BAR No.: 0435945
J. STEPHEN MENTON
FL BAR No: 331181
Rutledge, Ecenia, Purnell & Hoffman, P.A.
215 S. Monroe Street, Ste. 420
P.O. Box 551
Tallahassee, FL 32302
850/681-6788

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that an original and one copy of the foregoing have been filed with Corporation Clerk, Florida Housing Finance Corporation, 227 N. Bronough Street, Suite 5000, Tallahassee, Florida, 32301-1329, on this 12 day of August 2003.



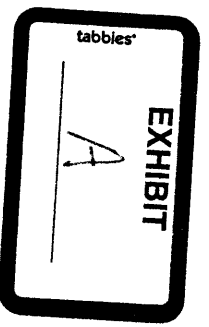
MICHAEL G. MAIDA

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As of: 07/17/2003

File # 2003-119C

2003 MMRB, SAIL & HC Scoring Summary



Development Name: Madison Green Apartments

As Of:	Total Points	Met Threshold?	Proximity Tie-Breaker Points	Corporation Funding per Set-Aside Unit	SAIL Request Amount as Percentage of Development Cost	Is SAIL Request Amount Equal to or Greater than 10% of Total Development Cost?
07 - 17 - 2003	66	N	7.5	\$43,945.31	%	N
Preliminary	66	N	7.5	\$43,945.31	%	N
NOPSE	61	N	7.5	\$43,945.31	%	N
Final	66	N	7.5	\$43,945.31	%	N
Post-Appeal	0	N	0			

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Post-Appeal
Optional Features & Amenities									
1S	III	B	2.a.	New Construction	9	9	9	9	0
1S	III	B	2.b.	Rehabilitation/Substantial Rehabilitation	9	0	0	0	0
2S	III	B	2.c.	All Developments Except SRO	12	12	12	12	0
2S	III	B	2.d.	SRO Developments	12	0	0	0	0
3S	III	B	2.e.	Energy Conservation Features	9	9	9	9	0
Set-Aside Commitments									
4S	III	E	1.b.	Commitment to Serve Lower AMI	5	5	5	5	0
5S	III	E	1.c.	Total Set-Aside Commitment	3	3	3	3	0
6S	III	E	3.	Affordability Period	5	5	5	5	0
Resident Programs									
7S	III	F	1.	Programs for Non-Elderly & Non-Homeless	6	6	6	6	0
7S	III	F	2.	Programs for Homeless (SRO & Non-SRO)	6	0	0	0	0
7S	III	F	3.	Programs for Elderly	6	0	0	0	0
8S	III	F	4.	Programs for All Applicants	8	8	8	8	0
Local Government Support									
9S	IV		a.	Contributions	5	5	0	5	0
10S	IV		b.	Incentives	4	4	4	4	0

As of: 07/17/2003

2003 MMRB, SAIL & HC Scoring Summary

File # 2003-119C

Development Name: Madison Green Apartments

Reason(s) Scores Not Maxed:

Item #	Reason(s)	Created As Result of	Rescinded as Result of
9S	\$20,000 grant expires prior to December 31, 2003, and therefore, it cannot be counted as a Local Government Contribution.	NOPSE	Final

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
1T	III	C	2	Site Control	The April 5, 2002, First Amendment to the May 8, 2001, Purchase and Sale Agreement, which divides the 21.06 acre property into two parcels: 12.93 acres +/- (Phase I property which is the subject of this Application) and 8.13 acres (possible Phase II property), is incomplete. Item 2 of the First Amendment references an attached Exhibit A and Exhibit A-1; however, neither exhibit was provided in the Application. Additionally, a legal description for the 12.93 +/- acre Development site which is the subject of this Application has not been provided.	Preliminary	
2T	V	E		PNC Construction/Term loan Commitment for \$4,100,000	Loan commitments must state an interest rate in order to be scored firm. The PNC loan commitment does not clearly and absolutely state the interest rate for the term loan but states "...shall have a pre-committed fixed rate of interest per annum (the "Note Rate") as established at the Construction Loan closing by Lender." Therefore, the loan is not counted as firm or a source of financing.	Preliminary	Final
3T	V	E		Columbia Housing Equity Commitment	The equity commitment was conditioned upon the PNC loan commitment dated March 31, 2003. Florida Housing found the PNC loan commitment not to be firm and therefore, the equity commitment, which is conditioned upon the loan, is not firm and is not a source of financing.	Preliminary	Final
4T	V	B		Construction Financing Analysis	Sources must equal or exceed uses. There is a construction financing shortfall of \$9,162,891.	Preliminary	NOPSE
5T	V	B		Permanent Financing Analysis	Sources must equal or exceed uses. There is a permanent financing shortfall of \$9,162,891.	Preliminary	NOPSE
6T	V	B		Construction Financing	Sources must equal or exceed uses. There is a construction financing shortfall of \$9,182,891.	NOPSE	Final
7T	V	B		Permanent Financing Analysis	Sources must equal or exceed uses. There is a permanent financing shortfall of \$9,182,891.	NOPSE	Final
8T	III	C	2	Site Control	In its 2002 Application for this Development, the Applicant provided the following documentation to demonstrate Site Control: 5/8/01 Purchase & Sale Agreement (Seller - David Gibbs and Judith Gibbs as Trustees of the Judith Gibbs Revocable Trust Agreement and Purchaser - Wendover Housing Partners, Inc.), 4/5/02 First Amendment (Seller - David Gibbs and Judith Gibbs as Trustees of the Judith Gibbs Revocable Trust Agreement and Purchaser - Wendover Housing Partners, Inc.), and	NOPSE	

As of: 07/17/2003

File # 2003-119C

Development Name: Madison Green Apartments

2003 MMRB, SAIL & HC Scoring Summary

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
9T	III	C	2	Site Control	4/11/02 Assignment (Assignor - Wendover Housing Partners, Inc. and Assignee - Madison Green Apartments, Ltd.). In its 2003 Application for this Development, the Applicant provided the following documentation to demonstrate Site Control: 5/8/01 Purchase & Sale Agreement (Seller - David Gibbs and Judith Gibbs as Trustees of the Judith Gibbs Revocable Trust Agreement and Purchaser - Wendover Housing Partners, Inc.), 4/5/02 First Amendment (Seller - David Gibbs and Judith Gibbs as Trustees of the Judith Gibbs Revocable Trust Agreement and Purchaser - Wendover Housing Partners, Inc.), 12/16/02 Second Amendment (Seller - Judith Gibbs as Sole Trustee of the Judith Gibbs Revocable Trust Agreement and Purchaser - Wendover Housing Partners, Inc.), and 4/4/03 Assignment (Assignor - Wendover Housing Partners, Inc. and Assignee - Madison Green Apartments, Ltd.). The 4/11/02 Assignment in the 2002 Application precedes the 12/16/02 Second Amendment in the 2003 Application. The parties to the Second Amendment are a different Seller (Judith Gibbs as Sole Trustee) and the original Purchaser (Wendover Housing Partners, Inc.) not the Assignee (Madison Green Apartments, Ltd.). No documentation has been provided to demonstrate that the original 4/11/02 Assignment has been revoked.	NOPSE	
10T	V	E		Local Government Grant	The 4/11/02 Assignment in the 2002 Application precedes the 12/16/02 Second Amendment in the 2003 Application. The parties to the Second Amendment are a different Seller (Judith Gibbs as Sole Trustee) and the original Purchaser (Wendover Housing Partners, Inc.) not the Assignee (Madison Green Apartments, Ltd.). No documentation has been provided to explain the change in the Seller from David Gibbs and Judith Gibbs as Trustees, to Judith Gibbs as Sole Trustee. See also Item 8T above.	NOPSE	Final

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available	Preliminary	NOPSE	Final	Post-Appeal
1P	III	A	11.b.(1)	Grocery Store	1.25	1.25	1.25	1.25	0
2P	III	A	11.b.(2)	Public School	1.25	1.25	1.25	1.25	0
3P	III	A	11.b.(3)	Medical Facility	1.25	0	0	0	0
4P	III	A	11.b.(4)		1.25	1.25	1.25	1.25	0

As of: 07/17/2003

File # 2003-119C

2003 MMRB, SAIL & HC Scoring Summary

Development Name: Madison Green Apartments

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available	Preliminary	NOPSE	Final	Post-Appeal
5P	III	A	11 b (5)	Pharmacy					
				Public Bus Stop or Metro-Rail Stop	1.25	0	0	0	0
6P	III	A	11 c.	Proximity to Developments on FHFC Development Proximity List	3.75	3.75	3.75	3.75	0

Additional Application Comments:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result	Rescinded as Result
1C	III	C	2	Site Control	Applicant attempted to cure Items 1T, 8T and 9T. The cure cannot be considered because all pages were not marked "revised" as required by Rule 67-48.004(6), F.A.C.	Final	

As of: 05/12/2003

2003 MMRB, SAIL & HC Scoring Summary

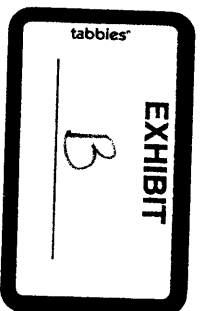
File # 2003-119C

Development Name: Madison Green Apartments

As Of:	Total Points	Met Threshold?	Proximity Tie-Breaker Points	Corporation Funding per Set-Aside Unit	SAIL Request Amount as Percentage of Development Cost	Is SAIL Request Amount Equal to or Greater than 10% of Total Development Cost?
05 - 12 - 2003	66	N	7.5	\$43,945.31	%	N
Preliminary	66	N	7.5	\$43,945.31	%	N
NOPSE	0	N	0		0	
Final	0	N	0		0	
Post-Appeal	0	N	0		0	

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Post-Appeal
Optional Features & Amenities									
1S	III	B	2.a.	New Construction	9	9	0	0	0
1S	III	B	2.b.	Rehabilitation/Substantial Rehabilitation	9	0	0	0	0
2S	III	B	2.c.	All Developments Except SRO	12	12	0	0	0
2S	III	B	2.d.	SRO Developments	12	0	0	0	0
3S	III	B	2.e.	Energy Conservation Features	9	9	0	0	0
Set-Aside Commitments									
4S	III	E	1.b.	Commitment to Serve Lower AMI	5	5	0	0	0
5S	III	E	1.c.	Total Set-Aside Commitment	3	3	0	0	0
6S	III	E	3.	Affordability Period	5	5	0	0	0
Resident Programs									
7S	III	F	1.	Programs for Non-Elderly & Non-Homeless	6	6	0	0	0
7S	III	F	2.	Programs for Homeless (SRO & Non-SRO)	6	0	0	0	0
7S	III	F	3.	Programs for Elderly	6	0	0	0	0
8S	III	F	4.	Programs for All Applicants	8	8	0	0	0
Local Government Support									
9S	IV		a.	Contributions	5	5	0	0	0
10S	IV		b.	Incentives	4	4	0	0	0



As of: 05/12/2003

2003 MMRB, SAIL & HC Scoring Summary

File # 2003-119C

Development Name: Madison Green Apartments

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
1T	III	C	2	Site Control	The April 5, 2002, First Amendment to the May 8, 2001, Purchase and Sale Agreement, which divides the 21.06 acre property into two parcels: 12.93 acres +/- (Phase I property which is the subject of this Application) and 8.13 acres (possible Phase II property), is incomplete. Item 2 of the First Amendment references an attached Exhibit A and Exhibit A-1; however, neither exhibit was provided in the Application. Additionally, a legal description for the 12.93 +/- acre Development site which is the subject of this Application has not been provided.	Preliminary	
2T	V	E		PNC Construction/Term loan Commitment for \$4,100,000	Loan commitments must state an interest rate in order to be scored firm. The PNC loan commitment does not clearly and absolutely state the interest rate for the term loan but states "...shall have a pre-committed fixed rate of interest per annum (the "Note Rate") as established at the Construction Loan closing by Lender." Therefore, the loan is not counted as firm or a source of financing.	Preliminary	
3T	V	E		Columbia Housing Equity Commitment	The equity commitment was conditioned upon the PNC loan commitment dated March 31, 2003. Florida Housing found the PNC loan commitment not to be firm and therefore, the equity commitment, which is conditioned upon the loan, is not firm and is not a source of financing.	Preliminary	
4T	V	B		Construction Financing Analysis	Sources must equal or exceed uses. There is a construction financing shortfall of \$9,162,891.	Preliminary	
5T	V	B		Permanent Financing Analysis	Sources must equal or exceed uses. There is a permanent financing shortfall of \$9,162,891.	Preliminary	

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available	Preliminary	NOPSE	Final	Post-Appeal
1P	III	A	11.b.(1)	Grocery Store	1.25	1.25	0	0	0
2P	III	A	11.b.(2)	Public School	1.25	1.25	0	0	0
3P	III	A	11.b.(3)	Medical Facility	1.25	1.25	0	0	0
4P	III	A	11.b.(4)	Pharmacy	1.25	0	0	0	0
5P	III	A	11.b.(5)	Public Bus Stop or Metro-Rail Stop	1.25	1.25	0	0	0
6P	III	A	11.c.	Proximity to Developments on FHFC Development Proximity List	3.75	3.75	0	0	0

REUSED

CONFIRMATION AND REAFFIRMATION
AS TO
PURCHASE AND SALE AGREEMENT,
AS AMENDED

THIS CONFIRMATION AND REAFFIRMATION AS TO PURCHASE AND SALE AGREEMENT, AS AMENDED (the "Confirmation and Reaffirmation"), is entered into effective as of the 4th day of April, 2003, by and between JUDITH GIBBS, AS SOLE TRUSTEE OF THE JUDITH GIBBS REVOCABLE TRUST AGREEMENT DATED JULY 19, 1995, ("Seller") and MADISON GREEN APARTMENTS, LTD., a Florida limited partnership ("Purchaser").

WITNESSETH

WHEREAS, Seller and Wendover Housing Partners, Inc., a Florida corporation, ("Wendover") entered into that certain Purchase and Sale Agreement dated May 8, 2001, by and between Seller and Wendover Housing Partners, Inc., as the original Purchaser, as amended by that certain First Amendment to Purchase and Sale Agreement dated April 5, 2002, executed by and between Seller and Wendover, and that certain Second Amendment to Purchase and Sale Agreement dated December 10, 2002, by and between Seller and Wendover (collectively the "Agreement"); and

WHEREAS, Wendover originally assigned the Agreement to Purchaser as of April 11, 2002 in order to file an application for tax credits with Florida Housing, and revoked and terminated such assignment prior to the Second Amendment when Wendover and Purchaser concluded such application was unsuccessful;

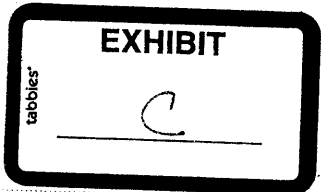
WHEREAS, Wendover assigned the Agreement to Purchaser by a new Assignment of Contract dated April 4, 2003; and

WHEREAS, the Parties hereto are executing this Confirmation and Reaffirmation for the purposes of reaffirming those matters set forth in the Agreement, as amended, and confirming those matters set forth herein.

The Parties hereto reaffirm and confirm as follows:

1. The original Assignment of Purchase and Sale Agreement dated April 11, 2002, executed by Wendover, to and in favor of Purchaser, has been revoked and that the Agreement and the First Amendment and Second Amendment thereto were properly executed by the then Purchaser, Wendover. The certain Assignment of Contract dated April 4, 2003, executed by Wendover, to and in favor of, Purchaser is an effective assignment and is proper, binding and enforceable.

2. The Parties hereto confirm that Exhibit "A" and "A-1" (copies of which are attached hereto) were attached to the original First Amendment to Purchase and Sale Agreement by and between Seller and Wendover, which was dated April 5, 2002, and that the Exhibit "A" and "A-1" attached hereto



LEASED

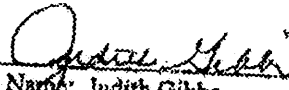
are true, correct and complete copies of the Exhibit "A" and "A-1" that were attached to the First Amendment dated April 5, 2002.

3. The Parties hereby confirm that David Gibbs died on August 16, 2002, and at the time of the execution of the Second Amendment to Purchase and Sale Agreement, Judith Gibbs was the sole Trustee of the Judith Gibbs Revocable Trust Agreement dated July 19, 1995, and as such had full authority and power to execute the Second Amendment to Purchase and Sale Agreement and this document.

4. By execution hereof, the Parties reaffirm the terms and conditions of the Purchase and Sale Agreement as amended, and confirm all those matters set forth herein, including without limitation, the facts set forth in paragraphs 1, 2 and 3 above and the fact that the Purchaser as defined in the Agreement was on April 4, 2003 and continues to be Madison Green Apartments, Ltd.

SELLER:

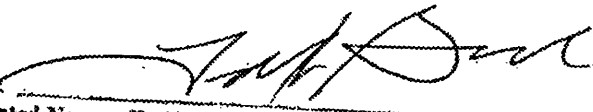
**JUDITH GIBBS REVOCABLE TRUST
AGREEMENT DATED JULY 19, 1995**

By: 
Printed Name: Judith Gibbs
AS: Sole Trustee
Date: 6-18-03

PURCHASER

**MADISON GREEN APARTMENTS, LTD., a
Florida limited partnership**

By: **MADISON GREEN, LLC, a Florida
Limited Liability Company, as a general partner**
Hereunto duly authorized

By: 
Printed Name: Todd L. Borck
Title: Manager
Date: 6/18/03

REVISED

CERTIFICATION AND ASSENT

The undersigned, as original Purchaser under the foregoing Confirmation and Reaffirmation as to Purchase and Sale Agreement, as Amended, does hereby ratify and confirm all matters set forth therein.

Wendover, Housing Partners, Inc.

By: 

Todd L. Borck, Vice President

Date: 6/18/03

EXHIBIT A

Legal Description

The Easterly 12.93 acres of the East Half of Tract 12, Block B and the West Half of Tract 8, Block A, Section 8, Township 12 South, Range 31 East, Bunnell Development Company's Subdivision, as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida.

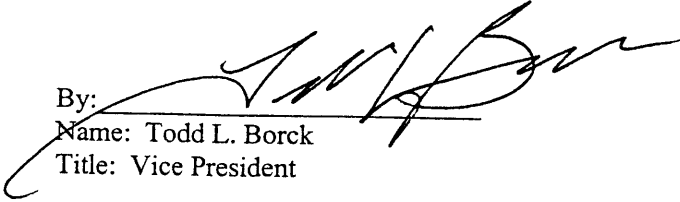
ASSIGNMENT OF CONTRACT

FOR AND IN CONSIDERATION of the sum of TEN AND NO/100 DOLLARS (\$10.00) and of other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the undersigned **WENDOVER HOUSING PARTNERS, INC.**, a Florida corporation (hereinafter referred to as "Assignor"), does hereby transfer, set over, assign and convey unto **MADISON GREEN APARTMENTS, LTD.**, a Florida limited partnership (hereinafter referred to as "Assignee"), all of Assignor's rights, privileges, duties and obligations in, to and under that certain Purchase and Sale Agreement as amended (hereinafter referred to as the "Contract") effectively dated May 8, 2001 between Assignor, as Purchaser, and **DAVID GIBBS and JUDITH GIBBS, as Trustees of the Judith Gibbs Revocable Trust Agreement dated July 19, 1995**, as Seller, with respect to the sale of a certain tract or parcel of land lying and being situated in Flagler County, Florida, more particularly described on Exhibit "A" attached hereto, together with all of Assignor's right, title and interest in and to the property described in said Contract and all rights, powers and privileges conferred by the Contract upon Assignor, as Purchaser therein, and Assignor hereby authorizes Assignee to exercise said rights, powers and privileges in as full a manner as Assignor is authorized to exercise the same. The earnest money deposit paid by Assignor under the Contract shall also be assigned hereby.

This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns. It is the intent and agreement of the parties hereto that the signatures, initials and handwritten or typewritten modifications to this Assignment shall be as legally valid and binding upon the parties as if the original signatures, initials and modifications were present on the documents in the hands of each party. Neither party shall assert the statute of frauds nor unenforceability or invalidity of this Assignment, because of use of fax copies and not originals in any litigation, and both parties specifically waive and relinquish any such defenses.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed in its name as of this 4th day of April, 2003.

WENDOVER HOUSING PARTNERS, INC., a Florida corporation

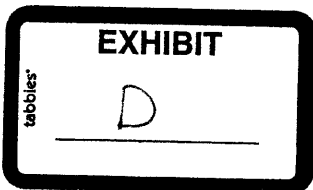
By: 
Name: Todd L. Borck
Title: Vice President

ACKNOWLEDGMENT AND ACCEPTANCE OF ASSIGNMENT

The undersigned, being the Assignee under this Assignment of Contract, hereby acknowledges and accepts the assignment and agrees to assume all of the obligations of Purchaser under the Contract.

MADISON GREEN APARTMENTS, LTD.,
a Florida limited partnership

By: **MADISON GREEN, LLC**, a Florida
limited liability company, as general partner



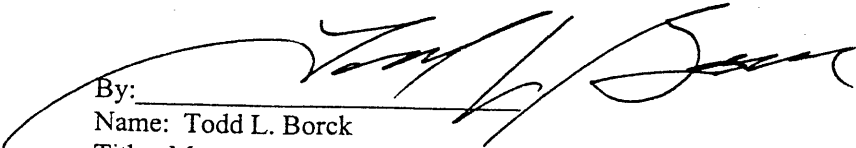
By: 
Name: Todd L. Borck
Title: Manager

EXHIBIT "A"

Legal Description

The East Half of Tract 12, Block B and the West Half of Tract 8, Block A, Section 8, Township 12 South, Range 31 East, Bunnell Development Company's Subdivision, as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida.

SECOND AMENDMENT
TO
PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT ("Second Amendment") is entered into effective as of this 14th day of December, 2002, by and between **JUDITH GIBBS, as Sole Trustee of the Judith Gibbs Revocable Trust Agreement dated July 19, 1995** ("Seller") and **WENDOVER HOUSING PARTNERS, INC., a Florida corporation, or its assigns** ("Purchaser").

WITNESSETH:

WHEREAS. Seller and Purchaser entered into that certain Purchase and Sale Agreement last dated May 8, 2001, for purpose of Purchasers' acquisition of certain real property located in Flagler County, Florida, as more particularly described in such agreement and as modified by that certain first amendment dated effective April 5, 2002 whereby, among other things, such property was divided into two portions, the Phase I Property and the Phase II Property (the original agreement together with such first amendment are collectively referred to as the "Agreement"); and

WHEREAS. Seller and Purchaser desire to enter into this Second Amendment for the purpose of amending the Agreement to extend the terms under said Agreement as more particularly described hereinbelow.

NOW, THEREFORE, in and for the sum of Ten and No/100 Dollars (\$10.00), the consideration of the mutual promises and covenants contained under the Agreement and hereinbelow, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Recitals: Defined Terms. The recitals set forth hereinabove are true and correct in all respects and are incorporated herein as fully as if set forth herein verbatim. The defined (capitalized) terms used herein shall have the meanings ascribed to them in the Agreement, unless otherwise expressed herein.

2. Closing. The Closing Date is hereby extended to December 31, 2003 for the Phase I Property. If Purchaser elects to exercise its option to purchase the Phase II Property, the Closing Date for the Phase II Property shall be on or before December 31, 2004.

3. Extension Fee. Purchaser shall pay to Seller an Extension Fee in the amount of \$5,000.00 upon execution of this Second Amendment by both parties. In addition, on or before September 30, 2003, Purchaser shall pay to Seller an additional Extension Fee in the amount of \$25,000.00. This \$30,000.00 Extension Fee shall be non-refundable in any event, except in the case of Seller's default under the Agreement which remains uncured or Seller's failure to close pursuant to the terms of the Agreement. If Purchaser closes on the Phase I Property this Extension Fee together with the \$50,000.00 Extension Fee paid pursuant to the First Amendment, shall be applicable against the Purchase Price at Closing.

4. Trustee's Authority. Seller hereby warrants and represents to Purchaser that Judith

Gibbs is now the sole trustee of the Judith Gibbs Revocable Trust Agreement dated July 19, 1995 and as such, has full authority to convey the Property to Purchaser pursuant to the Agreement.

5. Counterparts. This Second Amendment may be executed in multiple counterparts, all of which together shall constitute one agreement. A facsimile signature shall be deemed to be an original. Offer and acceptance of this Second Amendment by facsimile is binding.

6. Effect of Amendment. Except as expressly modified by this Second Amendment, the Agreement remains unchanged, and continues in full force and effect as modified by this Second Amendment.

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE FOR JUDITH GIBBS REVOCABLE TRUST AGREEMENT
DATED JULY 19, 1995
TO BE ATTACHED
TO THE

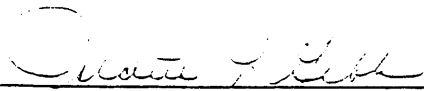
SECOND AMENDMENT
TO
PURCHASE AND SALE AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed as of the day and year first above written.

SELLER:

JUDITH GIBBS REVOCABLE TRUST
AGREEMENT DATED JULY 19, 1995

By: _____


Judith Gibbs, as Sole Trustee

Date: _____

12-16-02

SIGNATURE PAGE FOR WENDOVER HOUSING PARTNERS, INC.
TO BE ATTACHED
TO THE

SECOND AMENDMENT
TO
PURCHASE AND SALE AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed as of the day and year first above written.

PURCHASER:

WENDOVER HOUSING PARTNERS, INC.,
a Florida corporation

By: _____
Name: Felicia Ann White
Title: President
Date: 12/12/02

FIRST AMENDMENT
TO
PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT ("First Amendment") is entered into effective as of this 5th day of April, 2002, by and between among DAVID GIBBS AND JUDITH GIBBS, as Trustees of the Judith Gibbs Revocable Trust Agreement dated July 19, 1995 (collectively the "Seller") and WENDOVER HOUSING PARTNERS, INC., a Florida corporation, or its assigns ("Purchaser").

WITNESSETH:

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement last dated May 8, 2001 (the "Agreement"), for purpose of Purchaser's acquisition of certain real property located in Flagler County, Florida, and more particularly described as follows:

The East Half of Tract 12, Block B and the West Half of Tract 8, Block A, Section 8, Township 12 South, Range 31 East, Bunnell Development Company's Subdivision, as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida

(hereinafter referred to as the "Property"); and

WHEREAS, Seller and Purchaser desire to enter into this First Amendment for the purpose of amending the Contract to extend the terms under said Contract as more particularly described hereinbelow.

NOW, THEREFORE, in and for the sum of Ten and No/100 Dollars (\$10.00), the consideration of the mutual promises and covenants contained under the Contract and hereinbelow, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

- 1. Recitals; Defined Terms. The recitals set forth hereinabove are true and correct in all respects and are incorporated herein as fully as if set forth herein verbatim. The defined (capitalized) terms used herein shall have the meanings ascribed to them in the Contract, unless otherwise expressed herein.**
- 2. Legal Description. The Legal Description referred to in Section 1a of the Agreement originally described property which after measurement by survey contained 21.06 acres. Seller and Purchaser hereby agree to reduce the acreage of the Property to 12.93 acres +/- as more particularly described on Exhibit "A" attached to this First Amendment and depicted on Exhibit "A-1" (the "Phase I Property"), both of which are attached hereto. The Phase I Property shall be the eastern 12.93 acres. The western 8.13 acres shall be the Phase II Property. The Phase I Property shall contain up to 128 units. The Phase II Property shall contain up to 72 units.**
- 3. Purchase Price. The Purchase Price as set forth in Section 2 of the Agreement for the Phase I Property shall be Eight Hundred Thirty Two Thousand and No/100 Dollars (\$832,000.00). If Purchaser elects to exercise its option to purchase the Phase II Property, the Phase II Purchase Price shall be Five Hundred Four Thousand and No/100 Dollars (\$504,000.00).**

4. Closing. The Closing Date referenced in Section 7a of the Agreement is hereby extended to June 30, 2003 for the Phase I Property. If Purchaser elects to exercise its option to purchase the Phase II Property, the Closing Date for the Phase II Property shall be on or before June 30, 2004.

5. Option to Purchase. Purchaser shall have an option to purchase the Phase II Property under the terms and conditions set forth in this First Amendment. This Option to Purchase shall only be applicable if the Purchaser closes on the Phase I Property and shall be in effect for a period of one (1) year from the date of Closing of the Phase I Property. Purchaser agrees that Purchaser shall file an application for the 2003 Combined Cycle pursuant to Section 5 of the Agreement with the FHFC for financing for the Phase II Property. In the event Purchaser is unsuccessful in obtaining a tax credit allocation and financing from the FHFC for the 2003 Combined Cycle, Purchaser, upon Seller's request shall use its best efforts to have the Phase II Property rezoned to C-2 zoning designation. Purchaser shall pay all costs required to diligently procure such rezoning application and shall diligently pursue the application taking all necessary actions required to obtain a final determination on the application to rezone the Phase II Property to the C-2 Classification. Purchaser acknowledges and agrees that Seller shall have the right to sell the Phase II Property after January 1, 2003 and at anytime prior to Purchaser filing the application for the 2003 Combined Cycle for the Phase II Property.

6. Extension Fee. On or before June 30, 2002, Purchaser shall pay to Seller an Extension Fee in the amount of \$50,000.00. This Extension Fee shall be non-refundable in any event, except in the case of Seller's default under the Agreement which remains uncured or Seller's failure to close pursuant to the terms of the Agreement. If Purchaser closes on the Phase I Property the Extension fee shall be applicable against the Purchase Price at Closing.

7. Miscellaneous. In the event Purchaser does not exercise its option to purchase the Phase II Property, Seller or Seller's successors and assigns to the Phase II Property shall have the right to tap into and utilize any lift station and water lines constructed by Purchaser in connection with the development of the Phase I Property for a period of twenty (20) years from the date of expiration of Purchaser's Option to Purchase the Phase II Property. Purchaser shall also provide Seller with copies of all existing studies, development applications, site plans and other documents relating to the development of the Phase I Property on or before June 30, 2002 and continue to provide Seller with copies of such documents as such documents are received or obtained by Purchaser on a monthly basis.

8. Counterparts. This First Amendment may be executed in multiple counterparts, all of which together shall constitute one agreement. A facsimile signature shall be deemed to be an original. Offer and acceptance of this First Amendment by facsimile is binding.

9. Effect of Amendment. Except as expressly modified by this First Amendment, the Agreement remains unchanged, and continues in full force and effect as modified by this First Amendment.

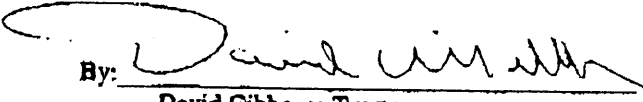
**SIGNATURE PAGE FOR JUDITH GIBBS REVOCABLE TRUST AGREEMENT
DATED JULY 19, 1995
TO BE ATTACHED
TO THE**

**FIRST AMENDMENT
TO
PURCHASE AND SALE AGREEMENT**


IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the day and year first above written.

SELLER:

**JUDITH GIBBS REVOCABLE TRUST
AGREEMENT DATED JULY 19, 1995**

By: 
David Gibbs, as Trustee

Date: 7/11/02

By: 
Judith Gibbs, as Trustee

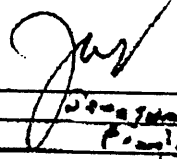
Date: 7/11/02

**SIGNATURE PAGE FOR WENDOVER HOUSING PARTNERS, INC.
TO BE ATTACHED
TO THE
FIRST AMENDMENT
TO
PURCHASE AND SALE AGREEMENT**

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the day and year first above written.

PURCHASER:

**WENDOVER HOUSING PARTNERS, INC.,
a Florida corporation**

By: 
Name: Wendover Housing
Title: President
Date: 4/10/02

NO. 579 P006/054

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into as of the 8th day of May, 2001, between **DAVID GIBBS and JUDITH GIBBS**, as Trustees of the **Judith Gibbs Revocable Trust Agreement dated July 19, 1999** (the "Seller") and **WENDOVER HOUSING PARTNERS, INC.**, a Florida corporation, or its assigns ("Purchaser").

WITNESSETH:

In consideration of the mutual covenants set forth herein and the earnest money deposit herein called for, the parties hereto mutually agree as follows:

Section 1. Sale and Purchase.

Seller hereby agrees to sell, convey, and assign to Purchaser and Purchaser hereby agrees to purchase and accept from Seller, for the Purchase Price (hereinafter defined) and on and subject to the terms and conditions herein set forth, the following:

a. the parcel of land situated in Flagler County, Florida, described in Exhibit "A" attached hereto containing approximately 20+/- acres ("Land"); and all right, title, and interest appurtenant or related to the Land, including, but not limited to, all rights to underlying roads adjacent thereto, access easements and rights-of-way relating thereto or benefiting the Land, riparian, littoral rights, and other water rights relating thereto or benefiting the Land, impact fees, utility mains, service laterals, hydrants and valves servicing or available to service the Land, and all minerals, soil, fill, landscaping and other embellishments now or in the future on or appurtenant thereto;

b. to the extent they are assignable, are owned and/or held by Seller, are in Seller's possession or control, and relate to the design, construction, ownership, development, maintenance or operation of the Land, any and all: (i) contracts or agreements, such as maintenance, service, or utility contracts; (ii) licenses, permits, approvals, or similar documents; (iii) plans, drawings, specifications, surveys, engineering reports, environmental reports, water and soil tests, construction, architectural and landscape plans, and other technical descriptions, maps and graphics related thereto; and (iv) all sewer and water tap reservations and impact fee credits [all of the items listed in this sub-paragraph (b) and all rights of Seller thereunder are hereinafter collectively called the "Intangible Personal Property."]

The Land and Intangible Personal Property are herein collectively called the "Property." All of the Property shall be conveyed, assigned and transferred to Purchaser at Closing (hereinafter defined) free and clear of all liens, claims, and encumbrances except for taxes for the year of closing and easements and restrictions of record, provide such easements and restrictions do not adversely affect Purchaser's ability to develop and construct a multi-family affordable housing project, a clubhouse and attendant facilities. Said housing project and attendant facilities shall be more particularly set forth and developed in accordance with the requirements of the Federal Low Income Housing Tax Credits (LIHTC) program, and/or the Florida Housing Finance Corporation ("FHFC") and/or the St. Johns Housing Finance Authority ("SJHFA") (the "Project").

Section 2. Purchase Price.

The price ("Purchase Price") for which Seller agrees to sell and convey the Property to Purchaser, and which the Purchaser agrees to pay to Seller is One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00), payable as follows:

a. Purchaser, upon signing this Agreement, shall pay to Escrow Agent a deposit of Five Thousand and No/100 Dollars (\$5,000.00), the receipt of which is hereby acknowledged by Seller (the "Deposit").

b. Wire transfer on the date of Closing and delivery of the Deed in the amount of \$1,195,000.00 (or such greater or lesser amounts as may be necessary to complete payment of the Purchase Price after all credits, adjustments and pro-rations required herein).

c. The Deposit shall be held by Purchaser's attorney, Greenspoon, Marder, Hirschfeld, Rafkin, Ross & Berger, P.A. ("Escrow Agent"), in Escrow Agent's trust account with a local bank. The Deposit shall, if this transaction closes, become a credit in favor of Purchaser toward payment of the Purchase Price at closing. If this transaction shall fail to close, the disposition of the Deposit shall be as hereinafter provided.

d. All funds payable hereunder shall be tendered in lawful money of the United States of America. The Deposit and sum payable on the date of Closing shall be paid by wire transfer at Seller's bank in Palm Coast pursuant to wiring instructions provided by Seller.

e. Purchaser shall have the right to extend the Closing Date for one (1) additional funding cycle of FHFC/SJHFA at Seller's option by either (i) paying Seller the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) (the "Extension Fee") which Extension Fee shall be non-refundable (except in the event of Seller's failure to close) and non-applicable against the Purchase Price; or (ii) increasing the Purchase Price by the sum of One Hundred Thousand and No/100 (\$100,000.00). Purchaser shall deliver written notice to Seller of Purchaser's election to extend the Closing Date at least twenty (20) days prior to the initial Closing Date and Seller shall advise Purchaser in writing as to what option Seller elects prior to the initial Closing Date.

Section 3. Escrow Agent.

Escrow Agent has agreed to act as escrow agent for the convenience of the parties without fee or compensation for its services. Escrow Agent shall hold the Deposit, and, if applicable, invest same as provided for, and any other documents required herein, and to deliver same to the parties herein in accordance with the provisions of this Agreement. Escrow Agent, as escrow agent, is acting in the capacity of a depository only, and shall not be liable or responsible to anyone for any damages, losses or expenses unless same shall be caused by the gross negligence or willful misconduct of Escrow Agent. Escrow Agent may rely upon the written notices, communications, orders or instructions given by Seller or Purchaser or believed by it to be genuine. Seller and Purchaser will indemnify and hold Escrow Agent harmless against any matters directly or indirectly related to the Deposit and any other funds held by Escrow Agent under this Agreement, including, without limitation, attorneys' fees. In the event of any disagreement among any of the parties to this Agreement resulting in adverse claims and demands being made in connection with the Property, Escrow Agent shall be entitled to refuse to comply with any such claims or demands as long as such disagreement may continue, and in so refusing, shall make no delivery or other disposition of the Deposit then held by it under this Agreement, and in doing so, Escrow Agent shall not become liable in any way for such refusal, and Escrow Agent shall be entitled to continue to refrain from acting until (a) the rights of adverse claimants shall have been finally settled by binding arbitration or finally adjudicated in a court assuming and having jurisdiction of the Property, or (b) all differences shall have been adjusted by agreement and Escrow Agent shall have been notified in writing of such agreement signed by the parties hereto. Further, Escrow Agent shall have the right at any time after a dispute between Seller and Purchaser has arisen, to pay the Deposit held by it into any court of competent jurisdiction for payment to the appropriate party, whereupon Escrow Agent's obligations hereunder shall terminate. Seller and Purchaser agree that the status of Purchaser's counsel as Escrow Agent under this Agreement does not disqualify such law firm from representing Purchaser in this transaction and in any disputes that may arise between Seller and Purchaser concerning this transaction, including any dispute or controversy with respect to the Deposit.

Section 4. Inspection Period.

a. Purchaser shall have ninety (90) days from the Effective Date of this Agreement (the "Inspection Period") within which to conduct a general investigation of the Property (the "Property Inspection") and determine the feasibility of the Project. If Purchaser is not satisfied with the results of the Property Inspection and determines that it does not wish to purchase the Property, Purchaser may elect to cancel and terminate this Agreement by delivering notice to Seller within the Inspection Period, whereupon Escrow Agent shall return to Purchaser all deposits paid hereunder and this Agreement shall be terminated and the parties shall be relieved of any further obligations hereunder.

b. Purchaser, during the Inspection Period, may enter upon the Property to perform such reasonable acts as are necessary in order to conduct the Property Inspection. During the Inspection Period, Seller will make available for inspection by Purchaser all of Seller's documents regarding the Property and the Intangible Personal Property, including, but not limited to, surveys, appraisals, environmental reports, soil reports, service contracts, leases and title reports in Seller's possession or control which such documents Seller shall deliver to Purchaser within ten (10) days of the Effective Date of this Agreement. Purchaser shall provide Seller with copies of all reports obtained by Purchaser during the Inspection Period. Purchaser may make copies of the foregoing documents provided that Purchaser shall not disclose the contents of them to anyone other than Purchaser's advisors and consultants, and provided further that all such copies shall be returned to Seller if this Agreement is terminated. Purchaser may continue to enter upon the Property after the expiration of the Inspection Period provided this Agreement remains in full force and effect. Purchaser, its agents, representatives or contractors shall enter the Property at their own risk, all such entries and studies shall be at Purchaser's cost, and Seller shall have no liability for any injuries or cost sustained by Purchaser, its agents, employees, officers, representatives or contractors, unless caused by Seller's negligence or willful misconduct. Purchaser agrees the Property shall not be unnecessarily disturbed during the Property Inspection and prior to closing and agrees to promptly repair or restore any damage to the Property caused by such entry or entries onto the Property. Purchaser shall indemnify and hold harmless Seller (and its legal representatives, successors and assigns) from and against any and all claims, liens, demands, personal injury, property damage, or liability of any nature whatsoever arising from or incident to Purchaser's (or its agents, representatives' or contractors') entry or entries onto the Property or activities upon the Property, unless caused by Seller's negligence or willful misconduct. This indemnification shall include payment of court costs and attorneys' fees including those incurred in appellate proceedings. Purchaser shall bear all costs relating to the Inspection Period and Seller shall have no responsibility regarding such costs. Prior to the release of Purchaser's Deposit, Purchaser shall have delivered all such reports to Seller.

c. Purchaser's indemnification obligations contained above shall survive any assignment, cancellation and termination of this Agreement.

Section 5. Financing and Bond Tax Credit Contingency.

Purchaser's obligation to acquire the Property is contingent on its ability to obtain any combination of the following: (i) an allocation for low income housing tax credits; a SAIL/HOME loan or tax exempt bond financing through the FHFC for the construction of the Project on the Property; and/or (ii) tax-exempt bond financing from the SJHFA for construction of the Project on the Property. Purchaser shall diligently prepare and file all necessary applications for obtaining the tax credits, the SAIL/HOME loan, and/or the tax-exempt bond financing through the FHFC and or the SJHFA.

Section 6. Permits, Approvals, and Zoning Contingency.

Upon the execution hereof, Purchaser, at the Purchaser's sole expense and option, shall engage the appropriate professionals, in order to prepare all of the plans, specifications and documents necessary for the Purchaser to obtain approval from Flagler County and all other appropriate regulatory agencies for the re-zoning of the Property and Purchaser shall also cause to be prepared a conceptual site plan for the Project consistent with the re-zoning. Purchaser shall apply and diligently and in good faith pursue the re-zoning, for the Project from all appropriate governmental and quasi-governmental agencies. The

Purchaser shall be responsible for paying for all professional fees, and governmental approval fees and applications associated with the approvals which Purchaser has obtained. Purchaser agrees that Purchaser will not submit any final executed documents that would bind either the Property or the Seller without the express written consent of Seller, which will not be unreasonably withheld. Seller and Purchaser hereby agree to fully cooperate with each other in connection with obtaining the re-zoning of the Property. In the event Purchaser is unable to obtain the re-zoning of the Property by November 1, 2001, Seller, at Seller's option may extend the time to obtain the re-zoning or Seller may terminate this Agreement at which time the Deposit shall be returned to Purchaser.

Section 7. Closing.

a. The closing ("Closing") of the sale of the Property by Seller to Purchaser shall occur, at a time and place designated by Purchaser, on or before the earlier of the next two (2) funding cycles established by FHFC and/or SJHFA or December 31, 2002 (the "Closing Date"), unless an earlier date is agreed to between Seller and Purchaser or unless extended as provided herein.

b. At the Closing, the following shall occur:

i. Purchaser, at its sole cost and expense, shall deliver or cause to be delivered at Closing the following:

- (1) The balance of the Purchase Price as set forth in Section 2 hereof, subject to prorations, adjustments and credits as described in this Agreement; and
- (2) Execute and deliver or obtain for delivery any instruments reasonably necessary to close this transaction, including, by way of example but not limitation, limited partnership certificates and resolutions, closing statements, corporate resolutions or affidavits and delivery of instruments reasonably required by the title agent.

ii. Seller, at its sole cost and expense, shall deliver or cause to be delivered to Purchaser the following:

- (1) General Warranty Deed fully executed and acknowledged by Seller, conveying, to Purchaser the Property, subject only to (a) real estate taxes for the year of closing, which are not yet due and payable, and subsequent years; (b) zoning and use restrictions in effect or which may hereafter come into existence due to governmental action; and (c) easements and restrictions of record which have been approved by Purchaser;
- (2) Assignment of all sewer and water taps (provided however, if Seller has paid any reservation or tap fees, Purchaser shall reimburse Seller for the same), impact fee credits, licenses, permits, plans and approvals, if any;
- (3) Affidavit attesting to the absence, of any financing statements, claims of lien or potential lienors known to Seller and further attesting that there have been no improvements or repairs to the Property which remain unpaid for ninety (90) days immediately preceding the date of Closing;
- (4) A certificate meeting the requirements of Section 1445 of the Internal Revenue Code executed and sworn to by Seller;
- (5) Evidence reasonably satisfactory to Purchaser and the title agent that the person or persons executing the closing documents on behalf of Seller have full right, power and authority to do so;

- (6) Execute and deliver or obtain for delivery any other instruments reasonably necessary to close this transaction, including, by way of example but not limitation, closing statements, releases, affidavits and delivery of instruments reasonably required by the title agent;
- (7) Deliver all Intangible Personal Property, if any, in Seller's possession.

c. The following items shall be prorated or adjusted at the closing:

i. Real estate taxes and assessments, shall be prorated as of the Closing Date. Real estate taxes and assessments shall be prorated based on actual taxes and assessments for the year of Closing, or, if same are not available, on taxes and assessments for the preceding year, subject to reparation between the parties upon receipt of the final tax bill for the year of the Closing.

d. Upon completion of the Closing, (i) Seller shall deliver to Purchaser possession of the Property; and (ii) Escrow Agent shall promptly record the deed of conveyance, the mortgage and any other applicable closing documents upon confirmation of clearance of all funds.

e. Purchaser, at closing, shall pay (i) the recording fee for the deed; (ii) all costs of Purchaser's financing; and (iii) all title insurance costs; and (iv) Purchaser's attorney's fees and costs in connection with negotiating and closing this Agreement.

f. Seller, at closing shall pay (i) current real estate taxes; (ii) documentary stamp tax on the deed of conveyance; and (iii) Seller's attorney's fees and costs in connection with negotiating and closing this Agreement.

g. Certified, confirmed and ratified special assessment liens as of the date hereof shall be paid by Seller and pending liens as of the date hereof shall be assumed by Purchaser.

Section 8. Evidence of Title and Title Insurance.

a. On or before forty-five (45) days after the Effective Date, Purchaser shall obtain, at Purchaser's expense not to exceed the minimum promulgated rate set forth by the Insurance Commissioner of the State of Florida a title insurance commitment for an ALTA Form B marketability policy issued by Commonwealth Land Title Insurance Company (the "Title Company") in the full amount of the Purchase Price (the "Commitment"), together with legible copies of any encumbrances listed thereon. The Commitment shall have an effective date that is after the Effective Date of the Agreement and that is within 10 days of the date of its issuance. At the Closing, Title Company shall deliver an endorsement to, or "mark-up" of, the Commitment deleting all Schedule B-I requirements, all standard exceptions except taxes for the current year not then due and payable, and the "gap" exceptions.

b. If the Commitment contains any exceptions which render title unmarketable or adversely affect the value of the Property or Purchaser's intended use of the Property as determined by Purchaser in its sole discretion, Purchaser shall deliver written notice to Seller specifying the additional exceptions that render title unmarketable or objectionable to Purchaser. Such notice shall be given not later than fifteen (15) days after receipt of the Commitment by Purchaser. Upon receipt of the notice, Seller shall have thirty (30) days in which to remove the additional exceptions with reasonable effort and reasonable expenditures.

c. If Seller fails to remove any such objections within thirty (30) days after notice to Seller, Purchaser may elect by giving written notice to Seller, which notice must be received by Seller before the date that is five (5) business days after the end of such thirty (30) day period, either to (i) reject title as it then exists and terminate this Agreement and thereupon be entitled to a return of the Deposit, or (ii) waive such objections and proceed with the Closing and accept the Property subject to such exceptions without reduction of the Purchase Price. Upon return of the Deposit to Purchaser pursuant to subparagraph (i) above, this Agreement shall cease and terminate and the parties shall have no further rights, duties, or

obligations under this Agreement, except for those rights, duties and obligations that specifically survive termination of this Agreement. If Purchaser fails to send any notice by the required date, Purchaser shall be deemed to have waived the objections to such exceptions and shall proceed to the Closing as provided by this Agreement.

d. If any subsequent endorsement to the Commitment reveals any additional exceptions not permitted by this Agreement, Seller shall have fifteen (15) days in which to remove such additional exceptions, subject to the limitations set forth above. If Seller is unable to remove such additional exceptions, Purchaser shall have the same rights and remedies as provided above, except that the Closing shall not be extended more than thirty (30) days to permit Seller to cure any such additional exceptions.

e. Seller and Purchaser each agree to provide reasonable affidavits and documentation to enable the Title Company to delete all Schedule B-I requirements, the "gap" exception, and the construction lien and parties in possession exceptions from the Commitment at Closing. Seller and Purchaser each shall be responsible for satisfying those Schedule B-I requirements applicable to each of them.

Section 9. Survey.

Purchaser may obtain, at Purchaser's expense, a survey of the Property. If the survey shows any encroachment on the Property, the same shall be treated as a title defect and the notice and cure provisions hereof shall control.

Section 10. Representations of Purchaser and Seller.

Seller and Purchaser respectively hereby make the following representations. Such representations shall also be deemed made as of the Closing Date and the remedies for breach thereof shall survive Closing:

a. Purchaser' Representations.

To induce Seller to enter into this Agreement and to sell the Property, Purchaser represents and warrants to Seller:

i. Except for this Agreement, Purchaser has entered into no other purchase or commission agreement with respect to the Property.

ii. Purchaser shall pay prior to Closing or arrange for payment after Closing of all claims, liabilities or expenses associated with its inspection, permitting and development of the Property, except as otherwise provided herein.

iii. Purchaser or Purchaser's assigns have not and will not prior to closing (a) make a general assignment for the benefit of creditors, (b) file any voluntary petition in any Bankruptcy Court or suffer the filing of an involuntary petition by Purchaser's creditors, (c) suffer the appointment of a receiver to take all, or substantially all, of Purchaser's assets, (d) suffer the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, or (e) admit in writing its inability to pay its debts as they fall due, and no such action is threatened or contemplated. If any of such actions have been taken or brought against Purchaser or Purchaser's assigns, prior to the date of closing, it shall be a default hereunder by Purchaser.

iv. Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated by this Agreement will result (either immediately or after the passage of time and/or the giving of notice) in breach or default by Purchaser under any agreement or understanding to which Purchaser is a party or by which Purchaser may be bound or which would have an effect upon Purchaser's ability to fully perform its obligations under this Agreement.

v. That Purchaser has the right, power and authority to execute, deliver and perform this Agreement without obtaining any consents or approvals from or the taking of any action with respect to, any third parties. This Agreement, when executed and delivered by Purchaser and Seller, will constitute the valid and binding Agreement of Purchaser.

b. Seller's Representations.

To induce Purchaser to enter into this Agreement and to purchase the Property, Seller represents and warrants to Purchaser that:

i. That Seller owns the entire fee simple title to the Property, legal and equitable, subject only to the Permitted Exceptions (which are title exceptions disclosed by the Title Commitment or survey and which do not adversely affect Purchaser's ability to construct the Project in the Purchaser's reasonable discretion);

ii. That Seller has no knowledge regarding, and has received no written notice of, violations of any law, ordinance, order or regulation affecting the Property issued by any governmental or quasi-governmental authority having jurisdiction over the Property that has not been corrected; and that before the Closing, Seller shall promptly disclose to Purchaser any knowledge regarding, and furnish to Purchaser copies of any and all written notices of, violations that Seller receives between the Effective Date and the Closing Date from any governmental or quasi-governmental authorities having jurisdiction over the Property;

iii. That there are no (i) existing or pending improvement liens affecting the Property; (ii) existing, pending, or threatened lawsuits or appeals of prior lawsuits affecting the Property or Seller; (iii) existing, pending, or threatened condemnation proceedings affecting the Property; (iv) except as disclosed to Purchaser by Seller, any existing, pending, or threatened zoning, building, or other moratoria, down zoning petitions, proceedings, restrictive allocations, or similar matters that could affect Purchaser's use of the Property, the value of the Property or the issuance of building permits or certificates of occupancy with respect to the Property; (v) existing, pending, or threatened water or sewer hookup, water extraction, electrical or other utility moratoria; or (vi) pending real estate tax appeals or protests with respect to the Property before any applicable governmental authority; provided however, Seller is disclosing to Purchaser that there is a potential taking of property by the Florida Department of Transportation which may affect the Property. Seller and Purchaser agree to cooperate in connection with any such taking to lessen the impact on the Property.

iv. That the Property will not be subjected to any declaration of protective covenants, use restrictions or any homeowners' associations by Seller, or its successors and assigns;

v. That there are no other purchase and sale agreements, nor options or rights of first refusal in effect as of the Effective Date relating to the Property nor will any such interest be in effect as of the time of Closing;

vi. That there are no judgments, encumbrances or liens against the Property or Seller that will remain unsatisfied at the time of Closing;

vii. That there is permanent vehicular and pedestrian physical and legal egress from and ingress to the Property over public roads;

viii. That Seller has not received a written summons, citation, directive, notice, complaint, or letter from the United States Environmental Protection Agency, the State of Florida Department of Environmental Protection, or other federal, state, or local governmental agency or authority specifying any alleged violation of any environmental law, rule, regulation, or order at or on the Property and, to the best of Seller's knowledge, the Property is not currently under investigation for any such violation;

ix. During the term of this Agreement, Seller shall not, without in each instance first obtaining Purchaser's written consent, which may be withheld in Purchaser's sole discretion, consent to or permit (i) any modification, termination or alteration to existing easements, dedications, covenants, conditions, restrictions, or rights of way adversely affecting Purchaser's intended use for the Property, (ii) any new easements, covenants, dedications, conditions, restrictions, or rights of way affecting Purchaser's intended use for the Property, (iii) any zoning changes or other changes of governmental approvals, (iv) any modifications to or future advances under any existing liens, mortgages, or other encumbrances on the Property, or (v) any new liens, mortgages, or other encumbrances on the Property;

x. That Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act (FIRPTA), as amended;

xi. That Seller is solvent, and no receivership, bankruptcy, or reorganization proceedings are pending or, to Seller's knowledge, contemplated against Seller in any court;

xii. Seller has the right, power, and authority to execute, deliver, and perform this Agreement without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties, and this Agreement, when executed and delivered by Seller and Purchaser, will constitute the valid and binding Agreement of Seller;

xiii. That, at all times during the term of this Agreement and as of the Closing, all of Seller's representations, warranties, and covenants in this Agreement shall be true and correct;

xiv. That no representation or warranty by Seller contained in this Agreement and no statement delivered or information supplied to Purchaser pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements or information contained in them or in this Agreement not misleading; and

xv. That the contiguous property to the Property being sold herein which is owned by Seller will not adversely affect Purchaser's rights and ability, in Purchaser's reasonable discretion, to obtain all necessary zoning approvals and permitting for the construction of the Project.

xvi. Seller hereby discloses to Purchaser that there are three (3) to four (4) acres of wetlands on the Property.

No inquiry, examination, or analysis made by Purchaser (or the results of same) shall reduce, limit or otherwise affect the representations and warranties made by Seller in this Agreement.

Section 11. Remedies.

In the event Purchaser shall fail to close for reasons not caused by Seller, the Deposit made by Purchaser shall be retained by Seller as agreed and liquidated damages for withholding the Property from the market and for expenses incurred and the parties shall thereupon be relieved of any further liability hereunder. In the event Seller shall fail to close for reasons not caused by Purchaser or due to Seller's inability to convey marketable title according to Section 10 hereof, Purchaser shall have the right to demand return of the Deposit paid hereunder, upon which return of Deposit the parties shall have no further liability hereunder, or, in the alternative, Purchaser shall have the right to seek specific performance and/or damages.

Section 12. Destruction, Damage or Taking Prior to Closing.

If, prior to Closing, the Property is destroyed, damaged or becomes subject to condemnation or eminent domain proceedings, the Purchaser shall have the option, which must be exercised within ten (10) days after its receipt of written notice from Seller advising of such destruction, damage or taking (which Seller hereby agrees to give), to terminate this Agreement or to proceed with the Closing, without reduction in the Purchase Price. If Purchaser elects to terminate this Agreement, the Deposit shall be

returned to Purchaser and neither party shall have any further rights, duties or obligations hereunder, except as otherwise provided herein. If Purchaser elects to proceed with the Closing, Purchaser shall be entitled to the insurance proceeds or condemnation proceeds payable as a result of such damage, destruction or taking up to the amount of the Purchase Price and, to the extent the same may be necessary or appropriate, Seller shall assign to Purchaser, at Closing, Seller's rights to such proceeds up to the amount of the Purchase Price, and Seller will not settle or adjust any insurance claims without Purchaser's prior consent. All insurance proceeds or condemnation proceeds in excess of the Purchase Price shall belong to and be retained by Seller.

Section 13. Real Estate Commission.

The parties each represent and warrant that, except for Prudential Atlantic Commercial Real Estate Services, who will be paid a total commission of six percent (6%) of the Purchase Price by Seller at Closing, there are no other real estate agents or brokers or transactional brokers involved in this transaction. Each party agrees to indemnify and hold harmless the other from all claims or demands of any other real estate agent or broker or transactional broker claiming by, through or under said party. This indemnification shall also include payment of court costs and attorneys fees, including those incurred in appellate proceedings.

Section 14. Prohibition Against Recording.

Neither this Agreement nor any part hereof, shall be recorded among the Public Records of any County in the State of Florida.

Section 15. Confidentiality.

At all times before the Closing Date of the Property, Purchaser agrees to hold in strict confidence and not to disclose to any other party without the prior written consent of Seller, all information regarding the Property, as expressed in this Agreement, except as may be required by applicable law or as otherwise contemplated in this Agreement, or to Purchaser's legal and financial advisors, lending institutions, and Purchaser's investors.

Section 16. Notices.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; by delivering the same in person to such party; by prepaid telegram or telex; by facsimile copy or by express mail. Notice given in accordance herewith shall be effective upon receipt at the address of the party to be served. For purposes of notice, the addresses of the parties shall be as follows:

If to Seller, to:

David Gibbs
1509 Oak Forest Drive
Ormond Beach, Florida 32174
Telephone: (386)445-2100
Facsimile: (386)445-4007

If to Purchaser, to:

Wendover Housing Partners, Inc.
615 Crescent Executive Court, Suite 120
Lake Mary, Florida 32746
Attn: Jonathan L. Wolf
Telephone: (407) 333-3233
Facsimile: (407) 333-3919

with a copy to:

Greenspoon, Marder, Hirschfeld, Rafkin,
Ross & Berger, P.A.
135 West Central Blvd., Suite 1100
Orlando, Florida 32801
Attn: N. Dwayne Gray, Jr., Esquire
Telephone: (407) 425-6559
Facsimile: (407) 422-6583

If to Escrow Agent, to:

Greenspoon, Marder, Hirschfeld, Rafkin,
Ross & Berger, P.A.
135 West Central Blvd., Suite 1100
Orlando, Florida 32801
Attn: N. Dwayne Gray, Jr., Esquire
Telephone: (407) 425-6559
Facsimile: (407) 422-6583

Section 17. Assigns.

This Agreement shall bind and insure to the benefit of Purchaser and Seller and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns. Purchaser will be assigning this Agreement to a Florida limited partnership controlled by principals of Purchaser and such limited partnership shall expressly assume all of the terms, conditions and obligations of this Agreement in writing.

Section 18. Entire Agreement.

This Agreement and all exhibits, when accepted by Seller, shall constitute the entire agreement between Seller and Purchaser concerning the sale of the Property and supersedes all prior agreements, representations or understandings, whether oral or written, between the parties and no modification hereof or subsequent agreement relative to the subject matter hereof shall be binding on either party unless reduced to writing and signed by the party to be bound. This Agreement, when accepted by Seller, shall be binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 19. Counterparts.

This Agreement may be executed in multiple counterparts, all of which together shall constitute one agreement. A facsimile signature shall be deemed to be an original. Offer and acceptance of this Agreement by facsimile is binding.

Section 20. Time of Essence.

Time is important to both Seller and Purchaser in the performance of this Agreement, and they have agreed that strict compliance is required as to any date or time period set out or described herein. All references to days herein (unless otherwise specified) shall include Saturdays, Sundays and legal holidays. If the final date of any period which is set out in any section of this Agreement falls upon a Saturday, Sunday or legal holiday under the laws of the United States or the State of Florida, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

Section 21. Effective Date.

Whenever the term or phrase "effective date" or "date hereof" or other similar phrases describing the date this Agreement becomes binding on Seller and Purchaser are used in this Agreement, such terms or phrases shall mean and refer to the date on which a counterpart or counterparts of this Agreement executed by Seller and Purchaser, together with the Initial Deposit, are deposited with the Escrow Agent.

Section 22. Time for Acceptance.

Delivery of this document to Purchaser shall not be deemed nor taken to be an offer to sell by Seller. Only when executed by Purchaser or Seller and delivered to the other party hereto shall this Agreement constitute an offer to buy or sell the Property, as the case may be, on the terms herein set forth, acceptable by the party receiving such executed Agreement within seven (7) business days after such receipt, by executing this Agreement and delivering the original hereof to the Escrow Agent and an originally signed copy hereof to the other party hereto. Failure to accept in the manner and within the time specified shall constitute a rejection and termination of such offer. No acceptance shall be valid and binding upon Seller unless in writing and signed by an authorized officer of Seller.

Section 23. Attorney's Fees.

In the event either party deems it necessary to cause litigation to enforce, interpret or construe the terms of this Agreement, court costs and attorneys fees, including those incurred in appellate proceedings, shall be awarded to the prevailing party. In the event of enforcement of this Agreement, or any dispute as to interpretation or construction hereof the laws of the State of Florida shall apply, and this Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that this Agreement may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation of this Agreement. In the event of litigation, the parties hereto agree that all suits shall be instituted and maintained in the Circuit Court in and for Flagler County, Florida, the jurisdiction of which Court the parties hereby consent to. Purchaser and Seller mutually agree that they waive all rights to a trial by jury in the event of any dispute or court action arising from or related to this Agreement. The parties acknowledge that this waiver is a significant consideration to, and a material inducement for, Purchaser and Seller to enter into this Agreement.

Section 24. Severability.

If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 25. Headings.

The headings of the sections, paragraphs and subdivisions of this Agreement are for convenience and reference only, and shall not limit or otherwise affect any of the terms hereof.

Section 26. Construction and Improvement of Road and Access Easement.

Seller and Purchaser hereby acknowledge and agree that Seller owns a total of approximately thirty (30) acres of which approximately ten (10) acres is to the south of the Property and will be retained by Seller. Purchaser agrees to construct a road right-of-way which at Purchaser's option will be dedicated to Flagler County (if permitted by Flagler County) off Moody Boulevard which will provide access, ingress and egress to a public right-of-way (Moody Boulevard) from the Property which Purchaser is buying and a portion of the Property which Seller is maintaining. The cost of construction and improvement of the road right-of-way shall be born by Purchaser and Purchaser agrees to construct such road as required by the county and a right of way at minimum county standard width and as agreed to between Seller and Purchaser. Seller hereby agrees to grant any necessary temporary or permanent easements to Purchaser which are reasonably necessary for the development of Purchaser's Project. Seller also agrees to grant Purchaser the necessary ingress/egress easement and utility and drainage easements over the road area necessary for Purchaser's access to a public road right-of-way and for Purchaser's utilities servicing the Property. Seller or Seller's designee (being the contiguous property Owner to Seller's remaining parcel) and Purchaser agree to enter into a maintenance agreement to

equitably share the cost of maintenance of the road, in the event Flagler County will not accept dedication of the road.

Section 27. Sign and Monument Easement.

Seller hereby agrees to grant Purchaser, at Closing a Sign and Monument Easement to be located at a location to be mutually agreed upon between Seller and Purchaser on the property Seller is retaining ownership for purposes of Purchaser to construct a sign and monument for marketing Purchaser's Project. Purchaser shall be responsible for maintaining the sign easement area and responsible for all costs of construction of any signs and/or monuments built therein. Purchaser agrees to comply with all Flagler County sign ordinances in connection with construction and maintaining such sign and monument.

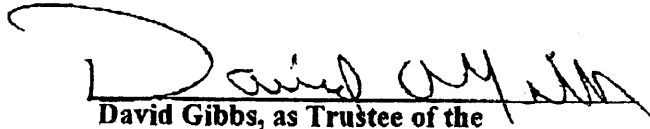
Section 28. 1031 Exchange.

Purchaser hereby agrees to cooperate with Seller if Seller elects to do a 1031 Exchange with respect to the Property, provided there is no additional cost to Purchaser.

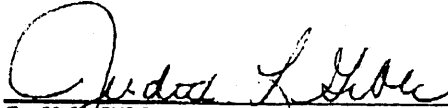
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EXECUTED as of the date and year written below.

SELLER:



David Gibbs, as Trustee of the
Judith Gibbs Revocable Trust Agreement
dated July 19, 1999/1995
Dated: May 8, 2001



Judith Gibbs, as Trustee of the
Judith Gibbs Revocable Trust Agreement
dated July 19, 1999/1995
Dated: May 8, 2001

PURCHASER:

WENDOVER HOUSING PARTNERS, INC.,
a Florida corporation

By 
Name: Jonathan Wolf
Title: President
Dated: May 8, 2001

ESCROW AGENT

We acknowledge receipt of the Initial Deposit in the amount of Five Thousand and No/100 Dollars (\$5,000.00) subject to clearance and agree to be bound by the terms and conditions of this Agreement.

**GREENSPOON, MARDER, HIRSCHFELD, RAFKIN,
ROSS & BERGER, P.A.**

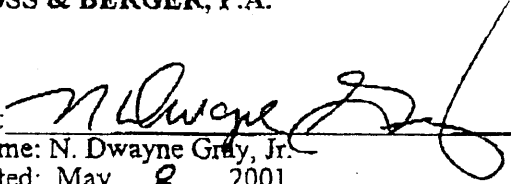
By: 
Name: N. Dwayne Gray, Jr.
Dated: May 8, 2001

EXHIBIT "A"

Legal Description

The East Half of Tract 12, Block B and the West Half of Tract 8, Block A, Section 8, Township 12 South, Range 31 East, Bunnell Development Company's Subdivision, as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida.

LAW OFFICES OF
Greenspoon Marder Hirschfeld Raffin Ross & Berger
 PROFESSIONAL ASSOCIATION

Alan C. Ancher
 James F. Basque
 William Berger¹
 Robby H. Birnbaum²
 Gregory J. Blodig
 Amanda Chapman
 Thomas F. Coyle, Jr.³
 Richard W. Epstein
 Richard H. Gaines
 N. Dwayne Gray, Jr.
 Gerald Greenspoon
 Haas A. Haric
 Neal W. Hirschfeld⁴
 Cynthia J. Hoover⁵
 Robert B. Jackson
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Reply to: Orlando

August 8, 2003

Florida Housing Finance Corporation
 227 N. Bronough Street, Suite 5000
 Tallahassee, Florida 32301

Attention: Kery Carpenter, Deputy Development Officer

Re: Purchase and Sale Agreement by and between Judith Gibbs, as sole trustee of the Judith Gibbs Revocable Trust Agreement Dated July 19, 1995, as Seller, and Madison Green Apartments, Ltd., a Florida limited partnership, as Purchaser

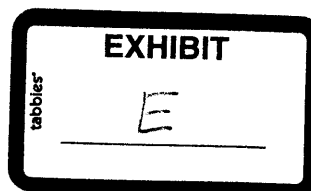
Dear Ms. Carpenter:

My law firm has acted as counsel to Madison Green Apartments, Ltd., (hereinafter referenced to either as the "Purchaser" or the "Applicant") in connection with the referenced Purchase and Sale Agreement. We have reviewed Exhibit 27 in the original Application (119C) which was submitted to the Florida Housing Finance Corporation (the "FHFC") on or before April 8, 2003, containing the Purchase and Sale Agreement, together with all amendments, and assignments relating to the Purchase and Sale Agreement (the "Submitted Contract Documents"). We have been asked to provide this legal opinion as to whether such Submitted Contract Documents comply with the requirements for "Evidence of Site Control" under applicable FHFC rules.

In our capacity as legal counsel to the Purchaser, we have reviewed for purposes of this Opinion, the following documents comprising the Submitted Contract Documents, all of which were included in Exhibit 27 in the original application (119C) to the FHFC on or before April 8, 2003:

1. Purchase and Sale Agreement between David Gibbs and Judith Gibbs, as Trustees of the Judith Gibbs Revocable Trust Agreement Dated July 19, 1995 (Seller), and Wendover Housing Partners, Inc., a Florida corporation, or its assigns (Purchaser), dated May 3, 2001; and
2. First Amendment to Purchase and Sale Agreement by and between Seller and Purchaser dated April 5, 2002; and
3. Second Amendment to Purchase and Sale Agreement by and between Seller and Purchaser dated December 10, 2002; and
4. Assignment of Contract executed by Wendover Housing Partners, Inc., a Florida corporation, to and in favor of Madison Green Apartments, Ltd., a Florida limited partnership, dated April 4, 2003.

1. Also admitted in New York
2. Also admitted in Wisconsin
3. Also admitted in Georgia
4. Also admitted in Texas
5. Also admitted in Colorado
6. Also admitted in Minnesota
7. Also admitted in Hawaii

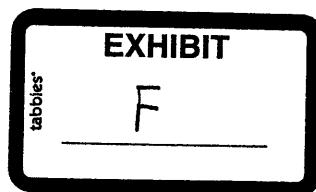


Brief Statement of Explanation regarding
Application 2003 – 119C

Provide a separate brief statement for each Cure or NOAD

The copy of the April 15, 2002 First Amendment to the Purchase and Sale Agreement submitted as Exhibit 27 to the Application was missing Exhibit A (which is the legal description for the 12.93 +/- acre site) and Exhibit A-1.

We have provided as a cure copies of Exhibit A and Exhibit A-1, which are confirmed by the land seller and the Applicant as true, correct and complete in Section 2 of the attached Confirmation and Reaffirmation As To Purchase and Sale Agreement, As Amended. The Exhibit A and Exhibit A-1 should be attached to the First Amendment to the Purchase and Sale Agreement in Exhibit 27 to the Application.



ELECTION OF RIGHTS

Application Number: 2003- 119C Development Name: MADISON Green Apartments

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- 1. I do not desire a proceeding.
- 2. I elect an informal proceeding to be conducted in accordance with Sections 120.569 and 120.57(2), Florida Statutes. In this regard I desire to (Choose one):

- submit a written statement and documentary evidence; or
- attend an informal hearing to be held in Tallahassee.

Note: Rule 28-106.301, Florida Administrative Code, requires Applicant to submit a petition in a prescribed format. (attached)

- 3. I elect a formal proceeding at the Division of Administrative Hearings. This option is available only if there are disputed issues of material fact.

Note: Applicant must submit an appropriate petition in accordance with Rule 28-106.201, Florida Administrative Code. (attached)

Following are my top eight preferences, in order from 1-8 (with 1 being my first choice, etc.) for scheduling my informal hearing. All formal hearings will be scheduled by the Division of Administrative Hearings.

Hearing Dates:	A.M.	P.M.
August 28, 2003		
September 2, 2003		
September 3, 2003		
September 4, 2003		
September 5, 2003		

Hearing Dates:	A.M.	P.M.
September 8, 2003		
September 9, 2003		
September 10, 2003		
September 11, 2003		

Please fax a Hearing Schedule to me at this number: _____
(include Area Code)

DATE: 8/12/03

Michael G. Mada
Signature of Petitioner

Name: Michael G. MADA Bar No 0435945
Rutledge, Eckenia, Purnell & Hoffman PA

Address: 215 S. Monroe ST, Suite 420
Tallahassee, FL 32302

Phone: (850) 681-6788
(include Area Code)

TO PRESERVE YOUR RIGHT TO A PROCEEDING, YOU MUST RETURN THIS FORM WITHIN TWENTY-ONE (21) DAYS OF RECEIPT OF THIS NOTICE TO THE FLORIDA HOUSING FINANCE CORPORATION AT THE ADDRESS INDICATED IN THE NOTICE OF RIGHTS. TO FACILITATE THE SCHEDULING OF HEARINGS, THIS FORM MAY BE SUBMITTED PRIOR TO FILING A PETITION.