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MEMORANDUM

To: Mayor Brennan, Vice Mayor D'Ambra, Council Members Arena, Okun and Paterno

From: Attorney Davis 

Re: Update on Foreclosure at 414 N. Cypress Drive #D; Recommendation to Settle Out of Court

The following is an update on the above referenced matter including an offer and recommendation to settle out of court:

As you are all aware, the Village initiated foreclosure proceedings on this property in April 2015. After overcoming multiple obstacles related to deceased heirs, previously undiscovered heirs, an incarcerated heir/on-again, off-again squatter who filed multiple court pleadings challenging the foreclosure, and a withdrawn foreclosure sale in February 2017, this case has again made it to the Final Judgment hearing stage. However, due to a change in the 15th Judicial Circuit's handling of foreclosure matters, the Final Judgment hearing originally set for September 19th had to be moved to October 19th. At the Final Judgment hearing, the court will set a judicial sale date. Note that the Final Judgment would be in an amount that captures code enforcement fines (\$50,000.00), pre-judgment interest (\$2,500.00), abatement costs and attorney's fees (\$38,000.00), and court costs (\$3,400.00).

Recently, the co-owner of the property, Mikki Thomas, responded to our repeated inquiries with a seemingly new willingness to eliminate her ties to the property. Despite the fact that we received a clear title search prior to initiating this foreclosure proceeding, Ms. Thomas has disclosed the existence of a first mortgage on the property in the amount of approximately \$59,000. Ms. Thomas advises that she remains current in payments on the mortgage.

The condition of this property is poor. The Village's original abatement activity involved removing drywall that contained mold. The interior was never restored after the removal work. The residence is currently secured with boarding materials. The residence has been, from time to time, occupied by a squatter who was, in fact, a relative of Mikki

Thomas. Note that this individual is now the deceased victim of an aggravated assault / homicide at a Town of Jupiter bus stop in August. The squatting activity in the residence, which has not been served by electricity or water/sewer utilities for some time, coupled with the post abatement condition of the interior has left the property in a state that requires major rehabilitation work in order for the residence to be able to be occupied. The attached photographs illustrate the current condition of the property.

Despite the above circumstances, an interested buyer has recently contacted me. He is willing to take the property from Mikki Thomas, including negotiating with the bank relative to satisfying the first mortgage. It is my understanding that this process has already begun in hopes of being able to acquire the property. He is further willing to invest the resources to rehabilitate/restore the property in order to place it in a code compliant state that will allow occupancy. Finally, he is also willing to pay the Village Twenty Thousand Dollars (\$20,000.00) to settle and release its lien. This represents approximately 50% of the Village's hard costs (dollars actually spent) invested in this case and this property to date.

Although the Village would not recover 100% of its hard costs under the proposed settlement, it is my opinion that this proposed settlement would result in a positive outcome overall. In addition to the Village recovering \$20,000.00, the property would be under the control of a new, local owner who will also invest the resources necessary to return the residence to a code compliant state, ready for new occupants. This was always the goal of this litigation. Naturally, we would obtain assurances through a binding, enforceable written agreement, that the purchaser will not only pay the Village, but will also rehabilitate the property in a timely manner, as proposed. The agreement would protect the Village by providing for the re-establishment of the lien in the event that the payment and the rehabilitation work were not completed in a timely manner.

Less successful outcomes could result, for example, in either the Village owning the property in its current condition; or no-one purchasing the property at judicial sale, thus maintaining the current status-quo with no expectation that anyone will rehabilitate the residence in the near future. It is, of course, also a possibility that a judicial sale could result in a purchase that fully satisfies the Village's lien. Who that purchaser might be and at what pace they decide to rehabilitate the residence and deal with the first mortgage, remain open questions. For all these reasons, it would be my recommendation to proceed with the proposed out of court settlement, which would provide finality and a positive closure to this matter.

Please call to discuss with me at your earliest convenience.















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