

AGENDA

Palm Beach County Housing Finance Authority

FRIDAY, APRIL 13, 2018

9:00 A.M.

**Palm Beach County Airport Center
Complex
100 Australian Avenue
4th Floor (#4-790) Training Room
West Palm Beach, FL 33406**

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Agenda – April 13, 2018 regular meeting

Executive Director - Report on agenda items

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Meeting Agenda

April 13, 2018

PBC Airport Center – Human Resources Training Room 4-790

Housing Finance Authority of Palm Beach County

100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
(561) 233-3656
FAX: (561) 233-3657
www.pbchfa.org



Chairperson

Patrick J. Franklin

Vice Chair

Gary P. Eliopoulos

Secretary

James H. Harper, Sr.

Clark D. Bennett

Robin B. Henderson

Charles V. St. Lawrence

Bobby "Tony" Smith

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Administrative Assistant

Jennifer M. Hamilton

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Official Electronic Letterhead

I. Call to Order

- a. Roll call and establishment of quorum

II. Public comment on Agenda Items

III. Agenda Approval

- a. Additions, deletions, substitutions
- b. Adoption

IV. Consent Agenda

- a. Minutes of March 9, 2018 meeting
- b. GF Requisition #3-2018
- c. Multi-family project occupancy report for February

V. Presentation

- a. Overview of PBC HES affordable housing programs

VI. Old Business

- a. Community Land Trust of PBC – consider request to amend existing Davis Landings West loan terms – Resolution R-2018-03
- b. Palm Beach Habilitation Center, Inc. – final consideration for a revolving loan of up to \$1,000,000 – Resolution R-2018-04

VII. New Business

- a. Consider "Own a Home Opportunity" single family loan program matters
- b. Preliminary discussion of accounting and auditor selection process

VIII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., May 18, 2018 at the PBC Airport Center, Human Resources Training Rm. 4-790, 100 Australian Avenue, West Palm Beach

IX. Adjournment



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To: Housing Finance Authority

From: Executive Director

RE: April 13, 2018 regular meeting

Dated: April 5, 2018

V. "Presentation":

The board at the February meeting inquired as to affordable/workforce efforts resulting from last years' housing summit. Following a discussion of the activities of the housing summit steering committee established by the County Administrator the board asked about the possibility of presentations by county staff. The Executive Director recommended starting with Jonathan Brown, the director of Housing & Economic Sustainability, about a presentation of his department's recent results and current programs, particularly those focusing on the county's urban corridor and in the Glades region.

VI. "Old Business" matters:

Item (a.) Community Land Trust of PBC – consider request to amend existing Davis Landing West loan terms – Resolution R-2018-03

The Authority closed on a \$3.4M revolving construction loan on March 31, 2016 for the 24-unit Davis Landings West ("DLW") for-sale single family detached and townhome project.

The initial loan amount was \$1.5M with a future advance clause allowing for an additional \$1.9M; a delay in the start of and slower than anticipated construction resulted in a request for and authorization of this additional loan amount in February 2017. The units are now substantially complete and seven (7) home sales have closed.

The project has a \$1.747M of HOME loan funds from PBC that is converted at the sale of the home to a forgivable \$79.4K soft second mortgage on the 22 HOME affordable units. In addition, the CLT was successful in securing \$110K of impact fee assistance from PBC. In early December of last year Cindee LaCourse-Blum, the executive director of the Community Land Trust of Palm Beach County (“CLT”), requested an extension of the final maturity date of the loan from March 31 to May 15, 2018 which the board approved as an agenda add-on item for the December 8, 2017 meeting. She had anticipated this would allow sufficient time to process the remaining closings and repay the loan. She recently advised me of issues that had arisen with PBC HES regarding the conversion approval process since the last home sale closing in late February, which has affected some homebuyers and their respective first mortgage loan provider. These have now apparently been satisfactorily resolved and closings are expected to resume in early April. The current loan balance is \$2,565,889.72.

Enclosed in the agenda materials is a letter dated April 5 from Mrs. LaCourse-Blum requesting an extension of the maturity date of the loan from May 15 to December 28, 2018, which is also the final date in the PBC HOME agreement for the homes to be occupied, and a change in the partial release formula to a “net sales price”. The release formula in the loan agreement was structured to result in full repayment of the loan by the time 22 of the 24 homes had been sold. The CLT’s final profit margin on the project is now anticipated to be around \$50K so the original formula will not work. Also included in the agenda materials is Resolution R-2018-03 authorizing a third amendment to the loan agreement with the CLT extending the maturity date and allonge to promissory note, and providing for the revised partial release formula.

Staff recommends a motion: to approved Resolution R-2018-03 extending the construction loan maturity date and revising the partial release formula.

Item (b.) Palm Beach Habilitation Center, Inc. – final consideration of a revolving loan of up to \$1,000,000 – Resolution R-2018-04

The Authority gave conceptual approval for a revolving loan of up to \$1.5M to Palm Beach Habilitation Center, Inc. (“PBHC), for property acquisition and construction of two projects with terms and conditions to be presented together with substantially final loan

documents at the next meeting. David Lin, President of PBHC, provided the executed Memorandum of Agreement and good faith deposit on or about March 29 that allowed general counsel to begin the drafting of the loan documents.

The construction projects are the connection of their existing JB Ranch group home in suburban Lake Worth to the Palm Beach County Water Utilities Department system. The estimated cost is approximately \$500K of which \$482.6K is to be reimbursed from a state grant administered through the Florida Agency for Persons with Disabilities (“APD”). The other is the acquisition of the site in the City of Wellington for and construction of an approximately 3,500 square foot, six-unit memory care group home at total projected cost of about \$1.2M. PBHC closed on the \$395K property acquisition on March 29. A portion of the funding for the group home is anticipated to come from a \$527K grant from the Florida Housing Finance Corporation, and subsequent to our March meeting, they have sent to PBHC the invitation to underwriting for the project. The additional \$673K cost is expected to be covered from PBHC fund raising including a single grant for \$475K and \$200K from general fund raising activities.

After further discussions with Mr. Lin and circulation of draft loan documents it was determined and/or conceptually agreed that: a.) draws for the JB Ranch project will not exceed the remaining balance (\$440K) under the state APD grant, and no draw will be made until evidence of an extension of such grant to June 30, 2019 has been provided; b.) except for an initial draw in the amount of \$395k to reimburse PBHA for purchase of the memory care building site, no further draw will be permitted until the FHFC grant agreement has been executed. Mr. Lin believes that the JB Ranch will be completed and the draws for this project repaid before any draw is needed for the memory care home. He anticipates that completion of this project will more than likely be beyond the maturity date of the revolving loan but that the other private grant and fund raising will be available to make repayment in full and to complete the project.

Terms and security: The revolving loan will have a term of 12 months with an interest rate of 1%. The maximum amount under the revolving loan will be \$1.0M. Pursuant to a Securities Account Pledge Agreement PBHC will grant their investment account as collateral for the loan and the investments therein at loan closing will have a market value of not less \$1,200,000 (i.e. a 1.2x coverage ratio). No draw will be made that will cause the outstanding loan amount to exceed the minimum 1.20x coverage ratio. PBHC will give a no encumbrance pledge on the memory care home site but will not be required to give a first mortgage. Included with the agenda materials is Resolution R-2018-04 approving a revolving loan with PBHC consistent with the provisions the final loan term sheet, and approving the form of and authorizing the execution of the loan documents.

Staff recommends a motion: to approve Resolution R-2018-04 for a not-to-exceed \$1M revolving loan to Palm Beach Habilitation Center, Inc.

VII. “New Business” matters:

Item (a.) Consider “Own a Home Opportunity” single family loan program matters

Hamilton Group Funding loan: Under the Own a Home Opportunity program the participating lenders originate and close the FHA/VA/Freddie Mac first mortgage and up to \$10k down payment assistance (“DPA”) second mortgage to eligible first time home buyers. The lender funds the first mortgage at closing and then subsequently delivers the loan for purchase by US Bank as master loan servicer post-closing. The lender requests the DPA funding from the Authority just prior to closing, and the DPA second file is delivered with the first mortgage to US Bank. Hamilton closed a loan in August of 2017 and inadvertently funded the DPA with their own monies (i.e. they are also a participating lender in FHFC loan programs and those are done on a reimbursement basis). Hamilton is now requesting reimbursement (see attached correspondence); US Bank has confirmed purchase of the first mortgage as well as receipt of the DPA second mortgage loan file. **Staff recommends approval of the \$10,000 reimbursement of Hamilton Group Funding per there request of March 30, 2018.**

CenterState Bank: This central Florida based bank became a new participating lender in the program in the fall of 2017. Their first, and to date only loan, was originated for a homebuyer here in PBC and closed as a 5% grant loan in early 2018. However, a switch from FHA to a Freddie Mac loan during the process created a glitch that resulted in a loan that could not be certificated into a MBS and therefore was not purchased by US Bank. This resulted in CenterState holding a first mortgage where they had funded the grant amount (believed to be \$9,999.95) and a request for some form of relief. Since US Bank cannot purchase this loan, and it was CenterState’s error that caused it, the only reasonable “remedy” seems to be some form of reimbursement from loan origination fees payable on future CenterState loan originations under the program. **Staff recommends approval for reimbursement, but solely from a pro-rata share of loan origination fees received by the participating HFA’s from loans originated and sold by CenterState to US Bank from the date hereof for one year, up to an aggregate not-to-exceed \$10,000.**

Documentary stamp tax exemption legislation: The Florida legislature passed and the

Governor signed legislation amending Ch. 159.621 exempting notes and mortgages made directly to persons or families whose income is 80% or less of area median income for the purchase of a home not exceeding 90% of area median sales price, from excise tax on documents under Ch. 201, F.S., if at the time of recording the HFA records an affidavit signed by an agent of the HFA affirming that loan was made by or on behalf of the HFA. **Staff recommends consent to changes to the Own a Home Opportunity Program by the Lee County HFA to allow for implementation of the new documentary tax exemption.**

Request to Lee HFA of funding of DPA seconds: As mentioned above DPA second mortgages are funded just prior to loan closing pursuant to a request from the participating lender. While the lender and eHousingPlus, as program administrator, have verified the borrowers program eligibility at this point in the loan origination process, this guarantee there will be no issues with the either the first or DPA second mortgage. In a number of cases the first mortgage loans were not purchased by US Bank (i.e. resulting is a loss of the HFA origination fee), DPA seconds have been closed using the wrong form of note and mortgage (the respective HFA has given an assignment of mortgage), loans have not closed or are delayed resulting in funds having to be returned by the closing agent, and instances where the final DPA loan amount changed at closing necessitating a return of a portion of funds. Most if not all of these issues would or could be better addressed/remedied post-closing when US Bank purchases the loan; this is how all previous single-family bond program DPA funding was handled prior to the "Own a Home Opportunity" program. At this time, it is uncertain whether US Bank would agree to this change but I would like to go on record as having made a request. **Staff recommends sending a request to the Lee HFA asking them to consider making a request to US Bank to change the funding of DPA second mortgages to a reimbursement basis.**

Staff recommends a motion: to approve staff recommendations relating to the Own a Home Opportunity single family program.

Item (b.) Preliminary discussion of accounting and auditor selection process

As mentioned at last month's meeting I advised the board that we are in the final contract year with our accountants and auditors. The Authority when through a Request for Qualifications ("RFQ") process in 2009 when it selected the two current firms, Goldstein, Zugman, Weinstein and Poole as accountants, and Caler, Donten, Levine, Cohen, Porter & Veil as auditors. The Authority followed a then PBC policy for professional services that allowed for an up to 3-year contract with two additional three-year extensions. The

Authority is now in the final year of engagements with both firms; the auditor's engagement will end with the delivery of the September 30, 2017 multi-family bonds audit report, and the accountant with the delivery of the September 30, 2018 general fund financial statements before the end of this calendar year. The board will need to decide on the solicitation process, i.e., whether an invitation/request for letters of interest, qualifications or proposals/bids; the form of request including threshold qualifications; local preference, and/or small business enterprise, and/or M/WBE goals or requirements; evaluation and selection criteria; and a ranking process. My preference would be to negotiate contracts/engagement letters, which must then be approved by the Board of County Commissioners, before the end of this calendar year.

Enclosed in the agenda materials are copies of the 2009 requests for proposals ("RFP"), and a copy of the RFP used by PBC for their auditor selection in early 2013. The major difference between the accounting and auditing services going forward as comparing to then was the decision by the Authority board in 2016, as almost all local HFA's had done many years previous, to discontinue the preparation financial statements and audits of its outstanding multifamily bond issues after the fiscal year ended September 30, 2017. The Authority had previously discontinued the financial statements and an audit of the lone remaining single-family bond issue after fiscal year 2013. The need for bond issue accounting and audits at the time of the 2009 RFP's resulted in inclusion of a minimum requirement that the engagement partner and manager of the proposer have prior experience with either an HFA or other governmental conduit issuer of bonds; this may still be desirable but no longer a necessary requirement. The PBC RFP for audit services is more detailed, and includes sections on PBC Small Business Enterprise and Local Preference goals. PBC's "Small Business Enterprise Ordinance" is included in the agenda materials.

In connection with the accounting scope of services, I would like the board to consider the inclusion of a provision to provide assistance in establishing an accounting/budgeting software system (preferably a widely used program on the lines of QuickBooks and compatible with our custodian's monthly statements) for monthly, quarterly and an annual statement/report.

At this point, I am seeking input and direction from the board on how to proceed. The 2009 RFP's will need to be reviewed and updated, and a timetable prepared for the next Authority meeting. This will give the board members time to further review and submit comments and suggestions to staff for further consideration at that time. Included in the agenda materials is Section 218.391 F.S. which sets forth auditor selection procedures. While the full Authority reviewed and approved the process and form of the 2009 RFP, that board appointed three of its members as a subcommittee to review and rank the

proposals one of whom was a CPA and CFO of a substantial private company who chaired the subcommittee. The subcommittee meetings were conducted like any Authority meeting and required public notice, an agenda, and minutes. The subcommittee ranked all the proposals from first to last, and the ranking sheet of each subcommittee was member disclosed; the top three ranked firms were then invited to make presentations before the full board which then affirmed the subcommittees respective top selection for contract negotiations.

Tab 1

IV. Consent Items - attachments

- a.** Minutes of March 9, 2018 meeting
- b.** General Fund Requisition #3-2018
- c.** Multi-family project occupancy reports for February 2018

HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES OF REGULAR MEETING

Meeting Date & Time:

9:00 A.M., Friday March 9, 2018

Location:

PBC Airport Center
100 Australian Avenue
1st Floor, Suite 1-470
West Palm Beach

Attendance Sign-in Sheet/others

David Lin – Palm Beach Habilitation Center
Jean-Marie Moore - PBHC

Staff and professionals:

David Brandt, Executive Director
Jennifer Hamilton, administrative assistant
Skip Miller - general counsel – Greenspoon Marder
Amanda Kumar – bond trustee/custodian - US Bank
Jim Hutchison – auditor – Caler Donten Levine
Frederick Weinstein – accountant – Goldstein Zugman

I. Call to Order

a. Roll call and establishment of quorum

Chairman Patrick Franklin called the meeting to order at 9:00 a.m. The six (6) members present at roll call constituted a quorum:

Patrick Franklin, Chair – present
Gary Eliopoulos, Vice Chair - present
James Harper, Secretary – present
Clark Bennett – present
Robin Henderson - present
Tony Smith – absent
Chuck St. Lawrence – present

Mr. Harper stated that he had attempted to text Ms. Hamilton the morning of the March 9 meeting advising that he was ill and would not attend. The Executive Director suggested an excused absence be added to the Consent Agenda.

II. Public comment on Agenda Items

There was no comment from the public on the agenda items.

III. Agenda Approval

The Chair asked that an excused absence for Mr. Harper be added to the agenda.

Mr. Bennett moved approval of the agenda. The motion was seconded by Mr. Eliopoulos and passed unanimously by vote of 6-0.

IV. Consent Agenda

Mr. Bennett moved approval of the Consent Agenda. The motion was seconded by Mr. Eliopoulos and unanimously approved by a vote of 6-0.

V. Old Business

- a. None

VI. New Business

Item (a.) Consider loan application from Palm Beach Habilitation Center

The ED provided opening comments on the loan application from the Palm Beach Habilitation Center, Inc. ("PBHC"), which is an organization that works with persons with developmental disabilities, for a 12-month term revolving loan of \$1,500,000 for two projects. One is the extension of water and sewer lines to an existing group home that is presently on a well and septic tank, and the other is the construction of a new six-unit residential facility to be called the Memory Center Home. He then introduced PHBC CEO David Lin for his presentation.

Mr. Lin began by providing some background on PBHC stating that it is a non-profit organization with offices located on Sixth Avenue and Congress in Lake Worth. He stated that they work with people with development disabilities throughout their adult life cycle to help them to be as independent and integrative as possible in the community. They not only work with individuals with developmental disabilities such as cerebral palsy, Down syndrome and the autistic, but also provide services to individuals with a mental health diagnosis or physical limitations. Mr. Lin added that on their main campus they daily serve about 250 people and provide services to an additional 200 in the community to help them live and work on their own. They have three existing group homes, one for men only located on Lantana Road west of Jog, another on Haverhill between Forest Hill and Southern, and a women's Home off of Haverhill just south of Belvedere.

Their first construction project is at the JB Ranch men's home, built in the 1970's, which currently is on a well and septic tank. He said that for years they have been trying to get PBC water and sewer service, and in 2016 PBHC was successful in getting the state legislature to provide a special appropriation to fund this project.

The state grant is funded through the Florida Agency for Persons with Disabilities as a reimbursement contract, which means PBHC must expend the funds for construction and then are reimbursed. The second project is the construction of what is to be known as the Memory Care Group Home. PBHC is finding that as their residents' age the onset of Alzheimer's and dementia is setting in, especially with individuals with Down syndrome, they need a more specialized facility for older individuals to age in place. Mr. Lin said they have a site in the Village of Wellington under contract to close in March, and that the property has zoning for use as a six unit residential group home. He stated that the permanent funding for this \$1.2M home is to come from a Florida Housing Finance Corporation ("FHFC") grant of \$527K, an expected \$475K grant from the Cox Foundation, and other fund raising of PBHC.

Mr. Harper asked about the ages of the individuals served by PBHC, and whether they provide recreational activities. He said the reason for his questions is that he has known of small group homes where kids with Down syndrome end up sitting around all day in converted garages. Mr. Lin stated generally at the age of sixteen, however they often serve children as young as two. The group homes are for adults with a minimum age of twenty-two. The age for the memory care home will probably be 55 and above. He advised that PBHC has programs that keep their clients actively engaged both at the main facility as well at the group homes, and he encouraged the Authority board members to come to their main campus to see for themselves.

The ED then provided an overview of the proposed loan and terms. He stated that the repayment for the JB Ranch part of the revolving loan is from a grant reimbursement, which the Authority has done on a number of other revolving loans in the past. However, unlike other Authority loans where repayment was from the sale of newly constructed homes the repayment of the memory home land acquisition and project construction costs is reliant upon grant sources not currently secured as well as from future fund raising efforts by PBHC. He stated that while Mr. Lin mentioned that PBHC does not foresee any impediments to moving forward on either project there are a number of risk factors to be considered. For example, permits and a contract with a general contractor are needed for the JR Ranch project. The Memory Group Home is only in the conceptual pre-development design and cost estimate stage, and still must go through the FHFC credit underwriting process before the grant funding can close. He stated that with these concerns he would not typically recommend a loan

without other collateral considerations. He advised that when he reviewed the loan request with general counsel Skip Miller, they discussed an investment account control agreement as a possible source of collateral for the loan. Mr. Miller stated that an investment account control agreement is similar to a deposit account control agreement with a bank or money market account that gives the lender the right to take control over the account if there has been a default. In this case whatever institution is holding PBHC's investments would also be a party to the agreement. The Authority under the agreement would have certain rights with respect to the use of the investments, which would provide additional security for this loan. He said that the investment portfolio would need to be reviewed to make a determination as to how it is valued for collateral purposes.

Mr. Bennett asked Mr. Miller how the Authority would monitor an investment control agreement. Mrs. Henderson commented that with a bank loan, the bank would do this. Mr. Miller stated that since the Authority is the lender it would be us. In the event of a default, we would have to provide the holder of the investment account with a notice of control whereby the Authority could direct them to sell assets the proceeds of which would satisfy the loan debt. PBHC would be required to provide monthly statements of investments and agree not to sell any assets without our consent.

The ED briefly reviewed the draft loan term sheet handed out at the start of the meeting and in particular mentioned that a determination of minimum collateral level needed to be determined but that a 1.2x coverage of the loan amount would be recommended to avoid the expense of a first mortgage on the memory home project. Mrs. Henderson asked about requiring a negative pledge. The ED said staff would incorporate such a pledge of the borrower/PBHC not to encumber or otherwise allow a mortgage or other lien on the project site.

Mr. Eliopoulos had a question about the construction cost shown in the projects based on a 7,000 square foot building. Mr. Lin said the memory home would be between 3,500 to 4,000 square feet. The ED said he had erroneously picked up the 7,000 number from some portion of the materials provided by PBHC.

The ED said his recommendation would be for the Authority to give conceptual approval for a loan facility of up to \$1.5 million to Palm Beach Habilitation Center for the construction of the JR Ranch project and the Memory Group Home project, upon such terms and conditions, and loan documents, to be presented to the board for a final approval at the next meeting.

Mr. Eliopoulos moved approval of staff's recommendation. The motion was seconded by Mrs. Henderson and passed by a unanimous vote of 6-0.

Item (b.) Presentation of September 30, 2017 general fund audit

The ED advised that before Mr. Hutchison's presentation of the general fund audit report he wanted to briefly mention the "Management's Discussion and Analysis" section of the financials which summarizes the past three years operations. He stated that the trend of declining revenue due to multifamily bond redemptions had finally come to an end as new bond issuance exceeded those being retired in whole. He stated that over the past three year period that operating expenses remained constant with only funding of new down payment assistance second mortgages in excess of repayments resulting in a slight decrease in net position.

Jim Hutchison of Calen Donten Levine then gave a presentation of the final draft of their general fund audit report and findings together with their Governance Report. He started by stating that the final statements are the representation of management prepared by the Authority's accountants and reviewed by staff. Once they have finished their audit procedures and reviewed it with management, the audit report is issued. The report of the independent auditor is included the financial statements on page one and it explains both the auditors and management respective responsibilities. In addition to their opinion on the financial statements there are compliance reports and a management letter. The first compliance report is on internal control over financial reporting in accordance with government auditing standards. The management letter is required by the Auditor General of the State of Florida under Florida statutes. A new report is the independent review on investment compliance. He stated that they required by their professional standards to issue a report on compliance communication with those charged with governance which in our case is the Authority board. He advised that there were no difficulties with management during their performance of the audit; there were no uncorrected misstatements and none of those were material; there were no disagreements with management related to accounting policies; and there was no management consultation with other independent accountants regarding the accounting policies. He stated that a draft with the financial is given to Palm Beach County usually by the end of January or the first part of February, so the Clerk can format the financial information for inclusion in their CAFR.

Mrs. Henderson moved approval of staff's recommendation to accept and file the September 30, 2017 general fund financial statements and audit report. The motion was seconded by Mr. Harper and passed unanimously by a vote of 6-0.

VII. Other matters

a. Matters of Authority members

Mr. Harper advised that with respect to NALHFA conference he had instructed the ED that he would make his own reservations because of the bad experience with a rental car and hotel checkout at the conference last year in Jacksonville. He said felt that rental car was inadequate and unsafe, and that the board should have made the determination as to how long the car rental period should have been. The ED stated that he was in complete agreement with Mr. Harper that conference travel and reimbursement should be a board decision and based upon the Authority's internal operating procedures. He acknowledged there was an issue with the express billing procedure with Budget Rent A Car which was resolved after the conference travel period, and with the conference hotel check-out which was not limited to just Authority attendees. GC Miller advised that the Authority's internal policy and procedures states that car rental is limited to an "...intermediate car rental rate...unless the need for a larger car has been documented and approved by the Authority board." The Chair suggested that in the future any travel related consideration or issues should come before the board prior to actual conference travel.

There was no action to taken by the Authority.

a. Matters of the Executive Director and Professionals

The ED reported on the state legislature's sweep of \$123M of what would have been affordable housing funds as reported by the Florida Housing Coalition. The amount of the sweep was greater than the previous year and reportedly the result of additional school funding from the Parkland school shooting.

Mr. Harper requested that an item for discussing the recent issues with the Palm

Beach County Housing Authority and its former executive director be included as an agenda item for the next meeting. Following discussion by board members and staff there was consensus that this matter would best be brought up under “Matters of Authority Members” rather than as a specific agenda item.

Skip Miller reported on his legal review, as authorized at the last meeting, of board member telephonic participation in meetings. He stated that members must be physically present to count towards a quorum; however, if a quorum is physically present a board member can participate remotely and have their vote count only if they cannot be present for a medical reason, if the absent board member can hear everything being said at the meeting, and if the board can hear everything being said by the absent board member. He also recommended that the board should first establish a policy permitting such telephonic participation.

There was no action to taken by the Authority.

b. Matters of the public

None.

c. Next meeting date:

The Chair announced the next meeting date for 9:00 a.m., April 13, 2018 at the PBC Airport Center, Human Resources Training Rm. 4-790, 100 Australian Avenue, West Palm Beach.

VIII. Adjournment

At 10:30 pm Mr. Harper moved adjournment of the meeting. The motion was seconded by Mr. Eliopoulos and passed unanimously by a vote of 6-0.

Respectfully submitted,

Executive Director

Secretary



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of Palm Beach County**

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Date: March 16, 2018

To: Susan Fahimi
U.S. Bank Corporate Trust

From: David M. Brandt, Executive Director

Re: General Fund Disbursement #3-2018

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached, as confirmed for release of payment by the Authority Chair via email.

<u>PAYEE</u>	<u>AMOUNT</u>
Greenspoon Marder (Feb.)	\$ 1,400.00
David M. Brandt (Feb. auto)	500.00
US Bank (MasterCard)	592.84
FedEx (two invoices)	73.92
Caler, Donten, Levine, Cohen, Porter & Veil	<u>23,643.00</u>

Total General Fund Disbursement: \$ 26,209.76

Encls.

CC: Amanda Kumar, US Bank

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary February 2018

	Project:	Date	Per Rent Roll		Number of		Total	Total	Current	Last	2017
		Report	or FHFC Recap:		TICs included:						
		was	New	Annual	# of	# of					
	received	Move-in's	renewal	IC's (1)	AR's (1)	#	Occup.	months	months	average	
						units	Units	occup.	occup.	occup.	
1)	Azalea Place (d/b/a Palm Grove) (#)(@)	3/12/18	0	10	0	8	150	132	88.0%	92.0%	97.7%
2)	Colonial Lakes (#)	3/14/18	1	n.a.	1	n.a.	120	118	98.3%	99.2%	98.6%
3)	Courts at Village Square (2)(*)(#)	3/22/18	5	n.a.	5	n.a.	84	84	100.0%	94.0%	n.a.
4)	Green Cay Village (d/b/a Palm Park)	3/15/18	2	10	2	10	160	160	100.0%	100.0%	99.9%
5)	Heron Estates Senior	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace (@)(#)	3/9/18	6	32	7	31	330	326	98.8%	99.4%	98.9%
76)	La Joya Villages *(#)	3/15/18	1	n.a.	1	n.a.	55	53	96.4%	100.0%	94.2%
8)	Lake Delray *(3)	3/15/18	9	n.a.	9	n.a.	404	359	88.9%	87.1%	90.0%
9)	Malibu Bay (@)(*)(#)	3/18/18	7	n.a.	1	n.a.	264	247	93.6%	94.3%	96.9%
10)	New South Bay Villas (4)(*)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11)	Palm Gardens (#)	3/9/18	0	4	0	4	80	79	98.8%	100.0%	99.1%
12)	Palms West *(#)	3/6/18	6	n.a.	6	n.a.	290	288	99.3%	99.7%	99.0%
13)	Paul Lawrence Dunbar Senior (#)(*)	3/22/18	1	n.a.	1	n.a.	99	99	100.0%	100.0%	n.a.
14)	Pine Run Villas *(#)	3/14/18	0	n.a.	0	n.a.	63	63	100.0%	100.0%	98.9%
15)	Pinnacle At Abbey Park (^)(@)(*)(#)	3/14/18	4	n.a.	4	n.a.	160	158	98.8%	96.9%	97.4%
16)	Pinnacle Palms *(#)	3/15/18	3	n.a.	3	n.a.	152	146	96.1%	95.4%	97.5%
17)	Renaissance (at San Marino) (#)	3/19/18	2	26	2	25	344	337	98.0%	99.1%	97.2%
18)	Riverview House (#)	3/15/18	6	8	6	8	160	152	95.0%	93.8%	96.4%
19)	Venetian Isles II (d/b/a San Marco VI) (^)(@)(#)	3/12/18	1	6	1	5	112	109	97.3%	97.3%	98.1%
20)	Westgate Plaza *(#)	3/19/18	0	n.a.	0	n.a.	80	80	100.0%	100.0%	99.8%
21)	Woodlake (@)(*)	3/16/18	4	n.a.	3	n.a.	224	222	99.1%	99.6%	99.1%
	Totals		58	96	52	91	3331	3212	97.2%	97.3%	97.6%
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2)	First occupancy January 2018										
(3)	All rehabilitation expected to be completed by April 2018.										
(4)	First occupancy of rehabbed units began on March 29, 2018.										
(^)	Has prepaid the remaining issuer fee .										
(@)	Bonds have been redeemed in whole but Qualified Project Period still in effect.										
(*)	No annual recertifications are required as long as 100% of units are certified as "Low Income".										
(#)	Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.										

Housing Finance Authority of Palm Beach County
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	Project:	2016	2015	2014	2013	2016	2015	2014	2013	2016	2015	2014	2013
		average	average	average	average	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly
		occup.	occup.	occup.	occup.	high	high	high	high	low	low	low	low
1)	Azalea Place (d/b/a Palm Grove)	99.6%	98.7%	98.9%	99%	100%	100%	100%	100%	99%	98%	97%	97%
2)	Colonial Lakes	99.9%	99.6%	96.3%	n.a.	100%	100%	99%	99%	99%	99%	92%	n.a.
3)	Courts at Village Square (1)(*)(#)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4)	Green Cay Village (d/b/a Palm Park)	99.4%	97.8%	98.0%	92%	100%	99%	99%	95%	99%	96%	96%	88%
5)	Heron Estates Senior	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace	98.6%	97.9%	97.7%	95%	100%	99%	100%	98%	98%	96%	94%	92%
76)	La Joya Villages	98.9%	99.8%	n.a.	n.a.	100%	100%	n.a.	n.a.	95%	98%	n.a.	n.a.
8)	Lake Delray (2)	n.a.	n.a.	95.6%	96%	n.a.	n.a.	96%	98%	n.a.	n.a.	96%	94%
9)	Malibu Bay	96.1%	97.4%	91.6%	89%	99%	100%	96%	96%	92%	94%	82%	84%
10)	New South Bay Villas (3)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11)	Palm Gardens	99.1%	98.9%	98.2%	85%	100%	100%	100%	100%	98%	98%	96%	93%
12)	Palms West	98.6%	98.5%	100.0%	n.a.	100%	100%	100%	n.a.	98%	98%	84%	n.a.
13)	Paul Lawrence Dunbar Senior (4)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14)	Pine Run Villas	98.8%	98.8%	99.7%	n.a.	100%	100%	100%	100%	97%	95%	98%	n.a.
15)	Pinnacle At Abbey Park	97.5%	96.9%	94.2%	93%	99%	100%	98%	98%	94%	91%	92%	89%
16)	Pinnacle Palms	98.6%	97.3%	95.4%	91%	100%	99%	97%	94%	97%	96%	91%	89%
17)	Renaissance (at San Marino)	97.9%	97.6%	96.3%	94%	99%	99%	99%	95%	96%	96%	92%	91%
18)	Riverview House	97.0%	95.1%	82.6%	93%	99%	99%	96%	98%	95%	91%	75%	89%
19)	Venetian Isles II (d/b/a San Marco VI)	98.1%	99.6%	96.9%	96%	100%	100%	100%	97%	96%	98%	93%	94%
20)	Westgate Plaza	99.0%	98.9%	98.3%	99%	100%	100%	100%	100%	95%	98%	95%	98%
21)	Woodlake	99.4%	99.4%	97.4%	96%	100%	100%	99%	99%	98%	98%	95%	89%
	Totals (5)	98.5%	98.3%	96%	94%								
(1)	First occupancy January 2018												
(2)	All rehabilitation expected to be completed by April 2018.												
(3)	First occupancy of rehabbed units began on March 29, 2018.												
(4)	Rent up completed in October 2017												
(5)	Sum of the averages of each project												

Housing Finance Authority of Palm Beach County
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	Project:	Location:	2016 occup. turn over	2015 occup. turn over	2014 occup. turn over	2013 occup. turn over	Most restrictive tenant set aside requirements per HFA bond or other subordinate/HTC financing
1)	Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB	9%	15%	14%	26%	100% HAP contract
2)	Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	28%	31%	n.a.	n.a.	25%@30%, 30%@50% AMI
3)	Courts at Village Square	NE corner of SW8th Street & Auburn Ave., Del. Bch.	n.a.	n.a.	n.a.	n.a.	100% HAP contract
4)	Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	17%	26%	29%	34%	100% @ 60% AMI
5)	Heron Estates Senior	2003 W. 17th Street off Congress Ave, Riviera Beach	n.a.	n.a.	n.a.	n.a.	50% HAP contract/10% @ 33% AMI
6)	Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	28%	38%	38%	37%	20% @ 50% & 80% @ 60% AMI
76)	La Joya Villages	6th Ave S. just east of US 1, Lake Worth	5%	5%	n.a.	n.a.	25% @ 50% AMI per NSP2
8)	Lake Delray	Lindell Blvd. east of I-95/south of Linton Blvd. Del. Bch	n.a.	n.a.	12%	15%	100% @ 60% AMI; 50% HAP
9)	Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	22%	35%	38%	47%	100% @ 60% AMI
10)	New South Bay Villas	MLK and Palm Beach Road, City of South Bay	n.a.	n.a.	n.a.	n.a.	HAP contract all but 1 unit
11)	Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	15%	24%	33%	38%	17% @ 30% and 83% @ 60% AMI
12)	Palms West	1551 Quail Drive off Westgate Ave, suburban WPB	9%	13%	n.a.	n.a.	2% @50% and 98% @ 60% AMI
13)	Paul Lawrence Dunbar Senior	906 Grant St, corner of Division and Grant, WPB	n.a.	n.a.	n.a.	n.a.	100% HAP contract
14)	Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	14%	19%	3%	n.a.	25%@30%/30%@50%/45%@60%
15)	Pinnacle At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	29%	30%	36%	48%	4% @ 30% & 96% @ 60% AMI
16)	Pinnacle Palms	Executive Center Dr. south of Congress Ave. WPB	19%	25%	31%	31%	100% @ 60% AMI
17)	Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	24%	34%	41%	29%	25% @ 50% & 75% @ 60% AMI
18)	Riverview House	Lake Worth Rd. east of S. Military Trail, Lake Worth	34%	48%	55%	38%	100% @ 60% AMI
19)	Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Riv. Bch.	22%	27%	44%	30%	100% @ 60% AMI
20)	Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	14%	10%	14%	6%	100% HAP contract
21)	Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	15%	21%	33%	47%	100% @ 60% AMI
		Totals (6)	19%	25%	30%	33%	

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary February 2018

					Qualified		
			Approx. QPP		Project		
			start		Period end		
			date		(approximate)		
1)	Azalea Place (d/b/a Palm Grove)		Apr-00		QPP for term of HAP		
2)	Colonial Lakes		May-13		2028		
3)	Courts at Village Square (fka Village Square Elder)		Jan-18		QPP for term of HAP		
4)	Green Cay Village (d/b/a Palm Park)		May-07		2022		
5)	Heron Estates Senior (1)		TBD		QPP for term of HAP		
6)	Indian Trace		Apr-03		QPP ends 2/28/2024		
76)	La Joya Villages		Feb-15		2030		
8)	Lake Delray (2)		Dec-16		QPP end 11/30/2031		
9)	Malibu Bay		Jun-05		QPP ends 6/6/2020		
10)	New South Bay Villas (3)		Apr-17		QPP for term of HAP		
11)	Palm Gardens		Nov-08		2023		
12)	Palms West		Sep-13		2028		
13)	Paul Lawrence Dunbar Senior		Oct-17		QPP for term of HAP		
14)	Pine Run Villas		Oct-13		2028		
15)	Pinnacle At Abbey Park		Mar-04		QPP ends 3/1/2019		
16)	Pinnacle Palms (4)		Jul-05		QPP ends not sooner than July 1, 2022		
17)	Renaissance (at San Marino)		2004?		2019		
18)	Riverview House (5)		Aug-01		2016		
19)	Venetian Isles II (d/b/a San Marco VI)		Jul-04		QPP ends 7/1/2019		
20)	Westgate Plaza		Nov-12		QPP for term of HAP		
21)	Woodlake		Nov-13		2028		
(1)	Bonds expected to close March 2018						
(2)	All rehabilitation expected to be completed by April 2018.						
(3)	First occupancy of rehabbed units began on March 29, 2018; new construction by October 2018						
(4)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18						
(5)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.						

Tab 2

VI. Old Business - attachments

- a.** Community Land Trust of PBC – Davis Landings West loan
 - i. Letter of request from CLT
 - ii. Resolution R-2018-03
- b.** Palm Beach Habilitation Center, Inc.
 - i. Resolution R-2018-04



OFFICERS:

Hazel Lucas
President
Florida Rural Legal
Services

Dorothy Ellington
Vice President
Delray Beach
Housing Authority

Andrew E. Zeeman
Treasurer
Peninsular Electric

Shannon Ricketts
CLT Lessee Member

DIRECTORS:
Shemerria Burgess
CLT Lessee Member

Shaquala Glasco
CLT Lessee Member

Tangenica Henry
CLT Lessee Member

Vice Mayor Scott
Maxwell
City of Lake Worth

Tammy McDonald-
Anderson
Urban League of
Palm Beach County

Carolyn Pelicieux
CLT Lessee Member

Derrick Penn
CLT Lessee Member

Shannon Ricketts
CLT Lessee Member

Silvia Ricketts
CLT Lessee Member

Semantha
Santangelo
CLT General
Member

Randy S. Wertepny,
P.E.
Kesahavarz and
Associates

April 5, 2018

David Brandt, Executive Director
Palm Beach County Housing Finance Authority
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406

Dear Mr. Brandt,

The Community Land Trust of Palm Beach County, Inc. (CLT of PBC) is requesting to amend the Davis Landings West Construction Loan Agreement to extend the loan maturity date from May 15, 2018 to December 28, 2018 mirroring the requirement in the Palm Beach County HOME Loan. An amendment to the loan partial release formula is also being requested.

More time than was originally anticipated will be needed to sell the Davis Landings West Homes. The construction of the project is being closed out however, four of the townhomes were issued a temporary certificate of occupancy, rather than a certificate of occupancy, while the site plan is being administratively amended to match existing conditions.

The sale of seven homes have closed and another four are in the closing process. Five of the initial homebuyers at Davis Landings West dropped out as the files were being processed for closing. The buyers had been brought in early in the process and were eagerly awaiting construction completion. As the purchase assistance applications were being processed for closing, the buyers became overwhelmed with the County process associated with the assistance. The CLT of PBC provided feedback to the County on their process during a Roundtable discussion on April 7th which resulted in improvements in the process. Another meeting is scheduled for April 16th for further discussions.

A bump in eligible buyers is anticipated this month as the new AMI's are released by HUD, The AMI's are projected to increase by 5% placing a number of slightly over income applicants waiting on standby into eligibility. The County will also begin processing SHIP purchase assistance applications in June. The CLT of PBC has a number of clients on the list to pull from as a fall back.

In addition, the current partial release formula does not accommodate the varying prices of the units. An amended release price is being requested that reflects the net sale price of each unit. It is being proposed that the CLT of PBC would provide a copy of the draft closing statement to the Executive Director of the Palm Beach

4938 Davis Road • Lake Worth, Florida 33461
Phone: (561) 318-8842

County Housing Finance Authority for his review and comment prior to each closing.

I hope you will support this request and assist us in our mission to build up a permanent affordable housing infrastructure that will be available to current and future residents of Palm Beach County.

Please call me at (561)318-8430 to discuss this request and/or provide additional information.

Sincerely, 

Cindee LaCourse-Blum, Executive Director
Community Land Trust of Palm Beach County, Inc.

RESOLUTION NO. 2018- 3

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA; APPROVING THE FORM OF AND AUTHORIZING ENTERING INTO A THIRD AMENDMENT TO CONSTRUCTION LOAN AGREEMENT WITH THE COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.; AUTHORIZING A THIRD ALLONGE TO NOTE; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “**Authority**”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “**Act**”); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “**County**”); and

WHEREAS, the Authority previously made a \$3,400,000 loan (the “**Loan**”) to the Community Land Trust of Palm Beach County, Inc. (the “**Borrower**”) for the Davis Landings West project pursuant to that certain Construction Loan Agreement between the Borrower and the Authority dated March 31, 2016, as amended by that certain First Amendment to Construction Loan Agreement between the Borrower and the Authority dated May 16, 2016 and that certain Second Amendment to Construction Loan Agreement between the Borrower and the Authority dated December 8, 2017 (collectively, the “**Loan Agreement**”); and

WHEREAS, the Loan is evidenced by a Revolving Mortgage Note dated March 31, 2016, an Allonge to Note dated May 16, 2016 and a Second Allonge to Note dated December 8, 2017 (collectively, the “**Note**”);

WHEREAS, the Borrower has requested that the Authority extend the maturity date of the Note from May 15, 2018 to December 28, 2018; and

WHEREAS, the Authority wishes to approve said request; and

WHEREAS, the Authority wishes to ratify the release prices paid by the Borrower to the Authority for houses already sold by the Borrower, and to approve the methodology for determining the release price for future house sales; and

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA:

Section 1: Recitals. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Approval and Execution of Third Amendment to Construction Loan Agreement with Applicant. The Authority is hereby authorized to enter into a Third Amendment to Construction Loan Agreement with the Borrower in substantially the form attached as Exhibit "A" hereto (the "**Third Amendment**"). The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Third Amendment, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Third Amendment.

Section 3: Approval and Execution of Third Allonge to Note. The Authority is hereby authorized to approve the Third Allonge to Note in substantially the form attached as Exhibit "B" hereto (the "**Third Allonge**"). The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Third Allonge, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Third Allonge.

Section 4: Ratification of Release Prices and Approval of Methodology for Determining Future Release Prices. The Authority hereby ratifies the release prices paid by the Borrower to the Authority for houses already sold by the Borrower, which release price for each house was an amount equal to the net sale proceeds received by the Borrower from such sale. The Authority further approves and approves the methodology for determining the release

price for future house sales by the Borrower, which release price for each house will be an amount equal to the net sale proceeds received by the Borrower from such sale, except that the release price for the last house sold will be sufficient to repay the Loan in full.

Section 5: Authority to Enter into Other Loan Documents. The Authority is authorized to enter into such other loan documents with the Applicant as are usual and customary for a loan of this type, so long as such documents are consistent with the provisions of the Third Amendment and the Third Allonge. Such documents shall be in such form as may be approved by the Chairperson or other member of the Authority executing such documents, with the advice of the Executive Director and of the Authority and general counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 6: No Other Rights Conferred. Except as herein otherwise expressly provided, nothing in this Resolution or in the agreements approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority or the Borrower, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreements, or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority and the Borrower.

Section 7: Severability. In case any one or more of the provisions of this Resolution, or of agreements approved hereby or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of such agreements.

Section 8: Further Actions; Effectiveness of Approval. The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's general counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of this Resolution, the agreements herein approved or any other agreements to which the Authority is a party and which have been approved by the Authority.

Section 9: Headings Not Part of this Resolution. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 10: Resolution Effective. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank.]

ADOPTED this 13th day of April, 2018.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Name: _____
Title: Chairperson

By: _____
Name: _____
Title: Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Name: Morris G. (Skip) Miller, Esq.
Title: Attorney

EXHIBIT "A"

THIRD AMENDMENT TO CONSTRUCTION LOAN AGREEMENT

THIRD AMENDMENT TO CONSTRUCTION LOAN AGREEMENT

THIS THIRD AMENDMENT TO CONSTRUCTION LOAN AGREEMENT, dated April __, 2018, is made by and between the **COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.**, a Florida not for profit corporation (the “Borrower”) and **THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**, a public body corporate and political entity organized and existing under the laws of the State of Florida (the “Lender”), amending that certain Construction Loan Agreement between the Borrower and the Lender dated March 31, 2016, as amended by that certain First Amendment to Construction Loan Agreement between the Borrower and the Lender dated May 16, 2016 and that certain Second Amendment to Construction Loan Agreement between the Borrower and the Lender dated December 7, 2017 (collectively, the “Loan Agreement”).

WITNESSETH

WHEREAS, the Borrower and the Lender previously entered into the Loan Agreement, pursuant to which the Lender agreed to make a revolving loan to the Borrower in the principal amount of up to \$3,400,000.00 for the Project, as described therein; and

WHEREAS, the Borrower and the Lender desire to further amend the Loan Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Third Allonge to Note.

The Authority authorizes a Third Allonge to Note extending the Maturity Date from May 15, 2018 to December 28, 2018.

SECTION 2. Amendment to Section 20 of Loan Agreement.

Section 20 of the Loan Agreement is amended in its entirety to read as follows:

Section 20. Mortgage Lien. At all times during the construction of the infrastructure and the Homes the total amount of Lender's funds advanced pursuant to this Agreement shall be secured by the lien of the Mortgage, notwithstanding the fact that Borrower or any agent of Borrower may have made improper payments as defined by the Act. Under no circumstance shall Lender be liable for any improper payments which may have been made by Borrower, or his agent. The ~~Lender Mortgage~~ may, in ~~its~~ Lender's sole discretion, ~~permit provide~~ for the release of a lot upon the repayment by the Borrower of ~~all advances related to~~ an amount equal to not less than the net proceeds received by the Borrower

from the sale of such lot, provided that the release price for the last lot sold will be sufficient to repay the Loan in full.

SECTION 3. Agreement to Remain in Full Force and Effect.

The Loan Agreement shall remain in full force and effect, as amended hereby.

SECTION 4. Effective Date.

This Third Amendment to Construction Loan Agreement shall take effect as of the day and year first above written.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to Construction Loan Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

BORROWER:

COMMUNITY LAND TRUST OF PALM
BEACH COUNTY, INC.

By: _____
Cynthia LaCourse-Blum
Executive Director

LENDER:

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA

By: _____

Name: _____

Title: _____

EXHIBIT "B"

THIRD AMENDMENT TO ALLONGE

THIRD ALLONGE TO REVOLVING MORTGAGE NOTE

The Revolving Mortgage Note (the "Note") issued by COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., (the "Borrower") on March 29, 2016, in favor of HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA (the "Lender") in the principal amount not to exceed \$3,400,000 is modified in the following respects, effective April __, 2018:

1. The Maturity Date of the Note is extended from May 15, 2018 to December 28, 2018.

IN WITNESS WHEREOF, COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC. has issued this Third Allonge to Revolving Mortgage Note and has caused the same to be executed by its duly authorized officer(s), all as of the day and year first above written.

COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., a Florida Non Profit corporation

BY: _____

NAME: _____

TITLE: _____

Agreed to this ____ day of April, 2018.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

By: _____

Name: _____

Title: _____

RESOLUTION NO. 2018- 04

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA; APPROVING A REVOLVING LOAN TO PALM BEACH HABILITATION CENTER, INC. IN AN AMOUNT NOT TO EXCEED \$1,000,000, IN SUBSTANTIAL ACCORDANCE WITH THE TERM SHEET RELATING THERETO; APPROVING THE FORM OF AND AUTHORIZING ENTERING INTO A LOAN AGREEMENT WITH PALM BEACH HABILITATION CENTER, INC., AND OTHER LOAN DOCUMENTS CONSISTENT WITH SAID TERM SHEET AND LOAN AGREEMENT; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “**Authority**”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “**Act**”); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “**County**”); and

WHEREAS, Palm Beach Habilitation Center, Inc. (the “Applicant”) submitted an application (the “**Application**”) to the Authority for a revolving loan of the Authority’s Surplus Funds in an aggregate principal amount of not to exceed \$1,500,000 (the “**Loan**”) to finance a portion of (i) the cost of connecting the Applicant’s JB Ranch facility to the Palm Beach County water and sewer system, and (ii) the cost of acquiring, constructing and equipping a new six unit group home in Wellington, Florida (collectively, the “**Projects**”) described in the Application and in the Term Sheet executed by the Applicant (the “**Term Sheet**”); and

WHEREAS, the Applicant has now indicated that it only needs the amount of the Loan to be \$1,000,000; and

WHEREAS, based upon the Application and subject to further review and analysis, the Authority has determined that the Project constitutes Eligible Housing within the meaning of the Authority’s policies and procedures for the use of surplus funds (“**Surplus Fund Policy**”); and

WHEREAS, the Authority, at its regular meeting on March 9, 2018, approved the Application and gave conceptual approval for such Loan, and authorized the preparation of loan terms and documents for presentation to and final approval by the Authority; and

WHEREAS, the Authority wishes to enter into certain agreements with the Applicant with respect to its consideration of the Applicant's request for a Loan from the Authority's Surplus Funds and the financing of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA:

Section 1: Recitals. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Approval of Loan. The Authority hereby approves the making of a loan to Applicant in an aggregate principal amount of not to exceed \$1,000,000 (the "**Loan**") to finance a portion of the Project, in substantial accordance with the Application and the Term Sheet previously approved by the Board.

Section 3: Approval and Execution of Term Sheet with Applicant. The Authority is hereby authorized to enter into a Term Sheet with the Applicant in substantially the form attached as Exhibit "A" hereto (the "**Term Sheet**"). The Executive Director is hereby authorized to execute and deliver the Term Sheet on behalf of the Authority.

Section 4: Approval and Execution of Loan Agreement with Applicant. Pursuant to the Term Sheet, the Authority is hereby authorized to enter into a Loan Agreement with the Applicant in substantially the form attached as Exhibit "B" hereto (the "**Loan Agreement**"). The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Loan Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Loan Agreement.

Section 5: Authority to Enter into Other Loan Documents. The Authority is authorized to enter into such other loan documents with the Applicant, and to require from the Applicant such documents evidencing and securing the Loan, as are usual and customary for a loan of this type, so long as such documents are consistent with the provisions of the Term Sheet and the Loan Agreement. Such documents shall be in such form as may be approved by the Chairperson or other member of the Authority executing such documents, with the advice of the Executive Director and of the Authority and general counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 6: No Other Rights Conferred. Except as herein otherwise expressly provided, nothing in this Resolution or in the agreements approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority or the Applicant, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreements, or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority and the Applicant.

Section 7: Severability. In case any one or more of the provisions of this Resolution, or of agreements approved hereby or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of such agreements.

Section 8: Further Actions; Effectiveness of Approval. The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's general counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of this Resolution, the

agreements herein approved or any other agreements to which the Authority is a party and which have been approved by the Authority.

Section 9: Headings Not Part of this Resolution. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 10: Resolution Effective. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 13th day of April, 2018.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Name: Patrick J. Franklin
Title: Chairperson

By: _____
Name: James H. Harper
Title: Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Name: Morris G. (Skip) Miller, Esq.
Title: Attorney

EXHIBIT "A"

TERM SHEET

EXHIBIT B - LOAN TERM SHEET

- 1) **Borrower:** Palm Beach Habilitation Center, Inc. ("PBHC").
- 2) **Lender:** Housing Finance Authority of Palm Beach County ("HFA").
- 3) **Purpose:** To advance funds to PBHC to pay the costs of two projects; A.) To provide for connection of the existing JB Ranch group home ("JB Ranch"), located at 5203 Colbright Road in Lake Worth, to the Palm Beach County Water Utilities Department water and sewer system; B.) site acquisition and subsequent construction of a six-unit group home to be known as the Memory Care Group Home ("MCGH") at 440 Cindy Drive in the Village of Wellington. The JB Ranch project borrowing is to be repaid from funds reimbursed under a State of Florida Agency for Persons with Disabilities grant ("APD"); the MCGH project borrowing is to be repaid from the proceeds of an expected \$527,000 grant from the State of Florida administered through the Florida Housing Finance Corporation, an expected \$475,000 grant from James M. Cox, and from other funds raised by PBHC. All residents of the projects will be eligible persons as defined in the Florida Housing Finance Authority Law, Chapter 159, Part IV, F.S. The estimated sources and uses of funds for the costs of the two projects and for loan repayment are as set forth in "Attachment A" hereto.
- 4) **Loan amount:** A revolving loan ("Loan") facility in an aggregate amount not to exceed One Million (\$1,000,000) of which no more than is anticipated (\$440,000) to be reimbursed under the APD grant will be advanced for the JB Ranch project, and no more than \$1,000,000 to be advanced for the MCGH project.
- 5) **Loan closing/maturity date:** The Loan is expected to close no later than April 30 2018, and will mature upon repayment of the final draw but in no event later than one (1) year from the Closing Date.
- 6) **Interest rate and interest payments:** 1% simple interest in arrears calculated from the date of a draw to its subsequent repayment based on actual days and a 365 day year. Interest shall be payable monthly beginning 30 days after the first draw under the Loan. If the loan maturity is extending beyond one-year, interest will be 2% retroactive to the first draw.
- 7) **Principal payments:** Any principal amount outstanding under the Loan may be prepaid at any time. Mandatory repayment of each draw within 5 business days of the date that PBHC receives a reimbursement under the APD grant or FHFC grant for costs advanced under a Loan draw.
- 8) **Late charge:** 5% of the interest portion of a payment more than 15 days past due, and 5% of any principal and interest payment more than 30 days past due.

9) Loan fee/expenses: PBHC will pay HFA legal fees and reasonable out-of-pocket expenses as well as all other costs (e.g. UCC search and/or filing, recording and documentary taxes) in connection with the Loan.

10) Collateral: PBHC will provide an investment account control agreement covering PBHC's investment accounts. PBHC will pledge to maintain a 1.20 times coverage of the market value of such investments to the full amount available under the Loan. A.) In connection with the JB Ranch project an assignment or pledge of APD grant reimbursement payments; B.) in connection with the MCGH project an assignment or pledge of the FHFC grant reimbursement payment for any MCGH project draw; . PBHC will provide a "no encumbrance" pledge for this project site.

11) Draw requests: The form of draw request and required documentation is to be agreed upon by the parties prior to Loan closing, and such draw shall be approved by the project civil engineer or architect, as applicable. A.) No draw will be allowed for the JB Ranch project without evidence of an extension of the APD grant expenditure deadline to June 30, 2019, permitting and an executed construction contract. No draws will be advanced for the JB Ranch in excess of the remaining available balance of the APD grant; B.) one draw in the amount of \$395,000 will be allowed for the MCGH project for reimbursement of the purchase of the project site. Subsequent draws will not be permitted until the FHFC grant agreement has been executed.

12) Other: PBHC will provide HFA with copies of the audited financial statements and Form 990 for June 30, 2018 when completed, and shall maintain certain insurance as specified by the HFA.

THIS TERM SHEET DOES NOT REPRESENT A "FIRM" COMMITMENT TO LEND BY THE HFA, BUT RATHER SETS FORTH THE TERMS ON WHICH THE HFA WOULD BE WILLING TO LEND IF IT CHOOSES TO DO SO.

Agreed upon this ___ day of _____, 2018

PALM BEACH HABILITATION CENTER, INC.

By: _____

Print Name: _____

Title: _____

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

By: _____

David Brandt, Executive Director

ATTACHMENT "A"

Estimated project costs and sources for Loan repayment

JB Ranch project

Estimated costs

Force mains	\$ 314,400
Lift station	90,000
Other hard costs	51,600
Soft cost	<u>44,000</u>
Total cost	\$ 500,000

Permanent funding/loan repayment source:

Florida APD grant	\$ 440,000
Additional fund raising	<u>60,000</u>
Total funding sources	\$ 500,000

Memory Care Group Home

Estimated cost:

Site acquisition	\$ 395,000
Building	796,205
Soft costs	<u>8,795</u>
Total cost	\$1,200,000

Permanent funding/loan repayment source:

FHFC grant	\$ 525,000
James M. Cox grant	475,000
Additional fund raising	<u>200,000</u>
Total funding sources	\$1,200,000

EXHIBIT "B"

FORM OF LOAN AGREEMENT

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of the ____ day of April, 2018 (the “Agreement”), is made by and between the **PALM BEACH HABILITATION CENTER, INC.**, a Florida not for profit corporation (the “Borrower”) with its principal place of business located at 4522 S. Congress Avenue, Lake Worth, Florida 33461 and **THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**, a public body corporate and political entity organized and existing under the laws of the State of Florida (the “Lender”) with its principal place of business located at 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406.

RECITALS:

A. The Borrower has applied to the Lender for a revolving loan in the principal amount of up to \$1,000,000 (the “Loan”) to be advanced by the Lender pursuant to the terms hereof.

B. The Borrower will use the proceeds of the Loan to (i) provide for the connection of the Borrower’s existing JB Ranch group home located at 5203 Colbright Road, Lake Worth, Florida ____ (“JB Ranch”) to the Palm Beach County Utilities Department water and sewer system fund (the “JB Ranch Project”), and (ii) provide for land acquisition and construction of a new six-unit group home to be known as the Memory Care Group Home to be located at 440 Cindy Drive, Wellington, Florida (the “Memory Care Group Home Project” and, collectively with the JB Ranch Project, the “Projects”).

C. The units at JB Ranch are and will continue to be occupied by “eligible persons” as defined in the Florida Housing Finance Authority Law, Chapter 159, Florida Statutes (“Eligible Persons”) and the units at the Memory Care Group Home will, upon completion, be occupied by Eligible Persons.

D. The Borrower will reimburse the Lender for advances as the Borrower is reimbursed for expenditures on the JB Ranch Project by the State of Florida Agency for Persons with Disabilities (“APD”), and as the Borrower is reimbursed for expenditures on the Memory Care Group Home Project by the Florida Housing Finance Corporation (“FHFC”).

E. The Lender is willing to make the Loan described hereinabove based on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower and the Lender hereby agree as follows:

ARTICLE I

Definitions

1.1 For the purposes hereof:

(a) “Account Control Agreement” means that certain Notification and Control Agreement, dated April __, 2018, by and among the Borrower, the Lender and the Custodian.

(b) “Advance” means an advance of the proceeds of the Note to the Borrower pursuant to Article II and Article IV hereof.

(c) “APD” means the State of Florida Agency for Persons with Disabilities.

(d) “APD Agreement” means the grant agreement between the Borrower and APD relating to the JB Ranch Project dated _____, as the same may be amended from time to time, and all exhibits thereto;

(e) “Closing Date” means the date hereof;

(f) “Collateral” means the Investment Account described in Section 2.8 of this Agreement, and any other property and interests in property that may now or hereafter secure payment of the Obligations and satisfaction by Borrower of all covenants and undertakings contained in this Agreement and the other Loan Documents.

(g) “Completion Date” means June 30, 2019 for the JB Ranch Project and the date established by the Construction Documents for the Memory Care Group Home Project;

(h) “Construction Documents” means the construction contracts entered into by and between the Borrower and the General Contractor for the Projects, and all other contracts, plans or documents concerning the construction of the Projects;

(i) “Cost Breakdown” means the detailed itemization of Costs as approved by the Lender from time to time; the initial Cost Breakdown is attached as Exhibit C;

(j) “Costs” means the costs of the Projects, as shown in Exhibit C. Such costs may include construction costs related to the development and construction of the Project as deemed eligible by APD with respect to the JB Ranch Project and by the FHFC with respect to the Memory Care Group Home Project;

(k) “Custodian” means PNC Bank, National Association, the custodian of the Investment Account, or any successor account control or similar agreement into which cash and the investments in the Investment Account may be transferred.

(l) “Default Condition” means the occurrence or existence of an event or condition which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default;

(m) “Draw Request” means a written request for any advance of Loan proceeds, which shall be submitted for each requested advance as set forth in Section 2.3 hereof;

(n) “Eligible Assets” means those investments described in Exhibit “E” hereto.

(o) “Event of Default” means an Event of Default as defined in Section 7.1 hereof;

(p) “FHFC” means the Florida Housing Finance Corporation.

(q) “FHFC Agreement” means the grant agreement expected to be entered into by Borrower and FHFC relating to the Memory Care Group Home Project, as the same may be amended from time to time, and all exhibits thereto;

(r) “Force Majeure” means strikes, lock-outs, riots or other labor troubles, unavailability of materials, a national emergency, any rule, order or regulation of Governmental Authorities, tornadoes, floods, hurricanes or other natural disasters, or other similar causes not within the Borrower’s control;

(s) “General Contractor” means the company or companies to be engaged by the Borrower to serve as the general contractor for the Projects, or any successor or replacement contractor;

(t) “Governmental Authorities” means any governmental (including health and environmental) office, officer or official whose consent or approval is required as a prerequisite to the commencement of the construction of the Projects or to the operation and occupancy of the Premises or to the performance of any act or obligation or the observance of any agreement, provision or condition of whatsoever nature herein contained;

(u) “Improvements” means collectively the buildings and other improvements constructed on the Land where the JB Ranch is located and the Memory Care Group Home will be located;

(v) “Investment Account” means that certain institutional asset management account number *****3466 of the Borrower currently held at PNC Bank, National Association, all cash and investments within said account, and any account or accounts to which any of the assets in said asset investment account may in the future be transferred.

(w) “Land” means the real property located in Palm Beach County, Florida and described in Exhibit A hereto, owned by the Borrower, upon which the Improvements are or will be located;

(x) “Loan Documents” means this Agreement, the Note, the Pledge Agreement, the Account Control Agreement and all other documents executed in connection herewith;

(y) “Minimum Eligible Asset Requirement” means \$1,200,000 or, if the Borrower exercises its option to reduce the maximum amount it can draw hereunder, 120% of such reduced maximum amount.

(z) “Note” means that certain Promissory Note (Revolving) of the Borrower dated as of the Closing Date in favor of the Lender in the amount of \$1,000,000 as well as any promissory note or notes issued by the Borrower in substitution, replacement, extension, amendment or renewal of any such promissory note or notes;

(aa) “Obligations” mean the indebtedness represented by the Note and all modifications, renewals and substitutions hereof, all obligations of the Borrower under the Loan Documents which evidence and secure the obligations of the loan evidenced by the Note and all other claims of every nature and description of the Lender against the Borrower whether present or future, contracted with or acquired by the Lender, and whether joint, several, absolute, contingent, matured, unmatured, liquidated, unliquidated, or direct or indirect.

(bb) “Permitted Liens” mean the liens listed on Exhibit “D” hereto;

(cc) “Plans” means plans and specifications for the construction of the Projects to be prepared by Borrower’s design architect including such amendments thereto as may from time to time be made by the Borrower;

(dd) “Pledge Agreement” means the Securities Account Pledge Agreement from the Borrower to the Lender dated the date hereof.

(ee) “Premises” means the collective reference to the Land, the Improvements and the Tangible Personalty;

(ff) “Projects” means collectively, the JB Ranch Project and the Memory Care Group Home Project;

(gg) “Tangible Personalty” means all fixtures, equipment, furnishings and other articles of personal property now or hereafter owned by the Borrower and attached to or contained in and used in connection with the Land and Improvements and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to the Land and Improvements in any manner; and

(hh) “Vendors” means the General Contractor for the Projects, and their sub-contractors or suppliers.

ARTICLE II

The Loan

2.1 Loan Terms. (a) Subject to the terms and conditions of this Agreement, the Lender will lend and the Borrower will borrow up to a principal sum of \$1,000,000, such borrowing to be evidenced by the Note. Under certain conditions described herein, including

repayment of borrowed principal under the Note, the Borrower may re-borrow additional funds from Lender provided at no time shall the unpaid borrowed amount exceed \$1,000,000.

(b) Interest. The principal balance outstanding on the Loan from time to time shall bear interest at the rate of one percent (1%) per annum, calculated on an actual/365 day basis. Principal of and interest on the Loan shall be repayable at the times and in the manner set forth in the Note. Should the final maturity of the Loan be extended beyond twelve (12) months, the Loan shall bear interest at the rate of two percent (2%) per annum, retroactive to the date of the initial Advance. Any extension shall be at the sole discretion of the Lender.

2.2 Advances. The Lender agrees that it will from time to time, so long as there shall exist no Default Condition or Event of Default, subsequent to the first advance as provided for in Article IV hereof, but not more frequently than twice a month, advance Loan proceeds to the Borrower. The Lender shall not be obligated to make any advances for the JB Ranch Project after that date which is ten (10) days prior to the date the Borrower is required to submit its final requisition request to APD. The Lender shall not be obligated to make any advances for the Memory Care Group Home Project after that date which is ten (10) days prior to the date the Borrower is required to submit its final requisition request to FHFC.

2.3 Draw Requests. At least three (3) business days prior to each Loan advance requested by the Borrower, the Borrower must submit to the Lender a Draw Request, which shall include:

(a) A completed request for advance in the form attached hereto as Exhibit B (or in such format as is otherwise acceptable to the Lender) setting forth the amount of Loan proceeds desired, together with such certifications and additional information as the Lender may require in its reasonable discretion, signed by the Executive Director of the Borrower; Each such request for an Advance shall be accompanied by a fully completed and executed AIA Form G-702 and G-703 Application and Certification for Payment with full cost breakdown.

(b) If the request is for Costs that per the Cost Breakdown the Borrower is entitled to reimbursement from either the APD Agreement or the FHFC Agreement, certification from the Borrower that the Borrower is entitled to be reimbursed;

(c) the documentation required by Section 4.1; and

(d) invoices reflecting the amounts due to be paid by the Borrower.

2.4 Advance Amount.

(a) Following receipt of a Draw Request, the Lender shall determine the amount of the advance it will make in accordance with the approval of the reimbursement request, the Draw Request and the Cost Breakdown. In no event will such amount exceed the amount of reimbursement the Borrower is entitled to. In addition, (i) with respect to Advances for the JB Ranch Project, no draw will be allowed in excess of the remaining amount of reimbursement the Borrower is entitled to under the APD Agreement, and (ii) with respect to

Advances for the Memory Care Group Home, no draw other than to reimburse Borrower for the purchase of the Land will be allowed until the FHFC Agreement is entered into.

(b) No Advance shall be made if the value of the assets in the Investment Account is less than the Minimum Eligible Asset Requirement. In addition, if any time the value of the assets in the Investment Account falls below the Minimum Eligible Asset Requirement, the Borrower shall, within thirty (30) days, cure the shortfall by either (i) putting additional money into the Investment Account, (ii) paying down the Note by such amount as is necessary for the Minimum Eligible Asset Requirement to be met, or (iii) providing cash to be held by the Lender outside of the Investment Account or to be held in some other manner that it is acceptable to the Lender. Compliance shall be measured at least monthly (or more frequently if requested by Lender) by the account statement provided by the Custodian. Failure of the Borrower to meet the Minimum Eligible Asset Requirement shall immediately entitle the Lender to exercise the rights granted to Lender under the Account Control Agreement.

(c) The Borrower may, by providing written notice to the Lender, reduce the maximum amount it is permitted to draw.

Deposit of Advances. All Loan advances shall be made by depositing same in the Borrower's account designated to the Lender.

2.5 Payment to Contractor and Notification to County. The Borrower shall pay each contractor identified on the Draw Request within seven (7) days of the date the Lender honors the Draw Request, and shall provide the Lender with proof of such payment within seven (7) days thereafter.

2.6 Option to Pay Vendors. If an Event of Default shall exist, at its option, the Lender may make Loan advances directly to the unpaid party providing the Cost for which payment is sought in the Draw Request, and the execution of this Agreement by the Borrower shall, and hereby does, constitute an irrevocable direction and authorization to so advance the funds. No further direction or authorization from the Borrower shall be necessary to warrant such direct advances.

2.8. Collateral:

(a) As security for the payment of the Obligations, and satisfaction by Borrower of all covenants and undertakings contained in this Agreement and the other Loan Documents, Borrower hereby assigns and grants to Lender a continuing lien on and security interest in, upon and to the Investment Account.

(b) At Closing and thereafter as Lender deems necessary, Borrower shall execute and/or deliver to Lender, or have executed and delivered (all in form and substance satisfactory to Lender and its counsel):

(i) Financing statements pursuant to the UCC, which Lender may file in the jurisdiction where Borrower is organized and in any other jurisdiction that Lender deems appropriate; and

(ii) Any other agreements, documents, instruments and writings required by Lender to evidence, perfect or protect the Liens and security interests in the Collateral or as Lender may reasonably request from time to time.

(c) Other Actions: Lender is hereby authorized to file financing statements and amendments to financing statements without Borrower's signature, in accordance with the UCC. Borrower hereby authorizes Lender to file all such financing statements and amendments to financing statements describing the Collateral in any filing office as Lender, in its sole discretion may determine. Borrower agrees to comply with the requests of Lender in order for Lender to have and maintain a valid and perfected first security interest in the Collateral including, without limitation, executing and causing any other person to execute such documents as Lender may require to obtain Control (as defined in the UCC) over the Collateral.

(d) Lender shall, prior to or at Closing, and thereafter as Lender may determine from time to time, at Borrower's expense, obtain the following searches (the results of which are to be consistent with the warranties made by Borrower in this Agreement):

(i) UCC searches with the Florida Secretary of State and local filing office of each state where Borrower is organized, maintains its executive office, a place of business, or assets; and

(ii) Judgment, state and federal tax lien and corporate tax lien searches, in all applicable filing offices of each state searched under subparagraph (i) above.

ARTICLE III

Conditions Precedent to Closing

The Lender shall not be obligated to close the Loan until all of the following conditions have been satisfied by proper evidence, execution and/or delivery to the Lender of the following items, all in form and substance reasonably satisfactory to the Lender and the Lender's counsel:

3.1 Note. The Note.

3.2 Evidence of Title. Evidence of title satisfactory to the Lender, showing the Borrower to be the fee simple owner of the Land.

3.3 Title Exceptions. DELETED

3.4 Insurance. Proof satisfactory to the Lender that the Borrower has the insurance required by Section 5.8, as well as insurance meeting the requirements set forth in the APD Agreement and the FHFC Agreement, as applicable. Satisfactory evidence of premium payments must be provided.

3.5 Authority Documents of Borrower.

(a) Formal action of the Borrower authorizing the transaction contemplated herein and approving the form of the Loan Documents and the execution thereof certified by an officer of the Borrower;

(b) Copies of all financial statements required to be provided to APD under the APD Agreement and to FHFC under the FHFC Agreement on or before the Closing Date in the form required thereby; and

(c) Any other documents as may be requested by Lender.

3.6 Taxes. DELETED

3.7 Utilities. DELETED

3.8 Taxpayer Identification Number. The Borrower's federal taxpayer identification number.

3.9 Borrower's Affidavit. DELETED.

3.10 No Defaults. No Default Condition or Event of Default shall exist.

3.11 Draw Request. DELETED.

3.12 APD Agreement and FHFC Agreement. The Lender shall have received a copy of the APD Agreement and the FHFC Agreement, including all schedules and exhibits thereto, and the Borrower shall certify to Lender that Borrower is in compliance with all of the provisions thereof.

3.13 Identification of Improvements. DELETED.

3.14 Miscellaneous. All other Loan Documents or items that are customarily provided in loan transactions of this type including, but not limited to, this Agreement have been provided.

3.15 Covenants, Representations and Warranties. The covenants contained herein and in the Loan Documents have been satisfied and the representations and warranties set forth herein and in the Loan Documents shall remain true and correct in all material respects as of the date of each advance under this Agreement.

ARTICLE IV

Conditions Precedent to Advances; Repayment

4.1 Periodic Advances. The Lender shall not be obligated to make the first Loan advance or any subsequent Loan advances until all of the following conditions have been and remain satisfied. Advances shall only be made for Costs.

(a) All of the conditions stated in Article III hereof.

(b) (i) With respect to Advances for the JB Ranch Project, the Borrower shall have provided the Lender (A) a copy of the Construction Documents for the JB Ranch Project, (B) a collateral assignment of the Construction Documents in a form acceptable to Lender (along with the General Contractor's consent thereto), (C) a certification from the General Contractor that all permits (including right-of-way permits) required for the construction of the JB Ranch Project has been obtained, (D) a notice of commencement or comparable document, and (E) a letter from APD extending the deadline for reimbursement under the APD Agreement to June 30, 2019.

(ii) With respect to Advances for the Memory Care Home Project, the Borrower shall have provided the Lender (A) a copy of the Construction Documents for the Memory Care Home Project, (B) a collateral assignment of the Construction Documents in a form acceptable to Lender (along with the General Contractor's consent thereto), (C) a certification from the General Contractor that all permits required for the construction of the Memory Care Home Project has been obtained, and (D) a notice of commencement.

(c) At the time of each Advance: (1) the Lender is satisfied with the progress of construction; (2) no Default Condition or Event of Default exists, and (3) the Borrower is in full compliance with the terms of the APD Agreement with respect to Advances for the JB Ranch Project and with the FHFC Agreement with respect to Advances for the Memory Care Group Home Project.

(d) The Borrower shall have provided the Lender with proof satisfactory to the Lender that all Vendors entitled to payment from previous Draw Requests have been paid the full amount specified in such previous Draw Request (this condition shall not be applicable to the initial advance).

(e) For Costs that per the Cost Breakdown are entitled to reimbursement under the APD Agreement or the FHFC Agreement, the Lender shall be provided with either (i) written indication from APD (with respect to a JB Ranch Project Draw Request) or FHFC (with respect to a Memory Care Group Home Project Draw Request) that the Borrower's reimbursement request in the amount of the Draw Request has been approved and that it will reimburse the Borrower for the amount requested, or (ii) a certificate from the Borrower certifying that (A) each individual Cost is not greater than the line item for such Cost previously approved by APD in the APD Agreement or FHFC in the FHFC Agreement, as the case may be, and (B) the Borrower is entitled to reimbursement for such Cost by APD under the APD Agreement or by FHFC under the FHFC Agreement.

(f) Evidence that the Project for which the Advance is sought is in compliance with all applicable laws, regulations and ordinances. Such evidence may include letters, licenses, permits, certificates and other correspondence from the appropriate Governmental Authorities, opinions of the Borrower's counsel or other counsel, and opinions or certifications from the Borrower's architect or the General Contractor. The laws, regulations and ordinances with which compliance should be evidenced include, without limitation, depending on the status of construction, the following: health and environmental protection laws, erosion control ordinances, storm drainage control laws, doing business and/or licensing laws, zoning laws (the evidence submitted as to zoning should include the zoning designation made for the Land, the permitted uses of the Land under such zoning designation and zoning requirements as to parking, lot size, ingress, egress and building setbacks) and laws regarding access and facilities for disabled persons including, but not limited to, the federal Architectural Barriers Act, the Fair Housing Amendments Act of 1988, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 and any similar laws of the State of Florida as amended from time to time.

4.2 Repayment.

(a) Each advance by the Lender to the Borrower hereunder shall be repaid prior to the no later than five (5) business days from the date the Borrower is reimbursed for such advance by APD with respect to Advances for the JB Ranches Project, or by FHFC with respect to the Memory Care Group Home Project, out of payment of reimbursement requests received by the Borrower or otherwise. Reimbursement payments shall be in the form of checks payable jointly by APD or FHFC, as the case may be, to the Lender and the Borrower, or such other form of payment as shall be acceptable to the Lender in its sole discretion. The Borrower agrees to endorse over to the Lender all reimbursement checks, and to take such other action in connection therewith as may be reasonably required by the Lender. To the extent reimbursement to the Lender has not been made, the Borrower pledges and grants a lien in favor of Lender on all reimbursement payments received by the Borrower from APD or FHFC.

(b) If the Borrower receives (i) a grant from the Cox Foundation for the Memory Care Group Home Project, or (ii) other grants or donations designated for the JB Ranch Project or the Memory Care Group Home Project, the Borrower shall apply such grants or donations to the repayment of the Note no later than five (5) business days from the date the Borrower receives such payment. To the extent reimbursement to the Lender has not been made, the Borrower pledges and grants a lien in favor of Lender on all such grants and donations.

(c) All Advances not repaid pursuant to subsections (a) and (b) above shall be repaid with interest and the balance of the loan brought down to \$0 no later than April __, 2019, unless the Lender in its sole discretion extends such deadline in writing.

4.3 Reimbursement Requests. The Borrower shall provide the Lender with a copy of each reimbursement request submitted by the Borrower, accompanied by a certificate from an employee of the Borrower or an independent consultant retained by the Borrower, who is in either case satisfactory to Lender in the Lender's sole discretion, certifying that (i) each individual Cost set forth in such reimbursement request is not greater than the line item for such

Cost previously approved by the APD under the APD Agreement or FHFC under the FHFC Agreement, as applicable, and (ii) the Borrower is entitled to reimbursement for such Cost under the APD Agreement or the FHFC Agreement, as applicable.

ARTICLE V

The Borrower's Covenants and Agreements

5.1 Payment. The Borrower will pay when due all sums owing to the Lender under the Note, this Agreement and the other Loan Documents and all sums advanced to Borrower.

5.2 Further Assurances. On demand of the Lender, the Borrower will do any act, or execute any additional documents reasonably required by the Lender to secure the Loan or to comply with the Loan Documents, including, but not limited to, additional financing statements or continuation statements, new or replacement notes and/or mortgages and agreements supplementing, extending or otherwise modifying the Note and/or this Agreement and certificates as to the amount of the indebtedness evidenced by the Note from time to time, to the extent that said demand does not place Borrower in default of any or its existing notes, mortgages or agreements relating to the properties, and as otherwise only permitted by law.

5.3 Construction. The Borrower will begin construction of the Projects as soon as practicable, and in any event, within thirty (90) days after the date of this Agreement for the JB Ranch Project and within nine (9) months after the date of this Agreement for the Memory Care Home Project; will continue conscientiously the construction of the Projects which construction will be in compliance with all applicable laws at all times, whether such construction activities occur on the Land or elsewhere; will not discontinue or permit the discontinuance of work on the Projects for as much as twenty (20) business days, except for Force Majeure causes, in which event construction of the Projects may be discontinued for the length of such Force Majeure, but in no event for more than ninety (90) days and, in any event, will complete the Projects, including installation of any required items of personalty in substantial compliance with the Plans, free and clear of liens or claims of liens for material supplied or for labor services performed in connection with the construction of the Project. Notwithstanding the foregoing, Completion of each Project must occur on or before the Completion Date.

5.4 Payment of Service Providers. The Borrower will advise the Lender in writing immediately if the Borrower receives any notice, written or oral, from any provider of Costs to the effect that said provider has not been paid for any services provided to the Borrower in connection with the Projects, and the Borrower will deliver to the Lender on demand, any contracts, bills of sale, statements, receipted vouchers or agreements with such providers.

5.5 Fees and Expenses. Whether or not the Loan is made, or all Loan proceeds advanced hereunder, the Borrower agrees to pay all expenses (pre- and post-closing) reasonable in amount incurred by the Lender, or by the Borrower in order to meet the Lender's requirements, in connection with the Loan, including (without limitation) fees for appraisal, reappraisal, environmental assessments, survey, recording, filing, and title insurance, builder's risk and other insurance premiums, brokerage commissions and claims of brokerage, property taxes, intangible taxes, architect's fees and such legal fees as are reasonable in amount charged at

attorneys' normal hourly rates without regard to the statutory presumption, incurred by the Lender in connection with the making of the Loan and the enforcement of the Lender's rights under the Loan Documents. Any such amounts paid by the Lender shall be deducted from the amount requested in the first requisition.

5.6 Preservation of Contracts. The Borrower will not, without prior written notification to the Lender, terminate or cancel its contracts or agreements with the General Contractor for the providing of labor, services or materials in connection with the construction of the Projects.

5.7 Use of Loan Funds. The Borrower shall use all Loan proceeds advanced to the Borrower solely in payment of costs incurred in connection with the Projects, in accordance with the Cost Breakdown.

5.8 Insurance.

(a) *Hazard Insurance*. As soon as available, and thereafter during the term of this Agreement, Borrower shall maintain and pay for insurance in form, coverage, amounts and with companies acceptable to Lender. This insurance shall include, as minimum coverage, the perils covered by or in an "all risk" policy including but not limited to fire, extended coverage, vandalism and malicious mischief). Windstorm insurance shall not be required. The amount of the hazard insurance policy (or builder's risk insurance during construction) shall be equal to the full insurable value based on replacement value, but not less than the amount required by the Co-Insurance Clause (if any).

(b) *Other Insurance*. During the term of this Agreement, Borrower shall also maintain or shall cause General Contractor to maintain the following kinds of insurance: employer's liability and workman's compensation and contractor's public liability. During construction, Borrower must maintain a "Completed Value" form Builders Risk Insurance Policy in an amount not less than the hard cost contract(s) and evidence of each primary contractor's workmen's compensation and liability insurance.

All general liability insurance policies must be in an amount not less than \$1,000,000.00.

(c) *Special Requirements*. Unless otherwise specifically stated herein, all policies shall require receipt by Lender of notification thirty (30) days before any expiration, cancellation, termination or modification shall be effective. In the event Borrower fails to furnish or cause to be furnished such insurance or the insurance is cancelled or terminated, Lender may purchase such coverage at Borrower's expense. The insurance policies must be written by a State of Florida licensed company possessing a general policy holder's rating of "A" or better and financial rating of Class XII or better according to the Best's Key Rating Guide (or a similar such publication if Best's Key Rating Guide ceases to rate such companies) as of the date hereof. The form of the policies and the companies issuing such policies must be acceptable to Lender in Lender's sole discretion.

(d) *Proof of Insurance.* Lender shall not be obligated to release any of its funds until Borrower has delivered or caused to be delivered to Lender the required insurance policies together with paid receipts for the first year's premiums due thereon.

(e) *Insurance Required by APD and FHFC.* Borrower shall also carry such insurance as is required in the APD Agreement and the FHFC Agreement.

5.9 Taxes and Insurance. Upon the request of the Lender, the Borrower shall submit to the Lender such receipts and other statements which shall evidence, to the satisfaction of the Lender, that all taxes, assessments and insurance premiums have been paid in full.

5.10 Availability of Utilities. All utility services necessary for the construction of the Projects and the operation thereof for their intended purposes are presently available, or will be available when needed, through presently existing public or unencumbered private easements or rights-of-ways at the boundaries of the Land, including but not limited to, water supply, storm and sanitary sewer, gas, electric and telephone facilities, and all such utilities are non-interruptible.

5.11 Hazardous Substances. The Borrower warrants and represents to the Lender that to the best of the Borrower's knowledge, that (i) the Land and all other real property now or previously owned by the Borrower have not been, and are not now being used in violation of any federal, state or local environmental law, ordinance or regulation, (ii) no proceedings have been commenced, or notice(s) received, concerning any alleged violation of any such environmental law, ordinance or regulation and (iii) the Land and all other real property now or previously owned by the Borrower are free of hazardous or toxic substances and wastes, contaminants, oil, radioactive or other materials (including without limitation any asbestos containing materials) the removal of which is required or the maintenance of which is restricted, prohibited or penalized by any federal, state or local agency, authority or governmental unit. Except for materials necessary for the normal routine maintenance of the Land, which such materials shall be used in accordance with all applicable governmental laws, ordinances and regulations, the Borrower covenants that it shall not permit any such materials to be brought on to the Land or any other real property owned by the Borrower, or if so brought or found located thereon, shall be immediately removed, with proper disposal, and all required environmental cleanup procedures shall be diligently undertaken pursuant to all such laws, ordinances and regulations.

The Borrower further represents and warrants that Borrower will promptly transmit to Lender copies of any citations, orders, notices or other material governmental or other communications received with respect to any hazardous materials, substances, wastes or other environmentally regulated substances affecting the Land. Borrower agrees to permit Lender, its agents, contractors and employees to enter and inspect any of Borrower's places of business or any other property of Borrower at any reasonable time upon three (3) days prior notice for the purposes of conducting an environmental investigation and audit (including taking physical samples) to ensure that the Borrower is complying with its obligations under the within covenants and Borrower shall reimburse Lender on demand for the cost of any such environmental investigation and audit. Borrower shall provide Lender, its agents, contractors, employees and representatives with access to and copies of any and all data and documents

relating to or dealing with any hazardous material used, generated, manufactured, stored or disposed of by Borrower's business operations within five (5) days of the request therefor.

To the maximum extent permitted by law and in the terms hereof, the Borrower agrees that it will reimburse the Lender for and hereby holds the Lender harmless from all fines or penalties made or levied against the Lender by any governmental agency or authority as a result of or in connection with (i) the use of the Land, (ii) the use of the facilities thereon, or (iii) the use, generation, storage, transportation, discharge, release or handling of any hazardous or toxic materials, wastes or substances (as such terms are defined by any applicable federal, state or local law), or any other material the use, generation, storage, transportation, discharge, release or handling of which is regulated by any federal, state or local statute, law, rule, regulation, ordinance or order at any time, or as a result of any release of any nature onto the ground or into the water or air from or upon the Land at any time, and also agrees that it will reimburse the Lender for and indemnify and hold the Lender harmless from any and all costs, expenses, (including all reasonable attorneys' fees) and for all civil judgments or penalties incurred, entered, assessed, or levied against the Lender as a result of the Borrower's use of the Land or as a result of any release of any nature onto the ground or into the water or air by the Borrower from or upon the Land ("Environmental Indemnity"). Such reimbursement or indemnification shall include but not be limited to any and all judgments or penalties to recover the cost of cleanup of any such release by the Borrower from or upon the Land and all expenses incurred by the Lender as a result of such a civil action, including but not limited to reasonable attorneys' fees at trial and all appellate levels.

The Environmental Indemnity shall survive the repayment of the Loan.

5.12 Indebtedness. Except for indebtedness currently in existence as listed on Exhibit "D" hereto, the Borrower shall not contract, create, incur, assume or permit to exist any indebtedness secured by the Premises unless said indebtedness is approved by Lender in writing.

5.13 Transfer of Assets. The Borrower shall not sell, lease, assign or otherwise dispose of or transfer any assets, except in the normal course of its business, or enter into any merger or consolidation, or transfer control or ownership of the Borrower.

5.14 Liens. The Borrower shall not grant, suffer or permit any contractual or non-contractual lien or mortgage on or security interest (other than Permitted Liens) in the Land or any of its assets which serve as collateral for any of the Borrower's obligations to Lender, or fail to promptly pay when all due all lawful claims, whether for labor, materials or otherwise.

5.15 Good Standing. The Borrower shall maintain its existence, good standing and qualification to do business, where required and comply with all laws, regulations and governmental requirements including, without limitation, environmental laws applicable to it or any of its property, business operations and transactions.

5.16 Adverse Condition. The Borrower shall promptly advise Lender in writing of (i) any condition, event or act which comes to its attention that would or might materially adversely affect Borrower's financial condition or operation or Lender's rights under the Loan Documents, (ii) any litigation filed by or against Borrower that would materially adversely affect the

Borrower's financial condition or operation or Lender's rights under the Loan Documents, (iii) any event that has occurred that would constitute an Event of Default under any of the Loan Documents, and (iv) any material uninsured or partially uninsured loss through fire, theft, liability or property damage.

5.17 Tangible Personal Property. The Borrower shall maintain all of its tangible property in good condition and repair and make all necessary replacements thereof, and preserve and maintain all licenses, trademarks, privileges, permits, franchises, certificates and the like necessary for the operation of its business.

5.18 Reports. The Borrower shall provide the Lender with a copy of (a) Borrower's audited financial statements and IRS Form 990, beginning with the Borrower's fiscal year ending June 30, 2018, within ten (10) days of when received or filed, as the case may be, (b) all reports that the Borrower is required to provide by the APD Agreement and the FHFC Agreement, (c) all financial statements (audited or unaudited) that the Borrower is required to provide by the APD Agreement and the FHFC Agreement at the same time the Borrower is required to provide such reports and financial statements, and (d) a monthly statement prepared by the Custodian showing the assets in the Investment Account and the value of each asset, within ten (10) days of the date such statement is prepared.

5.19 APD Agreement and FHFC Agreement. The Borrower shall comply with all of the provisions of the APD Agreement and the FHFC Agreement.

ARTICLE VI

Representations and Warranties

6.1 By accepting and executing the Note, and upon execution and delivery of any Loan Documents, the Borrower makes the following representations and warranties:

(a) Good Standing. Borrower is duly organized, validly existing and in good standing under the laws of the State and has the power and authority to own and manage property, including the Project, and to carry on business in each jurisdiction in which Borrower does business.

(b) Authority. Borrower has full power and authority to execute and deliver the Loan Documents and to incur and perform the obligations provided for therein, all of which have been duly authorized by all proper and necessary action of the governing body of Borrower. No consent or approval of any public authority or other third party is required as a condition to the validity of any Loan Document, and Borrower is in compliance with all laws and regulatory requirements to which it is subject.

(c) Enforceability. This Agreement and the other Loan Documents executed by Borrower constitute valid and binding obligations of Borrower, as the case may be, enforceable in accordance with their terms, subject to the effect of bankruptcy, insolvency and general principles of equity.

(d) Litigation. There is no proceeding involving Borrower pending or, to the best knowledge of Borrower, threatened before any court or governmental authority, agency or arbitration authority that would materially adversely affect Borrower's financial condition or operation or Lender's rights under the Loan Documents, except as disclosed to Lender in writing and acknowledged by Lender prior to the date of this Agreement.

(e) No Conflicting Agreements. There is no statute, ordinance, resolution, bylaw, or other document pertaining to the organization, power or authority of Borrower and no provision of any existing agreement, mortgage, indenture or contract binding on Borrower or affecting its property, which would conflict with or in any way prevent the execution, delivery or carrying out of the terms of this Agreement and the other Loan Documents.

(f) Assets. Borrower has good title to its assets, and such assets are free and clear of liens, except those granted to Lender and except for Permitted Liens.

(g) Taxes. Any taxes and assessments due and payable by Borrower have been paid or are being contested in good faith by appropriate proceedings and the Borrower has filed all tax returns as required.

(h) Place of Business. Borrower's chief executive office is located at 4522 S. Congress Avenue, Lake Worth, Florida 33461.

(i) Environmental Compliance. The conduct of Borrower's business operations and the condition of Borrower's property does not and will not violate any federal laws, rules or ordinances for environmental protection, regulations of the Environmental Protection Agency and any applicable local or state law, rule, regulation or rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

(j) Leases. As of the date hereof, individual tenant leases are encumbering or affecting the Premises. Except for such leases and leases entered into by the Borrower with individual tenants in the ordinary course of business in the future, Borrower shall not lease any part of the Premises or the whole of the Premises without first obtaining the Lender's prior written consent, which consent shall not be unreasonably withheld.

(k) Affirmation of Representations. All representations and warranties made hereunder shall be deemed to be made at and as of the date hereof and at and as of the date of the any Loan or the issuance of any letter of credit or any advance under any Loan.

(l) Compliance with Declaration of Restrictions. DELETED.

ARTICLE VII

Events of Default

7.1 Default. The occurrence of any of the following (time being of the essence as to this Agreement and all of its provisions) constitutes an Event of Default by Borrower under this Agreement and, at the option of Lender, under the other Loan Documents:

(a) Scheduled Payment. Borrower's failure to make any payment required by the Note within fifteen (15) days of the date such payment is due.

(b) Monetary Default. Borrower's failure to make any other payment required by the Loan Documents within fifteen (15) days of the date such payment is due.

(c) Other. Borrower's failure to perform any other obligation imposed upon Borrower under the Loan Documents which is not cured within any applicable grace period provided or, with respect to such breaches, failures or violations of this Agreement, the Note, or the other Loan Documents within thirty (30) days following written notice of such breach or violation from Lender provided, however, that if such breach, failure or violation cannot be cured with the exercise of reasonable diligence within such thirty (30) day period, then the period for curing may be extended for up to an additional ninety (90) days, but not beyond, provided Borrower commences such cure within fifteen (15) days after such notice and thereafter proceeds diligently to complete the curing of same.

(d) Representation. Any representation or warranty of Borrower contained herein or in any certificate delivered pursuant hereto, or in any other instrument or statement furnished in connection herewith, proves to be incorrect or misleading in any material, adverse respect as of the time when the same shall have been made, including, without limitation, any and all financial statements, operating statements, or schedules attached thereto, furnished by Borrower to Lender or pursuant to any provision of this Agreement.

(e) Bankruptcy. Borrower (i) files a voluntary petition in bankruptcy or a petition or answer seeking or acquiescing in any reorganization or for an arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself pursuant to the United States Bankruptcy Code or any similar law or regulation, federal or state, relating to any relief for debtors, now or hereafter in effect; or (ii) makes an assignment for the benefit of creditors or admits in writing its inability to pay or fails to pay its debts as they become due; or (iii) suspends payment of its obligations or takes any action in furtherance of the foregoing; or (iv) consents to or acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator or other similar official of Borrower, for all or any part of the Premises or other assets of such party, or either; or (v) has filed against it an involuntary petition, arrangement, composition, readjustment, liquidation, dissolution, or an answer proposing an adjudication of it as a bankrupt or insolvent, or is subject to a reorganization pursuant to the United States Bankruptcy Code, an action seeking to appoint a trustee, receiver, custodian, or conservator or liquidator, or any similar law, federal or state, now or hereafter in effect, and such action is approved by any court of competent jurisdiction and the order approving the same shall not be

vacated or stayed within sixty (60) days from entry; or (vi) consents to the filing of any such petition or answer, or shall fail to deny the material allegations of the same in a timely manner.

(f) Judgments. (1) A final judgment, other than a final judgment in connection with any condemnation, is entered against Borrower that (i) materially and adversely affects the value, use or operation of the Land, or (ii) materially and adversely affects, or reasonably may materially and adversely affect, the validity, enforceability or priority of the lien or security interest created by the Loan Documents, or both; or (2) execution or other final process issues thereon with respect to any collateral for the Note; and (3) Borrower does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereon, in any event within thirty (30) days from entry, or Borrower shall not, within such period or such longer period during which execution on such judgment shall have been stayed, appeal therefrom or from the order, decree or process upon or pursuant to which such judgment shall have been entered, and cause its execution to be stayed during such appeal, or if on appeal such order, decree or process shall be affirmed and Borrower shall not discharge such judgment or provide for its discharge in accordance with its terms within sixty (60) days after the entry of such order or decree or affirmance, or if any stay of execution on appeal is released or otherwise discharged.

(g) Liens. Any federal, state or local tax lien or any claim of lien for labor or materials or any other lien or encumbrance of any nature whatsoever is recorded against Borrower or the Land and is not removed by payment or transferred to substitute security in the manner provided by law, within twenty (20) days after it is recorded in accordance with applicable law.

(h) Leases. Borrower's default in the performance of its obligations as lessor under any lease of all or any portion of the Premises, if any, which default could result, in Lender's judgment, in the termination of said lease, and such default would result in the reduction of rentals collected by the Borrower from the Premises.

(i) Other Notes or Mortgages. Borrower's default in the performance or payment of Borrower's obligations under any other note, or under any other mortgage whatsoever which continues beyond any applicable notice or grace period set forth therein.

(j) Borrower Default Under Loan Documents. Borrower's default in the payment or performance of any of Borrower's obligations under any of the Loan Documents which continues beyond any applicable notice or grace period set forth therein.

(k) Transfer of Property or Ownership. Any sale, conveyance, transfer, assignment, or other disposition of all or any part of the Premises, other than leases to individual tenants in the ordinary course of business.

(l) False Statement. Any statement or representation of Borrower contained in the materials furnished to Lender or any other lender prior or subsequent to the making of the Loan are discovered to have been false or incorrect or incomplete in any material respect.

ARTICLE VIII

The Lender's Rights and Remedies

The following rights and remedies are available to the Lender:

8.1 Acceleration. Upon the occurrence of an Event of Default, the entire unpaid principal balance of the Loan shall, at the option of the Lender and without advance notice to the Borrower, become immediately due and payable. In addition, upon acceleration, any and all other obligations of the Borrower to the Lender shall be immediately due and payable.

8.2 No Further Advances. Upon the occurrence of an Event of Default or the existence of a Default Condition, the Lender shall not be obligated to make further advances to the Borrower, notwithstanding anything herein or in the Note to the contrary.

8.3 Disputes. Where disputes have arisen which, in the opinion of the Lender, may endanger timely completion of the Projects or fulfillment of any condition precedent or covenant herein, the Lender may agree to advance Loan proceeds for the account of the Borrower without prejudice to the Borrower's rights, if any, to recover said proceeds from the party to whom paid. Such agreement or agreements may take the form which the Lender, in its sole discretion deems proper, including, but without limiting the generality of the foregoing, agreements to indemnify (on behalf of the Borrower and/or for the Lender's own account) any title insurer against possible assertion of lien claims, agreements to pay disputed amounts and the like. All sums paid or agreed to be paid pursuant to such undertaking shall be advances of Loan proceeds.

8.4 DELETED

8.5 Remedies Cumulative; Nonwaiver. In the Event of a Default under this Agreement or any of the other Loan Documents, Lender shall have all remedies at law and/or in equity. All remedies of the Lender provided for herein or in the other Loan Documents are cumulative and shall be in addition to any and all other rights and remedies provided for or available under the other Loan Documents, at law or in equity. The exercise of any right or remedy by the Lender hereunder shall not in any way constitute a cure or waiver of a Default Condition or an Event of Default hereunder or under the Note or any Loan Document, or invalidate any act done pursuant to any notice of the occurrence of a Default Condition or Event of Default, or prejudice the Lender in the exercise of any of its rights hereunder or under the Note or any Loan Document, unless, in the exercise of said rights, the Lender realizes all amounts owed to it under the Note and other Loan Documents.

8.6 No Liability of the Lender. Whether or not the Lender elects to employ any or all remedies available to it in the event of an occurrence of a Default Condition or an Event of Default, the Lender shall not be liable for the construction of or failure to construct or complete or protect the Project or for payment of any expense incurred in connection with the exercise or any remedy available to the Lender or for the construction or completion of the Projects or for the performance or nonperformance of any other obligation of the Borrower.

8.7 Security Interest. It is understood and agreed that the Lender shall have and enjoy and is hereby granted a lien on and a security interest in, any and all materials (stored on-site or

off-site), reserves, deferred payments, deposits or advance payments for materials (stored on-site or off-site), unadvanced Loan proceeds, insurance refunds, impound accounts, refunds for overpayment of any kind, and any surplus of withheld funds resulting from the invalidity of “stop notice” claims or the failure of claimants to prosecute their claims to judgment, to the extent the same arise out of or occur in connection with the construction of the Projects, and such lien and security interest shall constitute additional security for the indebtedness of the Borrower evidenced by the Note, and the Lender shall have and possess any and all rights and remedies of a secured party provided by law with respect to enforcement of and recovery on its security interest on such items and amounts.

ARTICLE IX

General Conditions

The following conditions shall be applicable throughout the term of this Agreement:

9.1 Waivers. No waiver of any Default Condition or Event of Default or breach by the Borrower hereunder shall be implied from any delay or omission by the Lender to take action on account of such Default Condition or Event of Default, and no express waiver shall affect any Default Condition or Event of Default other than the Event of Default specified in the waiver and it shall be operative only for the time and to the extent therein stated. Waivers of any covenants, terms or conditions contained herein must be in writing and shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the Lender to or of any act by the Borrower requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act. No single or partial exercise of any right or remedy of the Lender hereunder shall preclude any further exercise thereof or the exercise of any other or different right or remedy.

9.2 Benefit. This Agreement is made and entered into for the sole protection and benefit of the Lender and the Borrower, their successors and assigns, and no other person or persons shall have any right to action hereon or rights to the Loan proceeds at any time, nor shall the Lender owe any duty whatsoever to any claimant for labor performed or material furnished in connection with the construction of the Project, or to apply any unadvanced portion of the Loan to the payment of any such claim, or to exercise any right or power of the Lender hereunder or arising from any Default Condition or Event of Default by the Borrower.

9.3 Assignment. The terms hereof shall be binding upon and inure to the benefit of the heirs, successors, assigns, and personal representatives of the parties hereto; provided, however, that the Borrower shall not assign this Agreement or any of its rights, interests, duties or obligations hereunder or any Loan proceeds or other moneys to be advanced hereunder in whole or in part without the prior written consent of the Lender, which consent may be withheld at Lender’s sole discretion, and that any such assignment (whether voluntary or by operation of law) without said consent shall be void. It is expressly recognized and agreed that the Lender may assign this Agreement, the Note and any other Loan Documents, in whole or in part to any other person, firm, or legal entity provided that all of the provisions hereof shall continue in full force and effect and, in the event of such assignment, the Lender shall thereafter be relieved of all liability hereunder and any Loan advances made by any assignee shall be deemed made in

pursuance and not in modification hereof and shall be evidenced by the Note and secured by this Agreement and any other Loan Documents.

9.4 Amendments. This Agreement shall not be amended except by a written instrument signed by all parties hereto.

9.5 Terms. Whenever the context and construction so require, all words used in the singular number herein shall be deemed to have been used in the plural, and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

9.6 Governing Law and Jurisdiction. This Agreement and the other Loan Documents and all matters relating thereto shall be governed by and construed and interpreted in accordance with the laws of the State of Florida. The Borrower hereby submits to the jurisdiction of the State and Federal courts located in Palm Beach County, Florida, and agrees that the Lender may, at its option, enforce its rights under the Loan Documents in such courts.

9.7 Savings Clause. Invalidation of any one or more of the provisions of this Agreement shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

9.8 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument, and in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

9.9 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision hereof.

9.10 Notices. All notices, consents, rejections, requests and other communications required to be given hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes (i) when delivered in person, (ii) upon receipt after being sent by express mail or delivery service guaranteeing overnight delivery, or (iii) by registered or certified mail, postage prepaid, with return receipt requested, (in which case notice shall be deemed effectively made when the receipt is signed or when the attempted initial delivery is refused or cannot be made because of a change of address of which the sending party has not been notified) to any party hereto at its address listed below or at such other address of which written notification has been given to the other party, as provided herein:

If to Borrower: Palm Beach Habilitation Center, Inc.
4522 S. Congress Avenue
Lake Worth, Florida 33461
Attn: Executive Director

With a copy to: _____

If to Lender: Housing Finance Authority of Palm Beach
County, Florida
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attn: Executive Director

With a copy to: Greenspoon Marder LLP
525 Okeechobee Boulevard, Suite 900
West Palm Beach, Florida 33401
Attn: Morris G. (Skip) Miller, Esq.

Notices given or made to any officer, partner, agent or employee of either party or if given or made to the counsel of such party, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof.

9.11 WAIVER AND JURY TRIAL. BY ACCEPTANCE HEREOF, THE PARTIES MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY PARTNER, ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDINGS, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. LENDER HAS IN NO WAY AGREED WITH OR REPRESENTED TO ANY OF THE PARTIES THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, the Borrower and the Lender have executed this Agreement as of the above-written date, all duly authorized thereunto, the Borrower doing so under seal.

[SEAL]

BORROWER:

PALM BEACH HABILITATION
CENTER, INC.

By: _____

Name: _____

Title: _____

LENDER:

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA

By: _____
Patrick J. Franklin, Chairperson

EXHIBITS

- A Legal Description of Land
- B Draw Request Form
- C Project Budget
- D Permitted Liens

EXHIBIT "A"
LEGAL DESCRIPTION
OF LAND

TOTALS								

The Representations and Warranties set forth in the Loan Agreement dated as of April __, 2018 (the “Loan Agreement”), between Palm Beach Habilitation Center, Inc. (“PBHC”) and the Housing Finance Authority of Palm Beach County (the “Authority”) and in the other Loan Documents executed in connection therewith are true and correct in all material respects.

No Default Condition or Event of Default exists, and PBHC is in full compliance in all material respects with the terms of the APD Agreement and the FHFC Agreement (as all of such terms are defined in the Loan Agreement).

All vendors entitled to payment from previous Draw Requests have been paid the full amount specified in such previous Draw Request (not applicable to the initial advance).

The value of the Investment Account (as defined in the Loan Agreement) as of _____, 20__ was \$_____, Such amount is greater than \$1,200,000.

Approved:

Owner

Date

Owner

Date

EXHIBIT "C"
Project Budget

EXHIBIT "D"

Permitted Liens

- (a) Liens securing taxes, assessments or governmental charges or levies not delinquent;
- (b) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, social security and other like laws;
- (c) Purchase money Indebtedness hereafter incurred by Borrower to finance the purchase of fixed assets; provided that, (i) at any point in time such Indebtedness in the aggregate shall not exceed \$500,000, and (ii) such Indebtedness shall not exceed the purchase price of the assets funded.
- (d) Liens in favor of Lender securing the Obligations and other Liens in favor of Lender; and
- (e) Mechanics liens on the Projects.
- (f) Liens on property of the Borrower other than the JB Group Home or the Memory Care Group Home.

EXHIBIT “E”

Eligible Assets

Cash & Near-Cash – General Note: Any account that includes a check writing feature is ineligible.

- Certificates of Deposit
- Passbook & Statement Savings Accounts
- Money Market Accounts
- Money Market Mutual Funds

Note: A Money Market Mutual Fund is a mutual fund that invests in short-term debt securities such as US Treasury Bills, tax-exempt municipal securities or corporate debt securities and matures within 13 months. Acceptable Money Market Mutual Funds must meet the following:

- (a) Price for the units is publicly quoted daily;
- (b) Units are redeemable at the request of the fund holder or assignee no later than trade date plus three (3) days;
- (c) The fund is limited to investing in instruments these standards classify as Cash & Near Cash;
- (d) The funds are subject to the restrictions as outlined in the Ineligible Collateral section;

- Bankers Acceptances
- U.S. Government Treasury Bills
- U.S. Government Treasury Bonds & Notes
- Corporate Bonds (Rated "A" or better)

Marketable Securities

- Stocks listed on major exchange (NYSE, NASDAQ, TSX, AMEX)

Note: Equity securities pledged must have a minimum price of \$10, represent less than 5% of the shares issued and outstanding must be traded on an exchange

listed above and must be saleable within three (3) business days based upon the average trading volume for the preceding six (6) months. Issuers of stocks pledged must have a minimum market capitalization of \$1 billion.

➤ Mutual Funds (publicly quoted daily)

Note: Acceptable Mutual Funds and other regulated pooled investments where:

(a) A price for the units is publicly quoted daily;

(b) The fund is limited to investing in instruments these Standards classify as Cash & Near Cash or Marketable Securities;

(c) Units are redeemable at the request of the fund holder or assignee no later than trade date plus three (3) days;

(d) The funds are subject to the restrictions as outlined in the Ineligible Collateral Section

➤ Municipal Bonds (Rated either A (Moody's) or A (S&P) or better)

➤ U.S. Government Agency Obligations (Rated either Aaa (Moody's) or AAA (S&P))
98%

➤ Cash Surrender Value Life Insurance (Rated A.M. Best A or Fitch A) or better)

Ineligible Assets

- Group Equity
- U.S. Savings Bonds
- Private Equity
- Alternative Investments
- Hedge Fund Investments
- Mutual Funds Investing in non-investment grade foreign country equities
- Venture Capital
- Restricted / Control Stock

**PROMISSORY NOTE
(Revolving)**

\$1,000,000.00

West Palm Beach, Florida
April __, 2018

Palm Beach Habilitation Center, Inc., a Florida not for profit corporation (the “Borrower”) promises to pay to the order of the **Housing Finance Authority of Palm Beach County, Florida**, a public body corporate and political entity organized and existing under the State of Florida (the “Lender”), at its office at 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406 (or at such other place as the Lender hereof may designate), the sum of **ONE MILLION DOLLARS** (\$1,000,000) or so much thereof as may hereafter be advanced hereunder from time to time (“Loan”).

This Note shall bear interest at a fixed rate equal to one percent per annum (1.00%). Interest on this Note shall be calculated on the basis of a 365 day year and will be paid in arrears for the actual number of days elapsed. Provided, that should the final maturity date of this Note be extended beyond twelve (12) months, the Loan shall bear interest at the rate of two percent (2%) per annum, retroactive to the date of the initial Advance.

The Lender may make advances on this Note to the Borrower from time to time in accordance with that certain Loan Agreement dated the date hereof, between Borrower and Lender (the “Loan Agreement”), up to a total of \$1,000,000, subject to the conditions contained in the Loan Agreement. The principal balance outstanding hereunder may fluctuate up and down with borrowings and repayments, but the principal amount outstanding shall never exceed the face amount of this Note.

Each advance and the interest accrued thereon shall be repaid no later than five (5) business days from the date the Borrower is reimbursed for such advance by either the State of Florida Agency for Persons with Disabilities or the Florida Housing Finance Corporation. In connection with any request for advance, the Borrower shall provide the Lender with the documentation required by the Loan Agreement and such additional documentation as the Lender may reasonably request. Principal may be prepaid at any time in whole or in part, without premium or penalty, and shall be prepaid as set forth in the Loan Agreement.

Any payment of principal hereof or interest hereon not paid when due shall continue to bear interest from the due date until paid at the stated rate of 1.00% (or 2.00% if the maturity is extended).

All principal, interest and unpaid costs shall be due and payable on April __, 2019.

FLORIDA DOCUMENTARY STAMP TAX REQUIRED BY LAW IN THE AMOUNT OF \$2,450.00
WILL BE PAID DIRECTLY TO THE FLORIDA DEPARTMENT OF REVENUE.

As used in this instrument, the term "Obligations" shall refer to the indebtedness represented by this Note and all modifications, renewals and substitutions hereof, all obligations of the Borrower under the documents (the "Loan Documents") which evidence and secure the obligations of the loan evidenced by this Note and all other claims of every nature and description of the Lender against the Borrower whether present or future, contracted with or acquired by the Lender, and whether joint, several, absolute, contingent, matured, unmatured, liquidated, unliquidated, or direct or indirect.

Upon the happening of an Event of Default (as defined in the Loan Agreement): (1) the entire amount of this Note remaining unpaid shall, at the option of the Lender and without notice or demand, become due and payable forthwith or thereafter; (2) the Lender may at its option, thereupon or thereafter declare all other Obligations, or any of them selected by the Lender (notwithstanding any provisions thereof), immediately due and payable without demand or notice of any kind; and (3) the Lender shall have and may exercise without demand any and all of the rights and remedies at law or in equity available to the Lender (including those available under any written instrument in addition to this Note relating to any of the Obligations or any security thereof).

In no event and under no circumstances shall there be due hereunder, nor shall the Lender be entitled hereunder to receive at any time, any charges not allowed or permitted by law or any interest or interest rate in excess of the maximum allowed by law. In the event that the amount of any charge or payment due hereunder shall create or shall be deemed to create an interest charge in excess of the maximum permissible legal rate, then the charge of any such excess amount shall be deemed unenforceable and void and its collection shall be waived, without affecting the remainder of the Obligations evidenced hereby, and any such excess amount which may have been paid to the Lender shall be refunded.

In the event that subsequent to the stated maturity hereof the Lender makes an advance for any of the purposes provided for or permitted herein or in the Loan Agreement, the provisions of this Note shall be applicable with respect to such advance in all respects as if such advance had been made prior to maturity.

The Borrower represents to the Lender that the Borrower is a non profit corporation created pursuant to Florida Statutes Chapter 617, and as such is exempt from intangible taxes. In the event the Lender shall be required at any time to pay any documentary stamp tax, intangible tax, or other taxation with respect to all or part of the Loan or any other transaction contemplated or evidenced by this Note or other Loan Documents, the Borrower shall reimburse the Lender immediately for all such costs, including any interest and penalties with respect thereto.

With respect to any and all Obligations, the Borrower waives the following: (1) demand, presentment, protest, notice of dishonor, suit against any party and all other requirements necessary to charge or hold Borrower liable on any Obligation; (2) the right to interpose any set-off or counterclaim of any nature or description in any litigation in which the Lender and Borrower shall be adverse parties, however, nothing contained in this paragraph shall limit or prohibit Borrower from filing a mandatory counterclaim against Lender in any such litigation. The Borrower agrees to pay all taxes and assessments levied on or with respect to the Obligations and this Note, including but not limited to intangible and documentary stamp taxes,

and all filing fees and taxes and all costs of collecting or securing or attempting to collect or secure any Obligations, including attorneys' fees, whether or not involving litigation and/or appellate proceedings.

The Lender shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid, unless in writing and signed by the Lender. All rights and remedies of the Lender under the terms of this Note and under any statutes or rules of law shall be cumulative and may be exercised successively or concurrently. This Note shall be governed by and construed in accordance with the laws of the State of Florida. Any provision of this Note which may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof. The Lender shall have the right unilaterally to correct patent errors in this Note and to fill in any blank spaces herein so as to conform to the terms upon which the loan evidenced hereby is made.

This Note and the other Loan Documents constitute and evidence the complete understanding between the Lender and the Borrower. Any modification thereof hereafter which is not in writing and signed by the Lender and the Borrower shall be void.

All notices and other communications under this Note shall be in writing and shall be given in accordance with the Loan Agreement.

Except where the laws of the United States are applicable (including, without limitation, any federal laws pertaining to maximum permitted rates of interest), this Note shall be governed by and construed under the laws of the state of Florida.

In addition to and without limitation of any remedies of the Lender, and in addition to all other sums due hereunder, the Lender may collect a late charge not to exceed an amount equal to five percent (5%) of any installment of interest which is not paid within fifteen (15) days of the due date, and any installment of principal or other charges which is not paid within thirty (30) days of the due date thereof, to cover the extra expense involved in handling delinquent payments. Said late charge may be included as part of the Obligations and recouped by Lender in connection with any foreclosure instituted by Lender upon a default by Borrower.

THE BORROWER AND, BY ITS ACCEPTANCE HEREOF, THE LENDER, EACH HEREBY WAIVES (1) ALL RIGHTS TO RELY ON OR ENFORCE ANY ORAL STATEMENTS MADE PRIOR TO, CONTEMPORANEOUSLY WITH OR SUBSEQUENT TO THE SIGNING OF THIS NOTE; AND (2) THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE, OR WITH RESPECT TO DEALINGS BETWEEN THE LENDER AND THE BORROWER CONCERNING ANY COURSE OF CONDUCT, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO MAKE THE LOAN TO THE BORROWER.

BORROWER:

**PALM BEACH HABILITATION CENTER,
INC.**

By: _____

Name: _____

Title: _____

SECURITIES ACCOUNT PLEDGE AGREEMENT

This Securities Account Pledge Agreement (“Agreement”), dated as of April __, 2018, is made by **PALM BEACH HABILITATION CENTER, INC.**, a Florida not for profit corporation (“Pledgor”), in favor of **HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**, a public body corporate and political entity organized and existing under the laws of the State of Florida (“Secured Party”).

Background

A. This Agreement is executed in connection with that certain Loan Agreement between Pledgor and Secured Party dated as of the date hereof (as same has been or may be amended, supplemented, restated, replaced or otherwise modified from time to time, the “Loan Agreement”). All capitalized terms used herein and not otherwise defined shall have the same meanings assigned to such terms in the Loan Agreement or in Article 8 and Article 9 of the UCC (as defined below), as applicable.

B. This Agreement is given and is intended to provide additional security for the Obligations to Secured Party.

NOW THEREFORE, for other good and sufficient consideration, the receipt of which is hereby acknowledged, Pledgor, intending to be legally bound hereby, covenants and agrees as follows:

1. As security for the Obligations, Pledgor hereby pledges to Secured Party, and grants to the Secured Party, a continuing lien on, and security interest in, all of Pledgor’s right, title, and interest in that certain institutional asset management account asset investment plan number *****3466 of the Borrower (the “Investment Account”) established and maintained with PNC Bank, National Association, as custodian (the “Custodian”) and in all assets (including without limitation, all Investment Property, Financial Assets, and all Security Entitlements with respect thereto) contained therein together with all additions, replacements and substitutions thereto and all resulting interest, distributions, dividends and proceeds thereof (collectively, the “Collateral”).

2. The pledge and security interest described herein shall continue in effect to secure all Obligations from time to time outstanding unless and until all Obligations have been indefeasibly paid and satisfied in full and Secured Party’s commitment to make Advances is terminated.

3. Pledgor hereby represents and warrants that:

a. Except as pledged herein, Pledgor has not sold, assigned, transferred, pledged or granted any option or security interest in or otherwise hypothecated the Collateral in any manner whatsoever and the Collateral is pledged herewith free and clear of any and all liens, security interests, encumbrances, claims, pledges, restrictions, legends, and options;

b. Pledgor has the full power and authority to execute, deliver, and perform under this Agreement and to pledge the Collateral hereunder; and

c. This Agreement constitutes the valid and binding obligation of Pledgor,

enforceable in accordance with its terms, and the pledge of the Collateral referred to herein is not in violation of and shall not create any default under any material agreement, undertaking or obligation of Pledgor.

d. The Collateral has been duly and validly authorized and issued by the issuer thereof and such Collateral is fully paid for and non-assessable.

4. If an Event of Default occurs, and is continuing under the Loan Agreement, then Secured Party may, at its sole option, exercise from time to time with respect to the Collateral, any and/or all rights and remedies available to it hereunder, under the Uniform Commercial Code, as in effect from time to time, in the State of Florida (“UCC”), or otherwise available to it, at law or in equity, including, without limitation, the right to dispose of the Collateral at public or private sale(s) or other proceedings, and Pledgor agrees that, if permitted by law, Secured Party or its nominee may become the purchaser at any such sale(s).

5. a. In addition to all other rights granted to Secured Party herein, or otherwise available at law or in equity, Secured Party shall have the following rights, each of which may be exercised at Secured Party’s sole discretion (but without any obligation to do so), at any time during the continuation of any Event of Default under the Loan Agreement, without further consent of Pledgor: (i) transfer the whole or any part of the Collateral into the name of itself or its nominee or to conduct a sale of the Collateral pursuant to the UCC or pursuant to any other applicable law; (ii) vote the Collateral; (iii) notify the persons obligated on any of the Collateral to make payment to Secured Party, of any amounts due or to become due thereon; (iv) release, surrender or exchange any of the Collateral at any time, or to compromise any dispute with respect to the same; and (v) deliver a notice of exclusive control (“Notice of Exclusive Control”) pursuant to the Account Control Agreement dated as of the date here by and among the Pledgor, the Secured Party and the Custodian (the “Account Control Agreement”). Secured Party may proceed against the Collateral, or any other collateral securing the Obligations, in any order, and against Pledgor and any other obligor, jointly and/or severally, in any order to satisfy the Obligations. Pledgor waives and releases any right to require Secured Party to first collect any of the Obligations secured hereby from any other collateral of Pledgor or any other party securing the Obligations under any theory of marshalling of assets, or otherwise. All rights and remedies of Secured Party are cumulative, not alternative.

b. Without limiting any other rights or remedies, Pledgor hereby irrevocably appoints Secured Party its attorney-in-fact, subject to the terms hereof, during the continuation of such Event of Default under the Loan Agreement, at Secured Party’s option, (i) to effectuate the transfer of the Collateral on the books of the holder or intermediary thereof to the name of Secured Party or to the name of Secured Party’s nominee, designee or assignee; (ii) to endorse and collect checks payable to Pledgor representing distributions or other payments on the Collateral; and (iii) to carry out the terms and provisions hereof.

c. Secured Party is hereby authorized to file financing statements naming Pledgor as debtor (without Pledgor’s signature), in accordance with the UCC. Pledgor hereby authorizes Secured Party to file all financing statements and amendments to financing statements describing the Collateral in any filing office as Secured Party, in its sole discretion may determine.

d. Pledgor hereby agrees to cause the Custodian to execute and deliver the

Account Control Agreement to Secured Party, and to cause each other holder or intermediary holding the Collateral to execute and deliver to Secured Party a securities account control agreement, in form and substance satisfactory to Secured Party, which shall authorize and instruct each such holder or intermediary to comply with any instruction received by it from Secured Party in writing that (a) states that an Event of Default has occurred and (b) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from Pledgor, and Pledgor agrees that the Custodian, and each such other holder or intermediary shall be fully protected in so complying.

6. The proceeds of any sale or other disposition of, or realization upon, the Collateral by Secured Party may be applied to, or on account of, the Obligations and in such order as Secured Party may elect including fees and expenses of the Secured Party.

7. Pledgor recognizes that Secured Party may be unable to effect, or may effect only after such delay which would adversely affect the value that might be realized from the Collateral, a public sale of all or part of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (“Securities Act”) and may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such securities for their own account, for investment and not with a view to the distribution or resale thereof. Pledgor agrees that any such private sale may be at prices and on terms less favorable to Secured Party or the seller than if sold at public sales, and therefore recognizes and confirms that such private sales shall not be deemed to have been made in a commercially unreasonable manner solely because they were made privately. Pledgor agrees that Secured Party has no obligation to delay the sale of any such securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act.

8. So long as no Event of Default has occurred and is continuing under the Loan Agreement, and until Secured Party delivers a Notice of Exclusive Control, Pledgor shall retain the sole right to vote the Collateral and exercise all rights of ownership with respect to all questions for all purposes not inconsistent with the terms hereof.

9. Secured Party shall have no obligation to take any steps to preserve, protect or defend the rights of Pledgor or Secured Party in the Collateral against other parties. Secured Party shall have no obligation to sell or otherwise deal with the Collateral at any time for any reason, whether or not upon request of Pledgor, and whether or not the value of the Collateral, in the opinion of Secured Party or Pledgor, is more or less than the aggregate amount of the Obligations secured hereby, and any such refusal or inaction by Secured Party shall not be deemed a breach of any duty which Secured Party may have under law to preserve the Collateral. Except as provided by applicable law, no duty, obligation or responsibility of any kind is intended to be delegated to or assumed by Secured Party at any time with respect to the Collateral.

10. To the extent Secured Party is required by law to give Pledgor prior notice of any public or private sale, or other disposition of the Collateral, Pledgor agrees that seven (7) business days prior written notice to Pledgor shall be a commercially reasonable and sufficient notice of such sale or other intended disposition.

11. Pledgor shall indemnify, defend and hold harmless Secured Party from and against any and all claims, losses and liabilities resulting from any breach by Pledgor of Pledgor’s

representations and covenants under this Agreement.

12. Pledgor hereby waives notice of (a) acceptance of this Agreement, (b) the existence and incurrence from time to time of any Obligations under the Loan Agreement, and (c) demand and default hereunder.

13. This Agreement shall remain in full force and effect and shall not be limited, impaired or otherwise affected in any way by reason of (a) any delay in making demand on Pledgor for or delay in enforcing or failure to enforce, performance or payment of the Obligations, (b) any failure, neglect or omission on Secured Party's part to perfect any lien upon, protect, exercise rights against, or realize on, any property of Pledgor or any other party securing the Obligations, (c) any failure to obtain, retain or preserve, or the lack of prior enforcement of, any rights against any person or persons or in any property, (d) the invalidity or unenforceability of any Obligations or rights in any Collateral under the Loan Agreement, (e) the existence or nonexistence of any defenses which may be available to the Pledgor with respect to the Obligations or (f) the commencement of any bankruptcy, reorganization, liquidation, dissolution or receivership proceeding or case filed by or against Pledgor.

14. Pledgor covenants and agrees that Pledgor shall not, without the prior written consent of Secured Party, sell, encumber or grant any lien, security interest or option on or with respect to any of the Collateral.

15. No omission or delay by Secured Party in exercising any right or power under this Agreement or any related agreements and documents will impair such right or power or be construed to be a waiver of any Default, or Event of Default or an acquiescence therein, and any single or partial exercise of any such right or power will not preclude other or further exercise thereof or the exercise of any other right, and as to Pledgor no waiver will be valid unless in writing and signed by Secured Party and then only to the extent specified.

16. This Agreement and all related documents delivered hereunder shall be construed as integrated and complementary of each other, and as augmenting and not restricting Secured Party's rights and remedies; provided, however, in the event of a conflict between the provisions of this Agreement and the Loan Agreement the provisions of the Loan Agreement shall control. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed by Pledgor and Secured Party.

17. THIS AGREEMENT, AND ALL MATERS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND ALL RELATED AGREEMENTS AND DOCUMENTS, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF FLORIDA. THE PROVISIONS OF THIS AGREEMENT AND ALL OTHER AGREEMENTS AND DOCUMENTS REFERRED TO HEREIN ARE TO BE DEEMED SEVERABLE, AND THE INVALIDITY OR UNENFORCEABILITY OF ANY PROVISION SHALL NOT AFFECT OR IMPAIR THE REMAINING PROVISIONS WHICH SHALL CONTINUE IN FULL FORCE AND EFFECT.

18. Pledgor hereby irrevocably consents to the non-exclusive jurisdiction of the Courts of the State of Florida or the United States District Court for the Southern District of Florida in any and all actions and proceedings whether arising hereunder or under any other agreement or

undertaking. Pledgor waives any objection which Pledgor may have based upon lack of personal jurisdiction, improper venue or forum non conveniens. Pledgor irrevocably agrees to service of process by certified mail, return receipt requested to the address of the appropriate party set forth on the signature page hereto.

19. All communications which Secured Party may provide to Pledgor herein shall be sent to Pledgor at the respective address set forth below in writing, and may be delivered in person, with receipt acknowledged, or sent by electronic mail, nationally reorganized overnight courier service or by United States mail, registered or certified, return receipt requested, postage prepaid.

20. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. Pledgor may not transfer, assign or delegate any of its duties or obligations hereunder.

21. PLEDGOR (AND SECURED PARTY BY ITS ACCEPTANCE HEREOF) HEREBY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION, PROCEEDING OR COUNTERCLAIM ARISING WITH RESPECT TO RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO OR UNDER THE LOAN DOCUMENTS OR WITH RESPECT TO ANY CLAIMS ARISING OUT OF ANY DISCUSSIONS, NEGOTIATIONS OR COMMUNICATIONS INVOLVING OR RELATED TO ANY PROPOSED RENEWAL, EXTENSION, AMENDMENT, MODIFICATION, RESTRUCTURE, FORBEARANCE, WORKOUT, OR ENFORCEMENT OF THE TRANSACTIONS CONTEMPLATED HEREUNDER OR UNDER THE LOAN DOCUMENTS.

IN WITNESS WHEREOF, this Securities Account Pledge Agreement has been executed and delivered as of the date first set forth above.

[Remainder of page intentionally left blank]

PLEDGOR:

**PALM BEACH HABILITATION CENTER,
INC.**

Attest: _____

By: _____

Name: _____

Title: _____

Address:

Palm Beach Habilitation Center, Inc.
4522 S. Congress Avenue
Lake Worth, FL 33461
Attention: Chief Executive Officer
e-mail address: dlin@pbhab.com

(Signature Page to Securities Account Pledge Agreement)

Tab 3

VII. New Business - attachments

- a.** Consider “Own a Home Opportunity” single family loan program matters
 - i. Letter from Hamilton Group Funding
- b.** Preliminary discussion of accounting and auditor selection process
 - i. Auditor selection procedures 218.391 F.S.
 - ii. 2009 Request for Proposals for audit services
 - iii. 2009 Request for Proposals for accounting
 - iv. PBC BCC Request for Proposals for audit services
 - v. PBC Small Business Enterprise Program



March 30, 2018

Housing Finance Authority of Palm Beach County, FL
100 Australian Avenue, Suite 410
West Palm Beach, FL. 33406
Attn: David Brandt

Dear David:

We are requesting that the Housing Finance Authority of Palm Beach County, FL, reimburse Hamilton Group Funding, Inc. \$10,000 related to the down payment assistance given to Elder Moya Asencio directly by Hamilton at time of closing of the loan. Due to missing documentation, Hamilton has been unable to collect the funds from the HFA. However, the documentation has now been provided so we are now seeking reimbursement. A copy of the CD is enclosed for your review. I have also attached wiring instructions as to where to wire the funds.

If you have any questions or concerns regarding this matter contact me at (954) 241-8313 or via email: ron.saenz@hgfloans.com.

Thank you for your assistance.

Best Regards,

Ron Saenz

VP and Corporate Controller

Closing Disclosure

Closing Information

Date Issued 08/10/2017
Closing Date 08/10/2017
Disbursement Date 08/10/2017
Settlement Agent Trident Title, a division of LandCastle Title Group, LLC
File # WL541707025
Property 702 S D Street 1
 Lake Worth, FL 33460

Sale Price \$145,000

Transaction Information

Borrower Elder Moya-Asencio
 1131 18th Avenue N # 3
 Lake Worth, FL 33460
Seller Carlos Suarez
 702 S D Street 1
 Lake Worth, FL 33460

Summaries of Transactions

SELLER'S TRANSACTION

M. Due to Seller at Closing	\$145,024.15
01 Sale Price of Property	\$145,000.00
02 Sale Price of Any Personal Property Included in Sale	
03	
04	
05	
06	
07	
08	
Adjustments for Items Paid by Seller in Advance	
09 City/Town Taxes	
10 County Taxes	
11 Assessments	08/10/17 to 10/01/17 \$24.15
12	
13	
14	
15	
16	
N. Due from Seller at Closing	\$11,124.36
01 Excess Deposit	
02 Closing Costs Paid at Closing (J)	\$10,036.70
03 Existing Loan(s) Assumed or Taken Subject to	
04 Payoff of First Mortgage Loan	
05 Payoff of Second Mortgage Loan	
06 Title Insurance Premium Adjustment	\$437.00
07	
08 Seller Credit	
09	
10	
11	
12	
13	
Adjustments for Items Unpaid by Seller	
14 City/Town Taxes	
15 County Taxes	01/01/17 to 08/10/17 \$650.66
16 Assessments	
17	
18	
19	

CALCULATION

Total Due to Seller at Closing (M)	\$145,024.15
Total Due from Seller at Closing (N)	-\$11,124.36
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	\$133,899.79

Contact Information

REAL ESTATE BROKER (B)

Name	Treasure Property Group
Address	6685 Forest Hill Blvd West Palm Beach, FL 33413
FL License ID	
Contact	Nayanne Vargas
Contact FL License ID	SL3369970
Email	nay@mevarealty.com
Phone	(561)713-7188

REAL ESTATE BROKER (S)

Name	Keller Williams Realty - Wellington
Address	12008 South Shore Blvd Suite # 101 Wellington, FL 33414
FL License ID	BK443142
Contact	Sulami Suarez
Contact FL License ID	SL3312299
Email	sulysuarez@kw.com
Phone	(561)472-1236

SETTLEMENT AGENT

Name	Trident Title, a division of LandCastle Title Group, LLC
Address	12008 South Shore Blvd, Suite 209 Wellington, FL 33414
FL License ID	
Contact	Heather Woods
Contact FL License ID	
Email	heather.woods@tridenttitlellc.com
Phone	561-515-2925

Closing Cost Details

Loan Costs	Seller-Paid	
	At Closing	Before Closing
A. Origination Charges		
01 % of Loan Amount (Points)		
02 Origination Fee to Hamilton Group Funding, Inc.		
03 Processing Fee to Hamilton Group Funding, Inc.		
04 Underwriting Fee to Hamilton Group Funding, Inc.		
05		
06		
07		
08		
B. Services Borrower Did Not Shop For		
01 Appraisal Fee to Nationwide Property & Appraisal		
02 Credit Report to HGF		
03 Funding Fee to US Bank		
04 MCC to Ehousing		
05 Mortgage Insurance Premium to HUD		
06 Tax Service Fee to US Bank		
07		
08		
09		
10		
C. Services Borrower Did Shop For		
01 Survey Fee to Landtec Land Surveying		
02 Title - ALTA 8.1-06 - Environmental Protection Lien (with Florida Modifications) to LandCastle		
03 Title - ALTA 9-06 - Restrictions, Encroachments, Minerals (with Florida Modifications) 2013 to		
04 Title - Closing Fee to LandCastle Title Group, LLC Escrow Trust Account		
05 Title - Closing Fee - Seller to LandCastle Title Group, LLC Escrow Trust Account	\$650.00	
06 Title - E-Recording Fee to Simplifile	\$6.50	
07 Title - Lender's Title Insurance to LandCastle Title Group, LLC Escrow Trust Account		
08 Title - Search Fee to LandCastle Title Group, LLC Escrow Trust Account	\$150.00	
09		

Closing Cost Details

Other Costs	Seller-Paid	
	At Closing	Before Closing
E. Taxes and Other Government Fees		
01 Recording Fees Deed: \$27.60 Mortgage: \$96.10		
02 Record Affidavit to Simplifile	\$19.10	
03 Record Affidavit to	\$0.00	
04 Record Termination to	\$53.10	
05 Transfer Tax - Deed State to Simplifile	\$1,015.00	
06 Transfer Tax - Intangible Tax to Simplifile		
07 Transfer Tax - Mortgage State to Simplifile		
08 to Simplifile		
F. Prepays		
01 Homeowner's Insurance Premium (mo.)		
02 Mortgage Insurance Premium (mo.)		
03 Prepaid Interest (per day from to)		
04 Property Taxes (mo.)		
05		
G. Initial Escrow Payment at Closing		
01 Homeowner's Insurance		
02 Mortgage Insurance		
03 Property Taxes		
04		
05		
06		
07		
08 Aggregate Adjustment		
H. Other		
01 Compliance Fee to Ehousing/HGF		
02 Miscellaenous to DPA		
03 Municipal Lien Search to City Lien Search, LLC	\$235.00	
04 Processing Fee to Keller Williams Realty - Wellington	\$295.00	
05 Processing Fee to Treasure Property Group		
06 Real Estate Commission to Keller Williams Realty - Wellington	\$3,625.00	
07 Real Estate Commission to Treasure Property Group	\$3,625.00	
08 Title - Owner's Title Insurance to LandCastle Title Group, LLC Escrow Trust Account	\$363.00	
09 to		
J. TOTAL CLOSING COSTS	\$10,036.70	

Closing Disclosure - Attachment

Borrower: Elder Moya-Asencio
1131 18th Avenue N # 3
Lake Worth, FL 33460

Seller: Carlos Suarez
702 S D Street 1
Lake Worth, FL 33460

Settlement Agent: Trident Title, a division of LandCastle Title Group, LLC
12008 South Shore Blvd, Suite 209
Wellington, FL 33414
(561)515-4142

Closing Date: August 10, 2017

Disbursement Date: August 10, 2017

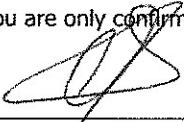
Property Location: 702 S D Street 1
Lake Worth, FL 33460

Additional Disbursements from Broker's Commissions

Payee	Description
Treasure Property Group	
Treasure Property Group	Real Estate Commission
Treasure Property Group	Processing Fee
Keller Williams Realty - Wellington	
Keller Williams Realty - Wellington	Real Estate Commission
Keller Williams Realty - Wellington	Processing Fee

Confirm Receipt

By signing, you are only confirming that you have received this form.




Carlos Suarez

8/10/17

Date

The fees input by the Settlement Agent on this closing disclosure are true and accurate.



Trident Title, a division of LandCastle Title, LLC
Settlement Agent

~~8/10/2017~~ 08/10/2017

Date

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued 8/10/2017
Closing Date 8/10/2017
Disbursement Date 8/10/2017
Settlement Agent
File # WL541707025
Property 702 S D St # 1
 Lake Worth, FL 33460
Sale Price \$145,000

Transaction Information

Borrower Elder Moya Asencio
 1131 18 Avenue North #3
 Lake Worth, FL 33460
Seller Carlos Suarez
 702 S D St #1
 Lake Worth, FL 33460
Lender Hamilton Group Funding, Inc.

Loan Information

Loan Term 30 years
Purpose Purchase
Product Fixed Rate
Loan Type Conventional FHA
 VA
Loan ID # 1706067083
MIC # 095-4381278-703

Loan Terms		Can this amount increase after closing?
Loan Amount	\$142,373	NO
Interest Rate	4.375 %	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$710.85	NO
Does the loan have these features?		
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments		
Payment Calculation	Years 1-30	
Principal & Interest		\$710.85
Mortgage Insurance	+	98.37
Estimated Escrow <i>Amount can increase over time</i>	+	247.50
Estimated Total Monthly Payment		\$1,056.72
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$247.50 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>
		In escrow? YES YES

Costs at Closing		
Closing Costs	\$13,154.39	Includes \$7,843.36 in Loan Costs + \$5,311.03 in Other Costs - \$0 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$2,232.88	Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>



Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$2,189.63				
01 % of Loan Amount (Points)					
02 Origination Fee	\$699.63				
03 Processing Fees	\$495.00				
04 Underwriting Fees	\$995.00				
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$3,745.23				
01 Appraisal Fee to Nationwide property & appraisal		\$485.00			
02 Credit Report to HGF	\$51.54				
03 Funding Fee to US Bank	\$400.00				
04 MCC to Ehousing	\$275.00				
05 Mortgage Insurance Premium to Hamilton Group Funding, Inc.	\$2,448.69				
06 Tax Service to US Bank	\$85.00				
07 Title - Title Search to LandCastle title group LLC			\$150.00		
08					
09					
10					
C. Services Borrower Did Shop For	\$1,908.50				
01 Survey Fee to Landtec Land surveying	\$300.00				
02 Title - eRecording Fee to Simplifile	\$6.50				
03 Title - Lender's Title Insurance to Landcastle title Group	\$787.00				
04 Title - Settlement Fee to LandCastle titel group	\$650.00		\$650.00		
05 Title - Title Endorsement Fee to Trident Title	\$165.00				
06					
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$7,843.36				
Loan Costs Subtotals (A + B + C)	\$7,358.36	\$485.00			
Other Costs					
E. Taxes and Other Government Fees	\$906.85				
01 Recording Fees Deed: \$27.60 Mortgage: \$96.10	\$123.70				
02 City/County Tax/Stamps to florida Mtg/ intangible	\$783.15				
03 State Tax/Stamps to Florida Deed Stamps			\$1,015.00		
F. Prepays	\$2,101.54				
01 Homeowner's Insurance Premium (12 mo.) to Insurance express .com	\$1,726.00				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.07 per day from 8/10/17 to 9/1/17)	\$375.54				
04 Property Taxes (mo.)					
05					
G. Initial Escrow Payment at Closing	\$1,244.04				
01 Homeowner's Insurance \$143.83 per month for 3 mo.	\$431.49				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$103.67 per month for 12 mo.	\$1,244.04				
04					
05					
06					
07					
08 Aggregate Adjustment	-\$431.49				
H. Other	\$1,058.60				
01 Compliance Fee to Ehousing / HGF	\$300.00				
02 Lien Search to City lien Seach LLC			\$250.00		
03 Miscellaneous to DPA fees	\$263.60				
04 Realty Fee to Treasure Property Group	\$495.00				
05 Title - Owner's Title Insurance to Florida			\$800.00		
06 Transaction Fee to Keller Williams Realty			\$295.00		
07					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,311.03				
Other Costs Subtotals (E + F + G + H)	\$5,311.03				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$13,154.39				
Closing Costs Subtotals (D + I)	\$12,669.39	\$485.00	\$3,160.00		
Lender Credits					



Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$12,380.00	\$13,154.39	YES See Total Loan Costs (D) and Total Other Costs (I).
Closing Costs Paid Before Closing	\$0	-\$485.00	YES You paid these Closing Costs before closing.
Closing Costs Financed (Paid from your Loan Amount)	-\$2,448.00	-\$2,448.00	NO
Down Payment/Funds from Borrower	-\$4,925.00	-\$4,925.00	NO
Deposit	-\$2,000.00	-\$2,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	\$0	NO
Adjustments and Other Credits	-\$485.00	-\$1,063.51	YES See details in Section K and Section L.
Cash to Close	\$2,522.00	\$2,232.88	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION

K. Due from Borrower at Closing \$157,693.54

01 Sale Price of Property	\$145,000.00
02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$12,669.39
04	

Adjustments

05	
06	
07	

Adjustments for Items Paid by Seller in Advance

08 City/Town Taxes to	
09 County Taxes to	
10 Assessments 08/10/17 to 10/01/17	\$24.15
11	
12	
13	
14	
15	

L. Paid Already by or on Behalf of Borrower at Closing \$155,460.66

01 Deposit	\$2,000.00
02 Loan Amount	\$142,373.00
03 Existing Loan(s) Assumed or Taken Subject to	
04	
05 Seller Credit	

Other Credits

06 Lee Own a home opportunity	\$10,000.00
07	

Adjustments

08 Title insurance Premium Adjustment	\$437.00
09	
10	
11	

Adjustments for Items Unpaid by Seller

12 City/Town Taxes to	
13 County Taxes 01/01/17 to 08/10/17	\$650.66
14 Assessments to	
15	
16	
17	

CALCULATION

Total Due from Borrower at Closing (K)	\$157,693.54
Total Paid Already by or on Behalf of Borrower at Closing (L)	-\$155,460.66
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$2,232.88

SELLER'S TRANSACTION

M. Due to Seller at Closing \$145,024.15

01 Sale Price of Property	\$145,000.00
02 Sale Price of Any Personal Property Included in Sale	
03	
04	

Adjustments

05	
06	
07	
08	

Adjustments for Items Paid by Seller in Advance

09 City/Town Taxes to	
10 County Taxes to	
11 Assessments 08/10/17 to 10/01/17	\$24.15
12	
13	
14	
15	
16	

N. Due from Seller at Closing \$4,247.66

01 Excess Deposit	
02 Closing Costs Paid at Closing (J)	\$3,160.00
03 Existing Loan(s) Assumed or Taken Subject to	
04 Payoff of First Mortgage Loan	
05 Payoff of Second Mortgage Loan	
06	
07	

Other Credits

08 Seller Credit	
09	

Adjustments

10 Title insurance Premium Adjustment	\$437.00
11	
12	
13	

Adjustments for Items Unpaid by Seller

14 City/Town Taxes to	
15 County Taxes 01/01/17 to 08/10/17	\$650.66
16 Assessments to	
17	
18	
19	

CALCULATION

Total Due to Seller at Closing (M)	\$145,024.15
Total Due from Seller at Closing (N)	-\$4,247.66
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	\$140,776.49



Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

- will allow, under certain conditions, this person to assume this loan on the original terms.
- will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 4% of the principal and interest overdue.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
702 S D St # 1, Lake Worth, FL 33460

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,722.50	Estimated total amount over year 1 for your escrowed property costs: <i>Property Taxes, Homeowner's Insurance</i>
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs: You may have other property costs.
Initial Escrow Payment	\$1,244.04	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$247.50	The amount included in your total monthly payment.

- will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.



Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,801.46
Finance Charge. The dollar amount the loan will cost you.	\$141,554.92
Amount Financed. The loan amount available after paying your upfront finance charge.	\$136,027.64
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	5.630 %
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	80.006 %

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Hamilton Group Funding, Inc		N/A	N/A	Trident Title
Address	13650 NW 8th Street, Suite 109 Sunrise, FL 33325				12008 Sout SHore Blvd Wellington, FL 33414
NMLS ID	200719				
FL License ID	MLD680				P192489
Contact	Daniel Crespo				Jodi Bebout
Contact NMLS ID	333600				
Contact FL License ID	LO669				
Email	danny@closewithus.com				Jodi.bebout@tridenttitlellc.com
Phone	954-241-2860				561-515-4142



HAMILTON GROUP
FUNDING

Excellence in Mortgage Banking

Please wire loan proceeds to:

To: Account Holder: Hamilton Group Funding, Inc.

13650 NW 8th Street, Suite 109

Sunrise, FL. 33325

954-241-2800

Contact: Mike Clark

Routing/ABA #: 061000104

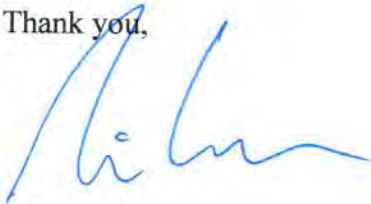
Account #: 1000185481479

Suntrust Bank
9501 Wiles Road
Coral Springs, FL. 33076

Phone: (954) 282-3990

www.suntrust.com

Thank you,



Mike Clark

Chief Financial Officer

13650 NW Eighth St., Suite 109 | Sunrise, FL 33325 | NMLS #200719
954-241-2800 | www.hgfloans.com



This is not a certified copy

This Second Mortgage and Note must be recorded as one instrument immediately following recordation of the First Mortgage.

Return recorded document to:

--- SPACE ABOVE THIS LINE RESERVED FOR RECORDER ---
**SECOND MORTGAGE PROGRAM
SUBORDINATE MORTGAGE**

THIS SUBORDINATE MORTGAGE ("Mortgage") is made on this 10 day of August, 2017.
The grantor is Elder Moya Asencio (herein "Borrower" or "Mortgagor") whose address is
702 S D Street #1 Lake Worth, FL 33460

Mortgage is given to the **Housing Finance Authority of Palm Beach County, Florida**, a public body corporate and politic of the State of Florida, whose address is 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406 (herein "Lender" or "Mortgagee"). Borrower has applied to and owes Lender the principal sum of Ten Thousand Dollars And No Cents Dollars (U.S. \$ 10,000.00) (the "Loan"). This debt is evidenced by the Borrower's Promissory Note ("Note") dated the same date as this Mortgage. The Loan is made in connection with a single family mortgage program (the "Program") and is subordinate to the first mortgage loan (the "First Mortgage") made under the Program.

The Note provides that payment shall be deferred for the term of the First Mortgage, with payment due upon the maturity of the First Mortgage or until the first to occur of the following events: (a) Borrower sells, transfers or disposes of the Property or Home (as defined below) either voluntarily or involuntarily; (b) the Borrower fails or ceases to occupy the Home as a principal residence, (c) Borrower or surviving spouse of Borrower, dies; or (d) the Borrower refinances the First Mortgage loan, at which time the remaining principal balance is due.

TO SECURE to Mortgagee the repayment of the indebtedness evidenced by the Note, the payment of all other sums advanced in accordance herewith, to protect the security of this Mortgage; and the performance of the covenants and agreements of the Mortgagor herein contained, the Mortgagor does hereby grant, bargain, sell, assign, transfer, convey and Mortgage to Mortgagee the following described Property located in the County of Palm Beach, State of Florida:

THE WEST 77 FEET OF LOT 8, BLOCK 231, THE PALM BEACH FARMS CO. PLAT NO.2. THE TOWNSITE OF LUCERNE (NOW KNOWN AS LAKE WORTH), ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGE(S) 29 THROUGH 40, INCLUSIVE OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage, and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property" or "Home."

MORTGAGOR COVENANTS represents and warrants to Mortgagee and its successors and assigns that Mortgagor is indefeasibly seized of the estate hereby conveyed in fee simple; has full right to mortgage, grant and convey the Property; and that the Property is unencumbered, except for prior encumbrances of record. Mortgagor warrants title to the Property and will defend same against the lawful claims and demands of all persons whomsoever.

PROVIDED ALWAYS that if Mortgagor shall pay to Mortgagee, all sums due or to become due under the Note or this Mortgage and shall perform, comply with, and abide by each and every stipulation, agreement, condition, covenant of the Note and of this Mortgage, and shall pay all taxes that may accrue on the Property and all costs and expenses that Mortgagee may be put to in collecting the Note in foreclosure of this Mortgage or otherwise, including costs and reasonable attorney's fees, then this Mortgage and the estate hereby created shall cease and be null and void.

MORTGAGOR FURTHER COVENANTS and agrees with Mortgagee as follows:

- 1. Payment.** Mortgagor shall promptly pay when due the principal amount evidenced by the Note and all other sums of money payable by virtue of the Note or this Mortgage.
- 2. Application of Payments.** Unless applicable law provides otherwise, all payments received by Mortgagee under the Note and paragraph 1 hereof shall be applied by Mortgagee first to the interest due under the Note; then to principal of the Note; then to any other monies due under the Note or this Mortgage, in that order.
- 3. Prior Mortgagee and Deeds of Trust; Charges; Liens.** Mortgagor shall perform all of Mortgagor's obligations under the First Mortgage and any other mortgage, deed of trust or other mortgage with a lien which has priority over this Mortgage, including Mortgagor's covenants to make payments when due. Mortgagor shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which have attained or may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, and Mortgagor shall not request or accept any future advances under the terms of any such First Mortgage or any other mortgage or deed of trust which would have priority over this Mortgage.
- 4. Hazard Insurance.** Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Mortgagee may require and in such amounts and for such periods as Mortgagee may require. The insurance carrier providing the insurance shall be chosen by the Mortgagor subject to approval by Mortgagee; **provided**, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Mortgagee and shall include a standard mortgage clause in favor of, and in a form acceptable to Mortgagee. Mortgagee shall have the right to hold the policies and renewals thereof, subject to the terms of any other mortgage, deed of trust or other mortgage with a lien which has priority over this Mortgage. In the event of loss, the Mortgagor shall give prompt notice to the insurance carrier and to the Mortgagee. Mortgagee may make proof of loss if not made promptly by the Mortgagor. If the Property is abandoned by the Mortgagor, or if the Mortgagor fails to respond to Mortgagee within thirty (30) days from the date notice is mailed by Mortgagee to the Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, Mortgagee is authorized to collect and apply the insurance proceeds at Mortgagee's option either to restoration or repair of the Property or to the sums secured by this Mortgage.
- 5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Mortgagor shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and, if this is a leasehold Mortgage, Mortgagor shall perform all of its leasehold obligations in order to preserve this Mortgage. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration or covenants creating or governing such condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development and any other documents.

6. Protection of Mortgagee's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Property, then Mortgagee, at Mortgagee's option, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Mortgagee's interest in the Property. If Mortgagor is required to maintain mortgage insurance as a condition of this Mortgage or any other mortgage or deed of trust, Mortgagor shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Mortgagor's written agreement or applicable law. Any amounts disbursed by Mortgagee pursuant to this paragraph, with interest thereon, at the rate of twelve percent (12%) per annum, shall become additional indebtedness of the Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree otherwise, such amounts shall be payable upon demand. Nothing contained in this Paragraph 6 shall require Mortgagee to incur any expense or take any action hereunder.

7. Inspection. Mortgagee may make or cause to be made reasonable entries upon and inspections of the Property upon notice to Mortgagor specifying reasonable cause therefore related to the Lender's interest in the Property.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation to the extent of the unpaid balance of all sums due or to become due under the Note or this Mortgage, are hereby assigned and shall be paid to Mortgagee, subject to the terms of any mortgage, deed of trust or other mortgage with a lien which has priority over this Mortgage.

9. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver. No extension of the time for payment or modification of the terms or conditions of the Note or this Mortgage granted to Mortgagor shall operate or release Mortgagor, in any manner, from liability under the Note or this Mortgage. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successors in interest. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements and references to Mortgagor and Mortgagee herein contained shall bind, and the rights hereunder shall inure to, their respective heirs, successors and assigns, subject to the provisions of Paragraph 15 hereof. All covenants and agreements of Mortgagor shall be joint and several. Any Mortgagor who co-signs this Mortgage, but does not execute the Note is co-signing this Mortgage only to mortgage, grant and convey that Mortgagor's interest in the property to Mortgagee under the terms of this Mortgage; is not personally liable on the Note or under this Mortgage; agrees that Mortgagee and any other Mortgagor hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Mortgagor's consent and without releasing that Mortgagor or modifying this Mortgage as to that Mortgagor's interest in the Property. This Mortgage and the Note secured thereby are non-assumable, except as may be provided in Paragraph 15 hereof.

11. Notice. Except for any notice required under applicable law to be given in another manner: (a) any notice to the Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail at the Property Address or at such other address as Mortgagor may designate by notice to the Mortgagee as provided herein, and (b) any notice to Mortgagee shall be given by certified mail, to the address stated herein or to such other address as Mortgagee may designate by notice to the Mortgagor as provided herein.

12. Governing Law; Severability; Costs. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs,"

"expenses," and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. Mortgagor's Copy. Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.

14. Rehabilitation Loan Agreement. Mortgagor shall fulfill all of Mortgagor's obligations under any home rehabilitation, improvement, repair, or other loan agreement which is entered into with Mortgagee. At Mortgagee's option, Mortgagor shall execute and deliver to Mortgagee, in a form acceptable to Mortgagee, an assignment of any rights, claims or defenses which Mortgagor may have against parties who supply labor, materials or services in connection with improvements made to the Property.

15. Transfer of the Property. If all or any part of the Property or any interest in it is sold, transferred, gifted or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Mortgagor is divested of title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the Property, or if a prior mortgage is refinanced, or if the Property is leased or rented, all sums secured by this Mortgage shall immediately become due and payable. Provided, however, a transfer to a person who is an heir or devisee of Mortgagor, upon the death of Mortgagor, shall be permissible provided that the Note and this Mortgage are not then in default and that said person: (a) occupies the Property as their principal place of residence; and (b) executes such documents (including, without limitation, an agreement assuming the obligations under the Note and this Mortgage) and pays such fees and charges as Mortgagee may reasonably require. Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is given in accordance with Paragraph 11 hereof within which Mortgagor must pay all sums secured by this Mortgage. If said sums are not paid in full prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand.

16. Acceleration; Remedies. Except as provided in Paragraph 15 hereof, upon the Mortgagor's breach of any covenant or agreement of the Mortgagor in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, or in the event that the Mortgagor shall have made a material misrepresentation or material omission in Mortgagor's application for the loan evidenced by the Note, Mortgagee may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Prior to acceleration of this Mortgage, Mortgagee shall give notice to Mortgagor as provided in Paragraph 11 hereof specifying (1) the breach (if the breach is curable); (2) the action required to cure such breach; (3) a date not less than ten (10) days from the date the notice is mailed to Mortgagor, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor acceleration and foreclosure. Mortgagee shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

17. Mortgagor's Right to Reinstate. Notwithstanding the acceleration of the sums secured by this Mortgage due to the Mortgagor's breach, the Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Mortgagor pays Mortgagee all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage, and in enforcing Mortgagee's remedies as provided in Paragraph 16 hereof, including, but not limited to, reasonable attorneys' fees and court costs; and (d) the Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and the Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured shall hereby remain in full force and effect as if no acceleration had occurred.

18. Assignment of Revenues; Appointment of Receiver. As additional security hereunder, Mortgagor hereby assigns to Mortgagee the revenues of the Property, provided that Mortgagor shall,

prior to acceleration under Paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such revenues as they become due and payable. Upon acceleration under Paragraph 16 hereof or abandonment of the Property, Mortgagee shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the revenues of the Property including those past due. All revenues collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and the reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those revenues actually received.

19. Release. Upon payment of all sums secured by this Mortgage, Mortgagee shall prepare a written Satisfaction of this Mortgage. The Mortgagee shall not bear the cost of recording the Satisfaction of Mortgage; it shall be the responsibility of the Mortgagor.

20. Subordination. Lender and Borrower acknowledge and agree that this Mortgage is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage, or for any other purpose expressly permitted by the First Mortgage or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the First Mortgage are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property.

21. Attorneys' Fees. As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees and paralegal fees, if any, incurred in connection with the collection or enforcement of this Mortgage or of the Note, whether or not suit is brought and whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise.

22. Special Second Mortgage Program Covenants, Warrants, Representations. Mortgagor covenants, represents and warrants to Mortgagee that: (a) the Mortgagor, along with his/her/their family, will occupy the Property as their principal residence; (b) the Property is a single-family residence; and (c) Mortgagor's total family income at the time of its applications for the Loan meets the requirements for participation in the Program.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER
SUPERIOR MORTGAGES OR DEEDS OF TRUST.**

Mortgagee requests the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice, at Mortgagee's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

23. WAIVER OF JURY TRIAL, MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE OF THIS MORTGAGE), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST MORTGAGEE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage on the date first above written.

NOTICE TO MORTGAGOR

**DO NOT SIGN THIS MORTGAGE IF IT CONTAINS BLANK SPACES.
ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.**

Signed, sealed in the presence of and delivered:

[Signature]
Printed Name of Witness Heather K Woods

[Signature]
Printed Name of Mortgagor Elder Moya Asencio

[Signature]
Printed Name of Witness Rayanne Lopez

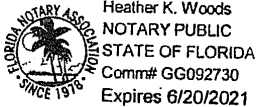
[Signature]
Printed Name of Mortgagor Levy R Moya

[Signature]
Printed Name of Witness Heather K Woods

[Signature]
Printed Name of Witness Rayanne Lopez

STATE OF FLORIDA
COUNTY OF Falm Beach

The foregoing instrument was acknowledged before me this 10 day of August 2017
by Elder Moya Asencio Mortgagor. Said person is personally known to me or has produced a valid
driver's license as identification.
Levy R Moya



[Signature]
Notary Public, State of Florida
Print Name: Heather K Woods
My Commission Expires: 6/20/2021
My Commission No.: _____

Originating Company: Hamilton Group Funding, Inc
Individual Loan Originator: Individual Loan Originator: Daniel Crespo

NMLS: 200719
NMLS: 333600

This Second Mortgage and Note must be recorded as one instrument immediately following recordation of the First Mortgage.

PROMISSORY NOTE
HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
SECOND MORTGAGE PROGRAM

08/10, 2017 Date Loan Amount \$ 10,000.00 (Principal)

Maturity Date: 09/01/2047

702 S D Street #1 Lake Worth FL 33460
Property Street Address City State Zip Code

1. BORROWER'S PROMISE TO PAY

I/We, the Borrower, promise to pay

Ten Thousand Dollars And No Cents 0/100THs Dollars

(\$ 10,000.00) (this amount will be called "Principal") to the order of the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, whose address is 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406 (the "Lender"), or to any other legal holder of the Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

2. INTEREST

As long as the Borrower is not in default, the interest on this Note shall be zero percent (0%) per annum; however, if the Borrower fails to pay this Note as required, interest shall be due on the unpaid principal balance at the rate of twelve percent (12%) per annum from the date when payment of this Note was due until this Note is paid in full.

3. PAYMENTS

Borrower understands that principal payments shall be deferred for the term of the First Mortgage (as defined in the Mortgage) and shall become due and payable upon the maturity date of the First Mortgage or until the first to occur of the following events: (a) Borrower sells, transfers or disposes of the property or home either voluntarily or involuntarily; (b) Borrower fails or ceases to occupy the home as a principal residence; (c) Borrower or surviving spouse of Borrower, dies; or (d) Borrower refinances the first mortgage loan at which time the remaining principal balance is due. Provided, however, a transfer to a person who is an heir or devisee of Borrower, upon the death of Borrower, shall be permissible provided that this Note and the Mortgage are not then in default and that said person: (a) occupies the Property (as defined in the Mortgage) as their principal place of residence; and (b) executes such documents (including, without limitation, an agreement assuming the obligations under this Note and the Mortgage) and pays such fees and charges as Lender may reasonably require.

4. BORROWER'S PAYMENT BEFORE PAYMENT IS DUE

Borrower has the right to make payment, in full, on this Note at any time before it is due. This payment is known as a "full prepayment." Partial prepayments can be made at any time on the principal of the loan. When Borrower makes a full prepayment, Borrower will tell the Note Holder in a letter that Borrower is doing so.

5. **BORROWER'S FAILURE TO PAY AS REQUIRED**
- (A) **Default** - If Borrower does not pay the full amount as required in Section 3 above, or if Borrower otherwise fails to timely perform any obligations under this Note or the Mortgage securing this Note, Borrower will be in default. If Borrower is in default, the Note Holder may bring about any actions not prohibited by applicable law and require Borrower to pay the Note Holder's costs and expenses as described in (D) below.
- (B) **Notice of Default** - If Borrower is in default, the Note Holder may send Borrower a written notice telling Borrower that if the Borrower does not cure the default by a certain date, the Note Holder may require Borrower to pay immediately the full amount of principal which has not been paid and all the interest that Borrower owes on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to Borrower.
- No Waiver By Note Holder** - Even if, at a time when Borrower is in default, the Note Holder does not require Borrower to pay immediately in full as described above, the Note Holder will still have the right to do so if Borrower is in default at a later time.
- (D) **Payment of Note Holder's Costs and Expense** - If the Note Holder takes such actions as described above, the Note Holder will have the right to be paid back for all of its costs and expenses, including but not limited to reasonable attorney's fees, whether incurred by the Note Holder before filing suit, at trial or an appeal.
6. **THIS NOTE SECURED BY A MORTGAGE**
In addition to the protections given to the Note Holder under this Note, a Mortgage, dated the same date as this Note, protects the Note Holder from possible losses which might result if Borrower does not keep the promises which Borrower makes in this Note. That Mortgage describes how and under what conditions Borrower may be required to make immediate payment in full of all amounts that Borrower owes under this Note.
7. **BORROWER'S WAIVERS**
Borrower waves any rights that require the Note Holder to do certain things. Those things are (a) to demand payment of amount due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); (c) to obtain an official certification of nonpayment (known as a "protest"). Any co-signer, guarantor, surety or endorser who agrees to keep the promises Borrower has made in the Note, by signing this Note or by executing a separate agreement to make payments to the Note Holder if Borrower fails to keep the promises under this Note, or who signs this Note to transfer it to someone else, waives these rights.
8. **GIVING OF NOTICES**
Any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by certified or registered mail, addressed to Borrower at the Property Address above. A notice will be delivered or mailed to Borrower at a different address if Borrower gives the Note Holder a notice in writing of Borrower's different address. Any notices that must be given to the Note Holder under this Note will be given by mailing it by certified or registered mail to the Note Holder at the Lender's address stated in Section 1 above. A notice will be mailed to the Note Holder at a different address if Borrower is given a notice of that different address.
9. **RESPONSIBILITY OF PERSONS UNDER THIS NOTE**
If more than one person signs this Note, each signatory is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note (as described in Section 7 above) is also obligated to do these things. The Note Holder may enforce its rights under this Note against each party individually or against all

This is not a contract

parties together and may enforce its rights under this Note against all parties together and may enforce its rights against any party, in any order. This means that any one party may be required to pay all of the amounts owed under this Note.

This is a Certified Copy

10. **WAIVER OF JURY TRIAL. BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS NOTE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS NOTE OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

**NOTICE TO BORROWER
DO NOT SIGN THIS NOTICE IF IT CONTAINS BLANK SPACES.
ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.**

Elder Moya Asencio

BORROWER
Elder Moya Asencio
Printed Name of Borrower

BORROWER

Printed Name of Borrower

BORROWER

Printed Name of Borrower

BORROWER

Printed Name of Borrower

(SIGN ORIGINAL ONLY)

Originating Company: Hamilton Group Funding, Inc
Individual Loan Originator: Individual Loan Originator; Daniel Crespo

NMLS: 200719
NMLS: 333600

218.391 Auditor selection procedures.—

(1) Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. 218.39.

(2) The governing body of a charter county, municipality, special district, district school board, charter school, or charter technical career center shall establish an audit committee. Each noncharter county shall establish an audit committee that, at a minimum, shall consist of each of the county officers elected pursuant to s. 1(d), Art. VIII of the State Constitution, or a designee, and one member of the board of county commissioners or its designee. The primary purpose of the audit committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. 218.39; however, the audit committee may serve other audit oversight purposes as determined by the entity's governing body. The public shall not be excluded from the proceedings under this section.

(3) The audit committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the audit committee, and negotiate a contract, using one of the following methods:

(a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

(b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

(c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.

(d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.

(5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. 218.39 and the needs of the governing body.

(6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.

(7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:

(a) A provision specifying the services to be provided and fees or other compensation for such services.

(b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.

(c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.

(8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.

History.—s. 65, ch. 2001-266; s. 1, ch. 2005-32.

***HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY,
FLORIDA***

REQUEST FOR PROPOSAL

FOR

EXTERNAL AUDIT SERVICES

*Housing Finance Authority of Palm Beach County, Florida
810 Datura Street
West Palm Beach, Florida 33401
(561) 355-4780*

IN ACCORDANCE WITH THE PROVISIONS OF ADA, THIS DOCUMENT MAY BE REQUESTED IN AN ALTERNATE FORMAT.

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**PART I
GENERAL INFORMATION**

1.1 DEFINITIONS

For the purposes of this Request for Proposals (the "RFP"):

"Authority" shall mean the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic organized and existing under the laws of the State of Florida.

"County" shall mean Palm Beach County, Florida.

"Proposer" shall mean a contractor, consultant, proposer, organization, firm, developer, or other person(s) who is a certified public accountant, submitting a response to this RFP.

"State" shall mean the state of Florida.

1.2 PURPOSE

This RFP provides guidelines for the submission to the Authority of proposals for **External Audit Services**.

1.3 INVITATION TO PROPOSE

The Authority is soliciting proposals from qualified independent certified public accountants and/or firms licensed to practice and authorized to do business in the State for the purpose of providing an annual examination of the basic financial statements of the Authority and audits of each of the Authority's outstanding single family and multi-family mortgage revenue bond issues, as identified on **Exhibit A** attached hereto (collectively, the "Bond Issues"). The audits shall be conducted for the purpose of forming an opinion of the basic financial statements taken as a whole and to determine whether operations were conducted in accordance with legal and regulatory requirements. The term of the engagement shall be for three (3) years, beginning with the fiscal year ending September 30, 2009 and concluding with the fiscal year ending September 30, 2011, with two options for an additional three (3) years each, subject to the approval of the Authority.

1.4 TIMETABLE

- A. On **Monday, May 11, 2009**, the Authority issues the RFP.
- B. Proposers may submit written inquiries regarding the RFP to the Executive Director on or before **Thursday, June 4, 2009 at 9:00 a.m.**, which written inquiries will be addressed at the non-mandatory pre-proposal meeting (the "Pre-Meeting Written Inquiries").
- C. A non-mandatory pre-proposal meeting will be held on **Friday, June 12, 2009 at 9:00 a.m.** or as soon thereafter as possible, during the Authority's regular monthly meeting.
- D. Proposers may submit additional written inquiries regarding the RFP to the Executive Director on or before **Friday, June 19, 2009 at 5:00 p.m.**, which written inquiries will be addressed by the Authority in writing (the "Post-Meeting Written Inquiries").
- E. The Authority must receive the proposals **by 5:00 p.m.**, local time on **Friday, June 26, 2009**.
- F. After receiving proposals, the Authority will review and evaluate the proposals in a timely manner and rank the top three Proposers.
- G. The Authority may schedule oral presentations for the top three Proposers.

- H. The Authority may enter into a contract after conducting negotiations. The Authority will notify unsuccessful Proposers.

1.5 DELAYS

The Authority, at its sole discretion, may delay the scheduled due dates indicated above if it is to the advantage of the Authority to do so. The Authority will notify Proposers of all changes in scheduled due dates by written addendum.

1.6 PRE-PROPOSAL MEETING

A pre-proposal meeting will be held on **Friday, June 12, 2009, at 9:00 a.m.**, or as soon thereafter as possible, during the Authority's regular monthly meeting, at the Palm Beach County Governmental Center Complex, 301 N. Olive Avenue, 12th Floor (McEaddy) Conference Room, West Palm Beach, Florida 33401. At this meeting, the Authority will not engage in dialogue with the Proposers and will only respond to those Pre-Meeting Written Inquiries submitted on or before **Thursday, June 4, 2009 at 9:00 a.m.** Attendance is not mandatory, but all Proposers, regardless of whether they attend, are responsible for any information provided. The Authority's responses to Pre-Meeting Written Inquiries at this meeting will be posted on the Authority's website, but will not be sent to each individual Proposer.

1.7 INQUIRIES

All questions and communications concerning this procurement process, including requests for clarifications or additional information, must be submitted in writing via electronic mail to dbrandt@pbcgov.com, or by facsimile to (561) 355-4191.

- A. **PRE-MEETING WRITTEN INQUIRIES. The deadline for all Pre-Meeting Written Inquiries is 9:00 a.m. on Thursday, June 4, 2009.** The Pre-Meeting Written Inquiries will be posted on the Authority's website prior to the meeting, and the Authority's responses to these Pre-Meeting Written Inquiries at the pre-proposal meeting will be posted on the Authority's website shortly after the meeting. The Authority will not send copies of these Pre-Meeting Written Inquiries and the Authority's responses thereto to any of the Proposers.
- B. **POST-MEETING WRITTEN INQUIRIES.** The Authority will accept and respond to Post-Meeting Written Inquiries during the period commencing at **9:01 a.m. on Thursday, June 4, 2009 until the deadline for all Post-Meeting Written Inquiries, which is 5:00 p.m. on Friday, June 19, 2009.** The Authority will post all Post-Meeting Written Inquiries and its responses thereto on the Authority's website. The Authority will also provide each Proposer with all Post-Meeting Written Inquiries and its responses to such Post-Meeting Written Inquiries, as well as any supplemental instructions or other modifications to the RFP, in the form of a written addendum to be provided to each Proposer.

1.8 PROPOSAL SUBMISSION AND WITHDRAWAL

THE AUTHORITY MUST RECEIVE ALL PROPOSALS BY 5:00 P.M., LOCAL TIME, ON FRIDAY, JUNE 26, 2009.

The Authority will receive proposals at the following address:

Housing Finance Authority of Palm Beach County, Florida
810 Datura Street
West Palm Beach, FL 33401
Attn: Executive Director

The outside of the envelope must additionally be identified as follows: **Housing Finance Authority RFP, External Audit Services.**

Receipt of the proposal in the Authority's office after the time and date specified for any reason, including failure by the Proposer to provide the above information on the outside of the envelope, may result in the rejection of the offerer's proposal. The envelope must also include the Proposer's name and return address.

The Authority cautions Proposers to assure actual delivery of mailed or hand-delivered proposals **directly to the Authority's** office prior to the deadline set for receiving proposals. If hand delivered, the proposal must be submitted directly to the Executive Director, David M. Brandt or his Assistant, Jennifer Hamilton. Telephone confirmation of timely receipt of the proposal may be made by calling (561) 355-4781, before the 5:00 p.m. deadline. Proposals received after the established deadline will be returned unopened to the Proposer.

Proposers shall submit **one (1) original and eight (8) photocopied sets** of the proposal in a sealed, opaque envelope/box marked as noted above. The Proposer may submit the proposal in person or by mail.

Proposers may withdraw their proposals by notifying the Authority in writing at any time prior to the time set for the proposal receipt deadline. Proposers may withdraw their proposals in person or through an authorized representative. Proposers and authorized representatives must disclose their identity and provide a signed receipt for the proposal. Proposals, once opened, become the property of the Authority and will not be returned to the Proposers.

1.9 **ADDENDUM**

Should revisions to the RFP become necessary, the Authority will provide a written addendum to all Proposers who requested the RFP from the Authority. Any and all addenda must be acknowledged. This Acknowledgement may be included as a statement in Proposer's Letter of Transmittal (as described below). Addenda may be downloaded from the Authority's website at www.pbchfa.org. Proposals may be rejected as non-responsive if the Proposer has failed to submit a proposal with an addendum acknowledgment for the most current addendum.

All Proposers should contact the Authority no more than five (5) calendar days before the date fixed for receiving proposals to ascertain whether any addenda have been issued. Failure of the Proposer to make this inquiry could result in its response being nonresponsive in the event addenda were issued and not acknowledged by the Proposer in their response.

No addendum will be issued later than five (5) calendar days prior to the date for receipt of proposals except an addendum withdrawing the RFP or one that includes postponement of the date for receipt of proposals.

1.10 **SELECTION PROCESS**

Selection shall be by the Authority in accordance with the criteria established in Part V of this RFP. Price will not be the sole or predominant factor for selection of a Proposer pursuant to this RFP. At its discretion, the Authority may require any Proposer to make an oral presentation of its submittal. An oral presentation provides an opportunity for the Proposer to clarify its submittal for the Authority. The Authority, if deemed necessary, will schedule such oral presentations.

The pricing structure submitted with the written proposal on the Proposed Fee Schedules form included herewith shall be firm. However, the Authority reserves the right to negotiate a "best and final" price with the finalist.

1.11 **AWARD**

The Authority anticipates retaining the Proposer who submits the proposal judged by the Authority to be the most advantageous to the Authority.

The Proposer understands that this RFP does not constitute an agreement or a contract with the Proposer. An official contract or agreement is not binding until all proposals are reviewed and one is accepted and approved by the Authority and a contract regarding the same is executed by the parties.

The Authority reserves the right to enter into contract negotiations with the selected Proposer. If the Authority and the selected Proposer cannot successfully negotiate a contract, the Authority may terminate such negotiations and begin negotiations with the next selected Proposer. No Proposer shall have any rights against the Authority arising from such negotiations.

The Authority reserves the right to reject all proposals, to waive any informality, and to solicit and re-advertise for new proposals.

1.12 PROPOSAL PREPARATION COSTS

Neither the Authority nor its representatives shall be liable for any expenses incurred in connection with preparation of a response to this RFP. Proposers should prepare their proposals simply and economically, providing a straightforward and concise description of the Proposer's ability to meet the requirements of the RFP.

1.13 ACCURACY OF PROPOSAL INFORMATION

Any Proposer which submits in its proposal to the Authority any information which is determined to be substantially inaccurate, misleading, exaggerated, or incorrect, may be disqualified from consideration.

1.14 INSURANCE

The awarded Proposer shall maintain insurance coverage reflecting the minimum amounts and conditions as set forth below:

Workers' Compensation and Employer's Liability coverage to apply to all employees of Proposer, regardless of the size of the firm. Coverage must include Employer's Liability with minimum limits of \$100,000 Each Accident, \$500,000 Disease-Policy Limit, \$100,000 Disease-Each Employeee.

Business Auto Policy, or similar form, shall have minimum limits of \$500,000 Per Occurrence Combined Single Limit for Bodily Injury and Property Damage Liability. Coverage shall include coverage for all Owned Autos, Hired Autos and Non-owned Autos. (In this context, the term "Autos" is interpreted to mean any land motor vehicle, trailer or semitrailer designed for travel on public roads.)

Commercial General Liability, or similar form, shall have minimum limits of \$500,000 Per Occurrence Combined Single Limit for Bodily Injury, Personal Injury and Property Damage Liability. Coverage shall include Premises and/or Operations, Independent Contractors, Products and/or Completed Operations, Personal Injury/Advertising Liability, Professional Liability, Contractual Liability and Broad Form Property Damage coverages.

Except as to Business Auto, Workers' Compensation and Employer's Liability (and Professional liability, when applicable), Certificate(s) of coverage shall clearly confirm that coverage required by the contract has been endorsed to include the Authority as an Additional Insured.

Further, said Certificate(s) shall unequivocally provide thirty (30) days written notice (except 10 days for non-payment) to the Authority prior to any adverse change, cancellation or non-renewal of coverage thereunder.

It is the responsibility of the Proposer to ensure that all required insurance coverages are maintained in force throughout the term of the contract. Failure to maintain the required insurance will be considered default of contract. All insurance must be acceptable to and approved by the Authority as to form, types of coverage and acceptability of the insurers providing coverage.

All insurance provided hereunder shall be endorsed to show that it is primary as respect to the Authority.

In the event the Proposer is a self-insured organization, different insurance requirements may apply. Misrepresentation of any material fact, whether intentional or not, regarding the Proposer's insurance coverage, policies or capabilities may be grounds for rejection of the proposal and rescission of any ensuing contract.

1.15 LICENSES

Proposers, both corporate and individual, must be fully licensed and certified in the State for the type of work to be performed at the time of submittal of their response to this RFP and, if a business entity, should be qualified by the Florida Secretary of State to do business in the State. Should the Proposer not be fully licensed and certified, its proposal shall be rejected.

1.16 POSTING OF RFP AWARD

The identity of the top three (3) ranked Proposers will be posted for review by interested parties on the Authority's website. Failure to file a protest to the Executive Director of the Authority within the time period prescribed in Section 2-55 of the County Code of Ordinances shall constitute a waiver of a Proposer's right to appeal. It is the Proposer's sole responsibility to ascertain the time of posting of the award recommendation. This may be accomplished by telephone, facsimile, e-mail or other means deemed timely by the Proposer.

1.17 PUBLIC RECORDS

Pursuant to Section 119.071(1)(b), Florida Statutes, upon posting of the top three (3) ranked Proposers or ten (10) days after opening of the responses, whichever is earlier, any material submitted in response to this request for proposal will become "public record" and shall be subject to public disclosure consistent with Chapter 119, Florida Statutes (the "Public Records Law"). In the event a Proposer wishes to claim an exemption to the disclosure requirements of the Public Records Law, the Proposer must identify, in its response, the specific material in the response for which the exemption is claimed and the applicable provision of the law, stating with specificity the reason why such statutory exemption is applicable. The Authority reserves the right to make any final determination of the applicability of the Public Records Law.

1.18 PUBLIC ENTITY CRIME

Pursuant to Section 287.133, Florida Statutes, as amended, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes for CATEGORY TWO, for a period of 36 months from the date of being placed on the convicted vendor list.

1.19 DISCRIMINATION PROHIBITED

The Authority is committed to assuring equal opportunity in the award of contracts and complies with all laws prohibiting discrimination. Proposers are prohibited from discriminating against any employee, applicant, or client because of race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

1.20 NON-COLLUSION

Each Proposer certifies that it has entered into no agreement to commit a fraudulent, deceitful, unlawful, or wrongful act, or any act which may result in unfair advantage for one or more Proposer(s) over other Proposers. Conviction for the commission of any fraud or act of collusion in connection with any sale, bid, quotation, proposal or other act incident to doing business with the Authority or the County may result in permanent debarment.

1.21 NO PREMIUMS, REBATES OR GRATUITIES PERMITTED

NO PREMIUMS, REBATES OR GRATUITIES ARE PERMITTED EITHER WITH, PRIOR TO, OR AFTER ANY DELIVERY OF MATERIAL OR PROVISION OF SERVICES. ANY SUCH VIOLATION MAY RESULT IN AWARD CANCELLATION, RETURN OF MATERIALS, DISCONTINUATION OF SERVICES AND/OR DEBARMENT OR SUSPENSION FROM DOING BUSINESS WITH THE AUTHORITY.

1.22 CONFLICT OF INTEREST

All Proposers shall disclose with their response to this RFP the name of any officer, director or agent who is also an employee of, or a relative of an employee of, the County, a relative of an employee or member of the Authority, or an employee of, or relative of an employee of, the employer of any member of the Authority. Further, all Proposers shall disclose the name of any County employee, relative of a County employee, relative of an employee or member of the Authority, or an employee of, or relative of an employee of, the employer of any member of the Authority who owns, directly or indirectly, an interest of ten percent or more in the Proposer's firm or any of its branches.

1.23 LOBBYING

Proposers are advised that the County's lobbyist registration ordinance prohibits a Proposer, or anyone representing a Proposer, from communicating with any Authority member, staff or agent authorized to act on the Authority's behalf in connection with this RFP, i.e., a "Cone of Silence," provided, however, that Proposers who currently serve the Authority in a professional capacity may communicate with the Authority, strictly with respect to their current service in such professional capacity. The "Cone of Silence" is in effect from the date/time of the deadline for submission of responses to this RFP, and terminates at the time the Authority enters into a contract with a Proposer, rejects all responses, or otherwise takes action which ends the solicitation process. Proposers may, however, contact the Executive Director of the Authority via written communication, i.e., facsimile, e-mail or U.S. Mail, strictly with respect to questions relating to this RFP, which written communications shall be made available to all other Proposers. Violations of the "Cone of Silence" are punishable by a fine of \$250 per violation.

1.24 INDEPENDENT CONTRACTOR RELATIONSHIP

Proposers shall be, in the performance of all work, services and activities under any contract entered into as a result of this RFP, an independent contractor and not an employee, agent or servant of the Authority. All persons engaged in any of the work or services performed pursuant to such contract shall at all times, and in all places, be subject to the Proposer's sole direction, supervision and control. Proposers shall exercise control over the means and manner in which it and its employees perform the work, and in all respects, the Proposer's relationship, and the relationship if its employees, to the Authority shall be that of an independent contractor and not as employees or agents of the Authority.

[END OF PART I]

PART II
MINIMUM REQUIREMENTS

*Note: Proposers shall provide documentation in their submittal to this RFP sufficient to clearly demonstrate that their firm meets or exceeds the following minimum requirement(s). Failure to provide this documentation may result in a Proposer's submittal being determined **non-responsive**.*

The Proposer shall meet the following minimum requirement(s):

1. The audit firm is licensed to practice in the State.
2. The audit firm is authorized to conduct business in the State.
3. The proposed engagement partner has performed continuous certified public accounting (CPA) services for governmental agencies for a minimum of five (5) years.
4. The firm is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
5. The assigned professional personnel of the firm have received adequate continuing professional education as stipulated by Government Auditing Standards issued by the Comptroller General of the United States.
6. The firm is independent of the Authority as defined by generally accepted auditing standards and Government Auditing Standards.
7. The firm must submit with its response a copy of its most recent external quality control review report and letter of comment, along with a statement indicating whether the review included a review of specific governmental engagements, which external quality control review shall have been conducted within the last three years.
8. The proposed engagement partner, manager and senior auditor must have experience auditing one or more county housing finance authorities or other conduit issuer of bonds subject to an indenture of trust, which are similar with respect to size, services provided and required reporting.
9. The proposed engagement partner, manager and senior auditor must have experience performing audits of local governmental entities in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the provisions of OMB Circular A-133, Audits of State and Local Governments, and the Rules of the Auditor General of the State of Florida.
10. The firm must maintain a permanent office in the State.

[END OF PART II]

**PART III
STATEMENT OF WORK**

3.1 BACKGROUND INFORMATION

The Authority is a dependent special district created by Ordinance 2002-22 of the Board of County Commissioners of the County (the "BOCC"), as amended and supplemented (the "Ordinance"), pursuant to the Florida Housing Finance Authority Law encoded in Chapter 159, Part IV, Florida Statutes (the "Act"). The Authority is governed by a seven member board appointed by the BOCC. The Ordinance and the Act give the Authority the power to assist with the financing, acquisition, construction, reconstruction and rehabilitation of affordable housing and qualifying housing developments in the County.

In furtherance of its purposes under the Act and the Ordinance, the Authority issues multi-family and single family mortgage revenue bonds and surplus fund loans, the proceeds of which are used to finance the acquisition, construction, reconstruction and rehabilitation of affordable housing and qualifying housing developments in the County.

The Authority's finances are comprised of a general fund (the "General Fund"), the funds of which are held under a custodial services agreement with the Authority's banking institution, U. S. Bank National Association, used for the basic operations of the Authority as well as for the funding of loans to qualified borrowers under the Authority's Surplus Fund Loan Program, and various funds and accounts relating to the Authority's Bond Issues. The Authority does not receive any federal, State, County or local funding, grants or assistance.

The Authority uses the accrual basis of accounting.

More detailed information on the Authority can be found on the Authority's website at www.pbchfa.org.

3.2 PERFORMANCE REQUIREMENTS

The Authority requires that the audit of its General Fund be completed and issued by each March 31 next succeeding the end of the Authority's fiscal year. This will enable the Authority to meet deadlines established by the County to ensure the County includes accurate information in its Comprehensive Annual Financial Report. The Authority requires that any audit report of a single family Bond Issue be completed and delivered to the respective bond trustee and any rating agency in accordance with the timeframes specified in the respective trust indentures. The Authority is soliciting proposals from qualified certified public accounting firms to perform an annual examination of its basic financial statements and its Bond Issues for the three fiscal years ending September 30, 2009, 2010 and 2011, with two options to renew the term of the engagement for three additional years each, subject to the approval of the Authority.

3.3 AUDITING STANDARDS

These audits are to be performed in accordance with all applicable regulations and requirements of governmental entities, including, but not limited to:

1. Generally Accepted Auditing Standards as issued by the American Institute of Certified Public Accountants (AICPA)
2. Government Auditing Standards issued by the Comptroller General of the United States
3. OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations
4. Rules of the Auditor General, State of Florida
5. Rules of the Florida Department of Financial Services
6. Section 218.39, Florida Statutes and any other applicable Florida Statutes

7. Provisions of any other rule, regulation, statute, ordinance or order which may pertain to the engagement

3.4 SCOPE OF WORK

The following tasks are required of the selected auditor:

1. The auditor will prepare and complete all required basic financial statements and notes thereto based on financial statement compilations as prepared by the Authority's outside accounting firm. The statements are to be in compliance with GAAP and the requirements.
2. The auditor will prepare an audit of the Authority's outstanding Bond Issues.
3. The auditor will be required to perform an annual examination of the basic financial statements of the Authority to express opinions on the fairness with which the statements present the financial positions, results of operations, and changes in financial position in conformity with generally accepted accounting principles.
4. The auditor will be required to perform an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements.
5. The auditor will evaluate the system of internal controls, including the control environment, accounting systems and specific control procedures, to assess the extent to which the controls can be relied upon to ensure accurate information, to ensure compliance with laws and regulations, and to provide for efficient and effective operations. In order to assess the control risk, the auditor is to perform tests of controls and properly document its assessment. Significant deficiencies and material weaknesses shall be communicated in writing in accordance with generally accepted auditing standards.
6. The auditor will be required to perform an examination of any additional financial information necessary to comply with generally accepted auditing standards.
7. The scope of the audit is required to include any additional activities necessary to establish compliance with the term "financial audit" as defined and used in Government Auditing Standards and in conformity with the requirements under any respective trust indenture for a Bond Issue.
8. The scope of the audit will encompass the additional activities necessary to establish compliance with United States Office of Management and Budget (OMB) Circular No. A-133 and other applicable Federal and State laws.

3.5 REPORTS ISSUED

Following completion of the audit of the fiscal year financial statements and the Bond Issues, the auditor shall issue its reports with regard to the basic financial statements of the Authority in accordance with Chapter 10.550 of the Rules and Guidelines of the Florida Auditor General ("Rule 10.550"), which shall include (if required), but not be limited to, the following:

1. A report on the basic financial statements. This report must include at a minimum:
 - a. A statement as to whether the financial statements are presented in accordance with generally accepted accounting principles;
 - b. An expression of opinion regarding the financial statements taken as a whole, or an assertion to the effect that an opinion cannot be expressed including the reasons therefore; and
 - c. A statement that the audit was conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States.
2. A report on compliance and internal control over financial reporting.

3. A report on compliance and internal control over compliance applicable to each Bond Issue.
4. A management letter as required by Sections 218.39 and 215.97, Florida Statutes and Rule 10.550 which shall identify any management weaknesses observed, assess their effect on financial management and propose steps to correct or eliminate those weaknesses.
5. Irregularities and Illegal Acts-the auditor is required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: AUTHORITY Board, Executive Director, and General Counsel.
6. Schedules of Cash Receipts and Disbursements of the General Fund, Balance Sheet, Statements of Revenue, Expenses and Changes in Fund Balance, Statement of Cash Flows and notes to Financial Statements, as well as Supplementary Information and Compliance Reports.

3.6 SCHEDULE FOR CONDUCTING AUDITS

Timeliness is critical in the performance of the audit. The auditor shall coordinate with the Executive Director and the Authority's accountant and endeavor to accomplish the audit in a phased in approach throughout the year, including the timing for completion of an entrance conference, interim audit work, year-end field work, audit adjustments and draft findings, exit conference and issuance of reports, in order to reduce the year-end workload on both the audit firm and Authority staff. The Authority will make necessary records available to the auditor through the year to assist in this regard.

3.7 FINAL REPORTS

With respect to the audit of the General Fund, it is anticipated that the auditor will deliver in draft form all required reports listed in Section 3.5 hereof by the February 1 following the fiscal year for which such reports were completed, or such earlier date as required under the Authority's engagement letter with its outside accountants, a copy of which is attached hereto as Appendix B. It is then anticipated that responses to management letter comments and single audit findings will be prepared by the Authority and returned to the auditor for review by February 15. All required final reports will then be delivered no later than one (1) week prior to the Authority's next Board meeting typically scheduled for the second Friday in March.

With respect to the audit of the Bond Issues, it is expected that the auditor will deliver in draft form all required reports listed in Section 3.5 hereof on or before thirty (30) days prior to the date for which components of such reports are required to be disclosed as set forth in the documents relating to each respective Bond Issue (the "Disclosure Date"), with all final reports to be delivered on or before five (5) days prior to the Disclosure Date.

3.8 PRESENTATION TO AUTHORITY BOARD

The partner in charge of the audit, the audit manager or other CPA assigned to the audit is required to attend one or more public meetings as deemed necessary by the Authority for discussion of the audit report.

3.9 ADDITIONAL SERVICES

The Authority may issue one or more official statements for the sale of bonds during the term of any engagement entered into as a result of this RFP. The official statement will contain the basic financial statements. The auditor shall be required to issue, upon request, a consent and citation of expertise as auditor, "comfort letters" and other documents necessary to issue the bonds. Unless significant additional staff time is required of the auditor, fees for such requests made by the Authority shall be included in the base fee submitted by the Proposer.

3.10 RETENTION AND ACCESS OF WORKING PAPERS

1. The auditor's work papers are the property of the auditors and shall be held locally for a period of five (5) years. Work papers shall be available for examination or duplication without charge to

authorized Authority personnel, representatives of Federal, State or County agencies upon request of such agency or the Authority in accordance with Federal, State or County laws, statutes, ordinances and other regulations. Working papers will also be made available for examination, at no charge, or duplication, at a reasonable charge, to subsequent auditors engaged by the Authority.

2. The auditors agree to notify the Authority immediately if any regulatory or other government agencies request a review of the audit work papers concerning the Authority.

3.11 OTHER REQUIREMENTS

1. The auditor shall notify the Authority immediately should any disciplinary actions be taken or complaints filed with any regulatory bodies against any of the firm's staff or the firm itself. The auditor shall be required to make an immediate written report of all irregularities and illegal acts.
2. The auditor must designate one (1) "key" member of the audit team. The Authority shall reserve the right to approve any substitutions or changes in the staff designated as "key."
3. The auditor shall provide the Authority with a copy of each external quality control review report and letters of comment for each review conducted during the time period engaged by the Authority.
4. All requirements and conditions set forth in this RFP shall be incorporated into the contract to be entered into by and between the Authority and the selected firm, unless otherwise specified in the contract.

3.12 INFORMATION PROVIDED BY THE AUTHORITY

The Authority's independent accountant will provide, at a minimum, the following, on or before each December 31 next succeeding the end of a fiscal year, or on an as-needed basis where applicable, to assist the auditor in performing the annual audit:

1. Detailed General Ledger and preliminary Trial Balance printouts at September 30 and any other time periods requested by auditor.
2. Various schedules and worksheets designed to assist and provide backup information to the auditor, including, but not limited to, lead schedules for cash and investments by fund and investment type and a detailed listing of transactions by type for (i) interest on investments, (ii) purchases of investments, (iii) sale of investments, (iv) transfers between fund types, (v) expenditures by type, (vi) schedule of principal payments and mandatory redemptions on the Bond Issues, (vii) interest payments on the Bond Issues, (viii) a schedule of capitalized interest and/or accreted values of capital appreciation bonds and (ix) all other items identified in the Authority's engagement letter with its outside accountant, attached hereto as Appendix B.
3. Other information requested by the auditor and mutually agreed upon by the Executive Director.
4. Assistance in the preparation of the Management Discussion and Analysis.
5. Assistance in risk assessment process and risk assessment standards throughout the audit process.

[END OF PART III]

**PART IV
INSTRUCTIONS FOR PREPARING PROPOSALS**

4.1 RULES FOR PROPOSALS

The proposal must name all persons or entities interested in the proposal as principals. **The proposal must declare that it is made without collusion with any other person or entity submitting a proposal pursuant to this RFP.**

4.2 LETTER OF TRANSMITTAL

This letter shall summarize in a brief and concise manner, the Proposer's understanding of the scope of work and shall make a positive commitment to timely perform the work. The letter must include the name and address of every person having an interest in the proposal; and in the case of a corporation, the names and addresses of its officers. Proposals shall be signed by the person or member of the firm making the proposal, and in the case of a corporation, by an authorized officer or agent subscribing the name of the corporation and his or her own name. Each addendum issued by the Authority must be acknowledged in the Letter of Transmittal. The Letter of Transmittal should not exceed two (2) pages in length.

4.3 PROPOSAL REQUIREMENTS

In addition to the Letter of Transmittal, the submission must include, at a minimum, the following:

1. General:
 - a. Table of contents providing a clear identification of the material by section and by page number.
 - b. Description and history of the make-up and composition of the firm, including, but not limited to, overall size of the firm.
 - c. Relevant government auditing experience of firm.
 - d. References from not less than three (3) local governmental entities in the State for which the firm has performed similar work, including at least one (1) reference from a county housing finance authority.
 - e. Total staff available for this audit and the anticipated percent of audit work to be performed by various levels of staff.
 - f. Resumes of partners, managers and other supervisory staff assigned to this audit, which include the following information:
 - Formal education
 - Licensure
 - Supplemental education relative to governmental accounting
 - Experience in public accounting and auditing in general
 - Experience in private business or government
 - Experience in auditing governmental units
 - Membership in various national and State governmental accounting boards, committees, or associations (past and present)
 - Professional recognition, such as Certified Public Accounting licenses, awards, etc.

- g. A statement setting forth the Proposer's understanding of the work to be done and a positive commitment to meet or exceed specifications stated in Sections 3.4 and 3.5 above and a positive commitment to perform the work within the time period specified.
 - h. An affirmative statement that the firm is independent of the Authority as defined by generally accepted auditing standards and Government Auditing Standards.
2. The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposal. Proposers will be required to provide the following information on their audit approach:
 - a. Proposed segmentation of the engagement
 - b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
 - c. Sample size and the extent to which statistical sampling is to be used in the engagement
 - d. Extent of use of EDP software in the engagement
 - e. Type and extent of analytical procedures to be used in the engagement
 - f. Approach to be taken to gain and document an understanding of the Authority's internal control structure
 - g. Approach to be taken for determining which laws and regulations should be tested for compliance
 - h. Method of drawing samples for tests of compliance
 3. A tentative schedule for performing key aspects of the audit.
 4. A fee schedule for the complete audit using the attached Proposed Fee Schedule, for each year of the contract (2009, 2010 and 2011). Include staff hourly rates to be used for any additional work which may be requested by the Authority which is outside the scope of the contract.
 5. The auditor is free to include any promotional material pertaining to the auditor or audit firm; however, that promotional material shall not be considered the proposal in and of itself. Promotional materials will be considered supplemental information.
 6. Copies of CPA licenses for all individual CPAs assigned to the audit and for the firm in the State of Florida.
 7. A Certificate of Good Standing for the firm from the Florida Secretary of State.
 8. Positive affirmation that all CPAs assigned to the engagement have properly maintained continuing education requirements in governmental accounting as required by the Board of Accountancy.
 9. Location of the office from which the audit will be conducted and number of personnel in that office who would be working on the audit.
 10. A copy of the most recent external quality control review report and letter of comment along with a statement indicating whether the review included a review of specific governmental engagements.

11. The results of any Federal or state desk review or field audits during the past three (3) years.
12. A description of the circumstances and status of any disciplinary actions taken or pending against the firm or any partners or employees of the firm by federal or state (including states other than the State) regulatory bodies or professional organizations during the past three (3) years.
13. A description of any litigation or proceeding during the past three (3) years, whereby a court or any administrative agency has ruled against the firm or any of the professional staff in any manner related to its professional activities.
14. A statement that, if awarded the contract, the firm will provide evidence of required limits on a Certificate of Insurance.
15. A description of the firm's office's experience in preparing governmental financial statements, and in providing assistance in obtaining the Certificate of Achievement for Excellence in Financial Reporting.
16. The Proposer's Federal Employer ID number.
17. **Additional Data** - Any additional information which the Proposer considers pertinent for consideration should be included in a separate section of the proposal.

[END OF PART IV]

**PART V
EVALUATION OF PROPOSALS**

5.1 EVALUATION METHOD AND CRITERIA

The Authority will evaluate proposals and rank in order of preference no fewer than three (3) firms deemed to be the most highly qualified to perform the required services and which meet the best interests of the Authority; provided, however, that if fewer than three (3) firms respond to this RFP, the Authority shall rank all proposals. If it deems necessary, the Authority may ask for oral presentations by the three highest ranked or, in the event that less than 3 proposals are received, all, Proposers. Upon completion of the oral presentations, if required, the Authority may determine to re-rank the Proposers who provided such oral presentations. Thereafter, the Authority will enter into contract negotiations with the highest ranked Proposer. In the event that the Authority and the highest ranked Proposer are unable to come to an agreement as a result of such contract negotiations, the Authority will then enter into contract negotiations with the next highest ranked Proposer, and will continue on until a contract is successfully entered into or the Authority determines to reject all proposals and commence a new Request for Proposals. The Authority shall be the sole judge of its own best interests, the proposals, and the resulting negotiated agreement. The Authority's decisions will be final.

The Authority's evaluation criteria may include, but shall not be limited to, consideration of the following:

QUALIFICATIONS

- Demonstrated experience performing governmental audits in general, and specifically to county housing finance authorities
- Staffing to perform the engagement
- Evidence of a capable and well-organized engagement team and management plan
- Procedures to ensure quality control, compliance and confidentiality of information obtained
- Education and experience in public and private accounting
- Evidence of improved efficiency/effectiveness resulting from audits performed

TECHNICAL

- Understanding scope of services
- Quality of overall proposal/plan of action

FINANCIAL

- Reasonableness of proposed price
- Financial resources and capabilities

OTHER

- Location of firm relative to Authority site
- Previous contracting experience with the Authority
- Professional associations and affiliations

[Remainder of page intentionally left blank]

5.2 **WEIGHTED CRITERIA**

The following criteria and weights shall be utilized in the initial evaluation of the proposals:

CRITERIA	WEIGHT
Qualifications	40%
Technical	40%
Financial	10%
Other	10%

[END OF PART V]

PROPOSED FEE SCHEDULES

The Authority anticipates awarding a contract with separate fixed fees for services with respect to the General Fund, services with respect to outstanding single family bond issues and services with respect to outstanding multi-family bond issues. As noted below, provision will be made in subsequent contract years for additional bond issues or redeemed/cancelled bond issues.

Fixed fees include all expenses, including but not limited to, travel related expenses, meal allowances, hotel rooms, and any other relevant out of pocket expenses, as well as vehicles, electronics, communications equipment and any other equipment, facilities, or infrastructure necessary to carry out the task.

FINANCIAL STATEMENT AUDIT FY ENDING SEPTEMBER 30, 2009:

POSITION	EST. TOTAL HOURS	PROPOSED HOURLY RATE	EXTENDED COST
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
PROPOSED TOTAL FIXED FEE:			\$

PROPOSED ANNUAL PERCENTAGE (%) ADJUSTMENTS FOR FINANCIAL STATEMENT AUDITS FOR:

FY ENDING September 30, 2010: _____
FY ENDING September 30, 2011: _____

[Remainder of page intentionally left blank]

MULTI-FAMILY MORTGAGE REVENUE BOND AUDIT FY ENDING SEPTEMBER 30, 2009:

POSITION	EST. TOTAL HOURS	PROPOSED HOURLY RATE	EXTENDED COST
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
PROPOSED TOTAL FIXED FEE FOR ALL MULTI-FAMILY ISSUES *:			\$

*Add or delete \$_____ for each new bond issue or redeemed/cancelled bond issue.

PROPOSED ANNUAL PERCENTAGE (%) ADJUSTMENTS FOR MULTI-FAMILY MORTGAGE REVENUE BOND AUDITS FOR:

FY ENDING September 30, 2010: _____
 FY ENDING September 30, 2011: _____

[Remainder of page intentionally left blank]

SINGLE FAMILY MORTGAGE REVENUE BOND AUDIT FY ENDED SEPTEMBER 30, 2009:

POSITION	EST. TOTAL HOURS	PROPOSED HOURLY RATE	EXTENDED COST
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
PROPOSED TOTAL FIXED FEE FOR ALL SINGLE FAMILY ISSUES *:			\$

*Add or delete \$ _____ for each new bond issue or redeemed/cancelled bond issue.

PROPOSED ANNUAL PERCENTAGE (%) ADJUSTMENTS FOR SINGLE FAMILY MORTGAGE REVENUE BOND AUDITS FOR:

FY ENDING September 30, 2010: _____

FY ENDING September 30, 2011: _____

APPENDIX A

**OUTSTANDING SINGLE FAMILY AND MULTI-FAMILY
MORTGAGE REVENUE BONDS**

SINGLE FAMILY:

1. Series 1999A
2. Series 1999B
3. Series 2000A
4. Series 2001A
5. Series 2004, Sub-series 2006-1

MULTI-FAMILY:

1. Series 1987A Covenant Gardens
2. Series 1987B South Bay
3. Series 1996A Wood Lake
4. Series 1997A Chelsea Commons
5. Series 1998A/B Windsor Park
6. Series 1999A Riverview House
7. Series 1999A/B Lake Delray
8. Series 1999A Haverhill Commons
9. Series 1999B Village Crossing
10. Series 1999A Azalea Place
11. Series 2000A Saddlebrook
12. Series 2001A/B Mallards Landing
13. Series 2001A Pinnacle Palms
14. Series 2001A Colony Park
15. Series 2002A/B Indian Trace
16. Series 2002 Westlake II
17. Series 2003A/B Pinnacle at Abbey Park
18. Series 2003A/B Renaissance
19. Series 2003A/B Malibu Bay
20. Series 2004 Emerald Bay Club
21. Series 2006A Green Cay Apartments
22. Series 2007A La Costa Apartments
23. Series 2007A Palm Gardens Apartments

APPENDIX B

ACCOUNTANT ENGAGEMENT LETTER

April 13, 2009

Mr. David Brandt, Executive Director
Housing Finance Authority of
Palm Beach County, Florida
West Palm Beach, Florida

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. We will compile, from information provided by the financial institutions acting as trustees for the various bond programs (the names and periods as outlined in the attached schedule of Programs of the Authority), the annual statements of net assets and the related statements of revenues, expenses and changes in net assets, and cash flows of the single family and multi-family mortgage revenue bonds and the general fund, as outlined in the attached schedule of Programs of the Authority (comparative for the single family programs). We will not audit or review such financial statements.

We will compile the financial statements and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to present in the form of financial statements, information that is the representation of management without undertaking to express any assurance on the financial statements.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; tests of accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Therefore, a compilation does not provide a basis for expressing any level of assurance on the financial statements being compiled.

As part of our engagement, we may also propose standard, adjusting or correcting entries. You are responsible for the review and understanding of the nature and impact of the proposed entries. You are responsible for management decisions and functions. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities. You also have final responsibility for the financial statements.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of our compilation procedures, that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the

performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

If during the course of our engagement we encounter circumstances, which we believe may create a conflict of interest or conflict with the ethical standards of our profession, we will inform you of our concerns. If these concerns cannot be adequately addressed to our satisfaction, or we are compelled to do so by the professional standards of our profession, we may withdraw from the engagement. Additionally, we reserve the right to withdraw from the engagement should we encounter circumstances, which conflict with the ethical standards of our firm.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

2. We will perform the following:
 - a. Analyze and record all transactions reported by the trustees for the single and multi-family bond programs and the general fund.
 - b. Maintain detail general ledgers and related accounting records for each bond program and the general fund.
3. In order to facilitate the work of your independent auditors, we will prepare the following schedules for each bond program to assist the Authority's auditors in the performance of their audit procedures:
 - a. Prepare preliminary trial balances by fund.
 - b. Prepare lead schedules for cash and investments by fund and investment type.
 - c. Prepare a detail listing of transactions by type:
 - Interest on investments
 - Purchases of investments
 - Sale of investments
 - Transfers between funds by type
 - Expenditures by type
 - Schedule of principal payments and mandatory redemptions on the bonds
 - Interest payments on the bonds
 - d. Prepare a schedule of capitalized interest and/or accreted values of Capital Appreciation Bonds.
4. Assist in preparing Management's Discussion and Analysis (MD & A).
5. Assist auditors in risk assessment process and risk assessment standards throughout their audit.
6. Preparation of quarterly payroll tax returns, annual payroll tax returns and Forms W-2 and W-3.

Housing Finance Authority of
Palm Beach County
April 13, 2009
Page 3

As a result of performing the work in items 4, 5 and 6, which were not enumerated in our previous engagement letter, our duties and responsibilities with respect to the performance of the engagement have increased.

Our fee for the year ending September 30, 2009 will not exceed \$68,135 for the general fund and 28 bond issues, which reflects an increase of \$4,500.

If single family or multi-family issues are added or subtracted during this engagement period, the fees will be adjusted by \$5,005 and \$1,430, respectively.

Upon the approval of the Authority, any additional engagements will be charged at a fee of \$110 per hour.

Any follow-up services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new engagement letter for that service.

The respective engagements will be delivered to the auditors within ninety days subsequent to the end of the reporting period. This is based upon maximum cooperation from the auditors, the mortgage servicer(s) and administrators, the trustee(s); the Authority, and any other party that is involved in our performing the procedures related to this engagement letter and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new adjusted fee.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate this opportunity to be of service to the Housing Finance Authority of Palm Beach County and believe this letter accurately summarizes the significant terms of our engagement.

We shall be pleased to discuss this letter with you at any time.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Sincerely,

Goldstein, Zugman, Weinstein & Poole, YSK

GOLDSTEIN, ZUGMAN,
WEINSTEIN & POOLE, LLC
Certified Public Accountants and Consultants

Acknowledged:
HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY

Chairman

Date

 **GOLDSTEIN, ZUGMAN,
WEINSTEIN & POOLE, LLC**
Certified Public Accountants and Consultants

PROGRAMS OF THE AUTHORITY

<u>PROGRAM</u>	<u>FISCAL YEAR END</u>
Single Family Home Mortgage Revenue Bonds	
1999 Series A	9-30-09
1999 Series B	9-30-09
2000 Series A1 & A2	9-30-09
2001 Series A1 & A2	9-30-09
2004 Series	9-30-09
Multi-Family Mortgage Bonds	
1987 Series A Belle Glade	9-30-09
1987 Series B South Bay	9-30-09
1996 Series A Woodlake Apts.	9-30-09
1997 Series A Chelsea Commons	9-30-09
1998 Series A/B Windsor Park	9-30-09
1999 A/B Riverview House	9-30-09
1999 A/B Lake Delray	9-30-09
1999 A Haverhill	9-30-09
1999 B Village Crossing	9-30-09
1999 A Azalea Place (Remarketed)	9-30-09
2000 A Saddlebrook Apts.	9-30-09
2001 A/B Mallards Landing	9-30-09
2001 Pinnacle Palms	9-30-09
2001 A Colony Park	9-30-09
2002 A/B Indian Trace	9-30-09
2002 Westlake Phase II	9-30-09
2002 A/B Pinnacle At Abbey Park	9-30-09
2003 A/B Renaissance Apts.	9-30-09
2003 A Malibu Bay	9-30-09
2004 Emerald Bay Club	9-30-09
2006 A Green Cay Village RSG	9-30-09
2007 La Costa	9-30-09
2007 Palm Gardens Apartments Project	9-30-09
General Fund	9-30-09

***HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY,
FLORIDA***

REQUEST FOR PROPOSAL

FOR

ACCOUNTING SERVICES

*Housing Finance Authority of Palm Beach County, Florida
810 Datura Street
West Palm Beach, Florida 33401
(561) 355-4780*

IN ACCORDANCE WITH THE PROVISIONS OF ADA, THIS DOCUMENT MAY BE REQUESTED IN AN ALTERNATE FORMAT.

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**PART I
GENERAL INFORMATION**

1.1 DEFINITIONS

For the purposes of this Request for Proposals (the “RFP”):

“Authority” shall mean the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic organized and existing under the laws of the State of Florida.

“County” shall mean Palm Beach County, Florida.

“Proposer” shall mean a contractor, consultant, proposer, organization, firm, developer, or other person(s) who is a certified public accountant, submitting a response to this RFP.

“State” shall mean the state of Florida.

1.2 PURPOSE

This RFP provides guidelines for the submission to the Authority of proposals for **Accounting Services**.

1.3 INVITATION TO PROPOSE

The Authority is soliciting proposals from qualified independent certified public accountants and/or firms licensed to practice and authorized to do business in the State for the purpose of providing accounting services to the Authority with respect to the Authority’s general fund (the “General Fund”) and its outstanding single family and multi-family mortgage revenue bond issues, as identified on **Exhibit A** attached hereto (collectively, the “Bond Issues”). The term of the engagement shall be for three (3) years, beginning with the fiscal year ending September 30, 2009 and concluding with the fiscal year ending September 30, 2011, with two options for extensions of an additional three (3) years each, subject to the approval of the Authority.

1.4 TIMETABLE

- A. On **Monday May 11, 2009**, the Authority issues the RFP.
- B. Proposers may submit written inquiries regarding the RFP to the Executive Director on or before **Thursday, June 4, 2009 at 9:00 a.m.**, which written inquiries will be addressed at the non-mandatory pre-proposal meeting (the “Pre-Meeting Written Inquiries”).
- C. A non-mandatory pre-proposal meeting will be held on **Friday, June 12, 2009 at 9:00 a.m.** or as soon thereafter as possible, during the Authority’s regular monthly meeting.
- D. Proposers may submit additional written inquiries regarding the RFP to the Executive Director on or before **Friday, June 19, 2009 at 5:00 p.m.**, which written inquiries will be addressed by the Authority in writing (the “Post-Meeting Written Inquiries”).
- E. The Authority must receive the proposals by **5:00 p.m.**, local time on **Friday, June 26, 2009**.
- F. After receiving proposals, the Authority will review and evaluate the proposals in a timely manner and rank the top three Proposers.
- G. The Authority may schedule oral presentations for the top three Proposers
- H. The Authority may enter into a contract after conducting negotiations. The Authority will notify unsuccessful Proposers.

1.5 DELAYS

The Authority, at its sole discretion, may delay the scheduled due dates indicated above if it is to the advantage of the Authority to do so. The Authority will notify Proposers of all changes in scheduled due dates by written addendum.

1.6 PROPOSAL SUBMISSION AND WITHDRAWAL

THE AUTHORITY MUST RECEIVE ALL PROPOSALS BY **5:00 P.M.**, LOCAL TIME, ON **FRIDAY, JUNE 26, 2009**.

The Authority will receive proposals at the following address:

Housing Finance Authority of Palm Beach County, Florida
810 Datura Street
West Palm Beach, FL 33401
Attn: Executive Director

The outside of the envelope must additionally be identified as follows: **Housing Finance Authority RFP, Accounting Services.**

Receipt of the proposal in the Authority's office after the time and date specified for any reason, including failure by the Proposer to provide the above information on the outside of the envelope, may result in the rejection of the offerer's proposal. The envelope must also include the Proposer's name and return address.

The Authority cautions Proposers to assure actual delivery of mailed or hand-delivered proposals **directly to the Authority's** office prior to the deadline set for receiving proposals. If hand delivered, the proposal must be submitted directly to the Executive Director, David M. Brandt or his Assistant, Jennifer Hamilton. Telephone confirmation of timely receipt of the proposal may be made by calling (561) 355-4781, before the 5:00 p.m. deadline. Proposals received after the established deadline will be returned unopened to the Proposer.

Proposers shall submit **one (1) original and eight (8) photocopied sets** of the proposal in a sealed, opaque envelope/box marked as noted above. The Proposer may submit the proposal in person or by mail.

Proposers may withdraw their proposals by notifying the Authority in writing at any time prior to the time set for the proposal receipt deadline. Proposers may withdraw their proposals in person or through an authorized representative. Proposers and authorized representatives must disclose their identity and provide a signed receipt for the proposal. Proposals, once opened, become the property of the Authority and will not be returned to the Proposers.

1.7 PRE-PROPOSAL MEETING

A pre-proposal meeting will be held on **Friday, June 12, 2009, at 9:00 a.m.**, or as soon thereafter as possible, during the Authority's regular monthly meeting, at the Palm Beach County Governmental Center Complex, 301 N. Olive Avenue, 12th Floor (McEaddy) Conference Room, West Palm Beach, Florida 33401. At this meeting, the Authority will not engage in dialogue with the Proposers and will only respond to those Pre-Meeting Written Inquiries submitted on or before **Thursday, June 4, 2009 at 9:00 a.m.** Attendance is not mandatory, but all Proposers, regardless of whether they attend, are responsible for any information provided. The Authority's responses to Pre-Meeting Written Inquiries at this meeting will be posted on the Authority's website, but will not be sent to each individual Proposer.

1.8 INQUIRIES

All questions and communications concerning this procurement process, including requests for clarifications or additional information, must be submitted in writing via electronic mail to dbrandt@pbcgov.com, or by facsimile to (561) 355-4191.

- A. PRE-MEETING WRITTEN INQUIRIES. **The deadline for all Pre-Meeting Written Inquiries is 9:00 a.m. on Thursday, June 4, 2009.** The Pre-Meeting Written Inquiries will be posted on the Authority's website prior to the meeting, and the Authority's responses to these Pre-Meeting Written Inquiries at the pre-proposal meeting will be posted on the Authority's website shortly after the meeting. The Authority will not send copies of these Pre-Meeting Written Inquiries and the Authority's responses thereto to any of the Proposers.
- B. POST-MEETING WRITTEN INQUIRIES. The Authority will accept and respond to Post-Meeting Written Inquiries during the period commencing at **9:01 a.m. on Thursday, June 4, 2009 until the deadline for all Post-Meeting Written Inquiries, which is 5:00 p.m. on Friday, June 19, 2009.** The Authority will post all Post-Meeting Written Inquiries and its responses thereto on the Authority's website. The Authority will also provide each Proposer with all Post-Meeting Written Inquiries and its responses to such Post-Meeting Written Inquiries, as well as any supplemental instructions or other modifications to the RFP, in the form of a written addendum to be provided to each Proposer.

1.9 ADDENDUM

Should revisions to the RFP become necessary, the Authority will provide a written addendum to all Proposers who requested the RFP from the Authority. Any and all addenda must be acknowledged. This Acknowledgement may be included as a statement in Proposer's Letter of Transmittal (as described below). Addenda may be downloaded from the Authority's website at www.pbchfa.org. Proposals may be rejected as non-responsive if the Proposer has failed to submit a proposal with an addendum acknowledgment for the most current addendum.

All Proposers should contact the Authority no more than five (5) calendar days before the date fixed for receiving proposals to ascertain whether any addenda have been issued. Failure of the Proposer to make this inquiry could result in its response being nonresponsive in the event addenda were issued and not acknowledged by the Proposer in their response.

No addendum will be issued later than five (5) calendar days prior to the date for receipt of proposals except an addendum withdrawing the RFP or one that includes postponement of the date for receipt of proposals.

1.10 SELECTION PROCESS

Selection shall be by the Authority in accordance with the criteria established in Part V of this RFP. Price will not be the sole or predominant factor for selection of a Proposer pursuant to this RFP. At its discretion, the Authority may require any Proposer to make an oral presentation of its submittal. An oral presentation provides an opportunity for the Proposer to clarify its submittal for the Authority. The Authority, if deemed necessary, will schedule such oral presentations.

The pricing structure submitted with the written proposal on the Proposed Fee Schedules form included herewith shall be firm. However, the Authority reserves the right to negotiate a "best and final" price with the finalist.

1.11 AWARD

The Authority anticipates retaining the Proposer who submits the proposal judged by the Authority to be the most advantageous to the Authority.

The Proposer understands that this RFP does not constitute an agreement or a contract with the Proposer. An official contract or agreement is not binding until all proposals are reviewed and one is accepted and approved by the Authority and a contract regarding the same is executed by the parties.

The Authority reserves the right to enter into contract negotiations with the selected Proposer. If the Authority and the selected Proposer cannot successfully negotiate a contract, the Authority may terminate such negotiations and begin negotiations with the next selected Proposer. No Proposer shall have any rights against the Authority arising from such negotiations.

The Authority reserves the right to reject all proposals, to waive any informality, and to solicit and re-advertise for new proposals.

1.12 PROPOSAL PREPARATION COSTS

Neither the Authority nor its representatives shall be liable for any expenses incurred in connection with preparation of a response to this RFP. Proposers should prepare their proposals simply and economically, providing a straightforward and concise description of the Proposer's ability to meet the requirements of the RFP.

1.13 ACCURACY OF PROPOSAL INFORMATION

Any Proposer which submits in its proposal to the Authority any information which is determined to be substantially inaccurate, misleading, exaggerated, or incorrect, may be disqualified from consideration.

1.14 INSURANCE

The awarded Proposer shall maintain insurance coverage reflecting the minimum amounts and conditions as set forth below:

Workers' Compensation and Employer's Liability coverage to apply to all employees of Proposer, regardless of the size of the firm. Coverage must include Employer's Liability with minimum limits of \$100,000 Each Accident, \$500,000 Disease-Policy Limit, \$100,000 Disease-Each Employee.

Business Auto Policy, or similar form, shall have minimum limits of \$500,000 Per Occurrence Combined Single Limit for Bodily Injury and Property Damage Liability. Coverage shall include coverage for all Owned Autos, Hired Autos and Non-owned Autos. (In this context, the term "Autos" is interpreted to mean any land motor vehicle, trailer or semitrailer designed for travel on public roads.)

Commercial General Liability, or similar form, shall have minimum limits of \$500,000 Per Occurrence Combined Single Limit for Bodily Injury, Personal Injury and Property Damage Liability. Coverage shall include Premises and/or Operations, Independent Contractors, Products and/or Completed Operations, Personal Injury/Advertising Liability, Professional Liability, Contractual Liability and Broad Form Property Damage coverages.

Except as to Business Auto, Workers' Compensation and Employer's Liability (and Professional liability, when applicable), Certificate(s) of coverage shall clearly confirm that coverage required by the contract has been endorsed to include the Authority as an Additional Insured.

Further, said Certificate(s) shall unequivocally provide thirty (30) days written notice (except 10 days for non-payment) to the Authority prior to any adverse change, cancellation or non-renewal of coverage thereunder.

It is the responsibility of the Proposer to ensure that all required insurance coverages are maintained in force throughout the term of the contract. Failure to maintain the required insurance will be considered default of contract. All insurance must be acceptable to and approved by the Authority as to form, types of coverage and acceptability of the insurers providing coverage.

All insurance provided hereunder shall be endorsed to show that it is primary as respect to the Authority.

In the event the Proposer is a self-insured organization, different insurance requirements may apply. Misrepresentation of any material fact, whether intentional or not, regarding the Proposer's insurance coverage, policies or capabilities may be grounds for rejection of the proposal and rescission of any ensuing contract.

1.15 LICENSES

Proposers, both corporate and individual, must be fully licensed and certified in the State for the type of work to be performed at the time of submittal of their response to this RFP and, if a business entity, should be qualified by the Florida Secretary of State to do business in the State. Should the Proposer not be fully licensed and certified, its proposal shall be rejected.

1.16 POSTING OF RFP AWARD

The identity of the top three (3) ranked Proposers will be posted for review by interested parties on the Authority's website. Failure to file a protest to the Executive Director of the Authority within the time period prescribed in Section 2-55 of the County Code of Ordinances shall constitute a waiver of a Proposer's right to appeal. It is the Proposer's sole responsibility to ascertain the time of posting of the award recommendation. This may be accomplished by telephone, facsimile, e-mail or other means deemed timely by the Proposer.

1.17 PUBLIC RECORDS

Pursuant to Section 119.071(1)(b), Florida Statutes, upon posting of the top three (3) ranked Proposers or ten (10) days after opening of the responses, whichever is earlier, any material submitted in response to this request for proposal will become "public record" and shall be subject to public disclosure consistent with Chapter 119, Florida Statutes (the "Public Records Law"). In the event a Proposer wishes to claim an exemption to the disclosure requirements of the Public Records Law, the Proposer must identify, in its response, the specific material in the response for which the exemption is claimed and the applicable provision of the law, stating with specificity the reason why such statutory exemption is applicable. The Authority reserves the right to make any final determination of the applicability of the Public Records Law.

1.18 PUBLIC ENTITY CRIMES

Pursuant to Section 287.133, Florida Statutes, as amended, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes for CATEGORY TWO, for a period of 36 months from the date of being placed on the convicted vendor list.

1.19 DISCRIMINATION PROHIBITED

The Authority is committed to assuring equal opportunity in the award of contracts and complies with all laws prohibiting discrimination. Proposers are prohibited from discriminating against any employee, applicant, or client because of race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

1.20 NON-COLLUSION

Each Proposer certifies that it has entered into no agreement to commit a fraudulent, deceitful, unlawful, or wrongful act, or any act which may result in unfair advantage for one or more Proposer(s) over other Proposers. Conviction for the commission of any fraud or act of collusion in connection with any sale, bid, quotation, proposal or other act incident to doing business with the Authority or the County may result in permanent debarment.

1.21 NO PREMIUMS, REBATES OR GRATUITIES PERMITTED

NO PREMIUMS, REBATES OR GRATUITIES ARE PERMITTED EITHER WITH, PRIOR TO, OR AFTER ANY DELIVERY OF MATERIAL OR PROVISION OF SERVICES. ANY SUCH VIOLATION MAY RESULT IN AWARD CANCELLATION, RETURN OF MATERIALS, DISCONTINUATION OF SERVICES AND/OR DEBARMENT OR SUSPENSION FROM DOING BUSINESS WITH THE AUTHORITY.

1.22 CONFLICT OF INTEREST

All Proposers shall disclose with their response to this RFP the name of any officer, director or agent who is also an employee of, or a relative of an employee of, the County, a relative of an employee or member of the Authority, or an employee of, or relative of an employee of, the employer of any member of the Authority. Further, all Proposers shall disclose the name of any County employee, relative of a County employee, relative of an employee or member of the Authority, or an employee of, or relative of an employee of, the employer of any member of the Authority who owns, directly or indirectly, an interest of ten percent or more in the Proposer's firm or any of its branches.

1.23 LOBBYING

Proposers are advised that the County's lobbyist registration ordinance prohibits a Proposer, or anyone representing a Proposer, from communicating with any Authority member, staff or agent authorized to act on the Authority's behalf in connection with this RFP, i.e., a "Cone of Silence," provided, however, that Proposers who currently serve the Authority in a professional capacity may communicate with the Authority, strictly with respect to their current service in such professional capacity. The "Cone of Silence" is in effect from the date/time of the deadline for submission of responses to this RFP, and terminates at the time the Authority enters into a contract with a Proposer, rejects all responses, or otherwise takes action which ends the solicitation process. Proposers may, however, contact the Executive Director of the Authority via written communication, i.e., facsimile, e-mail or U.S. Mail, strictly with respect to questions relating to this RFP, which written communications shall be made available to all other Proposers. Violations of the "Cone of Silence" are punishable by a fine of \$250 per violation.

1.24 INDEPENDENT CONTRACTOR RELATIONSHIP

Proposers shall be, in the performance of all work, services and activities under any contract entered into as a result of this RFP, an independent contractor and not an employee, agent or servant of the Authority. All persons engaged in any of the work or services performed pursuant to such contract shall, at all times, and in all places, be subject to the Proposer's sole direction, supervision and control. Proposers shall exercise control over the means and manner in which it and its employees perform the work, and in all respects, the Proposer's relationship, and the relationship if its employees, to the Authority shall be that of an independent contractor and not as employees or agents of the Authority.

[END OF PART I]

PART II MINIMUM REQUIREMENTS

*Note: Proposers shall provide documentation in their submittal to this RFP sufficient to clearly demonstrate that their firm meets or exceeds the following minimum requirement(s). Failure to provide this documentation may result in a Proposer's submittal being determined **non-responsive**.*

The Proposer shall meet the following minimum requirement(s):

1. The accountant and/or accounting firm is licensed to practice in the State pursuant to Sections 473.309 and 473.3101, Florida Statutes.
2. The accounting firm is authorized to conduct business in the State.
3. The proposed engagement partner has performed continuous certified public accounting (CPA) services for governmental agencies for a minimum of five (5) years.
4. The firm is a member of the American Institute of Certified Public Accountants ("AICPA") and the Florida Institute of Certified Public Accountants ("FICPA").
5. The assigned professional personnel of the firm have received adequate continuing professional education as stipulated by the Florida Board of Accountancy and Section 473.312, Florida Statutes.
6. The firm is independent of the Authority as defined by Section 473.315, Florida Statutes and the rules of the Florida Board of Accountancy promulgated thereunder.
7. The firm must submit with its response a copy of its most recent external quality control review report and letter of comment, along with a statement indicating whether the review included a review of specific governmental engagements, which external quality control review shall have been conducted within the last three years.
8. The proposed engagement partner and manager must have prior accounting experience with one or more county housing finance authorities or other conduit issuer of bonds subject to an indenture of trust, preferably similar to the Authority as to size, services provided and required reporting.
9. The proposed engagement partner, manager and senior auditor must have experience performing accounting services in accordance with generally accepted accounting practices, the Rules of the Florida Board of Accountancy, standards imposed by AICPA and FICPA and all other applicable State and federal statutes, laws, rules and regulations.
10. The firm must maintain a permanent office in Florida.

[END OF PART II]

PART III STATEMENT OF WORK

3.1 BACKGROUND INFORMATION

The Authority is a dependent special district created by Ordinance 2002-22 of the Board of County Commissioners of the County (the “BOCC”), as amended and supplemented (the “Ordinance”), pursuant to the Florida Housing Finance Authority Law encoded in Chapter 159, Part IV, Florida Statutes (the “Act”). The Authority is governed by a seven member board appointed by the BOCC. The Ordinance and the Act give the Authority the power to assist with the financing, acquisition, construction, reconstruction and rehabilitation of affordable housing and qualifying housing developments in the County.

In furtherance of its purposes under the Act and the Ordinance, the Authority issues multi-family and single family mortgage revenue bonds and surplus fund loans, the proceeds of which are used to finance the acquisition, construction, reconstruction and rehabilitation of affordable housing and qualifying housing developments in the County.

The Authority’s finances are comprised of the General Fund, the funds of which are held under a custodial services agreement with the Authority’s banking institution, U. S. Bank National Association (the “Custodian”), used for the basic operations of the Authority as well as for the funding of loans to qualified borrowers under the Authority’s Surplus Fund Loan Program, and various funds and accounts relating to the Authority’s Bond Issues. The Authority does not receive any federal, State, County or local funding, grants or assistance.

The Authority uses the accrual basis of accounting.

More detailed information on the Authority can be found on the Authority’s website at www.pbchfa.org.

3.2 PERFORMANCE REQUIREMENTS

The Authority is soliciting proposals from qualified certified public accounting firms to perform accounting services with respect to the Authority’s General Fund and its Bond Issues, as more specifically described in Section 3.4 below, in cooperation with the Authority’s staff, Trustee and independent auditor, for the three fiscal years ending September 30, 2009, 2010 and 2011, with two options to renew the term of the engagement for three additional years each, subject to the approval of the Authority.

3.3 ACCOUNTING STANDARDS

Accounting services are to be performed in accordance with all applicable regulations and requirements of governmental entities and further requirements of regulatory agencies and professional associations, including, but not limited to:

1. Generally Accepted Accounting Practices
2. Financial Accounting Standards Board
3. Rules of the Florida Board of Accountancy
4. Chapter 473, Florida Statutes
5. Provisions of any other rule, regulation, statute, ordinance or order which may pertain to the engagement

3.4 SCOPE OF WORK

The following tasks are required of the selected accountant:

1. The accountant will compile the Authority's annual financial statements and issue an accountant's report thereon of the Authority's General Fund and Bond Issues, in accordance with Statements on Standards for Accounting and Review Services as issued by AICPA.
2. The accountant will compile the Authority's annual statements of net assets and the related statements of revenues, expenses, changes in net assets and cash flows of the Authority's General Fund and Bond Issues.
3. The accountant will analyze and record all transactions reported by the Custodian and any bond trustee (collectively, the "Trustees"), and propose standard, adjusting or correcting entries.
4. The accountant will maintain detail general ledgers and related accounting records for each Bond Issue and the General Fund.
5. The accountant will prepare quarterly payroll tax returns, annual payroll tax returns and Forms W-2 and W-3.
6. The accountant will facilitate the work of the Authority's independent auditor by:
 - a. Preparing preliminary trial balances by fund and lead schedules for cash and investments by fund and investment type for each Bond Issue
 - b. Preparing a detail listing of transactions by type, as follows:
 - Interest on investments
 - Purchases of investments
 - Sale of investments
 - Transfers between funds by type
 - Expenditures by type
 - Schedule of principal payments and mandatory redemptions on Bond Issues
 - Interest payments on Bond Issues
 - c. Preparing a schedule of capitalized interest and/or accreted values of capital appreciation bonds
 - d. Assisting in the preparation of Management's Discussion and Analysis.

The accountant will not be responsible for any audit or review of the Authority's financial statements.

3.5 SCHEDULE FOR ACCOUNTING SERVICES

Timeliness is critical in the performance of the accounting services. The accountant shall coordinate with the Executive Director, the Custodian, the Trustees and the Authority's auditor and deliver the items prepared in accordance with Section 3.4 above to the Authority's auditor within ninety (90) days after the end of the applicable reporting period. The Authority will make necessary records available to the accountant through the year to assist in this regard.

3.6 AUTHORITY BOARD MEETING ATTENDANCE

The partner in charge of the accounting services or other CPA assigned to perform the Authority's accounting services is required to attend one or more public meetings as deemed necessary by the Authority for discussion of the Authority's financial statements and reports.

3.7 **RETENTION AND ACCESS OF WORKING PAPERS**

1. The accountant's work papers are the property of the accountant and shall be held locally for a period of five (5) years. Work papers shall be available for examination or duplication without charge to authorized Authority personnel, representatives of Federal, State or County agencies upon request of such agency, or the Authority in accordance with Federal, State or County laws, statutes, ordinances and other regulations. Working papers will also be made available for examination, at no charge, or for duplication, at a reasonable charge, to subsequent accountants engaged by the Authority.
2. The accountant agrees to notify the Authority immediately if any regulatory or other government agencies request a review of the accountant's work papers concerning the Authority.

3.8 **OTHER REQUIREMENTS**

1. The accountant shall notify the Authority immediately should any disciplinary actions be taken or complaints filed with any regulatory bodies against any of the firm's staff or the firm itself. The accountant shall be required to make an immediate written report of all irregularities and illegal acts.
2. The accountant must designate one (1) "key" member of the firm to perform the accounting services. The Authority shall reserve the right to approve any substitutions or changes in the staff designated as "key."
3. The accountant shall provide the Authority with a copy of each external quality control review report and letters of comment for each review conducted during the time period engaged by the Authority.
4. All requirements and conditions set forth in this RFP shall be incorporated into the contract to be entered into by and between the Authority and the selected firm, unless otherwise specified in the contract.

3.9 **INFORMATION PROVIDED BY THE AUTHORITY**

The Authority will provide, or make provision for the Custodian or Trustee to provide, as applicable, at a minimum, the following information to assist the accountant in performing the accounting services:

1. The Custodian's General Fund and the Trustees' Bond Issue statements and records
2. Copies of requisitions, together with paid invoices and other supporting documentation as requested by the accountant.
3. Other information requested by the accountant and mutually agreed upon by the Executive Director.

[END OF PART III]

**PART IV
INSTRUCTIONS FOR PREPARING PROPOSALS**

4.1 RULES FOR PROPOSALS

The proposal must name all persons or entities interested in the proposal as principals. **The proposal must declare that it is made without collusion with any other person or entity submitting a proposal pursuant to this RFP.**

4.2 LETTER OF TRANSMITTAL

This letter shall summarize in a brief and concise manner, the Proposer's understanding of the scope of work and shall make a positive commitment to timely perform the work. The letter must include the name and address of every person having an interest in the proposal; and in the case of a corporation, the names and addresses of its officers. Proposals shall be signed by the person or member of the firm making the proposal, and in the case of a corporation, by an authorized officer or agent subscribing the name of the corporation and his or her own name. Each addendum issued by the Authority must be acknowledged in the Letter of Transmittal. The Letter of Transmittal should not exceed two (2) pages in length.

4.3 PROPOSAL REQUIREMENTS

In addition to the Letter of Transmittal, the submission must include, at a minimum, the following:

1. General:
 - a. Table of contents providing a clear identification of the material by section and by page number.
 - b. Description and history of the make-up and composition of the firm, including, but not limited to, overall size of the firm.
 - c. Relevant government accounting experience of firm.
 - d. References from not less than three (3) local governmental entities in the State for which the firm has performed similar work, including at least one (1) reference from a county housing finance authority.
 - e. Total staff available for accounting services and the anticipated percent of accounting services to be performed by various levels of staff.
 - f. Resumes of partners, managers and other supervisory staff assigned to perform accounting services for the Authority, which include the following information:
 - Formal education
 - Licensure
 - Supplemental education relative to governmental accounting
 - Experience in private business or government
 - Membership in various national and State governmental accounting boards, committees, or associations (past and present)
 - Professional recognition, such as Certified Public Accounting licenses, awards, etc.
 - g. A statement setting forth the Proposer's understanding of the work to be done and a positive commitment to meet or exceed specifications stated in Sections 3.4 and 3.5 above and a positive commitment to perform the work within the time period specified.

- h. An affirmative statement that the firm is independent of the Authority as defined by Section 473.315, Florida Statutes and the rules of the Florida Board of Accountancy promulgated thereunder.
2. A fee schedule for the accounting services, using the attached Proposed Fee Schedule, for each year of the contract (2009, 2010 and 2011). Include staff hourly rates to be used for any additional work which may be requested by the Authority which is outside the scope of the contract.
3. The accountant is free to include any promotional material pertaining to the accountant or accounting firm; however, that promotional material shall not be considered the proposal in and of itself. Promotional materials will be considered supplemental information.
4. Copies of CPA licenses for all individual CPAs from the firm assigned to perform accounting services to the Authority.
5. A Certificate of Good Standing for the firm from the Florida Secretary of State.
6. Positive affirmation that all CPAs assigned to the engagement have properly maintained continuing education requirements in governmental accounting as required by Section 473.312, Florida Statutes and the Board of Accountancy.
7. Location of the office from which the accounting services will be performed and number of personnel in that office who would be working on the accounting services.
8. A copy of the most recent external quality control review report and letter of comment along with a statement indicating whether the review included a review of specific governmental engagements.
9. The results of any Federal or state desk review or field audits during the past three (3) years.
10. A description of the circumstances and status of any disciplinary actions taken or pending against the firm or any partners or employees of the firm by federal or state (including states other than the State) regulatory bodies or professional organizations during the past three (3) years.
11. A description of any litigation or proceeding during the past three (3) years, whereby a court or any administrative agency has ruled against the firm or any of the professional staff in any manner related to its professional activities.
12. A statement that, if awarded the contract, the firm will provide evidence of required limits on a Certificate of Insurance.
13. A description of the firm's office's experience in preparing governmental financial statements and in providing assistance in obtaining the Certificate of Achievement for Excellence in Financial Reporting.
14. The Proposer's Federal Employer ID number.
15. **Additional Data** - Any additional information which the Proposer considers pertinent for consideration should be included in a separate section of the proposal.

[END OF PART IV]

**PART V
EVALUATION OF PROPOSALS**

5.1 EVALUATION METHOD AND CRITERIA

The Authority will evaluate proposals and rank in order of preference no fewer than three (3) firms deemed to be the most highly qualified to perform the required services and which meet the best interests of the Authority; provided, however, that if fewer than three (3) firms respond to this RFP, the Authority shall rank all proposals. If it deems necessary, the Authority may ask for oral presentations by the three highest ranked or, in the event that less than 3 proposals are received, all, Proposers. Upon completion of the oral presentations, if required, the Authority may determine to re-rank the Proposers who provided such oral presentations. Thereafter, the Authority will enter into contract negotiations with the highest ranked Proposer. In the event that the Authority and the highest ranked Proposer are unable to come to an agreement as a result of such contract negotiations, the Authority will then enter into contract negotiations with the next highest ranked Proposer, and will continue on until a contract is successfully entered into or the Authority determines to reject all proposals and commence a new Request for Proposals. The Authority shall be the sole judge of its own best interests, the proposals, and the resulting negotiated agreement. The Authority's decisions will be final.

The Authority's evaluation criteria may include, but shall not be limited to, consideration of the following:

QUALIFICATIONS

- Demonstrated experience performing governmental accounting services in general, and specifically to county housing finance authorities
- Staffing to perform the engagement
- Evidence of a capable and well-organized engagement team and management plan
- Procedures to ensure quality control, compliance and confidentiality of information obtained
- Education and experience in public and private accounting

TECHNICAL

- Understanding scope of services
- Quality of overall proposal/plan of action

FINANCIAL

- Reasonableness of proposed price
- Financial resources and capabilities

OTHER

- Location of firm relative to Authority site
- Previous contracting experience with the Authority
- Professional associations and affiliations

[Remainder of page intentionally left blank]

5.2 **WEIGHTED CRITERIA**

The following criteria and weights shall be utilized in the initial evaluation of the proposals:

CRITERIA	WEIGHT
Qualifications	40%
Technical	40%
Financial	10%
Other	10%

[END OF PART V]

PROPOSED FEE SCHEDULES

The Authority anticipates awarding a contract with separate fixed fees for services with respect to the General Fund, services with respect to outstanding single family bond issues and services with respect to outstanding multi-family bond issues. As noted below, provision will be made in subsequent contract years for additional bond issues or redeemed/cancelled bond issues.

Fixed fees include all expenses, including but not limited to, travel related expenses, meal allowances, hotel rooms, and any other relevant out of pocket expenses, as well as vehicles, electronics, communications equipment and any other equipment, facilities, or infrastructure necessary to carry out the task.

**ACCOUNTING SERVICES RELATING TO THE GENERAL FUND FOR FY ENDING
SEPTEMBER 30, 2009:**

POSITION	EST. TOTAL HOURS	PROPOSED HOURLY RATE	EXTENDED COST
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
PROPOSED TOTAL FIXED FEE:			\$

**PROPOSED ANNUAL PERCENTAGE (%) ADJUSTMENTS FOR ACCOUNTING SERVICES
RELATING TO THE GENERAL FUND FOR:**

FY ENDING September 30, 2010: _____
FY ENDING September 30, 2011: _____

[Remainder of page intentionally left blank]

ACCOUNTING SERVICES RELATING TO MULTI-FAMILY MORTGAGE REVENUE BOND ISSUES FOR FY ENDING SEPTEMBER 30, 2009:

POSITION	EST. TOTAL HOURS	PROPOSED HOURLY RATE	EXTENDED COST
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
PROPOSED TOTAL FIXED FEE FOR ALL MULTI-FAMILY ISSUES *:			\$

*Add or delete \$ _____ for each new bond issue or redeemed/cancelled bond issue.

PROPOSED ANNUAL PERCENTAGE (%) ADJUSTMENTS FOR ACCOUNTING SERVICES RELATING TO MULTI-FAMILY MORTGAGE REVENUE BOND ISSUES FOR:

FY ENDING September 30, 2010: _____

FY ENDING September 30, 2011: _____

[Remainder of page intentionally left blank]

ACCOUNTING SERVICES RELATING TO SINGLE FAMILY MORTGAGE REVENUE BOND ISSUES FOR FY ENDED SEPTEMBER 30, 2009:

POSITION	EST. TOTAL HOURS	PROPOSED HOURLY RATE	EXTENDED COST
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
PROPOSED TOTAL FIXED FEE FOR ALL SINGLE FAMILY ISSUES *:			\$

*Add or delete \$ _____ for each new bond issue or redeemed/cancelled bond issue.

PROPOSED ANNUAL PERCENTAGE (%) ADJUSTMENTS FOR ACCOUNTING SERVICES RELATING TO SINGLE FAMILY MORTGAGE REVENUE BOND ISSUES FOR:

FY ENDING September 30, 2010: _____

FY ENDING September 30, 2011: _____

APPENDIX A

**OUTSTANDING SINGLE FAMILY AND MULTI-FAMILY
MORTGAGE REVENUE BONDS**

SINGLE FAMILY:

1. Series 1999A
2. Series 1999B
3. Series 2000A
4. Series 2001A
5. Series 2004, Sub-series 2006-1

MULTI-FAMILY:

1. Series 1987A Covenant Gardens
2. Series 1987B South Bay
3. Series 1996A Wood Lake
4. Series 1997A Chelsea Commons
5. Series 1998A/B Windsor Park
6. Series 1999A Riverview House
7. Series 1999A/B Lake Delray
8. Series 1999A Haverhill Commons
9. Series 1999B Village Crossing
10. Series 1999A Azalea Place
11. Series 2000A Saddlebrook
12. Series 2001A/B Mallards Landing
13. Series 2001A Pinnacle Palms
14. Series 2001A Colony Park
15. Series 2002A/B Indian Trace
16. Series 2002 Westlake II
17. Series 2003A/B Pinnacle at Abbey Park
18. Series 2003A/B Renaissance
19. Series 2003A/B Malibu Bay
20. Series 2004 Emerald Bay Club
21. Series 2006A Green Cay Apartments
22. Series 2007A La Costa Apartments
23. Series 2007A Palm Gardens Apartments

Board of County Commissioners

Steven L. Abrams, Chairman
Priscilla A. Taylor, Vice Chair
Hal R. Valeche
Paulette Burdick
Shelley Vana
Mary Lou Berger
Jess R. Santamaria



County Administrator

Robert Weisman

Purchasing Department

www.pbcgov.com/purchasing

REQUEST FOR PROPOSAL

RFP NO. 13-020/DP

Palm Beach County Board of County Commissioners
and
Office of Financial Management & Budget
are seeking
Proposals for:

Audit Services

Date issued/available for distribution: December 10, 2012

Proposer **shall** submit one (1) unbound original and fifteen (15) copies of the complete proposal to be received in the Offices of the Purchasing Department no later than **January 14, 2013, 4:00 p.m. local time. See Section 1.8 of the RFP for Mailing Instructions.**

Mandatory Pre-Proposal Conference: See Section 1.4 of this solicitation.

**ENVELOPE MUST BE IDENTIFIED WITH THE
DEADLINE DATE FOR RECEIPT OF PROPOSALS
AND
THE RFP NUMBER.**

CAUTION

Amendments to this Request for Proposal will be posted on the Palm Beach County Purchasing Department website: www.pbcgov.com/purchasing under "Invitations for Bid/Requests for Proposal" as they are issued. It is the sole responsibility of proposers to routinely check this website for any Amendments that may have been issued prior to the Deadline for receipt of proposals.

Palm Beach County shall not be responsible for the completeness of any Request for Proposal package not downloaded from this website or purchased directly from Palm Beach County Purchasing Department.

**IN ACCORDANCE WITH THE PROVISIONS OF ADA, THIS DOCUMENT MAY BE
REQUESTED IN AN ALTERNATE FORMAT**

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SECTION 1 GENERAL INFORMATION

1.1 ISSUING OFFICE

This Request for Proposal (RFP) is issued for the County of Palm Beach, hereinafter referred to as "County", by the Purchasing Department for the benefit of the Office of Financial Management & Budget. The Purchasing Department is the SOLE point of contact concerning this RFP. All communications regarding this RFP must be done through the Purchasing Department. See Section 1.9, Contact Person.

1.2 GENERAL INFORMATION

Palm Beach County is a political subdivision of the State of Florida. County government consists of six separately-elected, independent entities:

- Board of County Commissioners
- Property Appraiser
- Clerk & Comptroller
- Sheriff
- Supervisor of Elections
- Tax Collector

Each of the officials is governed by State Statutes, Rules and Regulations. The reporting entity includes several component units audited by other auditors.

Fla. Statute, Chapter 11.45 provides for a financial audit of the total County Government. The firm of McGladrey & Pullen, LLP Certified Public Accountants, is currently under contract to audit the County's financial records. Should the current firm be the successful proposer to this RFP, the current managing partner will need to change.

A. Board of County Commissioners (BCC)

The Commission is an elected seven-member Board as established by Article VIII, Section 1 (e), Florida Constitution. The Board adheres to the accounting principles, standards and procedures prescribed by the State of Florida, Department of Banking and Finance, as set forth in the Uniform Accounting System manual which were adopted from the Governmental Accounting and Financial Reporting Standards (Section 1100), and as amended, form the basis of the theory and principled of the Uniform Accounting System.

The Board appoints a County Administrator to administer all policies emanating from its statutory powers and authority. In accordance with Chapter 125.17 of the Florida Statutes, the Clerk & Comptroller is the Clerk and Accountant of the Board of County Commissioners. The Clerk is also the ex officio Clerk of the Board of County

Commissioners, Clerk to the Value Adjustment Board, Auditor, Recorder and Custodian of all County funds as provided by Article VIII, Section 1 (d), and Florida Constitution. Accounting records, financial statements and minutes of official Board actions are prepared and maintained by the Clerk.

The basic financial information is recorded on the BCC's financial system. The architecture of the BCC's financial system is a client-server environment operated and maintained by the County's central data processing department (Information Systems Services). The architecture for the payroll system is a client-server operated by the Clerk & Comptroller's Information Technology staff which interfaces with the basic financial system. There are other automated systems separate from the basic system at the departmental level. These include but are not limited to, Water and Sewer Billing system and Fleet Management Billing system. (See Attachment A).

Also included within the audit of the Board of County Commissioners are those dependent special districts, authorities, boards and commissions whose accounting records are integrated with those of the Board of County Commissioners.

B. Clerk & Comptroller

In each County, a Clerk is elected to a four-year term by the County's electorate. As a County Officer, the Clerk is responsible for duties and function enumerated in Article V and Article VIII of the Constitution of the State of Florida, and the Florida Statutes. Such duties include acting as ex officio Clerk of the Board of County Commissioners, auditor, recorder, and custodian of all County funds. Additionally, the Clerk serves as Clerk of the Circuit Court with responsibility for managing court related functions such as monitoring court minutes and dockets, scheduling court appearances, and managing court records and staff.

The Clerk & Comptroller maintains all legal and accounting records related to court activities including collection, accounting for, and remitting fines and fees assessed by the Court. The Clerk must account for these monies in accordance with guidelines established by the Department of Banking and Finance.

Clerk & Comptroller activities are financed through appropriations by the Board of County Commissioners in each County, by authorized user fees, and court-related user fees, fines, and service charges. Counties are also required by Florida Statute 29.008 and s.14, Article V of the State Constitution to fund the cost of communications services, existing radio systems, existing multiagency criminal justice information systems, and the cost of construction or lease, maintenance, utilities, and security of facilities for the offices of the clerks of the circuit and county courts performing court-related functions. (See Attachment B)

C. Property Appraiser

This official is independently elected as established by Article VIII, Section 1 (d), Florida Constitution. The office is a separate entity for financial reporting purposes as provided by Chapter 218, Florida Statutes. Financial operations are accounted for on a modified accrual basis of accounting, on a financial system operated and maintained by the Property Appraiser.

The Property Appraiser's office is funded through commissions earned as provided by Chapter 192, Florida Statutes. The budget of the office is prepared, approved, and administered pursuant to the requirement of Chapter 195, Florida Statutes. Additionally, budget reports are maintained in the form of monthly statements which summarize all financial activities for each month and for the year-to-date. (See Attachment C).

D. Sheriff

This official is independently elected as established by Article VIII, Section 1 (d), Florida Constitution. The office is a separate entity for financial reporting purposes as provided by Chapter 216, Florida Statutes. Financial operations are accounted for on a financial system operated and maintained by the Sheriff. (See Attachment D).

E. Supervisor of Elections

This official is independently elected as established by Article VIII, Section 1 (d), Florida Constitution. The Supervisor is the official custodian of the Books of Registration, with exclusive control of matters pertaining to registration of electors. The supervisor is not a fee officer as defined in Section 218.31 (8), Florida Statutes. The office is a separate accounting entity and all revenues and expenditures are accounted for and reported in the stand alone financial system maintained by the Supervisor of Elections. (See Attachment F)

F. Tax Collector

The Tax Collector is an independently elected County official as established by Article VIII, Section 1 (d), Florida Constitution. The office is a separate entity for financial reporting purposes as provided by Chapter 218, Florida Statutes. The accounts of the Tax Collector are organized on the basis of funds and accounts groups (See Attachment E). Funds of the Tax Collector are accounted for on the modified accrual basis of accounting, on a financial system operated and maintained by the Tax Collector. The financial operations of the Tax Collector's Office are reported annually with a fiscal year end of September 30.

The Tax Collector's operating budget is funded by commissions and fees received from governmental agencies for the collection of various taxes and licenses. The Tax Collector's Office budget is prepared, approved and administered in accordance with

Chapter 195.087 (2), Florida Statutes. Final approval of the Tax Collector's Budget is give by the Florida Department of Revenue.

1.3 PURPOSE OF THE PROJECT

The purpose of this invitation is to obtain the services of a public accounting firm or firms whose partners or principal officers are independent Certified Public Accountants (CPA), certified and duly licensed to practice in the State of Florida, to perform financial and compliance audits in accordance with Florida Statute 11.45 and Rules of the Auditor General, Chapter 10.550, County Audits and render an opinion on the financial statements and records of Palm Beach County, Florida for the fiscal years ended September 30, 2013, 2014, and 2015 with options for auditing the financial statements for up to four additional years, all in accordance with generally accepted auditing standards promulgated by the American Institute of Certified Accountants (AICPA), the AICPA Industry Audit Guide, Audits of State and Local Governmental Units and the requirements of the Comptroller General of the United States as set forth in the publication Governmental Auditing Standards and OMB Circular A-133.

1.4 MANDATORY PRE-PROPOSAL CONFERENCE

All proposers are **required** to attend a Mandatory Pre-Proposal Conference which will be held at the Purchasing Department, 50 South Military Trail, Room 1N-142 North/South, West Palm Beach, Florida 33415, on December 19, 2012, commencing at 10:00 a.m. local time.

At this time, the County's representative(s) will be available to answer any questions relative to this Request for Proposal. Any questions or comments arising subsequent to the Mandatory Pre-Proposal Conference must be presented in writing prior to the date and time stated in the Timetable (Section 1.7), to be discussed with the County's representative(s) as possible amendments to the RFP.

Note: The proposer's failure to attend this conference shall result in disqualification of their proposal. All proposers shall sign an attendance sheet. The attendance sheet will be collected at 10:10 a.m. (10 minutes after start time) local time. Those arriving after the attendance sheet has been collected will be considered as not in attendance for purposes of the Mandatory Pre-Proposal Conference.

In accordance with the provisions of ADA, auxiliary aids or services will be provided upon request with at least three days notice.

1.5 PERIOD OF CONTRACT

The proposed effective date of this Contract is July 1, 2013. The selected proposer(s) will provide services for a three (3) year period ending June 30, 2016. Two (2) two (2) year renewal option(s) offered by the County, at the County's sole discretion, may be included.

1.6 QUALIFICATION OF RESPONDENTS

All proposers to this RFP shall have demonstrated experience in supplying such services and shall meet all criteria/requirements identified in this RFP.

1.7 TIMETABLE

The anticipated schedule and deadline for the RFP and Contract approval are as follows:

<u>Activity</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
RFP available for Download from Purchasing Dept. website	12/10/12	11:00 a.m.	Purchasing Department 50 S. Military Trail, Ste. 110 W. P. B., FL 33415
Mandatory Pre-Proposal Conference	12/19/12	10:00 a.m.	Purchasing Department 50 S. Military Trail Room 1N-142 North/South W. P. B., FL 33415
Deadline for receipt of questions or comments	12/21/12	5:00 p.m.	Purchasing Department 50 S. Military Trail, Ste.110 W. P. B., FL 33415
Deadline for receipt of proposals	1/14/13	4:00 p.m.	Purchasing Department 50 S. Military Trail, Ste. 110 W. P. B., FL 33415
Selection Committee Meeting	1/30/13	9:00 a.m.	Purchasing Department 50 S. Military Trail Room 1N-142 North/South W. P. B., FL 33415
Oral Presentations/ Selection Committee Meeting (if conducted)	2/6/13	9:30 a.m.	Purchasing Department 50 S. Military Trail Room 1N-142 North/South W. P. B., FL 33415
Deadline for receipt of BAFO's (if required)	2/13/13	4:00 p.m.	Purchasing Department 50 S. Military Trail, Ste. 110 W. P. B., FL 33415
Selection Committee Meeting (if required)	2/20/13	10:00 a.m.	Purchasing Department 50 S. Military Trail Room 1N-142 North/South W. P. B., FL 33415

Posting Date of Notice of Intent to Award 2/25/13

Purchasing Department
50 S. Military Trail, Ste. 110
W.P.B., FL 33415
www.pbcgov.com/purchasing

BCC Award Date 3/26/13

Governmental Center
301 N. Olive Avenue, 6th Floor
W.P.B., FL 33401

Contract Start Date 7/1/13

NOTE: County reserves the right to alter the above activities and/or times at the County's sole discretion.

1.8 PROPOSAL SUBMISSION

All proposals must be submitted on 8½ x 11 inch paper.

One (1) unbound original and fifteen (15) copies of the complete proposal must be received in the Purchasing Department by January 14, 2013, 4:00 p.m. local time. The original and all copies must be submitted in a sealed envelope or container. The proposer's complete return address must be included on the outer envelope or wrapper enclosing any materials submitted in response to this RFP. The outer envelope or wrapper should be addressed as follows:

Proposer Name
Address
Phone No.

Palm Beach County
Board of County Commissioners
Purchasing Department
50 South Military Trail, Suite 110
West Palm Beach, Florida 33415
RFP No. 13-020/DP

Title: Audit Services
Due Date: January 14, 2013, 4:00 p.m. local time.

Hand-carried proposals may be delivered to the above address ONLY between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding holidays observed by the County.

Proposers are responsible for informing any commercial delivery services, if used, of all delivery requirements and for insuring that the required address information appears on the outer wrapper or envelope used by such service.

The Price Proposal Page(s) (Appendix A) must be signed by an officer of the company who is legally authorized to enter into a contractual relationship in the name of the proposer (“Authorized Person”), and proposers must affix their company’s corporate seal to the document. In the absence of a corporate seal, proposals must be notarized by a Notary Public.

The submission of a signed proposal by a proposer will be considered by the County as constituting a legal offer by the proposer to perform the required services at the proposed price identified therein.

1.9 CONTACT PERSON

The contact person for this RFP is Donna Pagel, Purchasing Manager, at (561) 616-6821, e-mail address: dpagel@pbcgov.com, or fax number (561) 242-6721 in the Purchasing Department.

Proposers are advised that from the date of release of this RFP until award of the contract, NO contact with County staff and/or designated Selection Committee members concerning this RFP is permitted, except as authorized by the contact person designated herein.

1.10 CONE OF SILENCE

Proposers are advised that the “Palm Beach County Lobbyist Registration Ordinance” prohibits a proposer or anyone representing the proposer from communicating with any County Commissioner, County Commissioner’s staff, or any County Employee authorized to act on behalf of the Board of County Commissioners to award this contract regarding its proposal, i.e., a “Cone of Silence”.

The “Cone of Silence” is in effect from the date/time of the deadline for submission of the proposal, and terminates at the time that the Board of County Commissioners, or a County Department authorized to act on their behalf, awards or approves a contract, rejects all proposals, or otherwise takes action which ends the solicitation process.

Proposers may, however, contact any County Commissioner, County Commissioner’s Staff, or any County Employee authorized to act on behalf of the Board of County Commissioners to award this contract via written communication, i.e., fax, e-mail, or U.S. Mail.

Violations of the “Cone of Silence” are punishable by a fine of \$250.00 per violation.

1.11 ADDITIONAL INFORMATION/AMENDMENT(S)

Any questions, comments (i.e., additional information or clarifications) must be made, in writing via fax, e-mail or U.S. Mail, no later than December 21, 2012, and to the address listed in the RFP Timetable (Section 1.7) or fax number or e-mail address listed for the

Contact Person (Section 1.9) above. The request must contain the proposer's name, address, phone number, facsimile number and e-mail address.

Facsimiles must have a cover sheet which includes, at a minimum, the proposer's name, address, number of pages transmitted, phone number, facsimile number and e-mail address.

Changes to this RFP, when deemed necessary by the County, will be completed only by written Amendment(s) issued prior to the Deadline for receipt of proposals. Proposers should not rely on any representations, statements or explanation other than those made in the RFP or in any Amendment to this RFP. Where there appears to be a conflict between the RFP and any Amendment issued, the last Amendment issued shall prevail.

Amendments to the RFP will be posted on the Palm Beach County Purchasing Department website: www.pbcgov.com/purchasing under "Invitations for Bid/Requests for Proposal" as they are issued. It is the sole responsibility of proposers to routinely check this website for any Amendments that may have been issued prior to the Deadline for receipt of proposals. Palm Beach County shall not be responsible for the completeness of any RFP package not downloaded from this website or purchased directly from the Palm Beach County Purchasing Department.

It is the proposer's sole responsibility to assure receipt of all Amendments. The proposer should verify with the designated Contact Person (see Section 1.9) prior to entering a proposal that all Amendments have been received. Proposers are required to acknowledge the receipt of all Amendments as part of their proposal.

SECTION 2 GENERAL TERMS AND CONDITIONS

2.1 PROPOSAL GUARANTEE

Proposer guarantees their commitment, compliance, and adherence to all requirements of the RFP by submission of their proposal.

2.2 MODIFIED PROPOSALS

Proposer may submit a modified proposal to replace all or any portion of a previously submitted proposal until the Deadline for receipt of proposals. The County will only consider the latest proposal submitted.

2.3 WITHDRAWAL OF PROPOSALS

A proposal may be withdrawn only by written notification. Letters of withdrawal received after the Deadline for receipt of proposals will not be accepted unless the contract has

been awarded to another vendor or no award has been made within ninety (90) days after the Deadline for receipt of proposals.

Unless withdrawn, as provided in this subsection, a proposal shall be irrevocable until the time that a contract is awarded.

2.4 LATE PROPOSALS, LATE MODIFIED PROPOSALS

Proposals and/or modifications to proposals received after the Deadline for receipt of proposals specified in the RFP Timetable (Section 1.7) are late and shall not be considered.

2.5 RFP POSTPONEMENT/CANCELLATION

The County may, at its sole and absolute discretion, reject any and all, or parts of any and all, proposals; waive any minor irregularities in this RFP or in the proposals received as a result of this RFP; postpone or cancel, at any time, this RFP process; or re-advertise this RFP.

2.6 COSTS INCURRED BY PROPOSERS

All expenses incurred with the preparation and submission of proposals to the County, or any work performed in connection therewith, shall be borne by the proposer. No payment will be made for proposals received, nor for any other effort required of or made by the proposers, prior to commencement of work as defined by a contract approved by the Board of County Commissioners.

2.7 PROPRIETARY/CONFIDENTIAL INFORMATION

Any material submitted in response to this Request for Proposal is considered a public document in accordance with Section 119.07, F.S. This includes material which the responding proposer might consider to be confidential. All submitted information that the responding proposer believes to be confidential and exempt from disclosure (i.e., a trade secret, etc.) must be specifically identified as such. Upon receipt of a public records request for information the proposer has designated as a trade secret or as otherwise exempt from Section 119.07, F.S., a determination will be made whether the identified information is, in fact, confidential.

2.8 NEGOTIATIONS

The County may award a contract on the basis of initial proposals received, without discussions. Therefore, each submitted proposal should contain the proposer's best price and technical offer.

2.9 RIGHT TO PROTEST

Any proposer may protest any recommendations for contract award by submitting a written protest to the Director of Purchasing within five (5) business days after posting the Notice of Intent to Award in accordance with Chapter 2, Article II, Section 2-55 of the Palm Beach County Code. Protests must be submitted in writing, addressed to the Director of Purchasing, via hand delivery, mail or fax to (561) 242-6705.

2.10 SMALL BUSINESS ENTERPRISE:

Policy

It is the policy of the Board of County Commissioners of Palm Beach County, Florida, that SBE(s) have the maximum practical opportunity to participate in the competitive process of supplying goods, services and construction to the County. To that end, the Board of County Commissioners adopted a Small Business Ordinance which is codified in Sections 2-80.21 through 2-80.34 (as amended) of the Palm Beach County Code, which sets forth the County's requirements for the SBE program, and is incorporated in this solicitation. Compliance with the requirements contained in this section shall result in a proposer being deemed responsive to SBE requirements. The provisions of the Code are applicable to this solicitation, and shall have precedence over the provisions of this solicitation in the event of a conflict.

Although preferences will not be extended to certified M/WBEs, unless otherwise provided by law, businesses eligible for certification as an M/WBE are encouraged to maintain their certification in order to assist in the tracking of M/WBE availability and awards of contracts to M/WBEs. This information is vital to determining whether race and gender neutral programs assist M/WBE firms or whether race and gender preferences are necessary in order to address any continued discrimination in the market.

SBE Goals

The County has established a minimum goal of 15% SBE participation for all County solicitations, inclusive of all alternates and change orders. This goal is a minimum, and no rounding will be accepted.

It will be the responsibility of the firm submitting a proposal to furnish all the necessary information to the County in order to receive points for SBE participation. Points will not be cumulative. Points shall be assigned based on the level of SBE participation as outlined below:

Table 1 - SBE Point System (Non-CCNA)

Scenario		Points
A	Proposer is a Palm Beach County certified SBE who will be providing 51% of the work with their own workforce.	10 points (or 10% if total evaluation points exceed 100)
B	Proposer has submitted proper documentation verifying that the County's Professional Services Goal of 15% has been met, utilizing Palm Beach County certified SBE subcontractors. One-half point will be awarded for each increment of five (5) percent by which said amount exceeds the established goal.	5-8 points (or 5%-8% if total evaluation points exceed 100)

NOTE: Final SBE points will be contingent upon a percentage of the total evaluation.

Upon initiation of the RFP solicitation process, all potential and interested professional service firms or consultants shall be required to list all SBE and M/WBE sub-consultants' selected portion of work to be performed, and dollar amount or percentage for each on Schedule 1 and Schedule 2.

Points awarded for SBE participation shall not exceed ten percent (10%) of the total amount of possible points awarded.

Proposal Submission Documentation

SBE proposers proposing as prime consultants, are advised that they must complete Schedule 1 and schedule 2, listing the work to be performed by their own workforce as well as the work to be performed by any SBE sub-consultant. Failure to include this information on Schedule 1 will result in the participation by the SBE prime proposers own workforce NOT being counted towards meeting the SBE goal. This requirement applies even if the SBE consultant intends to perform 100% of the work with their own workforce.

Proposers are required to submit with their proposal the appropriate SBE-M/WBE schedules in order to be deemed responsive to the SBE requirements. SBE-M/WBE documentation to be submitted is as follows:

Schedule 1 - List of Proposed SBE and M/WBE Participation

This list shall contain the names of all SBE prime and SBE sub-consultants intended to be used in performance of the contract, if awarded. This schedule shall also be used if an SBE prime proposer is utilizing ANY sub-consultants.

Schedule(s) 2 - Letter(s) of Intent to Perform as an SBE or M/WBE Subcontractor

A Schedule 2 shall be completed by the SBE Prime consultant. A schedule 2 shall be completed and signed by the proposed SBE sub-consultant listed on Schedule 1. SBE Primes and SBE sub-consultants shall specify the type of work to be performed, the cost and/or percentage. If the SBE intends to subcontract any portion of the job to another certified SBE or non-SBE, they are required to list the amount and the name of the sub consultant on this form. The Prime may count toward its SBE goal second and third tiered SBE sub-consultants provided that the Prime submits a completed Schedule 2 form for each SBE sub-consultant. Additional sheets may be used as needed.

SBE Certification

Only those firms certified by Palm Beach County at the time of proposal opening shall be counted toward the established SBE goals. Upon receipt of a complete application, **IT TAKES UP TO NINETY (90) DAYS TO BECOME CERTIFIED AS AN SBE WITH PALM BEACH COUNTY.** It is the responsibility of the proposer to confirm the certification of any proposed SBE; therefore, it is recommended that proposers visit the on-line Vendor Directory at www.pbcgov.org/osba to verify SBE certification.

Counting SBE Participation (and M/WBE Participation for Tracking Purposes)

- a. Once a firm is determined to be an eligible SBE according to the Palm Beach County certification procedures, the Prime may count toward its SBE goals only that portion of the total dollar value of a contract performed by the SBE.
- b. The Prime may count toward its SBE goal a portion of the total dollar value of a contract with a joint venture, eligible under the standards for certification, equal to the percentage of the ownership and control of the SBE partner in the joint venture.
- c. The Prime may count toward its SBE goal the entire expenditures for materials and equipment purchased by an SBE sub-consultant, provided that the SBE sub-consultant has the responsibility for the installation of the purchased materials and equipment.
- d. Prime may count the entire expenditure to an SBE manufacturer (i.e., a supplier/distributor that produces goods from raw materials or substantially alters the goods before resale).
- e. The Prime may count sixty percent (60%) of its expenditure to SBE suppliers/distributors that are not manufacturers.
- f. The Prime may count toward its SBE goal second and third tiered SBE sub-consultants; provided that the Prime submits a completed Schedule 2 form for each SBE sub-consultant.

- g. The Prime may only count towards its SBE goal the goods and services in which the SBE is certified and performs with its own forces.

Responsibilities After Contract Award

Schedule 3(A) – Professional Services Activity Report

This form shall be submitted by the prime consultants with each payment application when SBE sub-consultants are utilized in the performance of the contract. This form shall contain the names of all SBE sub-consultants, specify the subcontracted dollar amount for each sub-consultant and show amount drawn and payments to date issued to sub-consultants. This form is intended to be utilized on all professional services contracts.

Schedule 4 – SBE-M/WBE Payment Certification

A schedule 4 for each SBE OR MWBE sub-consultant shall be completed and signed by the proposed SBE after receipt of payment from the prime. If a SBE sub-consultant intends to disburse any funds associated with this payment to any sub-consultant for labor provided on this contract, the amount and name of the sub-consultant must be listed on this form. In addition, if the named sub consultant is a certified SBE, then a schedule 4 shall be completed and signed by the named SBE after receipt of payment from the SBE sub-consultant. When applicable, the prime shall submit this form with each application submitted to the county for payment to document payment issued to a sub in the performance of the contract

All proposers hereby assure that they will meet the SBE participation percentages submitted in their respective proposals with the sub-consultants contained on Schedules 1 and 2 and at the dollar values or percentages specified. Proposers agree to provide any additional information requested by the County to substantiate participation.

The successful proposer shall submit an SBE-M/WBE Activity Form (Schedule 3(A)) and SBE-M/WBE Payment Certification Forms (Schedule 4) with each payment application. Failure to provide these forms may result in a delay in processing payment or disapproval of the invoice until they are submitted. The SBE-M/WBE Activity Form is to be filled out by the Prime Consultant and the SBE-M/WBE Payment Certification Forms are to be executed by the SBE firm to verify receipt of payment.

SBE Substitutions

After contract award, the successful proposer will only be permitted to replace a certified SBE sub-consultant who is unwilling or unable to perform. Such substitution must be done with other certified SBE's in order to maintain the SBE percentages submitted with the bid. Requests for substitutions must be submitted to the user Department and OSBA.

2.11 LOCAL PREFERENCE

In accordance with the Palm Beach County Local Preference Ordinance, a preference will be given to (1) proposers having a permanent place of business in Palm Beach County; (2) proposers having a permanent place of business in the Glades that are able to provide the goods or services within the Glades.

- a. Glades Local Preference: Pursuant to the Palm Beach County Local Preference Ordinance, a 5% Glades Local Preference is given when a Glades Business offers to provide the goods or services that will be procured for use in the Glades. If a proposer is eligible to receive a Glades Local Preference, the proposer will receive five (5) points, unless the proposer qualifies to receive SBE points as specified above. A proposer may only receive either the Glades Local Preference points or SBE points, not both, with SBE taking precedence.
- b. Local Preference: Pursuant to the Palm Beach County Local Preference Ordinance, a 5% Local Preference is given to proposers having a permanent place of business in Palm Beach County. If a proposer is eligible to receive a Local Preference, the proposer will receive five (5) points, unless the proposer qualifies to receive SBE points as specified above. A proposer may only receive either Local Preference points or SBE points, not both, with SBE taking precedence.
- c. To receive a Glades Local Preference or a Local Preference (collectively referred to as “local preference”), a proposer must have a permanent place of business in existence prior to the County’s issuance of this Notice of Solicitation/Request for Proposal. A permanent place of business means that the proposer’s headquarters is located in Palm Beach County or in the Glades, as applicable; or, the proposer has a permanent office or other site in Palm Beach County or in the Glades, as applicable, where the proposer will produce a substantial portion of the goods or services to be purchased. A valid Business Tax Receipt issued by the Palm Beach County Tax Collector is required, unless the proposer is exempt from the Business Tax Receipt requirement by law, and will be used to verify that the proposer had a permanent place of business prior to the issuance of this Notice of Solicitation/Request for Proposal. In addition, the attached “Certification of Business Location” (Appendix E) and Business Tax Receipt must accompany the proposal at the time of proposal submission. The Palm Beach County Business Tax Receipt and this Certification are the sole determinant of local preference eligibility. Errors in the completion of this Certification or failure to submit this completed Certification will cause the proposer to not receive a local preference.

2.12 PALM BEACH COUNTY OFFICE OF THE INSPECTOR GENERAL AUDIT REQUIREMENTS

Pursuant to Palm Beach County Code, Section 2-421 - 2-440, as amended, Palm Beach County's Office of Inspector General is authorized to review past, present and proposed County contracts, transactions, accounts, and records. The Inspector General's authority includes, but is not limited to, the power to audit, investigate, monitor, and inspect the activities of entities contracting with the County, or anyone acting on their behalf, in order to ensure compliance with contract requirements and to detect corruption and fraud. Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be a violation of Palm Beach County Code, Section 2-421 – 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

2.13 RULES; REGULATIONS; LICENSING REQUIREMENTS

The proposer shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, to include those applicable to conflict of interest and collusion. Proposers are presumed to be familiar with all federal, state and local laws, ordinances, codes and regulations that may in any way affect the services offered, to include Executive Order No. 11246 entitled "Equal Employment Opportunity" as amended by Executive Order No. 11375, and as supplemented by the Department of Labor Regulations (41 CFR, Part 60).

2.14 CRIMINAL HISTORY RECORDS CHECK ORDINANCE

Pursuant to Ordinance 2003-030, the Palm Beach County Criminal History Records Check Ordinance ("Ordinance"), the County shall conduct fingerprint based criminal history record checks on all persons not employed by the County who repair, deliver, or provide goods or services for, to, or on behalf of the County. A fingerprint based criminal history record check shall be conducted on all employees and subcontractors of vendors, including repair persons and delivery persons, who are unescorted when entering a facility determined to be critical to the public safety and security of the County. County facilities that require this heightened level of security are identified in Resolution R-2003-1274, as may be amended. The proposer is solely responsible for understanding the financial, schedule, and staffing implications of this Ordinance. Further, the proposer acknowledges that its proposal price includes any and all direct or indirect costs associated with compliance of this Ordinance, except for the applicable FDLE/FBI fees that shall be paid by the County.

2.15 REVIEW OF PROPOSALS

Each proposal will be reviewed to determine if the proposal is responsive to the RFP. Proposals deemed to be non-responsive will be rejected without being evaluated by the Selection Committee. A responsive proposal is one which has been signed, has been submitted by the specified submission time, and has provided the information required to be submitted with the proposal (as stated in Section 3). While poor formatting, poor

documentation, and/or incomplete or unclear information may not be cause to reject a proposal without evaluation, such substandard submissions may adversely impact the evaluation of your proposal, especially information relating to establishing financial/business stability. Proposers who fail to comply with all of the required and/or desired elements of this RFP, do so at their own risk.

2.16 EXCEPTIONS TO THE RFP

All exceptions taken must be specific, and the proposer must indicate clearly what alternative is being offered to allow the County a meaningful opportunity to evaluate the proposal. Proposers are cautioned that submitting an alternative proposal does not relieve the proposer from submitting the “Minimum Requirements” as stated in Section 3. The County is under NO obligation to accept any proposed exceptions or alternatives.

2.17 SELECTION PROCESS

All proposals timely received will be reviewed first by the Purchasing Department to determine if each proposer has submitted the required information and met all Proposal Requirements (as stated in Section 3). Those proposals fulfilling the Proposal Requirements shall be referred to the Selection Committee for review and further consideration.

The Selection Committee will evaluate all responses to this RFP that meet the Proposal Requirements and are deemed responsive. The Selection Committee may evaluate all proposals based solely on the information submitted with the proposal. Accordingly, proposers are urged to ensure that their proposal contains all the necessary information for the Selection Committee to fairly and accurately evaluate each of the criteria listed below in Section 2.18. However, an oral presentation, additional written information, internal staff analysis, proposer presentations, outside consultants, and/or any other information may be required, at any time during the selection process, to help the Committee determine the final ranking of proposers. The Selection Committee may determine, as the result of additional information, that the impact of this information is significant and may be considered in the scoring and/or ranking, at the discretion of the Committee.

The Selection Committee shall meet in public session as necessary to score each proposal by reviewing each proposal against the evaluation criteria listed below, see Section 2.18. Upon completion of the Selection Committee’s review and discussion of all the responsive proposals submitted, each Selection Committee Member shall score each proposal and total the scores for each proposal. The proposals shall be assigned a ranking based upon the totals of each Selection Committee Member’s score for each proposal.

After the Selection Committee has developed an overall ranking for each proposer, the committee will then review, discuss, and declare either: (1) the proposal(s) ranked the highest as its “finalist” and make its recommendation for award of the contract or (2)

determine that it is not in the best interest of the County to award solely on the basis of the initial proposals and oral interviews, if conducted. In the latter instance, the Selection Committee may form a competitive range, or short list, comprised of only those proposers who have a reasonable chance of being selected for award. The Selection Committee may then hold discussions and negotiate with those proposers still within the competitive range. At the conclusion of discussions and negotiations, proposers may be asked to submit a Best and Final Offer (BAFO). The BAFO will be scored in the same manner as the original proposals and assigned rankings. The Selection Committee will then declare the proposal ranked the highest as its “finalist” and make its recommendation for award of the contract.

2.18 EVALUATION CRITERIA

- | | |
|--|---|
| 1. Experience/Qualifications
Background/References
(See Section 3.1) | Weight <u>20</u> % (<u>20</u> pts) |
| 2. Project Approach/Understanding
(See Section 3.2) | Weight <u>20</u> % (<u>20</u> pts) |
| 3. Key Personnel and Availability
(See Section 3.3) | Weight <u>25</u> % (<u>25</u> pts) |
| 4. Price Proposal
(See Section 3.6) | Weight <u>20</u> % (<u>20</u> pts) |
| 5. Small Business Enterprise
(See Section 2.10) | Weight <u>10</u> % (<u>10</u> pts) |
| 6. Local Preference
(See Section 2.11) | Weight <u>5</u> % (<u>5</u> pts) |

2.19 AWARD OF CONTRACT

The award, if any, will be made to the proposer whose proposal is considered to be the most advantageous to the County based on the Selection Committee’s opinion after review of every responsive proposal including, but not limited to, price.

Upon review and approval of the Selection Committee’s recommendation for award, the Purchasing Department will post the award recommendation at the Purchasing Department and on the Purchasing Department website at www.pbcgov.com/purchasing for a period of five (5) business days for review by interested parties prior to final approval of the award. The apparent successful proposer will be notified of the recommendation for award by mail. A contract must be completed and executed by the successful proposer and the County and, when appropriate, by the Board of County Commissioners before it becomes valid and effective. If this condition is not met in a timely manner through no fault of the County,

the County, at its sole discretion, may elect to cancel the Recommended Award to that proposer and make the award recommendation to the next most advantageous proposer. This process may continue until such time as the County has determined to cancel the procurement in its entirety. The official posting on the Purchasing Department website shall prevail if a discrepancy exists between the referenced listings.

2.20 DISCLOSURE OF OWNERSHIP INTEREST

Pursuant to a directive by the Board of County Commissioners, the Disclosure of Ownership Interest affidavit (DOIA, Appendix F) must be completed on behalf of any individual or business entity that seeks to do business with the County when applicable. Disclosure does not apply to nonprofit corporations, government agencies, or to an individual's or entity's interest in any entity registered with the Federal Securities Exchange Commission or registered pursuant to Chapter 517, Florida Statutes, whose interest is for sale to the general public.

Upon request from the Purchasing Department, the recommended awardee shall submit a completed DOIA (Appendix F) within a reasonable time, as requested. If the recommended awardee fails to submit a completed DOIA in a timely manner, the County, at its sole discretion, may elect to cancel the Recommended Award.

2.21 STANDARD CONTRACT PROVISIONS (ATTACHMENT 1)

The selected proposer will be required to execute a contract similar to the attached Standard County Contract (Attachment 1). If a proposer has comments related to any of the provisions in this RFP and/or the contract sample, comments must be made, in writing, no later than the date specified in the RFP Timetable (see Section 1.7).

Standard County Contract provisions (general and specific) will be incorporated into any contract resulting from this RFP. Should any selected proposer and the County be unable to consummate a written contract, the County may proceed to the next most advantageous proposal as determined by the Selection Committee or issue a new solicitation or cancel the procurement process in its entirety.

2.22 COMMENCEMENT OF WORK

This RFP does not, by itself, obligate the County. The County's obligation will commence when the contract is approved by the Board of County Commissioners or their designee and upon written notice to the proposer. The County may set a different starting date for the contract. The County will not be responsible for any work done by the proposer, even work done in good faith, if it occurs prior to the contract start date set by the County.

2.23 INSURANCE REQUIREMENTS

Prior to the effective date of the Contract, it shall be the responsibility of the successful proposer to provide evidence of the minimum amounts of insurance coverage specified

in Attachment 1, Article 13, to Palm Beach County, c/o Purchasing Department, 50 South Military Trail, Suite 110, West Palm Beach, FL 33415, Attention: Donna Pagel, Purchasing Manager.

The successful proposer shall, on a primary basis and at its sole expense, maintain in full force and effect, at all times during the life of this Contract, insurance coverages and limits (including endorsements) as described herein (see Attachment 1, Article 13). Failure to maintain the required insurance shall be considered default of the Contract. The requirements contained herein, as well as the County's review or acceptance of insurance maintained by the successful proposer, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the successful proposer under the Contract.

2.24 DRUG FREE WORKPLACE CERTIFICATION

Proposers should submit, with their proposal, an executed Drug Free Workplace Certification (Appendix E) indicating that the proposer has implemented a Drug Free Workplace Program which meets the requirements of Section 287.087, Florida Statutes.

2.25 AUTHORIZED SIGNATURE

The authorized representative signature required on all offers and the Contract must be made by an officer of the company (if applicable).

SECTION 3 PROPOSAL REQUIREMENTS

PROPOSAL FORMAT AND CONTENT:

Format

Proposals should be typed, double spaced and submitted on 8 ½" x 11" size paper, using a single method of fastening (e.g., stapled, binder, etc.). Proposals should include only brief and concise narrative. The enclosure of elaborate or unnecessary verbage or promotional material is discouraged.

Table of Contents

Proposals should contain a Table of Contents. The Table of Contents outlines in sequential order, all of the areas of the proposal and it allows for clarity and ease of review of the proposal.

Letter of Transmittal

Proposals should contain a Letter of Transmittal addressed to Donna Pagel, Purchasing Manager, and should, at a minimum, contain the following:

- a. Identification of Proposer, including name address and telephone number.
- b. Proposed working relationship between proposer and subcontractors, if applicable.
- c. Name, title, address, telephone/fax number and e-mail address of contact person during period of proposal evaluation.
- d. Signed by a person authorized to bind proposer to the terms of the proposal.

Technical Proposal

Proposals shall contain all of the documents listed below, each fully completed, signed, and notarized as required. Failure of a proposer to provide the required information is considered sufficient cause to deem the proposal non-responsive.

The item(s) marked by an asterisk (*) should be a part of the proposal; however, if these items are omitted, the proposer must submit the item(s) upon request from the County within a time frame specified by the County (normally within two working days of request) or the proposal shall be deemed non-responsive. All other items must be submitted with the proposal or it shall be deemed non-responsive.

Notwithstanding these submittal requirements, the County reserves the right, at its sole discretion, to waive any minor irregularity relating to the proposal. Upon request, it shall be the responsibility of the proposer to address the determined minor irregularity within a time frame specified by the County (normally within two working days of request). Failure of a proposer to provide the required information within the specified time frame is considered sufficient cause to deem the proposal non-responsive.

Each of the following requirements should be addressed in separate sections of the proposal.

3.1 EXPERIENCE / QUALIFICATIONS / BACKGROUND / REFERENCES INFORMATION

3.1.1 Each proposer shall submit a detailed statement of their experience, qualifications, and background for providing audit services.

*3.1.2 Each proposer should provide a list of a minimum of three (3) current or recent (within the last five years) Florida local governmental audits

performed by the firm, especially in County government and a copy of your firms most recent peer review letters.

Each audit reference should include the following:

- a. Name of client company, contact names, addresses, telephone/ fax numbers, dollar amount of contracts and dates of service.
- b. Scope of Work, types of services performed and number of full-time staff provided.

Proposer shall:

- 3.1.3 Submit evidence that each firm involved, if more than one, is a legal entity licensed to practice in the State of Florida and has performed continuous certified public accounting services for a minimum of five (5) years.
- 3.1.4 Provide an affirmative statement that it is independent of Palm Beach County as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.
- 3.1.5 Certify that each firm involved is a member in good standing of the American Institute of Certified Public Accountants.
- 3.1.7 Provide a list of the firm's South Florida government audit engagements from which the firm has been terminated or has withdrawn or resigned within the last five years and the reason(s) therefore.
- 3.1.8 Describe your local office's experience in preparing governmental financial statements in conformance with the Governmental Accounting Standards Board Pronouncements and Interpretations and in providing assistance to clients in maintaining and Certification of Conformance.
- 3.1.9 Provide a list of governmental audits your firm is proposing concurrently with this RFP. Provide this information only for the firms office which would be responsible for performing the County audit.

3.2 PROJECT APPROACH / UNDERSTANDING INFORMATION

- 3.2.1 The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section 4. Scope of Work/Services. In developing the work plan, reference should be made to such sources of information as the BCC's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

- 3.2.2 Describe firm’s procedures in monitoring the progress of the audit and communicating same to the client while the audit is in progress.
- 3.2.3 Describe the firm specific policies, plans, procedures or techniques used to develop information for management letters.
- 3.2.4 Describe the nature and extent of EDP audit techniques typically employed by the firm in the examination of financial statements of clients having substantial data processing applications and a description of work to be done in the performance of a SAS #3 Review (Effects of EDP on the Auditor’s Study and Evaluation of Internal Control). Provide a brief description of the qualifications of individuals who would be performing these procedures.

3.3 KEY PERSONNEL AND AVAILABILITY INFORMATION

The proposer shall provide:

- 3.3.1 An Organizational Chart identifying the structure of firm.
- 3.3.2 A list of the key personnel assigned to the project, and submit a complete resume detailing their experience, education, expertise, qualifications, and knowledge of the project.
- 3.3.3 A description of the role of each staff member who will be responsible for handling and monitoring the Contract.
- 3.3.4 Identify projects of similar nature in which each staff member has been involved.
- 3.3.5 Provide the number of professional auditing staff employees by employee classification for each firm involved in the following format:

Audit Staff Employee Classification	Total Number	No. of C.P.A.’s
Total		

Additionally, provide a brief job description of each employee classification along with experience requirements (if any) for each classification.

- 3.3.6 Describe the professional and/or academic qualification of key personnel such as partners, managers and supervisory personnel who will have

primary responsibility for performance of required auditing services. Specifically, identify the partners, managers and supervisory personnel that will be assigned to the audit. Please be specific as to the professional background and experiences of these personnel in providing auditing services to large governmental organizations. Please also indicate those employees who will be used in the second and third year of the engagement and the willingness to commit and maintain staffing, both number and level, to successfully conclude the audit examination.

The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit examination.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

- 3.3.7 The proposer shall indicate its ability and willingness to commit and maintain staffing, both number and level, to successfully conclude the audit examination within the time constraints outlines in Section VI. The proposal should mention the availability of the partners, managers or staff to meet with the Administration, Board and Constitutional Officers on any material matters that could affect the financial position or result of operations.

***3.4 FINANCIAL / BUSINESS STABILITY**

Proposer should submit the following financial statements:

- Balance Sheets and Income Statements for the current Fiscal Year and prior two (2) Fiscal Years of operation, prepared in accordance with generally accepted accounting principles and compiled by an independent Certified Public Accountant or notarized by the Chief Financial Officer or owner.
- OR
- The Company's Federal Income Tax Return for the previous three (3) years as completed and filed with the federal government. Sole proprietors should provide Schedule C from Form 1040 for the previous three (3) years. The Schedule C's must be accompanied by a statement from an independent Certified Public Accountant or a statement notarized by the Chief Financial Officer or owner, indicating that the Schedules are copies of the ones filed with the 1040.

- If proposer is a Wholly-Owned Subsidiary, the above referenced financial information for the parent company should also be submitted.
- If proposer is a Franchise, Partnership, LLP, LLC or joint venture, the above referenced financial information of the franchisee, each partner, each LLC/LLP member or each joint-venture should be submitted.
- Any additional information considered pertinent to indicate the proposer's financial and operational capabilities.

The County reserves the right to request additional information to be used for evaluating responses received from any or all proposers. Further, the County retains the right to disqualify from further consideration any proposer who fails to demonstrate sufficient financial stability to perform the pending contract.

***3.5 LITIGATION STATUS**

The proposer should furnish information on the nature and magnitude of all litigation whereby, during the past two (2) years, a court has ruled against the firm or any proposed subcontractor in any matter related to the professional activities of the firm. Similar information shall be provided for all litigation, which is current or pending. The firm may include information on litigation as part of its formal proposal to the County.

If none, proposer shall state so in their proposal.

Required Appendices

3.6 PRICE PROPOSAL INFORMATION

The proposer shall submit the attached Price Proposal Page(s) (Appendix A), filled out, signed, with either a corporate seal affixed or notarized. The proposer shall:

1. List total fee for services to be provided for each year of the initial years of the contract.
2. Provide a schedule of hourly rates for additional audit services as outlined in Section 4.III. of this RFP. The hourly rate for the audit services shall either be an average for all additional audit services or separate for each labor category.

Offers will receive up to the maximum points listed in 2.18 above, based upon the reasonableness of the total price and competitiveness of this amount with other offers received.

3.7 BUSINESS INFORMATION

Each proposer shall complete the attached Business Information Pages (Appendix B) referencing their type of business, i.e., Corporation, Limited Liability Company, Partnership (General/Limited), Joint Venture and Sole Proprietorship.

3.8 AMENDMENTS TO THE RFP

It is the proposer's responsibility to assure receipt of all amendments. The proposer shall verify with the designated contact person, prior to submitting a proposal, the number of amendments that have been received. Each amendment to the RFP shall be signed by an authorized person and shall be submitted with the proposal or the proposal shall be deemed non-responsive.

Additional Appendices

3.9 ADDITIONAL INFORMATION

Information considered by the proposer to be pertinent to this project and which has not been specifically solicited in any of the aforementioned sections may be placed in a separate appendix section. Proposers are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials. Appendices should be relevant and brief.

SECTION 4

SCOPE OF WORK/SERVICES

I. Periods to be Examined

The audit engagement will cover each of the fiscal years ending September 30, 2013, 2014, and 2015 (three years) with an option to be exercised by the Board of County Commissioners, the (Board) to renew the contract for up to four (4) additional years at prices to be negotiated after completion and submission of the audit reports for the fiscal year ended September 30, 2015.

II. Scope of Examination

A. Financial Statements

The examination will be a financial and compliance audit in accordance with Section 11.45, Florida Statutes, in order to express an opinion on an annual basis on the financial statements of the Board, Constitutional Officers and component units included in the Comprehensive Annual Financial Report (CAFR). The first year to be audited will be the fiscal year ending September 30, 2013. The examination should be to the extent necessary for the Auditor to express an opinion on the fairness with which the financial statements present the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles, the requirements of the Single Audit Act of 1984, as amended, the Single Audit Act Amendments of 1996 and the requirements of the State Auditor General related to the audit of state grant-in-aid appropriations as provided for in Chapter 10.550 of the Rules of the Auditor General and Florida Statutes 216.349 and 216.3491.

To this effect, the Auditors shall familiarize themselves with and comply with the provisions of any and all federal, state and county orders; statutes; ordinances; charter; bond covenants; administrative code and orders. Rules and regulations that may pertain to the work required in the engagement, include, but shall not be limited to the following:

- Section 218.39(1)(a), Florida Statutes – Annual Financial Audit Report “AFAR”
- Section 218.32(1)(a), Florida Statutes – Annual Financial Report “AFR” for local government entities
- Section 11.45, Florida Statutes and 10.550 Rules of the Auditor General
- Section 218.415, Florida Statutes and 10.554(1)(i)2 Rules of the Auditor General
- Section 216.349, Florida Statutes (State Grants & Aids Appropriations)
- AICPA's Audits of State and Local Government Units
- Comptroller General of the U.S.'s Governmental Auditing Standards
- Federal Single Audit Act and OMB Circular A-133

- Federal Grant Contract Requirements
- State Grant Contract Requirements
- Section 29.0085, Florida Statutes, Statement of County Funded Court Related Functions
- Florida Single Audit Act Section 215.97, Florida Statutes
- Sections 28.35 and 28.36, Florida Statutes and 10.554(1)(i)8, Rules of the Auditor General

The statements to be audited will be prepared by the Clerk & Comptroller's Finance Department or other appropriate Constitutional Officer. The Auditor will submit any proposed adjusting journal entries to the Finance Department and OFMB or appropriate Constitutional Officer for approval in a timely manner.

County understands and agrees that the underlying books and records of account must be properly closed as required by Florida Statutes to maintain the independence of the Auditor and allow the Auditor reasonable time to meet the completion deadlines.

B. Review of Internal Control

An evaluation is to be made of the system of internal control to assess the extent it can be relied upon to ensure accurate information, to ensure compliance with law and regulations, and to provide for efficient and effective operations. The study of internal control should include:

1. **Review of the system**, which is primarily the process of obtaining information about the organization and the procedures prescribed and is intended to serve as the basis for tests of compliance and for evaluation of the system.
2. **Tests of compliance**, which are made to provide reasonable assurance that the accounting control procedures are being applied as prescribed.
3. **Data Processing Review**, A review is to be made to compare the calculating operations of the computer with the desired results by tests of transactions. A review of controls used in the computer center to assure protection of files and prevention of processing errors and a review of the data processing operation shall be made.

C. Audit Report

The audit report is to include the Auditor's opinion, audited financial statements and management letters. An oral presentation to the Board of County Commissioners or its Audit Committee may be required summarizing the results of the audit report involving the Board of County Commissioners.

1. Opinion-Comprehensive Annual Financial Report (CAFR)

This audit report shall contain an opinion on the general purpose financial statements of the Board, Constitutional Officers and component units as a whole. If an unqualified opinion cannot be expressed, the nature of the qualification should be clearly stated in the opinion. Auditor shall provide one signed original of the opinion letter to the Finance Department for the CAFR.

2. Opinion - Auditor General

This report shall contain separate opinions on the financial statements of the Board and each Constitutional Officer. If unqualified opinions cannot be expressed, the nature of the qualification should be clearly stated in the opinion. Auditor shall provide one signed original of each of the opinion letters to the Finance Department for the AFAR.

3. Report on Federal and State Grants

The scope of the examination shall include audits now required by State and Federal authorities (grant audits) including the Single Audit Act of 1994, the Single Audit Act Amendments of 1996 and OMB Circular A-133, and Rules of the Auditor General. Auditor shall provide 90 bound copies, one electronic copy and one unbound copy of the report to OFMB; and one unbound, unnumbered copy to the Finance Department for the AFAR.

4. Management Letters

The Auditor shall prepare management letters which shall contain audit findings which, among other matters, may include the following material items discovered within the scope of the audit:

- a. Whether errors or irregularities reported in the preceding audit report have been corrected;
- b. Whether recommendations made in the preceding audit report have been followed;
- c. Recommendations to improve management, accounting procedures, internal controls, and increase efficiency;
- d. Violation of the laws, rules, and regulations discovered within the scope of the audit;
- e. Illegal expenditures discovered within the scope of the audit;
- f. Improper or inadequate accounting procedures;

- g. Failure to properly record financial transactions;
- h. Other inaccuracies, irregularities, shortages, and defalcations discovered by the Auditor; and
- i. Whether the Annual Financial Report filed with the State by the Clerk & Comptroller is in agreement with the audited financial statements for the same period and, if not, specify any significant differences.

The drafts of the management letter concerning the operations of the Board of County Commissioners are to be discussed with the County Administrator, the Director of OFMB and Clerk & Comptroller's Chief Operating Officer of Finance before issuance in final form. The draft management letter for each constitutional officer will be discussed with the Constitutional Officer or their designated representative before issuance in final form.

The final presentation of the management letter shall be in one combined report to include the Board and Constitutional Officers. Auditor shall provide 50 bound copies, one electronic copy and one unbound copy of the management letter to OFMB, one bound copy to each Constitutional Officer, and one unbound, unnumbered copy to the Finance Department for the AFAR.

5. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (the "Internal Control Report").

The Auditor shall prepare separate Internal Control Reports for inclusion in the AFAR for the Board and each of the Constitutional Officers. The report for the Board is an integral part of the Schedule of Expenditures of Federal Awards and State Financial Assistance, also known as the Single Audit. The report for the five Constitutional Officers are prepared separately and included in the AFAR along with the separate Audit Opinions and Management Letters for each Constitutional Officer.

6. Report to the Board of County Commissioners.

This report summarizes certain matters required by professional standards to be communicated to the Board in their oversight responsibility for the County's financial reporting process. Auditor shall provide 25 bound copies, one electronic copy and one unbound copy to OFMB.

7. Reports On Examination

Chairman –Steven L. Abrams Board of County Commissioners P.O Box 1989 West Palm Beach, FL 33402	Sharon R. Bock, Esq. Clerk & Comptroller 301 N. Olive Avenue, 9th Floor West Palm Beach, FL 33401
Gary R. Nikolits, CFA Property Appraiser 301 N. Olive Avenue West Palm Beach, FL 33401	Ric Bradshaw Sheriff P.O. Box 24681 West Palm Beach, FL 33406
Anne M. Gannon, CFC Tax Collector P.O. Box 3715 West Palm Beach, FL 33401	Susan Bucher Supervisor of Elections 240 South Military Trail West Palm Beach, FL 33415

The audit report shall address the Board of County Commissioners and each Constitutional Officer as separate government agencies for reporting purposes so that the results of financial operations and the compliance with legal and regulatory requirements is readily discernible for the Board and each Constitutional Office as separate entities. The reports on the various accounting entities shall be addressed as follows:

D. Other Services to be Provided

In addition to the audit of the County's Financial Statements, the selected Auditors will be required to provide additional annual services for the following:

- Statement of County Funded Court Related Functions (Sec 29.0085, FS)
- Separate financial statement opinion audits on Airports and Water Utilities Department - 10 bound copies of each and one electronic copy
- Separate Airport Passenger Facility Charge audit – 10 bound copies and one electronic copy.
- Report on the special purpose statement of unissued hunting and fishing licenses of the Tax Collector
- Agreed-upon procedures regarding National Transit Database Reports, Operating Expenses, Form and Urbanized Area Formula Statistics Form – Palm Tran.

The following organizations are presented in the County's financial statements as component units:

- Solid Waste Authority (SWA) (discrete)
- Housing Finance Authority (HFA) (discrete)
- Westgate/Belvedere Homes Community Redevelopment Agency (CRA) (discrete)

- Metropolitan Planning Organization (discrete)
- Palm Tran (blended)

The financial statements of the SWA, HFA and CRA are currently audited by other Certified Public Accountants, and the scope of services contemplated in this Request for Proposal does not anticipate an examination of their statements of operations. However, the successful proposer will be responsible for incorporating these financial statements into the Palm Beach County Comprehensive Annual Financial Report.

The successful accounting firm will conduct or arrange for Continuing Professional Education (CPE) Programs by providing eight (8) hours of Governmental Accounting and Auditing CPE credit for up to sixty (60) County and Constitutional Officer employees (total 480 hours) in each year of the contract including renewal periods. No CPE program fees will be charged to the employees attending such sessions. Other costs such as travel, lodging, lunch costs, and out-of-pocket expenses will be the responsibility of the County or the Constitutional Officers. These hours shall be provided within 100 miles of West Palm Beach.

E. Other Considerations

Except as may be otherwise required by Federal or State Grantors all grant audits will be handled as a single audit under the Single Audit Act of 1984, Single Audit Act Amendments of 1996 and Rules of the Auditor General.

In addition, there are a number of audit requirements of various bonded debt obligations. To the extent possible, it is the express intent of the Board and the Constitutional Officers of Palm Beach County that duplication of effort during the audit engagements be avoided and that all audit requirements be encompassed into the countywide audit to the fullest extent possible.

The audits described herein shall include procedures designed to detect errors and irregularities which would have a material effect on the financial statements. To the extent that the Auditors detect such material errors and irregularities they will be promptly reported in writing to the County Administrator and appropriate Constitutional Officer, or higher level Officer, if appropriate.

County expressly permits Auditor to consult with the Auditor General of the State of Florida and the federally designated "Cognizant Agency" on any matter pertaining to the Audit which in the judgment of the Auditor would be important to the conduct of its examination or its report on the results hereof.

III. Additional Services

If during the contractual period covered by the agreement, additional services, such as grant (above the requirements of the Single Audit Act of 1984, Single Audit Act Amendments of 1996, or the State Auditor General related to state grant-in-aid appropriations) or operational audits are needed, the accounting firm may, at the option of the Board of County Commissioners, be engaged to perform these services under the terms of the contract.

The successful accounting firm or firms are required to submit rates for additional audit services and they will be included in the contract. Additional services that are anticipated to equal or exceed \$10,000 will require approval of the Board. Services anticipated to cost less than \$10,000 may be approved by the Director of OFMB.

IV. Schedule

A. Field Work

For the first year of the engagement, planning of the audit field work should commence immediately after the execution of a professional services agreement between the Board and the Auditor. Field work should be scheduled in a manner that will allow for completion and submittal of the final reports in accordance with the deadline dates, as well as the Palm Beach County Year End Closing Calendar.

B. Audit Report Deadline and Distribution

The audit report on the CAFR and the draft management letter, are to be completed each year no later than three working days prior to March 31st. The Auditor General's Report and the management letter, including administrative responses, shall be delivered to County Administration in final form by June 30. The Grants Audit to be performed under the Single Audit Act of 1984, Single Audit Act Amendments of 1996 and Florida Statute 216 shall be delivered in final form by June 15. For all other reports, the deadline is March 31.

The audits must be completed in the time frame set forth above. Extensions for time of completion may be allowed for good cause by the County only if extensions are allowed by Florida Statutes. In any case, time is of the essence. Auditor is aware that Florida Laws provide substantial penalties against Counties which do not comply with the Local Government Financial Responsibility Act (F.S. 11.45).

County understands that the support personnel and other assistance described in section V. below are essential to the timely completion of the audit and agrees to provide all reasonably requested assistance. Failure to provide the assistance agreed to by the Auditor and the County or appropriate Constitutional Officer at the commencement of or during audit field work shall be cause for extension of

deadlines set forth in this section and/or additional compensation to the Auditor at the average hourly rate or hourly labor rates stipulated in APPENDIX A.

Auditor understands and agrees that County may issue audited financial statements with Auditor's opinion thereon separately from the Auditor's management letter comments.

Separate audit exit conferences for discussion of audit findings will be held with the County Administrator, Internal Auditor and Clerk & Comptroller's Chief Operating Officer of Finance for management letter comments pertaining to Board operations and with each Constitutional Officer for comments relating to their respective offices prior to submission of the final management letters. All printing and reproduction costs incurred shall be borne by the Auditor.

C. Working Papers

For a period of three (3) years after completion of any work provided herein, the Auditor's working papers shall be retained. The Board or Constitutional Officers and their representatives shall be entitled, at any time during such three (3) year period, to inspect and reproduce such documents deemed necessary

V. Support Personnel

To the extent possible, County support personnel will be made available to provide assistance for tasks, such as identifying locations of required records and documentation, gathering needed records and supporting information, and such other audit tasks that will serve to expedite the audit. Please refer to the contact persons identified in the attached Attachments A, B, C, D, E and F. The following employees will be available to provide the necessary assistance:

- A.** The Clerk & Comptroller's Chief Operating Office of Finance and other staff are responsible for the preparation of the Comprehensive Annual Financial Report (CAFR), as well as the Annual Financial Audit Report (AFAR) and the Annual Financial Report (AFR).
- B.** The Director of Information Systems Services and staff are responsible for the data processing function for the County.
- C.** Any and all employees responsible for financial administration in the County. In addition, the Auditor may communicate with the predecessor auditor to discuss any matters deemed appropriate as prescribed by the American Institute of Certified Public Accountants.
- D.** OFMB is responsible for coordination of the Single Audit Report.

**ATTACHMENT A
TO SCOPE OF WORK/SERVICES
RFP NO. 13-020/DP**

BOARD OF COUNTY COMMISSIONERS

1. Contact Person for Additional Information:

Richard Iavarone, Director of Financial Mgmt., OFM
301 N. Olive Avenue
Suite 702.26
West Palm Beach, FL 33402
Phone: (561) 355-4369

2. Description of Entity and Records to be Audited

Budget-Fiscal Year 2012-13; \$3,884,250,421.

3. Funds, Account Groups, and Associated Governmental Entities to be Audited

1 – General Fund
107 – Special Revenue Funds
42 – Debt Service Funds
59 – Capital Projects Funds
30 – Enterprise Fund (Airport and Water Utilities Department)
4 – Internal Service Funds
Capital Assets
Long-Term Debt
Presented Component Units

The following documents are available for review in the Office of the Clerk & Comptroller's Chief Operating Officer of Finance, Second Floor, Governmental Center, 301 North Olive Avenue, West Palm Beach, Florida.

- A. Annual Financial Reports for 2009, 2010 and 2011
- B. 2011-2012 Annual Budget
- C. Selected Computer Reports including utility billings, special assessments, fixed assets, payroll and licensing.
- D. Management letters for 2009, 2010, and 2011 and County and Constitutional Officer's responses.
- E. Auditor General Report

**ATTACHMENT B
TO SCOPE OF WORK/SERVICES
RFP NO. 13-020/DP**

CLERK & COMPTROLLER, PALM BEACH COUNTY

1. Contact Persons for Additional Information

Roger Trca, Inspector General & Audit Director
301 North Olive Avenue, Suite 902.6
West Palm Beach, Florida 33401
Phone: (561) 355-2722
Fax: (561) 355-6727

2. Description of Entity and Related Information
Clerk & Comptroller, Palm Beach County, Florida
Major Functions:

Clerk of the Circuit Court
Clerk to the Board of County Commissioners
Clerk to the Value Adjustment Board
County Recorder
County Comptroller

Fiscal Year 2012-13 Budget: \$57 million
Fiscal Year 2011 Child Support Reimbursement: \$1 billion
Fiscal Year 2012-13 Budget Positions 765

3. Accounting & Reporting Information

Accounting System Software: PeopleSoft
Reporting Level Funds & Account Groups:

General Fund
Special Revenue Fund
Agency Fund

Accounting Level Funds:
1 General Fund
1 Special Revenue Fund
5 Agency Funds
1 Capital Asset Fund
1 Internal Service (Health) Fund

**ATTACHMENT C
TO SCOPE OF WORK/SERVICES
RFP NO. 13-020/DP**

PROPERTY APPRAISER

1. Contact Person for Additional Information

Joanne Rufty
Executive Assistant
301 N. Olive Avenue
West Palm Beach, FL 33401
(561) 355-2865

2. Description of Entity and Record to be Audited

The budget for the Appraiser's operation is \$21,673,398 for fiscal year 2012-2013

3. Funds, Account Groups, and Associated Governmental Entities to be Audited

General Fund
Long-Term Debt Fund
Capital Asset Fund

**ATTACHMENT D
TO SCOPE OF WORK/SERVICES
RFP NO. 13-020/DP**

SHERIFF

1. Contact Person for Additional Information

Sherry Mazorra
P.O Box 24681
West Palm Beach, FL 33406
(561) 688-3107

2. Description of Entity and Records to be Audited

Budget for Fiscal Year 2012-13 \$471,302,293

3. Funds, Account Groups and Associated Governmental Entities to be Audited

1 General Fund

10 Special Revenue Funds:

Federal Law Enforcement Trust Fund-
Justice Federal Law Enforcement Trust
Fund - Treasury State Law Enforcement
Trust Fund Appropriated State Law
Enforcement Trust Fund Suspense

911 Equipment Fund

PLICAT – Public Law Enforcement Insurance Combating Auto Theft

Juvenile Assessment

Fund Inmate Canteen

and Welfare Grants

Parking Enforcement

4 Agency

Funds:

Inmate

Trust Civil

Trust

Cash Bonds

Suspense Revenues

2 Account Groups:

Capital Asset

Fund Long-Term

Debt Fund

**ATTACHMENT E
TO SCOPE OF WORK/SERVICES
RFP NO. 13-020/DP**

TAX COLLECTOR

1. Contact Person For Additional Information
Carmen C. Richardson, Director of Finance and Budget
301 North Olive Avenue, 3rd Floor
West Palm Beach, FL 33401
Phone: (561) 355-2946
Fax: (561) 355-3814

2. Description of Entity and Records to be Audited
The Tax Collector's budget for fiscal year 2011-2012; \$58,939,720

3. Funds and Accounts Groups to be Audited
General Fund
Agency Fund
Capital Assets
Long-Term Debt

**ATTACHMENT F
TO SCOPE OF WORK/SERVICES
RFP NO. 13-020/DP**

SUPERVISOR OF ELECTIONS

1. Contact Person for Additional Information
Susan Bucher, Supervisor of Elections
240 South Military Trail
West Palm Beach, FL 33415
(561) 656-6200
2. Description of Entity and Records to be Audited
Operating Budget for Fiscal Year 2012-13; \$10,265,000
3. Funds and Account Groups to be Audited
The revenues and expenditures are accounted for and reported within the stand alone system managed by the Supervisor of Elections.

General Fund

SECTION 5 ATTACHMENTS

ATTACHMENT 1 - SAMPLE STANDARD CONTRACT

ATTACHMENT 1
Sample Standard Contract
CONTRACT FOR
Audit Services
(Contract No. 13-020/DP)

This Contract No. 13-020/DP is made as of this _____ day of _____, 2012, by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of Commissioners, hereinafter referred to as the COUNTY, and (*Put in Vendor's Name and Address*) _____, (*select one of the following*) *an individual, a partnership, a corporation* authorized to do business in the State of Florida, hereinafter referred to as the AUDITOR.

In consideration of the mutual promises contained herein, the COUNTY and the AUDITOR agree as follows:

ARTICLE 1 - SERVICES

The AUDITOR's responsibility under this Contract is to provide professional consultation services in the area of external auditing to the Office of Financial Management & Budget in accordance with Exhibit A, Scope of Work/Services, and Exhibit ____, AUDITOR's proposal dated _____, both of which are attached hereto and incorporated herein.

The AUDITOR will examine the books and records of the COUNTY, including those of the Constitutional Officers and various enterprise agencies of the County and provide audit opinions, management letters and other reports, all as detailed in Exhibit A, Scope of Work/Services, attached hereto and incorporated herein.

The COUNTY's representative/liaison during the performance of this Contract shall be Liz Bloeser, Director, Office of Financial Management & Budget, telephone number (561) 355-4626 or designee.

The AUDITOR's representative/liaison during the performance of this Contract shall be (Name, Title) _____, telephone number _____.

ARTICLE 2 - ORDER OF PRECEDENCE

Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence: (1) the provisions of the Contract, including Exhibits A, _____; (2) the provisions of RFP No. 13-020/DP and all Amendments thereto, which are incorporated into and made a part of this Contract; (3) Exhibit ____, AUDITOR's proposal dated _____; and (4) all other documents, if any, cited herein or incorporated herein by reference.

ARTICLE 3 - SCHEDULE

The AUDITOR shall commence services on July 1, 2013, and complete all services by June 30, 2016, with two (2) two (2) year options for renewal at the sole discretion of the COUNTY.

Reports and other items shall be delivered and/or completed in accordance with Exhibit A.

ARTICLE 4 - PAYMENTS TO AUDITOR

- A. The total amount to be paid by the COUNTY under this Contract for all services and materials shall not exceed a total contract amount of _____ Dollars (\$_____).

The COUNTY agrees to compensate the AUDITOR in accordance with the fee schedule set forth in the Exhibit __, Appendix A, Prices Proposal Pages. The total and cumulative amount of this contract shall not exceed the amount of funds annually budgeted for these services.

- B. Invoices received from the AUDITOR pursuant to this Contract will be reviewed and approved by the COUNTY's representative, indicating that services have been rendered in conformity with the Contract. Approved invoices will be sent to the Finance Department for payment. Invoices will normally be paid within thirty (30) days following the COUNTY representative's approval.
- C. Final Invoice: In order for both parties herein to close their books and records, the AUDITOR will clearly state "final invoice" on the AUDITOR's final/last billing to the COUNTY. This shall constitute AUDITOR's certification that all services have been properly performed and all charges and costs have been invoiced to the COUNTY. Any further charges, if not properly included on this final invoice, are waived by the AUDITOR.

ARTICLE 5 - PALM BEACH COUNTY OFFICE OF THE INSPECTOR GENERAL AUDIT REQUIREMENTS

Pursuant to Palm Beach County Code, Section 2-421 - 2-440, as amended, Palm Beach County's Office of Inspector General is authorized to review past, present and proposed COUNTY contracts, transactions, accounts, and records. The Inspector General's authority includes, but is not limited to, the power to audit, investigate, monitor, and inspect the activities of entities contracting with the COUNTY, or anyone acting on their behalf, in order to ensure compliance with contract requirements and to detect corruption and fraud. Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be a violation of Palm Beach County Code, Section 2-421 – 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

ARTICLE 6 - TRUTH-IN-NEGOTIATION CERTIFICATE

Signature of this Contract by the AUDITOR shall also constitute the execution of a truth-in-negotiation certificate certifying that the wage rates, over-head charges, and other costs used to determine the compensation provided for in this Contract are accurate, complete, and current as of the date of the Contract and no higher than those charged the AUDITOR's most favored customer for the same or substantially similar service.

The said rates and costs shall be adjusted to exclude any significant sums should the COUNTY determine that the rates and costs were increased due to inaccurate, incomplete, or noncurrent wage rates or due to inaccurate representation(s) of fees paid to outside contractors. The COUNTY shall exercise its rights under this Article 6 within three (3) years following final payment.

ARTICLE 7 - TERMINATION

This Contract may be terminated by the AUDITOR upon sixty (60) days' prior written notice to the COUNTY representative in the event of substantial failure by the COUNTY to perform in accordance with the terms of this Contract through no fault of the AUDITOR. It may also be terminated, in whole or in part, by the COUNTY, with cause upon five (5) business days' written notice to the AUDITOR or without cause upon ten (10) business days written notice to the AUDITOR. Unless the AUDITOR is in breach of this Contract, the AUDITOR shall be paid for services rendered to the COUNTY's satisfaction through the date of termination. After receipt of a Termination Notice, except as otherwise directed by the COUNTY, in writing, the AUDITOR shall:

1. Stop work on the date and to the extent specified.
2. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
3. Transfer all work in process, completed work, and other materials related to the terminated work to the COUNTY.
4. Continue and complete all parts of the work which have not been terminated.

ARTICLE 8 - PERSONNEL

The AUDITOR represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the COUNTY.

All of the services required hereinunder shall be performed by the AUDITOR, or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the AUDITOR's key personnel, as may be listed in Exhibit __, *(fill in the blank)* attached hereto and incorporated herein, must be made known to the COUNTY's representative and written approval must be granted by the COUNTY's representative before said change or substitution can become effective.

The AUDITOR warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field.

All of the AUDITOR's personnel (and all subcontractors) will comply with all COUNTY requirements governing conduct, safety, and security while on COUNTY premises.

ARTICLE 9 - CRIMINAL HISTORY RECORDS CHECK

The AUDITOR shall comply with the provisions of Chapter 2, Article IX of the Palm Beach County Code ("Criminal History Records Check" section), if AUDITOR's employees or subcontractors are required under this Contract to enter a "critical facility" as identified in Resolution R-2003-1274, as amended. The AUDITOR acknowledges and agrees that all employees and subcontractors who are to enter a "critical facility" will be subject to a fingerprint based criminal history records check. Although COUNTY agrees to pay for all applicable FDLE/FBI fees required for criminal history record checks, the AUDITOR shall be solely responsible for the financial, schedule, and staffing implications associated in complying with Ordinance 2003-030.

ARTICLE 10 - SMALL BUSINESS ENTERPRISES SUBCONTRACTING

The COUNTY reserves the right to accept the use of a subcontractor, or to reject the selection of a particular subcontractor, and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The AUDITOR is encouraged to seek additional small business enterprises for participation in subcontracting opportunities. If the AUDITOR uses any subcontractors on this project, the following provisions of this Article shall apply:

If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion, the AUDITOR shall promptly do so, subject to acceptance of the new subcontractor by the COUNTY.

1. The Palm Beach County Board of County Commissioners has established a minimum goal for SBE participation of 15% on all County solicitations.
2. The AUDITOR agrees to abide by all provisions of the Palm Beach County Code establishing the SBE Program, as amended, and understands that failure to comply with any of the requirements will be considered a breach of contract.

3. The AUDITOR incorporates Schedule 1 List of proposed SBE-M/WBE Prime/Subcontractors) and Schedule 2 (Letter of Intent) attached hereto and made a part hereof, the names, addresses, scope of work, percentage and/or dollar value of the SBE-M/WBE participation on Schedule 1 and the Letter of Intent, Schedule 2, signed by each of the listed SBE-M/WBE sub-consultants on Schedule 1 agreeing to perform the contract at the listed percentage and/or dollar value.

The AUDITOR understands that each SBE firm utilized on this contract must be certified by Palm Beach County in order to be counted toward the SBE participation goal.

4. The AUDITOR understands that it is the responsibility of the department letting the contract and the Office of Small Business Assistance (OSBA) to monitor compliance with the SBE Ordinance requirements. In that regard, the AUDITOR agrees to furnish progress payment reports to both parties on the progress of the SBE-M/WBE participation on each pay application submitted.
5. The AUDITOR further agrees to provide OSBA with a copy of their contract with the SBE sub-consultant or any other related documentation upon request.
6. After contract award, the successful AUDITOR will only be permitted to replace a certified SBE subcontractor who is unwilling or unable to perform. Such substitution must be done with other certified SBEs in order to maintain the proposed SBE percentages submitted with the proposal. Requests for substitutions must be submitted to the department issuing the Request for Proposal and the OSBA.
7. The AUDITOR understands that s/he is prohibited from making any agreements with the SBE in which the SBE promises not to provide sub consultant quotations to other proposers or potential proposers.
8. The AUDITOR agrees to maintain all relevant records and information necessary to document compliance with the Palm Beach County Code and will allow the COUNTY to inspect such records.

ARTICLE 11 - FEDERAL AND STATE TAX

The COUNTY is exempt from payment of Florida State Sales and Use Taxes. The COUNTY will provide an exemption certificate submitted by the AUDITOR. The AUDITOR shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the COUNTY, nor is the AUDITOR authorized to use the COUNTY's Tax Exemption Number in securing such materials.

The AUDITOR shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Contract.

ARTICLE 12 - AVAILABILITY OF FUNDS

The COUNTY's performance and obligation to pay under this Contract is contingent upon an annual appropriation for its purpose by the Board of County Commissioners.

ARTICLE 13 - INSURANCE REQUIREMENTS

It shall be the responsibility of the AUDITOR to provide initial evidence of the following minimum amounts of insurance coverage to Palm Beach County, c/o Purchasing Department, 50 South Military Trail, Suite 110, West Palm Beach, FL 33415, Attention: Donna Pagel, Purchasing Manager. Subsequently, the AUDITOR shall, during the term of the Contract, and prior to each renewal thereof, provide such evidence to CertFocus at www.certfocus.com or fax (561) 666-6041, which is Palm Beach County's insurance management system, prior to the expiration date of each and every insurance required herein.

The AUDITOR shall, on a primary basis and at its sole expense, maintain in full force and effect, at all times during the life of this Contract, insurance coverages and limits (including endorsements) as described herein. Failure to maintain the required insurance will be considered default of the Contract. The requirements contained herein, as well as COUNTY's review or acceptance of insurance maintained by AUDITOR, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by AUDITOR under the Contract. AUDITOR agrees to notify the COUNTY with at least ten (10) days prior notice of any cancellation, non-renewal or material change to the insurance coverages. Further, AUDITOR shall agree that all insurance coverage required herein shall be provided by AUDITOR to COUNTY on a primary basis.

- A. **Commercial General Liability**: AUDITOR shall maintain Commercial General Liability at a limit of liability not less than **\$500,000** Each Occurrence. Coverage shall not contain any endorsement(s) excluding Contractual Liability or Cross Liability.
- B. **Business Auto Liability**: AUDITOR shall maintain Business Auto Liability at a limit of liability not less than **\$500,000** Each Occurrence for all owned, non-owned, and hired automobiles. In the event AUDITOR owns no automobiles, the Business Auto Liability requirement shall be amended allowing AUDITOR to maintain only Hired & Non-Owned Auto Liability. If vehicles are acquired throughout the term of the contract, AUDITOR agrees to purchase "Owned Auto" coverage as of the date of acquisition. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form.
- C. **Workers' Compensation Insurance & Employer's Liability**: AUDITOR shall maintain Workers' Compensation & Employer's Liability in accordance with Florida Statute Chapter 440.

- D. **Professional Liability:** AUDITOR shall maintain Professional Liability, or equivalent Errors & Omissions Liability, at a limit of liability not less than **\$1,000,000** Per Occurrence. When a self-insured retention (SIR) or deductible exceeds **\$10,000**, COUNTY reserves the right, but not the obligation, to review and request a copy of AUDITOR's most recent annual report or audited financial statement. For policies written on a "Claims-Made" basis, AUDITOR warrants the Retroactive Date equals or preceded the effective date of this Contract. In the event the policy is canceled, non-renewed, switched to an Occurrence Form, retroactive date advanced, or any other event triggering the right to purchase a Supplement Extended Reporting Period (SERP) during the life of this Contract, AUDITOR shall purchase a SERP with a minimum reporting period not less than three (3) years. The requirement to purchase a SERP shall not relieve the AUDITOR of the obligation to provide replacement coverage. The Certificate of Insurance providing evidence of the purchase of this coverage shall clearly indicate whether coverage is provided on an "occurrence" or "claims - made" form. If coverage is provided on a "claims - made" form the Certificate of Insurance must also clearly indicate the "retroactive date" of coverage.
- E. **Additional Insured Clause:** Except as to Business Auto, Workers' Compensation and Employer's Liability (and Professional Liability, when applicable) the Certificate(s) of Insurance shall clearly confirm that coverage required by the Contract has been endorsed to include Palm Beach County as an Additional Insured.
- F. **Waiver of Subrogation:** AUDITOR hereby waives any and all rights of Subrogation against the COUNTY, its officers, employees and agents for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, then AUDITOR shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy which includes a condition to the policy specifically prohibiting such an endorsement or voids coverage should AUDITOR enter into such an agreement on a pre-loss basis.
- G. **Certificates of Insurance:** Within forty-eight (48) hours of the COUNTY's request to do so, the AUDITOR shall deliver to the COUNTY via the Insurance Company/Agent a signed Certificate(s) of Insurance evidencing that all types and amounts of insurance coverages required by this Contract have been obtained and are in full force and effect. During the term of the Contract and prior to each subsequent renewal thereof, the AUDITOR shall provide this evidence to CertFocus at www.certfocus.com or fax (561) 666-6041, which is Palm Beach County's insurance management system, prior to the expiration date of each and every insurance required herein. Said Certificate(s) of Insurance shall, to the extent allowable by the insurer, include a minimum thirty (30) day endeavor to

notify due to cancellation (10 days for nonpayment of premium) or non-renewal of coverage.

- H. **Umbrella or Excess Liability:** If necessary, AUDITOR may satisfy the minimum limits required above for either Commercial General Liability, Business Auto Liability, and Employer's Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employer's Liability. The COUNTY shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.
- I. **Right to Revise or Reject:** COUNTY, by and through its Risk Management Department in cooperation with the contracting/monitoring department, reserves the right to review, modify, reject, or accept any required policies of insurance, including limits, coverages, or endorsements, herein from time to time throughout the term of this Contract. COUNTY reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition or failure to operate legally.

ARTICLE 14 - INDEMNIFICATION

AUDITOR shall protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officials harmless from and against any and all claims, liability, loss, expense, cost, damages, or causes of action of every kind or character, including attorney's fees and costs, whether at trial or appellate levels or otherwise, arising during and as a result of their performance of the terms of this Contract or due to the acts or omissions of AUDITOR.

ARTICLE 15 - SUCCESSORS AND ASSIGNS

The COUNTY and the AUDITOR each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the COUNTY nor the AUDITOR shall assign, sublet, convey, or transfer its interest in this Contract, without the prior written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the COUNTY, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and the AUDITOR.

ARTICLE 16 - REMEDIES

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other

remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law, or in equity, by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

No provision of this Contract is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Contract, including but not limited to any citizen or employees of the COUNTY and/or AUDITOR.

ARTICLE 17 - CONFLICT OF INTEREST

The AUDITOR represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Chapter 112, Part III, Florida Statutes and the Palm Beach County Code of Ethics. The AUDITOR further represents that no person having any conflict of interest shall be employed for said performance or services.

The AUDITOR shall promptly notify the COUNTY's representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence, or appear to influence, the AUDITOR's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the AUDITOR may undertake and request an opinion of the COUNTY as to whether the association, interest or circumstance would, in the opinion of the COUNTY, constitute a conflict of interest if entered into by the AUDITOR. The COUNTY agrees to notify the AUDITOR of its opinion by certified mail within thirty (30) days of receipt of notification by the AUDITOR. If, in the opinion of the COUNTY, the prospective business association, interest or circumstance would not constitute a conflict of interest by the AUDITOR, the COUNTY shall so state in the notification and the AUDITOR shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the COUNTY by the AUDITOR under the terms of this Contract.

ARTICLE 18 - EXCUSABLE DELAYS

The AUDITOR shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the AUDITOR, or its subcontractor(s), and without their fault or negligence. Such causes include, but are not limited to: acts of God; force majeure; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the AUDITOR's request, the COUNTY shall consider the facts and extent of any failure to perform the work; and, if the AUDITOR's failure to perform was without it or its subcontractors' fault or negligence, the Contract Schedule and/or any other affected

provision of this Contract shall be revised accordingly, subject to the COUNTY's rights to change, terminate, or stop any or all of the work at any time.

ARTICLE 19 - ARREARS

The AUDITOR shall not pledge the COUNTY's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The AUDITOR further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 20 - DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The AUDITOR shall deliver to the COUNTY's representative for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the COUNTY under this Contract.

To the extent allowed by Chapter 119, Florida Statutes, all written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the COUNTY, or at its expense, will be kept confidential by the AUDITOR and will not be disclosed to any other party, directly or indirectly, without the COUNTY's prior written consent, unless required by a lawful court order. All drawings, maps, sketches, programs, data bases, reports and other data developed or purchased under this Contract for the COUNTY, or at the COUNTY's expense, shall be and remain the COUNTY's property and may be reproduced and reused at the discretion of the COUNTY.

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

ARTICLE 21 - INDEPENDENT CONTRACTOR RELATIONSHIP

The AUDITOR is, and shall be, in the performance of all work, services, and activities under this Contract, an Independent Contractor and not an employee, agent, or servant of the COUNTY. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the AUDITOR's sole direction, supervision, and control. The AUDITOR shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the AUDITOR's relationship, and the relationship of its employees, to the COUNTY shall be that of an Independent Contractor and not as employees or agents of the COUNTY.

The AUDITOR does not have the power or authority to bind the COUNTY in any promise, agreement, or representation other than specifically provided for in this Contract.

ARTICLE 22 - CONTINGENT FEE

The AUDITOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the AUDITOR, to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the AUDITOR, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

ARTICLE 23 - ACCESS AND AUDITS

The AUDITOR shall maintain adequate records related to all charges, expenses, and costs incurred in estimating and performing the work for at least three (3) years after completion or termination of this Contract. The COUNTY shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the AUDITOR's place of business.

ARTICLE 24 - NONDISCRIMINATION

The AUDITOR warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, or gender identity and expression.

ARTICLE 25 - AUTHORITY TO PRACTICE

The AUDITOR hereby represents and warrants that it has, and will continue to maintain, all licenses and approvals required to conduct its business; and, that it will, at all times, conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the COUNTY's representative upon request.

ARTICLE 26 - SEVERABILITY

If any term or provision of this Contract or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such terms or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 27 - PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133, by entering into this Contract or performing any work in furtherance hereof, the AUDITOR certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management

Services within the thirty-six (36) months immediately preceding the date hereof. This notice is required by F.S. 287.133(3)(a).

ARTICLE 28 - SCRUTINIZED COMPANIES (when contract value is greater than \$1 million)

As provided in F.S. 287.135, by entering into this Contract or performing any work in furtherance hereof, the AUDITOR certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the Scrutinized Companies With Activities in Sudan List or Scrutinized Companies With Activities in The Iran Petroleum Energy Sector List created pursuant to F.S. 215.473.

If the COUNTY determines, using credible information available to the public, that a false certification has been submitted by AUDITOR, this Contract may be terminated and a civil penalty equal to the greater of \$2 million or twice the amount of this Contract shall be imposed, pursuant to F.S. 287.135.

ARTICLE 29 - MODIFICATIONS OF WORK

The COUNTY reserves the right to make changes in Scope of Work, including alterations, reductions therein, or additions thereto. Upon receipt by the AUDITOR of the COUNTY's notification of a contemplated change, the AUDITOR shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change; (2) notify the COUNTY of any estimated change in the completion date; and (3) advise the COUNTY if the contemplated change shall affect the AUDITOR's ability to meet the completion dates or schedules of this Contract.

If the COUNTY so instructs, in writing, the AUDITOR shall suspend work on that portion of the Scope of Work affected by a contemplated change, pending the COUNTY's decision to proceed with the change.

If the COUNTY elects to make the change, the COUNTY shall initiate a Contract Amendment, and the AUDITOR shall not commence work on any such change until such written amendment is signed by the AUDITOR and approved and executed on behalf of Palm Beach County.

ARTICLE 30 - NOTICE

All notices required in this Contract shall be sent by certified mail (return receipt requested), hand delivered, or sent by other delivery service requiring signed acceptance. If sent to the COUNTY, notices shall be addressed to:

Kathleen M. Scarlett, Director
Purchasing, Palm Beach County
50 South Military Trail, Suite 110
West Palm Beach, FL 33415

With a copy to:

Liz Bloeser, Director
Office of Financial Management & Budget
Palm Beach County
Governmental Center
301 N. Olive Ave., 7th Floor
West Palm Beach, FL 33401

If sent to the AUDITOR, notices shall be addressed to:

ARTICLE 31 - ENTIRETY OF CONTRACTUAL AGREEMENT

The COUNTY and the AUDITOR agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms, and conditions contained in the Contract may be added to, modified, superseded, or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article 29 - Modifications of Work.

ARTICLE 32 - REGULATIONS; LICENSING REQUIREMENTS:

The AUDITOR shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, to include those applicable to conflict of interest and collusion. AUDITOR is presumed to be familiar with all federal, state and local laws, ordinances, codes and regulations that may in any way affect the services offered.

IN WITNESS WHEREOF, the parties have made and executed this Contract on the day and year above written.

PALM BEACH COUNTY, FLORIDA BY ITS
BOARD OF COMMISSIONERS

AUDITOR:

BY: _____
Steven L. Abrams, Chairman

Company Name

BY: _____
Title

CORPORATE SEAL

ATTEST:
Sharon R. Bock, Clerk & Comptroller
Circuit Court

ATTEST WITNESS:

BY: _____
Print Name

BY: _____
Deputy Clerk

Signature

BY: _____
Print Name

APPROVED AS TO TERMS
AND CONDITIONS:

Signature

BY: _____

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

BY _____
County Attorney

EXHIBIT A
SCOPE OF WORK/SERVICES
Contract No. 13-020/DP
(To be completed upon Award of Contract)

SECTION 6 APPENDICES

- APPENDIX A - PRICE PROPOSAL PAGES
- APPENDIX B - BUSINESS INFORMATION
- APPENDIX C - SBE SCHEDULES 1, 2, 3(A), & 4
- APPENDIX D - CERTIFICATION OF BUSINESS LOCATION
- APPENDIX E - DRUG-FREE WORKPLACE CERTIFICATION
- APPENDIX F - DISCLOSURE OF OWNERSHIP INTERESTS

**APPENDIX A
PRICE PROPOSAL PAGES
RFP NO. 13-020/DP**

Page 1 of 3

The following pricing is submitted as the all inclusive pricing to provide the Office of Financial Management & Budget with audit services in accordance with the Requirements/Scope of Work/Services set forth in this RFP document.

1. List total fee for services to be provided for each year of the initial years of the contract:

FY 2013 \$ _____

FY 2014 \$ _____

FY 2015 \$ _____

TOTAL PROPOSED PRICE: \$ _____

The AUDITOR may invoice the COUNTY for work performed under this agreement for FY 2013 and each succeeding year as follows:

- 15% on August 31
- 15% on September 30
- 15% on October 31
- 15% on November 30
- 15% on December 31
- 15% on January 31
- 10% on July 31

The Auditors final invoice for each fiscal year shall indicate the hours worked by the several classes of professional levels of the firm and a distribution of the total fee to the Water Utilities, Airport, each Constitutional Officer and the Board and Single Audit Act Area.

It is expressly understood that any incidental or out-of-pocket costs incurred by the AUDITOR are covered by the total annual compensation and are not to be billed separately.

**APPENDIX A
PRICE PROPOSAL PAGES
RFP NO. 13-020/DP**

Page 2 of 3

2. Provide a schedule of hourly rates for additional audit services as outlined in Section 4.III. of this RFP. The hourly rate for the audit services shall either be an average for all additional audit services or separate for each labor category.

The AUDITOR’s rate to be used to determine any price adjustments under Article 29 MODIFICATIONS OF WORK for the contract term will be the average hourly rate of: **\$ _____ per hr.**

[or specify rates for each labor category]

Item #	Labor Category/Job Function:	Fully-Burdened Hourly Rate

For subsequent fiscal years the hourly rate(s) may, at the sole discretion of the County, be adjusted for inflation as measured by the change in the U.S. Government Annual Consumer Price Index for Miami of Urban Wage Earners & Clerical Workers at December 31 of each year.

**APPENDIX A
PRICE PROPOSAL PAGES
RFP NO. 13-020/DP**

Page 3 of 3

The Proposer certifies by signature below the following:

- a. This pricing is current, accurate complete, and is presented as the Total Pricing, including "out-of-pocket" expenses (if any), for the performance of this Contract in accordance with the Requirements/Scope of Work/Services of this RFP.
- b. This Proposal is current, accurate, complete, and is presented to the County for the performance of this Contract in accordance with all the requirements as stated in this RFP.
- c. This Proposal is submitted without prior understanding, agreement, or connection with any corporation, firm, or person submitting a Proposal for the same materials, services, and supplies and is, in all respects, fair and without collusion or fraud.
- d. The financial stability to fully perform the terms and conditions as specified herein. The County reserves the right to request financial information from the proposer at any time during the solicitation process and in any form deemed necessary by the County.

IMPORTANT: FAILURE TO SUBMIT THESE PAGES WILL BE CAUSE FOR "IMMEDIATE REJECTION" OF THE ENTIRE PROPOSAL RESPONSE.

NAME (PRINT): _____

TITLE: _____

COMPANY: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE NO. _____

SIGNATURE: _____

Please affix corporate seal or have proposal notarized.

Notary-Full Name

(Notary Expiration & Seal)

Date: _____

OR:

(Corporation seal)

**APPENDIX B
BUSINESS INFORMATION
RFP NO. 13-020/DP**

Full Legal Name of Entity: _____
(Exactly as it is to appear on the Contract/Agreement)

Entity Address: _____

Telephone Number: (____) _____ Fax Number: (____) _____

Form of Entity (check one and complete the appropriate entity statement attached hereto)

- Corporation (Complete forms page(s) 61)
- Limited Liability Company (Complete forms page(s) 62)
- Partnership, General (Complete forms page(s) 63)
- Partnership, Limited (Complete forms page(s) 63)
- Joint Venture (Complete forms page(s) 64)
- Sole Proprietorship

Federal I.D. Number: _____

(1) If Proponent is a subsidiary, state name of parent company.

Caution: All information provided herein must be as to Proposer (subsidiary) and not as to parent company.

(2) If a corporation is a partner of a proposing partnership or a member of a proposing joint venture, the corporation statement, attached hereto, must be completed in addition to the appropriate Proposer's business entity statement.

Is Entity registered to do business in the State of Florida? Yes No

If **yes** to the above, as of what date? _____

If not presently registered with the Division of Corporations to do business in the State of Florida as either a Florida or foreign corporation, Proposer acknowledges, by signing below, that if it is the Awardee it will register with the State of Florida prior to the effective date of the contract with Palm Beach County.

SIGNATURE: _____

NAME (PRINT): _____

TITLE: _____

COMPANY: _____

CORPORATION STATEMENT

If a Corporation, answer the following:

1. When incorporated? _____
2. Where incorporated? _____
3. The Corporation is held:
 Publicly Privately
4. Has the Corporation previously offered Audit Services of similar size (as stated in the RFP) in the state of Florida?
 yes no
If yes, indicate Date: _____ Location: _____
5. Furnish the name, title, and address of each director, officer, principal manager and how long each has been employed.
6. Attach a copy of the Corporate Certificate from the Secretary of State.
7. Attach Credit references.

LIMITED LIABILITY COMPANY STATEMENT

If a Limited Liability Company (LLC), answer the following:

1. Date of organization? _____

2. Place of organization? _____

3. The LLC is held:

Publicly Privately

4. Indicate: Member-Managed or Manager-Managed

5. Is the LLC operating agreement recorded? yes no

If yes, indicate _____
Date Book Page Location

6. Has the LLC previously offered Audit Services of similar size (as stated in the RFP) in the state of Florida?

yes no

If yes, indicate Date: _____ Location: _____

7. Furnish the name, title, and address of each Member, Manager, and Managing Member and how long each has been employed.

8. Attach a copy of the LLC Certificate from the Secretary of State.

9. Attach one (1) copy of the LLC Operating Agreement.

10. Attach Credit references.

**PARTNERSHIP STATEMENT
(General or Limited)**

If a General or Limited Partnership, answer the following:

1. Date of organization? _____
2. Place of organization? _____
3. Indicate: General Partnership or Limited Partnership
4. Is the Partnership agreement recorded? yes no
If yes, indicate _____
Date Book Page Location
5. Has Partnership or any partner previously offered Audit Services of similar size (as stated in the RFP) in the state of Florida?
 yes no
If yes, indicate Date: _____ Location: _____
6. Furnish the name, title, and address of each director, officer, principal managers, general or limited partner, and how long each has been employed.
7. Attach one (1) copy of the Partnership Agreement.
8. Attach Credit references.

JOINT VENTURE STATEMENT

If a Joint Venture, answer the following:

1. Date of organization? _____

2. Place of organization? _____

3. Is the Joint Venture agreement recorded? yes no

If yes, indicate _____
Date Book Page Location

4. Has Joint Venture previously offered Audit Services of similar size (as stated in the RFP) in the State of Florida?

yes no

If yes, indicate Date: _____ Location: _____

5. Furnish the name, title and address of each director, officer, principal managers, general or limited partner of Joint Venture and how long they have been employed.

6. Attach one (1) copy of the Joint Venture Agreement.

7. Attach Credit references.

APPENDIX C
SBE SCHEDULES 1, 2, 3(A), & 4
RFP NO. 13-020/DP

SCHEDULE 1

LIST OF PROPOSED SBE-M/WBE PRIME AND/OR SUBCONTRACTOR PARTICIPATION

PROJECT NAME OR BID NAME: _____
 NAME OF PRIME BIDDER: _____
 CONTACT PERSON: _____
 BID OPENING DATE: _____

PROJECT NO. OR BID NO.: _____
 ADDRESS: _____
 PHONE NO.: _____ FAX NO.: _____
 USER DEPARTMENT: _____

THIS DOCUMENT IS TO BE COMPLETED BY THE PRIME CONTRACTOR AND SUBMITTED WITH BID PACKET. PLEASE LIST THE NAME, CONTACT INFORMATION AND DOLLAR AMOUNT OR PERCENTAGE OF WORK TO BE COMPLETED BY ALL SBE -M/WBE SUBCONTRACTORS ON THIS PROJECT. IF THE PRIME IS AN SBE-M/WBE, PLEASE ALSO LIST THE NAME, CONTACT INFORMATION AND DOLLAR AMOUNT OR PERCENTAGE OF WORK TO BE COMPLETED BY THE PRIME ON THIS PROJECT. THE PRIME AFFIRMS THAT IT WILL MONITOR THE SBES LISTED TO ENSURE THE SBES PERFORM THE WORK WITH ITS OWN FORCES.

Name, Address and Phone Number	(Check one or both Categories)		<u>DOLLAR AMOUNT OR PERCENTAGE OF WORK</u>				
	<u>M/WBE</u> Minority Business	<u>SBE</u> Small Business	Black	Hispanic	Women	Caucasian	Other (Please Specify)
1.	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	_____
2.	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	_____
3.	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	_____
4.	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	_____
5.	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	_____

(Please use additional sheets if necessary)

Total _____

Total Bid Price \$ _____

Total SBE-M/WBE Participation Dollar Amount or Percentage of Work _____

I hereby certify that the above information accurate to the best of my knowledge: _____
Signature Title

- Note:**
1. The amount listed on this form for a subcontractor must be supported by price or percentage listed on the signed Schedule 2 or signed proposal in order to be counted toward goal attainment.
 2. Firms may be certified by Palm Beach County as an SBE and/or and M/WBE. If firms are certified as both an SBE and M/WBE, please indicate the dollar amount or percentage under the appropriate category.
 3. M/WBE information is being collected for tracking purposes only.

**OSBA SCHEDULE 2
LETTER OF INTENT TO PERFORM AS AN SBE-M/WBE SUBCONTRACTOR**

This document must be completed by the SBE-M/WBE Subcontractor and submitted with bid packet. Specify in detail, the particular work items to be performed and the dollar amount and/or percentage for each work item. SBE credit will only be given for items which the SBE-M/WBE Subcontractor are SBE certified to perform. Failure to properly complete Schedule 2 may result in your SBE participation not being counted.

PROJECT NUMBER: _____ PROJECT NAME: _____

TO: _____
(Name of Prime Bidder)

The undersigned is certified by Palm Beach County as a - (check one or more, as applicable):

Small Business Enterprise _____ Minority Business Enterprise _____
Black _____ Hispanic _____ Women _____ Caucasian _____ Other (Please Specify) _____

Date of Palm Beach County Certification: _____

The undersigned is prepared to perform the following described work in connection with the above project. Additional Sheets May Be Used As Necessary

Line Item/ Lot No.	Item Description	Qty/Units	Unit Price	Total Price/ Percentage
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

at the following price or percentage _____
(Subcontractor's quote)

and will enter into a formal agreement for work with you conditioned upon your execution of a contract with Palm Beach County.

If undersigned intends to sub-subcontract any portion of this job to a certified SBE or a non-SBE subcontractor, please list the name of that subcontractor and the amount below.

Price or Percentage _____
(Name of Subcontractor)

The Prime affirms that it will monitor the SBE's listed to ensure the SBE's perform the work with its own forces. The undersigned subcontractor affirms that it has the resources necessary to perform the work listed without subcontracting to a non-certified SBE or any other certified SBE subcontractors except as noted above.

The undersigned subcontractor understands that the provision of this form to Prime Bidder does not prevent Subcontractor from providing quotations to other bidders.

(Print name of SBE-M/WBE Subcontractor)

By: _____
(Signature)

(Print name/title of person executing on behalf of SBE-M/WBE Subcontractor)

**OSBA Schedule 3(A)
PROFESSIONAL SERVICES ACTIVITY REPORT**

Project No.: _____
Task Authorization No: _____

REPORTING PERIOD: _____

Prime Consultant Address: _____
City/State: _____ Zip _____
Contact Person: _____ Phone # _____
Contract Name: _____
Contract Term: _____ Contract Amount \$ _____
Total Percentage performed by the Prime's Firm: _____ SBE-M/WBE Firm: _____
Service Type: Architectural _____ Engineering _____ Surveying _____
Other (Specify) _____
Have Sub-Consultants completed work with its own workforce for this application?
Yes _____ No _____

Note: If yes, complete below:

SUB-CONSULTANTS

1. Firms Name: _____
Address/Tel: _____
Estimated Start Date: _____ Contract Amount: _____
SCOPE OF WORK: _____
Percentage/Hrs Completed: _____ Amount Paid To Date _____

2. Firm's Name: _____
Address//Tel: _____
Estimated Start Date: _____ Contract Amount: _____
SCOPE OF WORK: _____
Percentage/Hrs Completed: _____ Amount Paid To Date _____

3. Firm's Name: _____
Address/Tel: _____
Estimated Start Date: _____ Contract Amount _____
SCOPE OF WORK: _____
Percentage/Hrs Completed: _____ Amount Paid To Date _____

I certify that the above is true to the best of my knowledge

Signature/Title

Revised 9/7/2011

OSBA SCHEDULE 4 - SBE-M/WBE PAYMENT CERTIFICATION

The Prime Contractor is to submit Schedule 4 with its Monthly Payment Request to Palm Beach County to reflect actual payments made to the SBE-M/WBE Subcontractor. The Prime Contractor is not to request signature from an SBE-M/WBE Subcontractor unless it has made a payment to the SBE-M/WBE Subcontractor. The SBE-M/WBE Subcontractor is not to complete and sign this form unless it has received a payment from the Prime Contractor for services actually performed by the SBE-M/WBE Subcontractor. A separate Schedule 4 is required for each SBE-M/WBE Subcontractor payment.

This is to certify that _____ received
(SBE or M/WBE Subcontractor Name)

(Monthly) or (Final) payment of \$ _____ . _____

On _____ - _____ - _____ from _____
MM DD YYYY (Prime Contractor Name)

For labor and/or materials used on _____ / _____
(Project Name) (Work Order)

DEPT.: _____ PROJECT NO.: _____

PRIME CONTRACTOR VENDOR CODE: _____

SBE OR M/WBE SUBCONTRACTOR VENDOR CODE: _____

=====

If the SBE Subcontractor intends to disburse any funds associated with this payment to any Subcontractor for labor provided on this project, please provide the following information:

*Subcontractor Name: _____ Amount to be paid: _____

*Note: If the subcontractor listed in this section is an SBE or M/WBE a separate schedule 4 is required to verify payment.

=====

By: _____
(Signature of Subcontractor) (Print Name & Title of Person executing on behalf of Subcontractor)

STATE OF FLORIDA
COUNTY OF _____

Sworn to and subscribed before me this _____ day of _____, 20_____

By: _____

Notary Public, State of Florida

Print, Type or Stamp Commissioned Name of Notary

Personally Known _____ OR Produced Identification _____ Type of Identification _____

APPENDIX D
CERTIFICATION OF BUSINESS LOCATION
RFP NO. 13-020/DP

In accordance with the Palm Beach County Local Preference Ordinance, as amended, a preference will be given to: (1) bidders/proposers having a permanent place of business in Palm Beach County ("County"); (2) bidders/proposers having a permanent place of business in the Glades that are able to provide the goods, services or construction to be utilized or built within the Glades; and (3) bidders/proposers having a permanent place of business in the County (non-Glades business) who utilize Glades subcontractors for construction projects in the Glades. To receive a local preference, bidders/proposers must have a permanent place of business within the County or the Glades, as applicable, prior to the County's issuance of any solicitation that meets or exceeds the mandatory bid/proposal amount. A Business Tax Receipt which is issued by the Palm Beach County Tax Collector, authorizes the bidder/proposer to provide the goods/services to be purchased, and will be used to verify that the bidder/proposer had a permanent place of business prior to the issuance of the solicitation. The bidder/proposer must submit this Certification of Business Location ("Certification") along with the required Business Tax Receipt at the time of bid or proposal submission. The Business Tax Receipt and this Certification are the sole determinant of local preference eligibility. Errors in the completion of this Certification or failure to submit this completed Certification will cause the bidder/proposer to not receive a local preference.

In instances where the bidder/proposer is exempt by law from the requirement of obtaining a Business Tax Receipt, the bidder/proposer must: (a) provide a citation to the specific statutory exemption; and (b) provide other documentation which clearly establishes that the bidder/proposer had a permanent place of business within the County or the Glades prior to the date of issuance of the solicitation. The County hereby retains the right to contact said bidders/proposers for additional information related to this requirement after the bid/proposal due date.

I. Bidder/Proposer is a:

_____ Local Business: A local business has a permanent place of business in Palm Beach County.

(Please indicate):

_____ Headquarters located in Palm Beach County
 _____ Permanent office or other site located in Palm Beach County from which a vendor will produce a substantial portion of the goods or services.

_____ Glades Business: A Glades business has a permanent place of business in the Glades.

(Please indicate):

_____ Headquarters located in the Glades
 _____ Permanent office or other site located in the Glades from which a vendor will produce a substantial portion of the goods or services.

II. The attached copy of bidder's/proposer's County Business Tax Receipt verifies bidder's/proposer's permanent place of business.

THIS CERTIFICATION is submitted by _____, as
 (Name of Individual)

_____, of _____
 (Title/Position) (Firm Name of Bidder/Proposer)

who hereby certifies that the information stated above is true and correct and that the County Business Tax Receipt is a true and correct copy of the original. Further, it is hereby acknowledged that any misrepresentation by the bidder/proposer on this Certification will be considered an unethical business practice and be grounds for sanctions against future County business with the bidder/proposer.

 (Signature)

 (Date)

APPENDIX E
DRUG-FREE WORKPLACE CERTIFICATION
RFP NO. 13-020/DP

IDENTICAL TIE PROPOSALS - In accordance with Section 287.087, F.S., a preference will be given to vendors submitting with their proposals the following certification that they have implemented a drug-free workplace program which meets the requirements of Section 287.087; provided, however, that any preference given pursuant to Section 287.087, shall be made in conformity with the requirements of the Palm Beach County Code, Chapter 2, Article III, Sections 2-80.21 through 2-80.34. In the event tie proposals are received from vendors who have not submitted with their proposals a completed Drug-Free Workplace Certification form, the award will be made in accordance with Palm Beach County's purchasing procedures pertaining to tie proposals.

This Drug-Free Workplace Certification form must be executed and returned with the attached proposal, and received on or before time of proposal opening to be considered. The failure to execute and/or return this certification shall not cause any proposal to be deemed non-responsive.

Whenever two (2) or more proposals which are equal with respect to price, quality, and service are received by Palm Beach County for the procurement of commodities or contractual services, a proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. In order to have a drug-free workplace program, a business shall:

- (1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- (2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- (3) Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in number (1).
- (4) In the statement specified in number (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893, Florida Statutes, or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- (5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- (6) Make a good faith effort to continue to maintain a drug-free workplace through implementation Section 287.087, Florida Statutes.

THIS CERTIFICATION is submitted by _____ the
(Individual's Name)

_____ of _____
(Title/Position with Company/Vendor) (Name of Company/Vendor)

who does hereby certify that said Company/Vendor has implemented a drug-free workplace program which meets the requirements of Section 287.087, Florida Statutes, which are identified in numbers (1) through (6) above.

Signature

Date

**APPENDIX F
DISCLOSURE OF OWNERSHIP INTERESTS
RFP NO. 13-020/DP**

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

**STATE OF FLORIDA
COUNTY OF PALM BEACH**

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

1. Affiant appears herein as:
[] an individual **or**
[] the _____ of _____.
[position—e.g., sole proprietor, president, partner, etc.] [name & type of entity—e.g., ABC Corp., XYZ Ltd. Partnership, etc.].
The Affiant or the entity the Affiant represents herein seeks to do business with Palm Beach County through its Board of County Commissioners.

2. Affiant's address is: _____
_____.

3. Attached hereto as Exhibit "A" is a complete listing of the names and addresses of every person or entity having a five percent (5%) or greater interest in the Affiant's corporation, partnership, or other principal. Disclosure does not apply to nonprofit corporations, government agencies, or to an individual's or entity's interest in any entity registered with the Federal Securities Exchange Commission or registered pursuant to Chapter 517, Florida Statutes, whose interest is for sale to the general public.

4. Affiant acknowledges that this Affidavit is given to comply with Palm Beach County policy, and will be relied upon by Palm Beach County and the Board of County Commissioners. Affiant further acknowledges that he or she is authorized to execute this document on behalf of the entity identified in paragraph one, if any.

5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.

6. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct and complete.

FURTHER AFFIANT SAYETH NAUGHT.

_____, Affiant
(Print Affiant Name)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, [] who is personally known to me or [] who has produced _____ as identification and who did take an oath.

Notary Public

(Print Notary Name)
State of Florida at Large
My Commission Expires: _____

EXHIBIT "A"

DISCLOSURE OF OWNERSHIP INTERESTS IN AFFIANT

Affiant must identify all entities and individuals owning five percent (5%) or more ownership interest in Affiant's corporation, partnership or other principal, if any. Affiant must identify individual owners. For example, if Affiant's principal is wholly or partially owned by another entity, such as a corporation, Affiant must identify the other entity, its address, and the individual owners of the other entity. Disclosure does not apply to any nonprofit corporation, government agency, or to an individual's or entity's interest in any entity registered with the Federal Securities Exchange Commission or registered pursuant to Chapter 517, Florida Statutes, whose interest is for sale to the general public.

Name

Address

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Sec. 2-80.20. Policy and purpose.

It is the policy of the board of county commissioners of Palm Beach County, Florida that all business be afforded an opportunity for full participation in the free enterprise system. In order to implement the policy, the board of county commissioners is committed to ensuring full and equitable participation by small business enterprises in the provision of goods and services to Palm Beach County.

(Ord. No. 2013-004, § I, 3-12-13)

Sec. 2-80.21. Definitions.

Acting as a conduit means, in part, not acting as a regular dealer by making sales of material, goods or supplies from items bought, kept in stock and regularly sold to the public, as opposed to only government agencies, in the usual course of business. Brokers, manufacturer's representatives, sales representatives and non-stocking distributors are considered as conduits that do not perform a commercially useful business function.

Affiliation means that the entity applying for SBE certification controls, has the power to control, or is controlled by another entity or entities, or an identity of interest exists between the entity applying for SBE

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certification and another entity or entities. In determining whether an affiliation exists, it is necessary to consider factors including, but not limited to, common ownership, common management, common use of facilities, equipment, and employees, contractual obligations and family interest in the business. Affiliated entities must be considered together in terms of gross receipts in determining whether a business entity meets SBE eligibility criteria.

Board means the board of county commissioners of Palm Beach County, Florida.

Business category means construction; professional services procured pursuant to the Competitive Consultant Negotiations Act (CCNA); other professional services, and commodities. For purposes of SBE eligibility criteria, a business entity shall be considered for eligibility in the business category in which it performs the largest portion of its work.

Certification means the process by which the office of small business assistance determines a business meets the criteria for a small, minority or woman business enterprise.

Certified small business enterprise (SBE) means a business which has been certified by the office of small business assistance (SBA).

Code means the Palm Beach County Code.

Commercially useful business function means adding value to the goods and services supplied under a contract. A small business is considered to perform a commercially useful business function when it is responsible for execution of a distinct element of work of a contract or transaction and carrying out its responsibilities by actually performing, managing and supervising the work performed. Businesses who merely act as a conduit do not perform a commercially useful business function and will not be eligible for certification as a SBE. In determining whether a business performs a commercially useful business function, consideration will include, but not be limited to, whether the business adds a value to the product or service provided; whether the business has a distributorship agreement with the manufacturer of goods supplied; whether the business takes possession of the product or service provided; whether the business warrants the product or service provided; whether the business maintains sufficient storage space to keep the product in inventory; whether the business maintains sufficient inventory to meet the requirements of its contracts; whether the business provides the product or service to the public or other business other than a governmental agency.

Committee means the small business advisory committee.

County means Palm Beach County.

Days means business days, unless specified otherwise.

Domiciled in the county means the business holds a valid Palm Beach County business tax receipt and has a permanent place of business in the county. In order to establish a permanent place of business in the county, the business must:

- (1) Demonstrate that business has been conducted at the county location, and sufficient full-time employees are maintained in the county to perform the contracted work;
- (2) The county business tax receipt bears the county address, and the county location is in an area zoned for the conduct of such business;
- (3) The county location must be verifiable through documentation such as property tax bill or lease agreement; and
- (4) The county location should be identifiable through signage, telephone listing, and/or website or social media. On-site visits may be conducted at any time to determine continued adherence to the domicile requirements and other requirements of the code. Additional backup

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documentation may be requested on a case-by-case basis. A county telephone number or post office box in the county shall not be sufficient without further documentation, to establish domicile in Palm Beach County.

Front shall mean a business which purports to be a small business but which is actually owned and/or controlled in a manner which does not comply with the county's requirements of certification.

Goals means annual small business goals expressed as percentages of total dollar volume for participation of small businesses in the county's procurement of goods, services and construction.

Gross receipts means the total annual sales for the applicant as stated on its federal income tax return, or for a new business that has not yet filed a federal income tax return, on its audited financial statements before deductions for returned items, allowances and discounts.

Home business means a small business that operates from the business owner's home. Home businesses usually have a very small number of employees that are often members of the business owner's family. A home business is not affiliated with, nor a subsidiary of another company located outside of the home. Home businesses meeting this definition are eligible for certification as a small business, provided they meet all other certification criteria. Home offices of an employee working for a company located in another county do not establish domicile in Palm Beach County.

Independent business is a business that operates free of control or reliance on another business. Recognition of the business as a separate legal entity for tax or corporate purposes is not necessarily sufficient for recognition as an independent business. In determining whether a potential small business is an independent business, the county shall consider all relevant factors, including but not limited to, the date the business was established, the adequacy of its resources for the type of work specified, relationships with affiliates and subsidiaries, and the degree to which financial, equipment leasing and other relationships with other businesses vary from established industry practices. If there has been a recent change in ownership of the business, a review of whether the acquisition of the business was done pursuant to an arm's length transaction will also be considered in determining independence of the business.

Independent contractor means a person who contracts to do work for another person according to his or her own processes and methods and is not subject to the control of the other person except for what is specified in the agreement for a specific job.

Joint venture means an association of two (2) or more persons or businesses registered with the State of Florida to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and knowledge.

Leased employee means the employee of a leasing company of professional employee organization who works for a business organization. The business organization maintains management of the worked performed by the employee. The leasing company handles administrative responsibilities such as, but not limited to payroll, compliance with state and federal regulations and unemployment insurance.

Minority person means an individual who is a citizen or lawful permanent resident of the United States who is:

- (1) A "Black American," a person having origins in any of the black racial groups of Africa.
- (2) A "Hispanic American," a person of Spanish or Portuguese culture with origins in Mexico, Central or South America, or the Caribbean, regardless of race.
- (3) An "Asian American," a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands.

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- (4) A "Native American," a person who is a member of, or is eligible to be a member of, a federally recognized Indian tribe. A "federally recognized Indian tribe" means an Indian tribe, band, nation, rancheria, pueblo, colony or other organized group or community, including any Alaska native village, which was recognized by the secretary of the interior on October 1, 1985, as having special rights and is recognized as eligible for the services provided by the United States to Indians because of their status as Indians, and any tribe that has a pending application for federal recognition on October 1, 1985, as having special rights and is recognized as eligible for the services provided by the United States to Indians because of their status as Indians, and any tribe that has a pending application for federal recognition on October 1, 1985.

M/WBE means a minority-owned business enterprise or a women-owned business enterprise or a combination minority and women-owned business enterprise. A M/WBE is any small business concern which is organized to engage in commercial transactions, which is domiciled in Palm Beach County, and which is at least fifty-one (51) percent owned by minority persons and/or women who are members of an insular group that is of a particular racial, ethnic or national origin makeup or gender, which has been subjected historically to disparate treatment due to identification in and with that group resulting in an under-representation of commercial enterprises under the group's control, and whose management and daily operations are controlled by such persons.

Manufacturer means a firm or business entity that produces an item from raw materials or who substantially alters the form of a product in order to make it suitable for a particular use.

Owned, for the purpose of determining whether a business is a minority or women business enterprise, shall mean that the minorities or women, as the context requires, shall possess an ownership interest of at least fifty-one (51) percent.

Prime contractor means any person who has a contract with the county to provide specific construction services, sales, supplies, materials, professional services, labor and/or equipment.

Professional services means any narrow discipline wherein a known practitioner has through education and experience developed expert advisory and programming skills as a vocation; any service performed primarily by vocational personnel which requires the analysis or certification of a professional before the services are acceptable to the user of the service; or any other advisory study, or programming activity where the director of purchasing determines that the level of skills and/or creativity of the potential or known practitioner(s) warrants a competitive proposal or submittal process.

Project goal means SBE goals expressed as percentages of total dollar volume for participation of small businesses, on individual county contracts.

SBE means small business enterprise certified by Palm Beach County.

Sheltered market program means a program under which certain contracting opportunities are made available only to certified SBEs.

Small business means a business domiciled in Palm Beach County and certified by the county which is an independently owned and operated, for profit, business concern organized to engage in commercial transactions and whose gross income, together with its affiliates do not exceed the following:

- (1) For a provider of construction the annual gross income does not exceed nine million dollars (\$9,000,000.00) (averaged over the previous three (3) years, or if in business, less than three (3) years, averaged during duration of business).
- (2) For a provider of commodities the annual gross income does not exceed five million dollars (\$5,000,000.00) (averaged over the previous three (3) years, or if in business, less than three (3) years, averaged during duration of business).

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- (3) For a provider of professional services procured pursuant to the CCNA statute the annual gross income does not exceed five million dollars (\$5,000,000.00) (averaged over the previous three (3) years or if in business less than three (3) years, averaged during duration of business).
- (4) For a provider of other professional services, the annual gross income does not exceed four million dollars (\$4,000,000.00) (averaged over the previous three (3) years, or if in business less than three (3) years, averaged during the duration of the business).

A small business must be majority owned and controlled by an individual who is a citizen or a lawful permanent resident of the United States.

Small and minority/women business directory means a compilation of certified small businesses and M/WBEs which is maintained electronically by the office of small business assistance and made available to contractor(s) or vendor(s) for use in identifying subcontractors, material suppliers, etc.

Subsidiary means a company whose controlling interest is owned by another company. A subsidiary cannot be considered an independent business.

Supplier means a business that supplies goods or materials. A supplier may be distinguished from a contractor or subcontractor who commonly adds specialized input to deliverables.

All terms not specifically defined herein, but defined in the county's purchasing ordinance, chapter 2, article III, division 2, part A of the County Code, as may be amended, shall carry the definition therein described.

(Ord. No. 02-064, § 1, 9-10-02; Ord. No. 04-071, § 1, 12-21-04; Ord. No. 05-048, §§ 1, 2, 11-15-05; Ord. No. 08-014, § I, 5-20-08; Ord. No. 2009-024, § I, 8-18-09; Ord. No. 2013-004, § II, 3-12-13)

Sec. 2-80.22. Scope.

This part shall apply to the solicitation of all goods, services and construction by the county which are governed by the county purchasing ordinance (sections [2-51](#)—2-57 of the County Code, as may be amended). Whenever possible, the county shall utilize a solicitation process which encourages SBE participation even on those items which are exempted from the requirements of the purchasing ordinance.

(Ord. No. 02-064, § 2, 9-10-02)

Sec. 2-80.23. Goals.

- (a) *Annual goals:* The annual SBE goal for county procurement of construction, professional services and commodities shall be a minimum of fifteen (15) percent. The annual goal shall be applied to each individual county procurement of goods, services or construction unless otherwise approved by the county administrator.
- (b) *Evaluation of goal attainment:* The goal shall be applied to the full monetary value of the contract and be reflected in the full monetary portion spent on subcontracts for supplies, consulting or construction services to be awarded to those SBEs meeting contract specifications.

In case of a certified SBE submitting a bid as a prime contractor, the SBE will be credited with meeting the percentage of the goal that the SBE will be performing with its own forces plus the percentage of subcontracts awarded to certified SBEs.

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A joint venture consisting of a small business and non-small business functioning together as a prime contractor will be credited with small business participation on the basis of the percentage of participation in the work, risk and profit by the small business.

Bidders will receive credit for goal attainment only for subcontractors who are certified and licensed, if required, in the specific area of expertise for which credit is sought at the time of bid opening.

Bidders utilizing SBE suppliers will receive credit for goal attainment at sixty (60) percent of the contract for supplies.

- (c) In the event annual goals are not achieved, the county may implement programs, including, but not limited to a sheltered market program for contracts under two hundred fifty thousand dollars (\$250,000.00), to achieve goal attainment. Any programs, other than sheltered markets, must be approved by the board prior to implementation.

(Ord. No. 02-064, § 3, 9-10-02; Ord. No. 08-014, § II, 5-20-08)

Sec. 2-80.24. Contract compliance requirements.

The office of small business assistance will establish procedures for monitoring and evaluating program performance and compliance, subject to the county administrator's approval. In addition to the remedies of suspension or debarment as provided in [section 2-80.26](#) of the Code, any contractor or firm that falsely represents to the county, pursuant to a county contract, that it is an SBE, or that it will utilize the services or commodities of an SBE and subsequently does not do so without the prior written approval of the county, may be in breach of contract. Upon determination that a breach of contract has occurred, the county shall have all available remedies for breach of contract. In addition, all amounts paid to the contractor or firm under the contract intended for expenditure with SBEs will be forfeited and recoverable by the county. The county, at its sole discretion, may waive the breach and available remedies; however any such waiver shall not constitute a waiver of rights for breach of any provision of the contract.

(Ord. No. 02-064, § 4, 9-10-02; Ord. No. 08-014, § III, 5-20-08)

Sec. 2-80.25. Ranking of responsive bidders.

When evaluating competitive bids/quotes of up to one million dollars (\$1,000,000.00) in which the apparent low bidder is determined to be nonresponsive to SBE requirements, the contract shall be awarded to the low bidder responsive to SBE requirements, or in the event there are no bidders responsive to the SBE requirements, to the bidder with the greatest SBE participation in excess of seven (7) percent participation, as long as the bid does not exceed the low bid amount by ten (10) percent.

In cases where the low bid exceeds one million dollars (\$1,000,000.00), the contract shall be awarded to the low bidder responsive to the SBE requirements, or in the event there are no bidders responsive to the SBE requirements, to the bidder with the greatest SBE participation in excess of seven (7) percent participation, provided that such bid does not exceed the low bid otherwise responsive to the bid requirements by more than one hundred thousand dollars (\$100,000.00) plus three (3) percent of the total bid in excess of one million dollars (\$1,000,000.00).

This section applies only when price is the determining factor.

(Ord. No. 02-064, § 5, 9-10-02; Ord. No. 08-014, § IV, 5-20-08)

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Sec. 2-80.26. Suspension/debarment.

The county reserves the right to suspend or debar any vendor who has previously failed to perform properly and who has done so by commission or omission of an act of such serious and compelling nature that the act indicates a serious lack of business integrity or honesty. Such acts include, but are not limited to:

- (1) The violation of any applicable law, regulation or contract provision relating to the performance of obligations incurred pursuant to an agreement with a recipient under a county contract.
- (2) Making or procuring to make any false statement or use of deceit.
- (3) Making false representations as a small business for purposes of qualifying for certification as such a business under a program that is designed to assist SBEs in the receipt of contracts with the county for the provision of goods or services.
- (4) Representing a SBE as performing a commercially useful function when such business is merely acting as a conduit in order to participate in the county's SBE program or receive a preference or benefit under the SBE program.
- (5) Repeatedly failing to meet SBE goals when submitting bids when there is documented availability of SBEs as shown by other bidders on the same projects meeting the stated goals.
- (6) Failing to comply with the SBE requirements of an awarded contract. The director of the office of small business assistance may refer a business or firm to the director of purchasing for consideration of suspension or debarment. The procedures for suspension or debarment are provided for in the purchasing ordinance.

(Ord. No. 02-064, § 6, 9-10-02; Ord. No. 05-048, § 3, 11-15-05; Ord. No. 08-014, § V, 5-20-08)

Sec. 2-80.27. Prompt payment.

Pursuant to the provisions of F.S. § 218.735(6), as may be amended, when a prime contractor receives payment from the county for labor, services or materials furnished by subcontractors or suppliers hired by the prime contractor, the prime contractor shall remit payment due to those subcontractors and suppliers within ten (10) days after the prime contractor's receipt of payment. When a subcontractor receives payment from a prime contractor for labor, services or materials furnished by sub-subcontractors and suppliers hired by the subcontractor, the subcontractor shall remit payment due to those sub-subcontractors and suppliers within seven (7) days after the subcontractor's receipt of payment from the prime contractor.

Every contract let by the county for the performance of work shall contain a provision requiring the prime contractor to certify in writing that all subcontractors, subconsultants and suppliers have been paid for work and materials from previous progress payments received, less any retainage, by the prime contractor prior to receipt of any further progress payments. During the contract and upon completion of the contract, the County may request documentation to certify payment to subcontractors, subconsultants or suppliers. Nothing herein shall prohibit a prime contractor or subcontractor from disputing, pursuant to the terms of a relevant contract, all or any portion of a payment alleged to be due to another party. In the event of such dispute, the prime contractor or subcontractor may withhold the disputed portion of any such payment if the prime contractor or subcontractor notifies the party whose payment is disputed, in writing, of the amount in dispute and the actions required to cure the dispute. The prime contractor or subcontractor must pay all undisputed amounts due within the time limits imposed by this section. All

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payments not made within the time periods herein specified shall bear interest at the rate of one (1) percent per month, or the rate specified by the contract, whichever is greater.

This provision in no way creates any contractual relationship between any subcontractor, subconsultant or supplier and the county or any liability on the county for the prime contractor's failure to make timely payment to the subcontractor, subconsultant or supplier.

(Ord. No. 02-064, § 7, 9-10-02; Ord. No. 08-014, § VI, 5-20-08)

Sec. 2-80.28. Procurement procedures.

The purchasing department shall establish specific purchasing procedures to increase SBE participation, including, but not limited to, purchases under the mandatory bid or proposal amount set forth in the purchasing code and purchases made by decentralized purchase orders (DPOs) under one thousand dollars (\$1,000.00). The purchasing procedures shall include a provision that every effort will be made by buyers to contact all registered certified SBE within a particular commodity area for purchases under the mandatory bid or proposal amount set forth in the purchasing code. The purchasing procedures shall also include a process so as to allow as many vendors as possible to compete in providing goods and services to Palm Beach County. The purchasing procedures shall also include a provision requiring awards of purchases under the mandatory bid or proposal amount set forth in the purchasing code to be made to the lowest responsive, responsible bidder unless a certified small business is within ten (10) percent of the lowest non-small business bid, in which case the award shall be made to the certified small business bidder submitting the lowest responsive, responsible bid. For purchases of goods and services over the mandatory bid or proposal amount set forth in the purchasing code goals will be established pursuant to the provisions of [section 2-80.23](#). This section shall not apply to procurement of construction.

(Ord. No. 02-064, § 8, 9-10-02; Ord. No. 05-048, § 4, 11-15-05; Ord. No. 08-014, § VII, 5-20-08)

Sec. 2-80.29. Professional services.

The county will provide contracting opportunities for SBEs and M/WBEs in the area of professional services pursuant to F.S. § 287.055, as amended, known as the "Consultant's Competitive Negotiation Act." The county will impose small business requirements on the solicitation of all other professional services not covered by the Consultant's Competitive Negotiation Act.

A summary of small business program procedures will be included in each solicitation. A point system will be utilized to determine the recipient of the contract award.

Businesses submitting proposals to provide professional services to the county will be eligible to receive points, not to exceed ten (10) percent of the total number of possible points awarded, for SBE participation. The distribution of points shall be stated in the request for proposal or otherwise made available to proposers or potential proposers upon request. Maximum points shall be awarded when the proposer is a certified SBE.

The provisions within this section pertaining to professional services are not intended to be used to the exclusion of other provisions of this part in the procurement of professional services.

(Ord. No. 02-064, § 9, 9-10-02)

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Sec. 2-80.30. Small business certification.

- (a) *Eligibility standards.* An eligible small business is an independent, for-profit business concern that performs a commercially useful business function, whose gross income is within the standards as defined in [section 2-80.21](#) above and who has been in business for at least one (1) year or whose owner has a certificate of small business competency issued by the Small Business Development Center, Palm Beach State College or other office of small business assistance approved courses. A small business must be domiciled in Palm Beach County in order to be eligible to participate.
- (b) *Application procedures.* All applicants wishing to be considered as certified businesses for the benefits of this program must apply for small business certification by completing the application and affidavit which can be obtained through the office of small business assistance and pay the applicable fee for certification, modification of certification or recertification. Applicants must submit the documentation listed below as appropriate to their business and all of its affiliates. The office of small business assistance may request any other documentation necessary to determine eligibility. Documents not in English must be accompanied by a certified translation. In instances where the applicant business has not been in existence three (3) years, it shall provide the documentation for the years the business has been in existence.
- (1) *Corporations:*
- a. List of the corporation's current full-time and part-time employees, including leased employees and/or independent contractors by length of service;
 - b. Proof of business location and operation in Palm Beach County;
 - c. Articles of incorporation, including date approved by the state, and any subsequent amendments;
 - d. By-laws;
 - e. Prior three (3) years' financial statement prepared by an independent CPA or accountant;
 - f. Prior three (3) years' federal corporate tax returns, including all schedules, as signed and filed;
 - g. Copies of last three (3) months' corporate payroll and/or payments to independent contractors;
 - h. Any necessary licenses to perform the work for which certification is sought;
 - i. Palm Beach County business tax receipt;
 - j. A list of all affiliates;
 - k. Resume of principals and management personnel showing education, training and employment dates;
 - l. Stock transfer agreements;
 - m. Copies of the corporation's distribution of profits for the previous year;
 - n. Copies of third party agreements, such as rental and lease agreements, management agreements, and purchase agreements;
 - o. Proof of stock purchase and capital investments.

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(2) *Partnerships:*

- a. List of the partnership's current full-time and part-time employees, including leased employees and/or independent contractors by length of service;
- b. Proof of business location and operation in Palm Beach County;
- c. Partnership agreement;
- d. Prior three (3) years' financial statements prepared by an independent CPA or accountant;
- e. Prior three (3) years' federal tax returns, including all schedules, as signed and filed;
- f. Any necessary licenses to perform the work for which certification is sought;
- g. Copies of last three (3) months' corporate payroll and/or payments to independent contractors;
- h. Palm Beach County business tax receipt;
- i. A list of all affiliates;
- j. Resumes of all partners and management personnel showing education, training and employment dates;
- k. Buy-out rights agreements;
- l. Profit sharing agreement;
- m. Proof of capital investment;
- n. Copies of the partnership distribution of profits for the previous year;
- o. Copies of third party agreements, such as rental and lease agreements, management agreements, or purchase agreements.

(3) *Sole proprietors:*

- a. Any necessary licenses to perform the work for which certification is sought;
- b. Verification of fictitious name registration;
- c. Prior three (3) years' federal tax returns, including all schedules, as signed and filed;
- d. List of current full-time and part-time employees including leased employees and/or independent contractors by length of service;
- e. Proof of business location and operation in Palm Beach County;
- f. Palm Beach County business tax receipt;
- g. A list of all affiliates;
- h. Resumes of owner and management personnel showing education, training, and employment dates;
- i. Copies of third party agreements such as rental and lease agreements, management agreements or purchase agreements.
- j. Copies of last three (3) months' payroll and/or payments to independent contractors.

- (c) *Application review procedures.* Once an applicant has submitted the application and all supporting documentation, certification review will commence and the following procedures will apply:

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- (1) The small business certification application and all supporting documents will be logged in as appropriate. The application will be reviewed for completeness and accuracy. The office of small business assistance will inform the applicant of any missing documentation. Any applicant failing to submit the requested documentation within thirty (30) days of the notice shall be deemed to have abandoned its application.
- (2) References will be called and information verified by third parties, when appropriate. The office of small business assistance will review the goods or services provided by the applicant to determine the appropriate National Institute of Government Procurement (NIGP) classification codes. Businesses will only be certified in the areas where they provide a commercially useful business function. In those instances when the NIGP codes are broader than the goods or services provided by the applicant, the office of small business assistance will appropriately limit the certification to those goods or services for which the application performs a commercially useful business function.
- (3) When deemed appropriate by the office of small business assistance, a personal interview or site visit will be scheduled with the principal(s) to discuss the documentation submitted and determine if the applicant meets the established criteria.
- (4) Applicants approved for certification will be notified immediately by mail.
- (d) *Denial of certification.* Applicants denied certification shall be notified by certified mail and informed of their right to appeal the denial. An applicant denied certification may not reapply for certification for one (1) year from the date of denial of the certification.
- (e) *Appeal of certification denial.* Any firm that believes it has been wrongly denied certification as a small business may file an appeal in writing, signed and dated, with the office of small business assistance. The appeal shall be filed no later than twenty (20) days from the date of the notice of denial of certification. The request for appeal shall state the specific reasons why the firm believes the denial of certification is erroneous.
- (f) *Hearing on appeal of certification denial.* If an appeal is filed, an administrative review will be conducted by the director of the office of small business assistance. The review will be conducted within forty-five (45) days of the filing of the request for appeal. The director of the office of small business assistance shall take one (1) of the following actions on the request for appeal:
 - (1) Uphold the appeal. If a determination is made that certification was denied, contrary to the provisions of the code, the director may uphold the appeal. If the appeal is upheld, a certification certificate shall be issued.
 - (2) Deny the appeal. If the appeal is denied, the applicant has the right to request the appeal be referred to a special master in accordance with subsection [2-80.30\(j\)](#) below.
 - (3) Refer the appeal directly to a special master with no determination made by the director of the office of small business, in accordance with subsection [2-80.30\(j\)](#) below.
- (g) *Continued certification.* A business must remain continuously eligible for certification throughout its certification period. Certification under a previous code does not guarantee that the small business continues to be eligible for the entire certification period if there is a modification of eligibility criteria. The office of small business assistance may conduct site visits or review documents to ensure continued compliance at any time during the certification period. Certified businesses are also required to notify the office of small business within thirty (30) days of any change in ownership, operation, control, activities or domicile.

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- (h) *Recertification.* Certified SBEs are required to submit an affidavit of their continued eligibility as a SBE every three (3) years along with an application for recertification. The office of small business assistance may conduct site visits or review documents to ensure continued compliance as a small business. If there has been a change in operation, ownership, control, activities, domicile or gross receipts, the SBE must identify such change on their application for recertification. Supporting documentation may be required for continued certification. A company that fails to submit its application for recertification and affidavit of continued eligibility or fails to submit documentation requested by the office of small business assistance or allow a site visit, will no longer be deemed certified for purposes of participation in the small business program.

The criteria for recertification shall be the same as for certification. An applicant may request an appeal of denial of recertification within twenty (20) days of the notice of denial. The hearing shall be conducted in the manner described in [section 2-80.30\(j\)](#). An applicant denied recertification may not reapply for certification for one (1) year from the denial of recertification.

- (i) *Decertification.* If during the period of certification, the county has reason to believe that the SBE received certification improperly, or that there has been a substantial change in circumstances in the operation, ownership, control, activities, domicile, or gross receipts that continued certification would be contrary to the county's small business policy, then the office of small business assistance may conduct an investigation of the allegations.

The office of small business assistance may decertify the SBE if the investigation indicates that:

- (1) The small business cannot be contacted at the last known address in Palm Beach County;
- (2) The small business is no longer in business;
- (3) The small business is no longer licensed to do the type of business for which it was certified;
- (4) The small business obtained its original certification and/or recertification through false representation or deceit;
- (5) The small business has been disbarred or suspended as a vendor by the county purchasing department. At the expiration of any suspension, the firm may reapply for certification;
- (6) Site visits have revealed no business being conducted at the county location; or
- (7) The small business does not meet the current eligibility standards for certification as a small business. Certification under a previous code does not guarantee that the small business continues to be eligible for their entire certification period.
- (8) The small business does not perform a commercially useful business function.
- (9) The small business refuses to allow an on-site inspection.
- (10) The small business has failed to notify the office of small business of any change in the ownership, location, structure or any other aspect of the small business which would affect its small business certification.

The office of small business assistance shall notify the small business by certified mail that it has been decertified. The small business may request an appeal hearing of the decertification within twenty (20) days of receipt of the notice. The resolution of the appeal shall be conducted in the manner described in subsection [2-80.30\(i\)](#). Nothing in this section shall prevent the office of small business assistance from commencing an investigation regarding the legitimacy of a small business certification. A business decertified pursuant to this section may not re-apply for certification for one (1) year from the date of decertification.

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(j) *Hearing before a special master.*

- (1) Upon receipt of a denial of appeal for certification, recertification, or decertification, an applicant may request a hearing before a special master. The request for a hearing shall be in writing to the director of the office of small business assistance, and shall be made within five (5) business days of issuance of the director of the office of small business' determination. The request for a hearing shall be accompanied by an appeal bond of one thousand dollars (\$1,000.00) which shall be remitted in the form of a money order, a certified check, a cashier's check or a bank check payable to the county.
- (2) At no time shall the applicant or any other person contact a special master regarding any issue pertaining to, or involving the appeal. Contact between the county and the special master shall be limited to scheduling and other administrative issues; including the provision and copying of public records pertinent to the appeal.
- (3) The office of small business assistance shall establish rules and regulations by separate policy and procedure detailing the selection of special masters, the appeals process, and the conduct governing appeal hearings. Such rules shall provide that the special master may not consider any evidence which was not available at the time of the application or recommendation for decertification or recommendation for denial of certification or recertification. Such rules shall also provide that the special master shall render a written decision within ten (10) working days of the hearing.
- (4) Special masters shall have the jurisdiction and authority to hear and decide appeals. The special master shall make a recommendation as to whether the appeal should be upheld as denied.
 - a. If the special master upholds the appeal, the special master shall recommend the director of the office of small business assistance issue a certification certificate. In these instances, the office of small business assistance shall return the appeal bond to the applicant.
 - b. If the special master denies the appeal, the special master shall recommend that certification be withheld. In these instances, the applicant's bond shall be forfeited.
 - c. The director of the office of small business assistance may accept the special master's recommendation or, if the director of the office of small business assistance determines the special master's recommendation is not in the county's best interest, the original recommendation of the office may be referred to the board for approval. At that time, the board may accept or reject the recommendation of the special master.
 - d. If a special master is unable to provide a fair hearing for any reason, the special master shall not accept the appeal and shall immediately notify the director of the office of small business assistance. The director of the office of small business assistance shall reassign the appeal to a special master who does not have a conflict.

(Ord. No. 02-064, § 10, 9-10-02; Ord. No. 04-071, §§ 2, 3, 12-21-04; Ord. No. 05-048, § 5, 11-15-05; Ord. No. 08-014, §§ VIII—XVII, 5-20-08; Ord. No. 2009-024, §§ II—VII, 8-18-09; Ord. No. 2013-004, § II, 3-12-13)

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Sec. 2-80.31. M/WBE certification.

- (a) *Purpose of M/WBE certification.* No preferences will be extended to certified M/WBEs, unless otherwise provided by law. However, businesses eligible for certification as a M/WBE are encouraged to become certified and maintain their certification in order to assist in the tracking of M/WBE availability and awards of contracts to M/WBEs. This information is vital to determining whether race and gender neutral programs assist M/WBE firms or whether race and gender preferences are necessary in order to address any discrimination in the market.
- (b) *Eligibility standards.* An eligible MBE or WBE is a small for profit business concern domiciled in the county which is both owned and controlled by minorities or by women and whose gross receipts are within the standards as defined in [section 2-80.21](#) above. Further, the business must meet all other criteria of a small business as provided above. Minorities and/or women must own at least fifty-one (51) percent of the business and the management and daily business operations are controlled by the minorities and/or women who own it. The ownership and control by minorities and/or women shall be real, substantial and continuing, and shall continue beyond the pro forma ownership of the firm as reflected in its ownership documents. The minority and/or women owners shall enjoy the customary incident of ownership and shall share in the risks and profits commensurate with their ownership interest, as demonstrated by an examination of the substance rather than form or arrangements.
- (1) *Ownership.* In determining ownership of the business, the contribution of capital or expertise by the minority and/or women owners to acquire their interest in the firm shall be real and substantial. Examples of insufficient contributions include, but are not limited to, a promise to contribute capital, a note payable to the firm or its owners who are not minorities or women, or the mere participation as an employee, rather than as a manager/owner.
- (2) *Control.* The minority and/or woman owner(s) must have operational and managerial control of the business.
- a. The primary consideration determining operational control and the extent to which the minority person and/or woman actually operates the business will rest upon the peculiarities of the industry of which the business is a part. Accordingly, in order to clarify the level of operational involvement of the minority person or woman in the business to be deemed as an M/WBE, the following examples are put forth and are not to be all-inclusive.
1. The minority person and/or woman should have experience in the industry for which certification is sought.
 2. The minority person and/or woman should be able to demonstrate that basic decisions pertaining to the daily operation of the business are independently made.
 3. The minority person and/or woman should have some technical competence in the industry for which certification is sought. The minority person and/or woman should have a working knowledge of the technical requirements of the business needed to operate in the industry.
- b. Managerial control means that the minority and/or woman has the demonstrable ability to make independent and unilateral business decisions needed to guide the future and destiny of the business. For a minority and/or woman to demonstrate the extent of his/her control, the following examples are put forth and are not intended to be all-inclusive:

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1. Corporate bylaws or partnership agreements or other agreements should be free of restrictive language which dilutes the minority's or women's control, thus preventing him/her from making those decisions which affect the destiny of the business.
2. The minority person and/or woman should be able to clearly show, through production of documents, the areas of control such as, but not limited to:
 - i. Authority and responsibility to sign payroll checks and letters of credit.
 - ii. Authority for negotiations and signature responsibility for insurance and/or bonds.
 - iii. Authority for negotiations and/or signature services.

If the owners of the firm who are not minorities or women are disproportionately responsible for the operation of the firm, then the firm is not to be considered an M/WBE within the meaning of this program. Where the actual management of the firm is contracted out to individuals other than the owner, those persons will be considered as controlling the business.

- (c) *Application procedures.* All applicants wishing to be considered as certified businesses must apply for M/WBE certification by completing an M/WBE disclosure affidavit which can be obtained through the office of small business assistance. Applicants must submit the documentation listed in [section 2-80.30\(b\)](#), as appropriate to their business and all of its affiliates. The office of small business assistance may request any other documentation necessary to determine eligibility. Documents not in English must be accompanied by a certified translation. In addition, applicants must submit documentation of the minority or woman status.
- (d) *Application review and appeal procedures:* The procedures for application review, recertification, decertification and appeals provided in [section 2-80.30\(d\)–\(j\)](#) shall apply equally for M/WBE certification.

(Ord. No. 02-064, § 11, 9-10-02; Ord. No. 05-048, § 6, 11-15-05; Ord. No. 08-014, § XVIII, 5-20-08; Ord. No. 2009-024, § VIII, 8-18-09; Ord. No. 2013-004, § III, 3-12-13)

Sec. 2-80.32. Small business assistance advisory committee.

There is hereby created and established an advisory committee to be known as the small business assistance (SBA) advisory committee.

- (1) *Membership:* The SBA advisory committee shall consist of the following members:
- a. One (1) black business owner certified as a small business by the county;
 - b. One (1) Hispanic business owner certified as a small business by the county;
 - c. One (1) women business owner certified as a small business by the county;
 - d. One (1) white male business owner certified as a small business by the county;
 - e. One (1) business owner domiciled in the county;
 - f. One (1) representative of a business incubator program;
 - g. One (1) representative of a Hispanic business organization;
 - h. One (1) representative of the National Association of Women in Construction;
 - i. One (1) representative of a women's business organization;

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- j. One (1) certified minority contractor;
- k. One (1) representative of the Associated General Contractors Association;
- l. One (1) representative of the Small Business Development Center;
- m. One (1) representative of a financial institution that assists small businesses;
- n. One (1) representative of a Black Chamber of Commerce of Palm Beach County;
- o. One (1) representative of a professional services organization.

Members shall be appointed at large by the board of county commissioners and shall serve for staggered terms of three (3) years. Members may only serve for (3) three consecutive three-year terms. Vacancies shall be filled in the same manner as the original appointments for the remainder of the vacant term. Each member shall serve without compensation and may be removed without cause by the board of county commissioners at any time. Travel reimbursement is limited to expenses incurred only for travel outside the county necessary to fulfill board member responsibilities when sufficient funds are budgeted and available, and upon approval of the county administrator or deputy county administrator.

- (2) *Duties and functions.* The committee shall have the following duties and functions:
- a. Review and evaluate the effectiveness of small business programs within county government;
 - b. Monitor and evaluate the effectiveness of the county's small business policies and procedures, resolutions and ordinances, including their implementation by the various county departments;
 - c. Study and evaluate the necessity for further county regulations and procedures regarding small business participation;
 - d. Receive and, where necessary, analyze information concerning the presence of discrimination in the bidding and contracting process and recommend to the board of county commissioners further steps to alleviate such discrimination;
 - e. Prepare, adopt and present an annual report to the board of county commissioners;
 - f. Research and review other jurisdictions' small business programs;
 - g. Act as a conduit between the county and the community, industry; organizations, trade associations, chambers of commerce and small and minority/women businesses;
 - h. Plan and participate in education and training for small businesses; and
 - i. Research and recommend to the board of county commissioners race- and gender-neutral mechanisms which will assist small businesses.
 - j. Monitor and report on level of minority/women business enterprise participation.
 - k. Monitor legislative initiatives and other issues and activities which impact small and M/WBE businesses and advise the board of county commissioners concerning same.
- (3) *Meetings and organizations.* The committee shall meet on a regular basis. A majority of members appointed shall constitute a quorum. In the presence of a quorum, committee business shall be conducted by a vote of a majority present. The meetings shall be governed by the Robert's Rules of Order. Reasonable public notice of all committee meetings shall be provided, and all such meetings shall be open to the public at all times.

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- (4) *Assistance to the committee.* The committee may request information from any department or agency of the county, local, regional, state, or federal government for information or advice in the performance of its work.
- (5) *Chair and vice-chair.* A chair and vice-chair shall be elected by a majority of the committee and shall serve for a term of one (1) year. The duties of the chair shall be to:
- a. Call committee meetings and set the agenda for the same;
 - b. Preside at committee meetings;
 - c. Establish subcommittees, appoint subcommittee chairs, and charge subcommittees with specific tasks;
 - d. Perform other functions as the committee may assign by rule or order.

The vice-chair shall perform the duties of the chair in the chair's absence, and such other duties as the chair may assign.

If a vacancy occurs in the office of the chair, the vice-chair shall become the chair for the unexpired term. If a vacancy occurs in the office of the vice-chair, the committee will elect another member to fill the unexpired term of the vice-chair.

- (6) *Advisory only.* The actions, decisions and recommendations of the committee shall not be final or binding on the board of county commissioners but shall be advisory only.
- (7) *Attendance.* Members shall be automatically removed for lack of attendance. Lack of attendance is defined as failure to attend three (3) consecutive meetings or failure to attend more than two-thirds (2/3) of the meetings scheduled during a calendar year. Participation for less than three-fourths ($\frac{3}{4}$) of a meeting shall constitute lack of attendance. Members removed under this section shall not continue to serve until a new appointment is made and removal shall create a vacancy.
- (8) *Conflict of interest.* Committee members shall be governed by the applicable provisions of the Palm Beach County Ethics Resolution R-94-693, as may be amended.

(Ord. No. 02-064, § 12, 9-10-02; Ord. No. 04-071, § 4, 12-21-04; Ord. No. 08-014, § XIX, 5-20-08; Ord. No. 2013-004, § IV, 3-12-13)

Sec. 2-80.33. Monitoring of minority/women business enterprise participation.

The small business program is hereby created after the successful operation of a M/WBE program for over a decade. To ensure that the county does not become a passive participant in discrimination against businesses owned by minorities and women, the office of small business assistance will prepare an annual report on the level of M/WBE participation in county contracting and procurement. The board of county commissioners shall consider the reports on M/WBE participation and determine what measures, if any, are necessary to address any change in M/WBE participation, if any. Tracking of participation by M/WBEs will take into consideration businesses who maintain certification, firms certified at the time of the sunset of the M/WBE Program and other reliable means of identification of M/WBEs.

(Ord. No. 02-064, § 14, 9-10-02)

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Sec. 2-80.34. Phase in of small business program and phase out of m/wbe program.

From October 1, 2002 through March 31, 2003, the small business program and M/WBE program, as described in sections 2-71 through 2-80.13, of the County Code, will operate concurrently. The intent of this concurrent operation is to allow for a smooth transition from one program to the other. During this transition period, the board of county commissioners specifically delegates to the county administrator the ability to determine which aspect(s) of each program will apply to each individual procurement of goods, services and construction and further delegates to the county administrator the authority to determine the schedule for phase in and phase out of the various program components. In determining such schedule, the county administrator shall consider the readiness of program documents, the number of certified firms and such other factors as may be appropriate.

(Ord. No. 02-064, § 15, 9-10-02)

Secs. 2-80.35—2-80.40. Reserved.

Editor's note—

Ord. No. 08-009, § XX, adopted May 20, 2008, amended the Code by repealing former § 2-80.35 in its entirety. Former § 2-80.35 pertained to referral for suspension or debarment, and derived from Ord. No. 05-048, adopted November 15, 2005.

Tab 4

VII. Other Matters - attachments

- a. Matters of Executive Director memo
- b. New South Bay Villas – March progress report



**Housing Finance Authority
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Official Electronic Letterhead

To: Housing Finance Authority

From: Executive Director

RE: April 13, 2018 meeting – Matters of Executive Director

FL ALHFA annual conference

The FL ALHFA conference is back at the Renaissance Vinoy in St. Petersburg July 11-14. For those attending, please either make your reservation as soon as possible. Early conference registration ends May 31. Further information can be found at: <http://flalhfa.com/2018-conference-information/>

Anyone wishing to use the Authority credit card for booking the hotel room, airfare or car rental should contact staff; otherwise conference related costs will be reimbursed post-conference as usual.

Florida Housing Finance Corporation – RFA 2017-113 9% HTC awards

The board of the FHFC approved at their March 16, 2018 meeting their staff's recommendation for the award of 9% competitive housing tax credits under RFA 2017-113 for Large Counties of which PBC is one of seven. Broward received two, and Duval, Hillsborough, Orange, PBC and Pinellas counties each received an award for one project. The PBC project is "Ocean Breeze East" to be developed by RS Development Corp. (Lewis Swezy). The project is to be the new construction of 123-units with a total estimated development cost of \$25.2M located on Seacrest Boulevard within the Boynton Beach CRA which is providing a \$567K grant.

Status report on the New South Bay Villas projects:

The Authority issued \$18.5M of bonds in March of 2017 for a project owned by New South Bay Villas Ltd. whose general partner is South Bay Villas, LLC, an entity created by the Palm Beach County Housing Authority ("PBCHA"). The "***New South Bay Villas***" apartments" ("NSBV") includes the substantial rehabilitation of the existing South Bay Villas and the demolition/replacement of the adjoining Marshall Heights apartment complex located in the City of South Bay. Upon completion NSBV will consist of 131 units all but one of will be subject to project based Section 8 vouchers. The substantial rehab of the former SBV units (completed gutted inside and out down to bare exterior block walls with new trusses and roofing, stairwells, windows and doors, etc.) is complete with the first tenants occupying units on March 29, 2018. The new construction on the old Marshall Heights site is expected to be completed by and begin lease-up in October of this year. Included in the agenda materials is the March 2018 "Progress Report" prepared by the developer's project manager.

New South Bay Villas – Progress Report



Aerial photo from taken February 9th, 2017

Construction Status

Since the commencement of construction activities in March of 2017 significant milestones in the redevelopment of New South Bay Villas have been achieved and we are on track for total project construction to be completed by the end of 2018. The first residential units are expected to receive a certificate of occupancy later this month and lease up is a fully underway. As of this week 55 total applications are in process and 25 of the 48 units have been assigned to qualified applicants. The project is within budget and only 35% of the total project contingency has been allocated to hard costs. The new construction units are also progressing rapidly and are expected to finish 2 months ahead of schedule to allow lease up to start in October of 2018.

New|South Bay VILLAS

3432 West 45th Street, West Palm Beach, FL 33407
Phone (561) 684-2160 Fax (561) 253-0706
www.phchaffl.org

Major milestones already accomplished include:

- Asbestos Abatement for entire site
- Complete interior demo and reconstruction of all residential units
- New water lines installed to supply fire suppression system
- Plumbing, Electrical and AC final inspections complete, TCO pending activation of new Fire Sprinkler lines
- Completed site soil abatement and reconstruction of storm water system
- New parking lot and sidewalks
- Complete demolition of all structures from Marshall Heights Property.
- 100% complete structural piles, slabs, first floor masonry and hollow core.
- 50% complete second floor masonry
- First 2 buildings have roof trusses installed and are in process of roof dry in

Next steps in the overall redevelopment include the activation of the fire sprinkler lines and issuance of a temporary certificate of occupancy for the 48 residential units at South Bay Villas. All as-builts for the water have been submitted and are pending approval by PBCWUD, allowing for TCO and move ins to be commenced by the end of March.



February 22nd 2018,

Final prep for parking lot
paving outside of buildings
2, 4 and 6.

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February 22nd 2018

Nearly completed exterior
of building 5 and 7



February 22nd 2018

Landscaped courtyard
between buildings 6 and 8

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February 27th, 2018

Interior photo of new kitchen in remodeled 2-bedroom residence.



February 22th, 2018

Exterior of new construction units in progress.



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Schedule

The overall construction schedule originally called for the delivery of the remodeled units at South Bay Villas at the end of December 2017 and the full project completion by the end of December 2018. Delays in the final approval for the water lines have impacted the first delivery now scheduled for the end of March, 2018. The overall schedule is progressing ahead of schedule and construction is now estimated to be complete by the end of October, 2 months earlier than anticipated. Based on this schedule lease-up of the remaining units will begin in August of this year.

Budget Status

The General Contractor has executed subcontracts for all the large construction scope items. To date change orders have been approved increasing the value of the hard costs of construction by \$481,462.00 using roughly 35% of the hard cost contingency from the project budget. These change orders were primarily to increase the scope of both the asbestos remediation as well as additional soil remediation and water utility work. As all large contracts are already issued and work is underway no other large change orders are expected.

Budget Projections

Current totals for the combined construction draws stand at 11.3M or roughly 52% of the total contracted hard costs. As the project moves forward the draw amount is expected to range between 1.5M and 2.0M per month. An additional bond purchase is scheduled to be executed April 2nd of an additional 2.75M providing which combined with an equity contribution of 3.5M will provide ample funding for construction activities in the near term. Due to the accelerated construction schedule there is however the potential for a temporary need for bridge financing or an acceleration of the other funding installments to maintain the current pace.