

REGULAR MEETING

A regular meeting of the Housing Finance Authority of Broward County, Florida, will be held on Wednesday, April 19, 2017, at 5:30 p.m., in the 2nd Floor Conference Room located at 110 N.E. 3rd Street, Suite 201, Fort Lauderdale, Florida.

CALLING OF THE ROLL

CONSENT AGENDA ITEMS 1 – 3

1. Approval of March 15, 2017, Regular Meeting Minutes
2. Executive Director's (March) Operational Report
3. Dufresne & Associates, CPA, PA (Agreement/Option)

MOTION TO APPROVE a one (1) year option to the Agreement between Dufresne & Associates, CPA, PA and the HFA and provide an effective date, commencing from June 30, 2017 to June 30, 2018 for the HFA accounting services.

MOTION TO APPROVE the Consent Agenda for April 19, 2017

REGULAR AGENDA

4. Financial Reports Monthly Overview – Ms. Linda Dufresne

MOTION TO APPROVE the Housing Finance Authority monthly financial reports for March 31, 2017.

5. Emerald Palms Apartment Project (Transfer of Ownership)

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida, approving and authorizing (I) an Assignment, Assumption, Consent and Release Agreement related to the Land Use Restriction Agreement dated as of May 1, 2001, of Emerald Palms Apartments, (II) a First Amendment to Land Use Restriction Agreement, (III) a Subordination Agreement for Regulatory Agreement, (IV) a Satisfaction of Mortgage, and (V) an Escrow Trust Deposit and Defeasement Agreement in connection with its \$15,900,000

Multifamily Housing Revenue Bonds (Emerald Palms Apartments Project), Series 2001A and its \$700,000 Taxable Multifamily Housing Revenue Bonds (Emerald Palms Apartments Project), Series 2001B; approving and authorizing the execution and delivery of certain other documents in connection therewith; and providing an effective date.

6. Emerald Palms Apartments Project (Inducement Resolution)

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority") declaring its official intent to issue Multifamily Housing Revenue Bonds (the "Bonds") of the Housing Finance Authority to finance all or a portion of the cost of the acquisition, rehabilitation and equipping of certain multifamily housing facilities (Emerald Palms Apartments) located within Broward County, Florida, and other related purposes; approving the issuance of the bonds, subject to certain further findings and conditions; and providing an effective date.

DISCUSSION ITEM

7. Local HFAs Investment Portfolio (Fee Comparison)

UPDATE ITEM

8. HFA 110 Building (Damaged Swales and Misuse of Property)

9. **MATTERS OF HFA MEMBERS**

10. **MATTERS FROM THE FLOOR**

11. **NEXT BOARD MEETING**

May 17, 2017

12. **ADJOURNMENT**

Subject to Change



BOARD PACKAGE

Meeting

APRIL 19, 2017



110 Northeast 3rd Street, Suite 300
Fort Lauderdale, FL 33301
Phone: 954.357.4900
Fax: 954.357.8221
www.broward.org/HFA

MINUTES
BOARD MEETING
Wednesday, March 15, 2017

A regular Board Meeting of the Housing Finance Authority (the “HFA”) of Broward County was held on Wednesday, March 15th, 2017, at 5:30 p.m., in the 2nd Floor Conference Room located at 110 Northeast 3rd Street, Fort Lauderdale, Florida.

The Chair, Ruth T. Cyrus, called the meeting to order at 5:32 p.m.

CALLING OF THE ROLL

A Roll Call was taken by Ms. Sonia Isme.

Jacqueline Paige Browne was not present during Roll Call but arrived at 5:34 p.m. and acknowledged by the Board.

Board Members Present

Ruth T. Cyrus, *Chair*
Jacqueline Paige Browne, *Vice Chair*
Colleen LaPlant, *Secretary*
Kirk L. Frohme, *Member*
Donna Jarrett-Mays, *Member*
Jose “Pepe” Lopez, *Member*
John G. Primeau, *Member*
Daniel D. Reynolds, *Member*

Board Members Absent

Milette Thurston, *Assistant Secretary*

Staff

Ralph Stone, *Executive Director*
Norman Howard, *Manager*
Sonia Isme, *Secretary*
James Rowlee, *Senior County Attorney*

Also Present

Linda Dufresne, *CPA* (Dufresne & Associates)
Deborah Zomermaand, *Financial Advisor*
Kevin E. Adderley, *The Sharpton Group*
Kevin B. Murray, *Karpus Investment Management*

CONSENT AGENDA ITEMS 1 – 3

1. Approval of February 15, 2017, Regular Meeting Minutes
2. Executive Director’s (February) Operational Report
3. 2017 Florida Association of Local Housing Finance Authorities Education Conference, Atlantic Beach, Florida.



MOTION TO APPROVE Consent Agenda, March 15, 2017.

MOTION was made by Mr. John G. Primeau, seconded by Mr. Daniel D. Reynolds, to approve Consent Agenda Items 1 through 4. All were in favor and the motion carried unanimously.

REGULAR AGENDA

5. The Sharpton Group, P.A. – Presentation – Mr. Kevin E. Adderley, Audit Director

Mr. Kevin E. Adderley, recognized as the Audit Director of The Sharpton Group, P.A., presented before the Board, an overview of the Fiscal Year '2016' Operational Audited Financial Statements for the Housing Finance Authority of Broward County (HFA).

Mr. Adderley provided a narrative on the Scope of the Audit, Significant audit results (Unmodified Audit Opinion on the Financial Statements, No Weaknesses Noted in the Internal Control System, Strong Financial Position as of September 30, 2016), and graphs depicting total assets, liabilities, net position, revenue and expense balances for the five fiscal years of September 30, 2016 through 2012. Mr. Adderley added that the financial statements were fairly presented in accordance with generally accepted accounting principles as of and for the fiscal year ended September 30, 2016.

Mr. Frohme inquired about the Emphasis of Matters statement presented in the draft audit report on the financial statements and its relevance to the Audit results. Mr. Adderley explained that the Emphasis of Matter statement was a potential disclosure that may be added to the audit report on the financial statements to explain the reduced investment return assumption adopted by the Florida Retirement System Actuarial Conference and the impact of this rate on the pension liability of the Florida Retirement System Pension Plan as of the Plan date of June 30, 2016. A final determination of whether an emphasis of a matter paragraph will be added to the audit report on the financial statements will be made upon discussions with the County principal external auditor Crowe Horwath and their assessment of the County's participant share of the FRS pension liability as of September 30, 2016.

(The audit results preceded in a detailed discussion between board members, Kirk L. Frohme, John G. Primeau and Daniel D. Reynolds).

6. Karpus Investment Management – Presentation – Mr. Kevin B. Murray, Vice President

Mr. Kevin B. Murray, recognized as the Vice President of Karpus Investment Management, presented before the Board, an overview of the Housing Finance Authority (HFA) investment portfolio.

Mr. Murray provided a detailed report of investment composition and performance (details were provided in a handout to the Board). Mr. Murray's review included portfolio results over a seventeen (17) year period; and included comparisons as of December 31, 2016.

The Board discussed the reports from Karpus with Mr. Murray, describing the return after fees, management fees and explained the time versus dollar weighting of returns.

(The HFA's Investment Portfolio preceded in a detailed discussion between board members, Kirk L. Frohme, John G. Primeau, Daniel D. Reynolds, and Financial Advisor, Deborah Zommermaand).

7. Financial Reports Monthly Overview – Ms. Linda Dufresne, Dufresne & Associates

Ms. Dufresne provided an overview of the Monthly Financial Reports and identified a few changes to the financial statements outlined in attachments 1 and 2 of the Balance Sheets and modifications to attachments 3 and 4 of the Profit and Loss reports in response to Mr. Kirk L. Frohme request for clarification.

(There was a detailed discussion between board members, Kirk L. Frohme, John G. Primeau, Daniel D. Reynolds, Chair, Ruth T. Cyrus, and Financial Advisor, Deborah Zommermaand, regarding attachment ten (10) Interest Income Analysis report of the Financial Statement and the HFA Investment Portfolio in reference to management fees).

In conclusion, Mr. Stone recommended to the Board and Staff, directing staff to gather informational materials to discuss at the next meeting, comparisons between other local Housing Finance Authorities, to include their Investment Policies, Rate of Return on Investments and Management Fees; and Karpus Investment Management agreement.

MOTION TO APPROVE the Housing Finance Authority monthly financial reports for February 31, 2017.

MOTION was made by Mr. Kirk L. Frohme, seconded by Mr. Daniel D. Reynolds, to approve the HFA's Monthly Financial Report for February 31, 2017. All were in favor and the motion carried unanimously.

8. Multi-Family Applications – Informational Items – Ms. Deborah Zommermaand

Ms. Zommermaand provided an update that there were no bond applications submitted prior to the deadline of February 24, 2017, Multifamily Application cycle; and therefore application submittals will now be considered at a first come, first serve basis.

8. **MATTERS OF HFA MEMBERS**

None.

9. **MATTERS FROM THE FLOOR**

Mr. Stone informed the Board of recent damages to the Right of Way, as a result of construction on the opposite end of the HFA building. Mr. Stone requested authorization from the Board to direct the County Attorney to prepare a demand letter, placing LMC, a Lennar Company on notice to repair any damages done to the Right of Way, and to cease and desist all operations on unauthorized grounds.

MOTION TO AUTHORIZE, Staff to prepare a demand letter to be signed by the Executive Director of the Housing Finance Authority, advising LMC, a Lennar Company to repair any and all damages to the Right of Way; and to cease and desist operations on unauthorized grounds.

MOTION was made by Mr. Daniel D. Reynolds seconded by Mr. Kirk L. Frohme, and motion carried unanimously.

10. **NEXT BOARD MEETING**

April 19, 2017

11. **ADJOURNMENT**

Meeting adjourned by Chair, Ruth T. Cyrus, at 6:31 p.m.

Disclosure: The above captioned Minutes are transcribed in a summary format. To request a CD of the full meeting, please contact Sonia Isme at (954) 357-4914.

MEMORANDUM

Date: April 7, 2017
To: Housing Finance Authority Board Members
Through: Ralph Stone, Executive Director
From: Norman L. Howard, Manager
Subject: March Operational Report

MULTIFAMILY HOUSING BOND TRANSACTIONS

2017 Multifamily housing transactions update for the month of March (Attachment 1).

SINGLE-FAMILY

Information listed below is the foreclosure/bankruptcy report received from CitiMortgage for the months of January 2017 and February 2017. The report for the month of March 2017 has not been received from CitiMortgage to date.

Bankruptcy – January 2017

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0	0	0	\$0	\$0

Foreclosure – January 2017

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
13	\$1,629,574	13	0	\$1,629,574	\$0

Bankruptcy – February 2017

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0	0	0	\$0	\$0

Foreclosure – February 2017

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
7	\$991,015	6	1	\$954,511	\$36,504

2017 Mortgage Credit Certificate Program (MCC)

At this time, the HFA has seventeen (17) lenders participating in the January 2017 MCC Program. The program totals to date are as follows:

<i>MCC's by Lender</i>	<i>Reserved</i>	<i>Issued</i>	<i>Cancelled/Expired</i>
Academy Mortgage	1	1	0
Bank of America	1	0	0
Banking Mortgage Services Trust Corp.	0	0	0
Cornerstone Home Lending	0	0	0
Everett Financial	0	0	0
Gold Star Mtg. Financial Group	1	0	0
Guaranteed Rate	0	0	0
Hamilton Funding Group	2	7	0
HG Mortgage, LLC	2	2	0
Neighborhood Housing Services of S. FL	0	0	0
Paramount Residential Mortgage Group	3	2	0
Plaza Home Mortgage	0	0	0
Primary Residential Mortgage	3	0	0
Priority Lending Corp.	0	0	0
VanDyk Mortgage Corp.	0	0	0
Venta Financial Group	0	0	0
Gulf Atlantic Funding Group	0	0	0
Totals	13	12	0
<i>Income to date:</i> \$3,525			

MULTI-FAMILY

Multifamily compliance monitoring; reporting period January 21, 2017, to February 20, 2017.

Monthly Compliance

Review of this month's bond report shows all properties are in compliance with their respective Land Use Restriction Agreements (LURA's).

Occupancy Report

The HFA Rental Occupancy Report for time period January 21, 2017, to February 20, 2017, is included (Attachment 2).

Annual Management Review and Inspections

The following three reviews and inspections were completed during the reporting period of January 21, 2017, to February 20, 2017.

ATTACHMENT 1

2017 MULTIFAMILY HOUSING BOND TRANSACTIONS – MARCH UPDATE

<u>HFA RANKING</u>	1	2	3
<u>PROJECT NAME</u>	<u>The Palms of Deerfield Apartments</u>	<u>St. Elizabeth Gardens</u>	<u>Emerald Palms Apartments</u>
<u>PROJECT LOCATION</u>	425 NW 1 st Terrace Deerfield Beach, FL 33441	801 NE33rd Street Pompano Beach FL 33064	5331 Southwest 43 rd Terrace Dania Beach, FL 33314
<u>DEVELOPER</u>	Deerfield Beach Family Empowerment, Inc., an entity affiliated with the “Housing Authority of the City of Deerfield Beach”	St. Elizabeth Gardens Development, LLC	MRK Partners Inc.
<u>PROFESSIONAL TEAM</u> <ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • TBD • Nabors, Giblin & Nickerson • AmeriNat 	<ul style="list-style-type: none"> • TBD • Nabors, Giblin & Nickerson • TBD 	<ul style="list-style-type: none"> •
<u>BOND AMOUNTS</u> <ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$7,250,000 • \$10,000,000 • TBD 	<ul style="list-style-type: none"> • \$13,000,000 • N/A • TBD 	<ul style="list-style-type: none"> • \$38,000,000 • N/A • TBD
<u>TEFRA & Inducement</u> <ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>Date of HFA Inducement</i> • <i>Date of BOCC Approval Cust. Agreement (If Applicable)</i> 	<ul style="list-style-type: none"> • \$10,000,000 (TEFRA & Inducement) • February 27, 2017 • June 8, 2016 • TBD • June 8, 2016 • N/A 	<ul style="list-style-type: none"> • TBD • TBD • TBD • TBD • TBD • N/A 	<ul style="list-style-type: none"> • \$38,000,000 (Inducement) • TBD • TBD • TBD • April 19, 2017 (Pending) • N/A
<u>ALLOCATION</u> <ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> • 	<ul style="list-style-type: none"> • \$10,000,000 (06-08-2016) 		\$38,000,000 (04-19-2017)/Pending
<u>TRANSACTION STATUS</u>	<i>See Note #1</i>	<i>See Note #2</i>	<i>See Note #3</i>

Note #1:

Application to fund Palms at Deerfield Beach in the 2016 allocation cycle was submitted to the HFA on October 29, 2015. The TEFRA Hearing was held on February 27, 2017. The financing is expected to fund the acquisition and rehabilitation of 100 units of affordable housing in Deerfield Beach. The HFA approved and induced the project at its board meeting on June 8, 2016, such acceptance effectively ranking it to receive tax-exempt bond allocation and/or carryforward in 2016.

Note #2:

Application to fund St. Elizabeth Gardens in the 2016 allocation cycle was submitted to the HFA on June 21, 2016. The financing is expected to fund the acquisition and rehabilitation of 151 units of affordable housing in Pompano Beach.

Note #3:

Application to fund Emerald Palms Apartments in the 2017 allocation cycle was submitted to the HFA on March 20, 2017. The financing is expected to fund the acquisition and rehabilitation of 318 units of affordable housing in Dania Beach. Presuming HFA approval and inducement of the project at its board meeting on April 19, 2017, such approval will rank the development to receive tax-exempt bond allocation and/or carryforward in 2017.

ATTACHMENT 2

Housing Finance Authority of Broward County
Rental Occupancy Report

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Property	Total Number of Units	From Mgmt Number of Units Occupied	% of Units Occupied	Previous month % of Lower Units Occupied January	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	Certificate of Compliance rec'd February	Comments	Vacant Units
Lake Vista (fka Ashlar/Pier Club)	480	397	82.7	24%	95	23.9	20%	2/28/2017	QP expires 6/1/2021	83
Banyan Bay	416	375	90.1	49%	179	47.7	20%	3/8/2017		41
Banyan Pointe	300	300	100.0	95%	284	94.7	40%	3/1/2017		
Chaves Lakes	238	238	100.0	95%	227	95.4	40%	2/27/2017	QP expires 3/2018	0
Colonial Park	160	159	99.4	100%	159	100.0	99%	2/23/2017		1
Cypress Grove/Sandalgrove	814	759	93.2	100%	759	100.0	40%	2/27/2017		55
Emerald Palms	318	312	98.1	88%	277	88.8	40%	2/28/2017	QP expires 5/1/2017	6
Fairlake at Weston	368	356	96.7	39%	135	37.9	20%	2/23/2017	QP expires 12/2016	12
Golden Villas	120	120	100.0	99%	119	99.2	40%	3/1/2017		0
Golf View Gardens	160	158	98.8	100%	158	100.0	100%	2/23/2017		2
Harbour Cove	212	210	99.1	90%	188	89.5	40%	2/28/2017		2
Heron Pointe	200	198	99.0	96%	191	96.5	40%	3/2/2017		2
Laguna Pointe	188	188	100.0	92%	172	91.5	40%	2/24/2017		0
Lauderhill Point (fka Driftwood Terr)	176	176	100.0	100%	176	100.0	100%	3/6/2017		0
Los Prados	444	398	89.6	22%	308	77.4	20%	2/28/2017		46
Mar Lago Village	216	195	90.3	44%	88	45.1	40%	3/10/2017		21
Meridian	160	158	98.8	100%	158	100.0	99%	2/27/2017	QP expires 5/2018	2
Palms of Deerfield	56	56	100.0	100%	56	100.0	100%	3/14/2017		0
Pembroke Gardens	198	197	99.5	96%	188	95.4	40%	3/1/2017	QP expires 12/2015	
Pembroke Park	244	241	98.8	91%	217	90.0	40%	2/28/2017		3
Pembroke Villas	180	176	97.8	94%	166	94.3	40%	4/6/2017	QP expires 6/2016	4
Pinnacle Village	148	144	97.3	99%	143	99.3	40%	3/1/2017		4
Prospect Park	125	124	99.2	100%	124	100.0	40%	3/6/2017		1
Sailboat Bend	37	37	100.0	100%	37	100.0	100%	3/9/2017		0
San Tropez (fka Pembroke Village)	480	462	96.3	20%	95	20.6	20%	3/10/2017	QP expires 6/26/2019	18
Sanctuary Cove	292	291	99.7	99%	289	99.3	40%	2/28/2017		1
St Croix	246	244	99.2	100%	244	100.0	40%	2/28/2017	QP expires 6/1/2020	2
Summerlake	108	104	96.3	100%	104	100.0	40%	2/20/2017		4
Venice Cove	150	148	98.7	100%	148	100.0	40%	2/24/2017	QP expires 11/2017	2
Woodsdale Oaks	172	170	98.8	100%	170	100.0	70%	2/24/2017		2
Totals	7,406	7,091			5,654					314
* Figures in red show properties that are less than 90% occupied										
Total % rate of occupancy for all properties		96%								
Properties highlighted in yellow have bonds outstanding although the QP has expired										
Pending New Projects										
Northwest Gardens (new construction)										
Stanley Terrace (acquisition rehab)										
Residents at Crystal Lakes (acquisition rehab)										

MULTI-FAMILY BOND RENTAL OCCUPANCY REPORT KEY

The Rental Occupancy Report was prepared by staff from Certifications of Continuing Compliance reports received from Multi Family property management.

Column B represents the total number of units the property has.

Column C represents the number of units occupied during the time period.

Column D represents the percentage of units occupied versus the total number.

Column E represents the percentage of total units that were lower income occupied during the month of January, 2017

Column F represents the number of lower income units occupied.

Column G represents the percentage of lower income units occupied versus the total number of units available.

Column H represents the lower income requirement per the Land Use Restriction Agreement.

Column I represents the date the Certificate of Compliance was received by Housing Finance Authority.

Column J represents comments deemed important or necessary such as the qualifying period expiration date or explanation for red numbers on the report.

Column K represents the number of units vacant for each property.

Columns that are blank represent no report was received from property management.

**Housing Finance Authority of Broward County
April 19, 2017 – Board Meeting**

Dufresne & Associates, CPA, PA - Action Item

Request authorization to execute a one (1) year option as allowed within the HFA agreement for Dufresne & Associates, CPA, PA

Background

The Housing Finance Authority (HFA) approved Resolution No. 2013-009 at their August 14, 2013, regular meeting authorizing and entering into an agreement with Dufresne & Associates, CPA, PA for a three (3) year term with provisions for two (2) one (1) year options for accounting services to the HFA. This contract was executed on August 14, 2013 and expires on June 17, 2017.

Recommendation

Authorize a one (1) year option to the agreement between Housing Finance Authority of Broward County and Zomermaand Financial Advisory Services, LLC from June 17, 2017 to June 17, 2018 for the HFA accounting services.

Attachment

1. Agreement between the HFA and Dufresne & Associates, CPA, PA

AGREEMENT

between

HOUSING FINANCE AUTHORITY

and

DUFRESNE & ASSOCIATES, CPA, PA

for

ACCOUNTING SERVICES FOR THE
BROWARD COUNTY HOUSING FINANCE AUTHORITY

AGREEMENT

between

HOUSING FINANCE AUTHORITY

and

DUFRESNE & ASSOCIATES, CPA, PA

for

ACCOUNTING SERVICES FOR THE
BROWARD COUNTY HOUSING FINANCE AUTHORITY

This is an Agreement, made and entered into by and between: BROWARD COUNTY HOUSING FINANCE AUTHORITY, created pursuant to Chapter 159, Florida Statutes, hereinafter referred to as "HFA,"

AND

DUFRESNE & ASSOCIATES, CPA, PA, a Florida corporation, hereinafter referred to as "DUFRESNE."

IN CONSIDERATION of the mutual terms, conditions, promises, covenants, and payments hereinafter set forth, HFA and DUFRESNE agree as follows:

ARTICLE 1
DEFINITIONS AND IDENTIFICATIONS

For purposes of this Agreement, reference to one gender shall include the other, use of the plural shall include the singular, and use of the singular shall include the plural. The following definitions apply unless the context in which the word or phrase is used requires a different definition:

- 1.1 **Agreement** - means this document, Articles 1 through 9, inclusive. Other terms and conditions are included in the exhibits and documents that are expressly incorporated by reference.
- 1.2 **County** – means Broward County, a political subdivision of the State of Florida.
- 1.3 **Contract Administrator** - The Executive Director of the Broward County Housing Finance Authority. The primary responsibilities of Contract Administrator

are to coordinate and communicate with DUFRESNE and to manage and supervise execution and completion of the Scope of Services and the terms and conditions of this Agreement as set forth herein. In the administration of this Agreement, as contrasted with matters of policy, all parties may rely on the instructions or determinations made by Contract Administrator; provided, however, that such instructions and determinations do not change the Scope of Services.

- 1.4 **County Attorney** - The chief legal counsel for HFA who directs and supervises the Office of the County Attorney pursuant to Section 2.10 of the Broward County Charter.
- 1.5 **HFA** - The Broward County Housing Finance Authority, created pursuant to Chapter 159, Florida Statutes.
- 1.6 **Project** - The Project consists of the services described in Article 2.

ARTICLE 2 SCOPE OF SERVICES

- 2.1 DUFRESNE shall perform all work identified in this Agreement and Exhibit "A." The parties agree that the scope of services is a description of DUFRESNE's obligations and responsibilities and is deemed to include preliminary considerations and prerequisites, and all labor, materials, equipment, and tasks which are such an inseparable part of the work described that exclusion would render performance by DUFRESNE impractical, illogical, or unconscionable.
- 2.2 DUFRESNE acknowledges and agrees that Contract Administrator has no authority to make changes that would increase, decrease, or otherwise modify the Scope of Services to be provided under this Agreement.

ARTICLE 3 TERM AND TIME OF PERFORMANCE

- 3.1 The term of this Agreement shall begin on the date it is fully executed by both parties and shall end on June 30, 2017; provided, however, if the term of this Agreement extends beyond a single fiscal year of HFA, the continuation of this Agreement beyond the end of any fiscal year shall be subject to both the appropriation and the availability of funds in accordance with Chapter 129, Florida Statutes. This Agreement may be extended, at the sole option of the HFA, for two (2) additional one (1) year terms, by HFA providing written notice to DUFRESNE not less than sixty (60) days prior to the expiration of any term.
- 3.2 All duties, obligations, and responsibilities of DUFRESNE required by this Agreement shall be completed as specified in the Scope of Services attached

hereto as Exhibit "A." Time shall be deemed to be of the essence in performing the duties, obligations and responsibilities required by this Agreement.

- 3.3 HFA and DUFRESNE have currently entered into an agreement for the identical scope of services, which terminates on December 31, 2013. This agreement is for services for years prior to the fiscal year ending September 30, 2014. The prior agreement shall remain in effect until its expiration or termination, and is deemed to be complimentary not redundant to any of the services contemplated by this agreement.

ARTICLE 4 COMPENSATION

- 4.1 HFA agrees to pay DUFRESNE, in the manner specified in Section 4.2, the total amount as shown on Exhibit "A" attached hereto and made a party hereof, for work actually performed and completed pursuant to this Agreement, which amount shall be accepted by DUFRESNE as full compensation for all such work. It is acknowledged and agreed by DUFRESNE that this amount is the maximum payable and constitutes a limitation upon HFA's obligation to compensate DUFRESNE for its services related to this Agreement. This maximum amount, however, does not constitute a limitation, of any sort, upon DUFRESNE's obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services. No amount shall be paid to DUFRESNE to reimburse its expenses.

4.2 METHOD OF BILLING AND PAYMENT

- 4.2.1 DUFRESNE may submit invoices for compensation no more often than on a monthly basis, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and/or the expenses incurred.
- 4.2.2 HFA shall pay DUFRESNE within thirty (30) calendar days of receipt of DUFRESNE's proper invoice, as required by the "Broward County Prompt Payment Ordinance" (Broward County Ordinance No. 89-49, as may be amended from time to time). To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by Contract Administrator. Payment may be withheld for failure of DUFRESNE to comply with a term, condition, or requirement of this Agreement.
- 4.3 Notwithstanding any provision of this Agreement to the contrary, HFA may withhold, in whole or in part, payment to the extent necessary to protect itself

from loss on account of inadequate or defective work which has not been remedied or resolved in a manner satisfactory to Contract Administrator or failure to comply with this Agreement. The amount withheld shall not be subject to payment of interest by HFA.

4.4 Payment shall be made to DUFRESNE at:

Dufresne & Associates, CPA, PA
P.O. Box 1179
Orange Park, FL 32067-1179

ARTICLE 5
INDEMNIFICATION

DUFRESNE shall at all times hereafter indemnify, hold harmless and, at County Attorney's option, defend or pay for an attorney selected by County Attorney to defend HFA, its officers, agents, servants, and employees from and against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to be caused by intentional or negligent act of, or omission of, DUFRESNE, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. In the event any lawsuit or other proceeding is brought against HFA by reason of any such claim, cause of action or demand, DUFRESNE shall, upon written notice from HFA, resist and defend such lawsuit or proceeding by counsel satisfactory to HFA or, at HFA's option, pay for an attorney selected by County Attorney to defend HFA. The provisions and obligations of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by Contract Administrator and County Attorney, any sums due DUFRESNE under this Agreement may be retained by HFA until all of HFA's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved; and any amount withheld shall not be subject to payment of interest by HFA.

ARTICLE 6
INSURANCE

- 6.1 To ensure the indemnification obligation contained above, DUFRESNE shall, at a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement (unless otherwise provided), the insurance coverages set forth in Sections 6.3, 6.4, 6.5, and 6.6, in accordance with the terms and conditions required by this Article. Each insurance policy shall clearly identify the foregoing indemnification as insured.

6.2 Such policy or policies shall be without any deductible amount unless otherwise noted in this Agreement and shall be issued by approved companies authorized to do business in the state of Florida, and having agents upon whom service of process may be made in Broward County, Florida. DUFRESNE shall pay all deductible amounts, if any. DUFRESNE shall specifically protect HFA and the Broward County Board of County Commissioners by naming HFA and the Broward County Board of County Commissioners as additional insureds under the Commercial Liability Policy as well as on any Excess Liability Policy coverage. The official title of the certificate holder is Broward County Board of County Commissioners. This official title shall be used in all insurance documentation.

6.3 Professional Liability Insurance. A Professional Liability Insurance Policy shall be provided which shall contain minimum limits of Two Million Dollars (\$2,000,000.00) for each claim. Any deductible amount shall not exceed One Hundred Thousand Dollars (\$100,000.00) for each occurrence. **DUFRESNE shall notify HFA in writing within thirty (30) days of any claim filed or made against its Professional Liability Insurance Policy.**

6.4 Commercial Liability Insurance. A Commercial Liability Insurance Policy shall be provided which shall contain minimum limits of One Million Dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury liability and property damage liability and shall contain minimum limits of Two Million Dollars (\$2,000,000.00) per aggregate. Coverage must be afforded on a form no more restrictive than the latest edition of the Commercial Liability Policy, without restrictive endorsements, as filed by the Insurance Services Office and must include:

Premises and/or operations.

Independent contractors.

Products and/or Completed Operations for contracts.

Broad Form Contractual Coverage applicable to this specific Agreement, including any hold harmless and/or indemnification agreement.

Personal Injury Coverage with Employee and Contractual Exclusions removed, with minimum limits of coverage equal to those required for Bodily Injury Liability and Property Damage Liability.

6.5 Business Automobile Liability. Business Automobile Liability shall be provided with minimum limits of Five Hundred Thousand Dollars (\$500,000.00) per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest

edition of the Business Automobile Liability policy, without restrictive endorsements, as filed by the Insurance Services Office, and must include:

Owned Vehicles, if applicable.

Hired and Non-Owned Vehicles, if applicable.

Employers' Non-Ownership, if applicable.

- 6.6 Workers' Compensation Insurance. Workers' Compensation insurance to apply for all employees in compliance with Chapter 440, Florida Statutes, as may be amended from time to time, the "Workers' Compensation Law" of the state of Florida, and all applicable federal laws. In addition, the policy(ies) must include:

Employers' Liability with a limit of Five Hundred Dollars (\$500,000.00) each accident.

- 6.7 DUFRESNE shall furnish to HFA's Contract Administrator Certificate of Insurance or endorsements evidencing the insurance coverage specified by this Article within fifteen (15) calendar days after notification of award of the Agreement and attached hereto as Exhibit "B." The required Certificates of Insurance shall name the types of policies provided, refer specifically to this Agreement, and state that such insurance is as required by this Agreement. The Certificate of Insurance shall be in form similar to and contain the information set forth in Form 00708, to be provided by Broward County's Risk Management Division. DUFRESNE's failure to provide to HFA the Certificates of Insurance or endorsements evidencing the insurance coverage within fifteen (15) calendar days shall provide the basis for the termination of the Agreement.

- 6.8 Coverage is not to cease and is to remain in force (subject to cancellation notice) until all performance required of DUFRESNE is completed. All policies must be endorsed to provide HFA with at least thirty (30) days' notice of expiration, cancellation and/or restriction. If any of the insurance coverages will expire prior to the completion of the work, copies of renewal policies shall be furnished at least thirty (30) days prior to the date of their expiration.

- 6.9 HFA reserves the right to review and revise any insurance requirements at the time of renewal or amendment of this Agreement, including, but not limited to, deductibles, limits, coverage, and endorsements based on insurance market conditions affecting the availability or affordability of coverage, or changes in the scope of work or specifications that affect the applicability of coverage. If DUFRESNE uses a subcontractor, DUFRESNE shall ensure that subcontractor names HFA as an additional insured.

ARTICLE 7
TERMINATION

- 7.1 This Agreement may be terminated for cause by the aggrieved party if the party in breach has not corrected the breach within ten (10) days after written notice from the aggrieved party identifying the breach. This Agreement may also be terminated for convenience by HFA. Termination for convenience by HFA shall be effective on the termination date stated in written notice provided by HFA, which termination date shall be not less than thirty (30) days after the date of such written notice. This Agreement may also be terminated by Contract Administrator upon such notice as Contract Administrator deems appropriate under the circumstances in the event Contract Administrator determines that termination is necessary to protect the public health or safety. The parties agree that if HFA erroneously, improperly or unjustifiably terminates for cause, such termination shall be deemed a termination for convenience, which shall be effective thirty (30) days after such notice of termination for cause is provided.
- 7.2 This Agreement may be terminated for cause for reasons including, but not limited to, DUFRESNE's repeated (whether negligent or intentional) submission for payment of false or incorrect bills or invoices, failure to suitably perform the work, or failure to continuously perform the work in a manner calculated to meet or accomplish the objectives as set forth in this Agreement. The Agreement may also be terminated for cause if the DUFRESNE is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List created pursuant to Section 215.473, Florida Statutes, or if the DUFRESNE provides a false certification submitted pursuant to Section 287.135, Florida Statutes. This Agreement may also be terminated by the Board:
- 7.2.1 Upon the disqualification of DUFRESNE as a CBE by COUNTY's Director of Office of Economic and Small Business Development if DUFRESNE's status as a CBE was a factor in the award of this Agreement and such status was misrepresented by DUFRESNE;
 - 7.2.2 Upon the disqualification of DUFRESNE by COUNTY's Director of Office of Economic and Small Business Development due to fraud, misrepresentation, or material misstatement by DUFRESNE in the course of obtaining this Agreement or attempting to meet the CBE contractual obligations;
 - 7.2.3 Upon the disqualification of one or more of DUFRESNE's CBE participants by COUNTY's Director of the Office of Economic and Small Business Development if any such participant's status as a CBE firm was a factor in the award of this Agreement and such status was misrepresented by DUFRESNE or such participant;
 - 7.2.4 Upon the disqualification of one or more of DUFRESNE's CBE participants by COUNTY's Director of the Office of Economic and Small Business

Development if such CBE participant attempted to meet its CBE contractual obligations through fraud, misrepresentation, or material misstatement; or

- 7.2.5 If DUFRESNE is determined by COUNTY's Director of the Office of Economic and Small Business Development to have been knowingly involved in any fraud, misrepresentation, or material misstatement concerning the CBE status of its disqualified CBE participant.
- 7.3 Notice of termination shall be provided in accordance with the "NOTICES" section of this Agreement except that notice of termination by the County Administrator, which the County Administrator deems necessary to protect the public health, safety, or welfare may be verbal notice that shall be promptly confirmed in writing in accordance with the "NOTICES" section of this Agreement.
- 7.4 In the event this Agreement is terminated for convenience, DUFRESNE shall be paid for any services properly performed under the Agreement through the termination date specified in the written notice of termination. DUFRESNE acknowledges that it has received good, valuable and sufficient consideration from HFA, the receipt and adequacy of which are, hereby acknowledged by DUFRESNE, for HFA's right to terminate this Agreement for convenience.
- 7.5 In the event this Agreement is terminated for any reason, any amounts due DUFRESNE shall be withheld by HFA until all documents are provided to HFA pursuant to Section 9.1 of Article 9.

ARTICLE 8 EEO and CDBE COMPLIANCE

8.1 EEO COMPLIANCE

DUFRESNE shall not unlawfully discriminate on the basis of race, color, national origin, sex, religion, age, marital status, political affiliation, familial status, disability, sexual orientation, pregnancy, or gender identity and expression in the performance of this Agreement, the solicitation for or purchase of goods or services relating to this Agreement, or in subcontracting work in the performance of this Agreement and shall not otherwise unlawfully discriminate in violation of the Broward County Code, Chapter 16½, as may be amended from time to time. DUFRESNE shall include the foregoing or similar language in its contracts with any subcontractors or subconsultants, except that any project assisted by the U.S. Department of Transportation funds shall comply with the non-discrimination requirements in 49 C.F.R. Parts 23 and 26, as amended. Failure to comply with the foregoing requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as HFA deems

appropriate.

DUFRESNE shall not unlawfully discriminate against any person in its operations and activities or in its use or expenditure of funds in fulfilling its obligations under this Agreement. DUFRESNE shall affirmatively comply with all applicable provisions of the Americans with Disabilities Act (ADA) in the course of providing any services funded by HFA, including Titles I and II of the ADA (regarding nondiscrimination on the basis of disability), and all applicable regulations, guidelines, and standards. In addition, DUFRESNE shall take affirmative steps to ensure nondiscrimination in employment against disabled persons.

By execution of this Agreement, DUFRESNE represents that it has not been placed on the discriminatory vendor list (as provided in Section 287.134, Florida Statutes, as may be amended from time to time). HFA hereby materially relies on such representation in entering into this Agreement. An untrue representation of the foregoing shall entitle HFA to terminate this Agreement and recover from DUFRESNE all monies paid by HFA pursuant to this Agreement, and may result in debarment from HFA's competitive procurement activities.

ARTICLE 9 MISCELLANEOUS

9.1 RIGHTS IN DOCUMENTS AND WORK

Any and all reports, photographs, surveys, and other data and documents provided or created in connection with this Agreement are and shall remain the property of HFA, and, if a copyright is claimed, DUFRESNE grants to HFA a non-exclusive license to use the copyrighted item(s) indefinitely, to prepare derivative works, and to make and distribute copies to the public. In the event of termination of this Agreement, any reports, photographs, surveys, and other data and documents prepared by DUFRESNE, whether finished or unfinished, shall become the property of HFA and shall be delivered by DUFRESNE to the Contract Administrator within seven (7) days of termination of this Agreement by either party. Any compensation due to DUFRESNE shall be withheld until all documents are received as provided herein.

9.2 PUBLIC RECORDS

HFA is a public agency subject to Chapter 119, Florida Statutes. To the extent DUFRESNE is a Contractor acting on behalf of the HFA pursuant to Section 119.0701, Florida Statutes, DUFRESNE shall:

- 9.2.1 Keep and maintain public records that ordinarily and necessarily would be required to be kept and maintained by HFA were HFA performing the services under this Agreement;

- 9.2.2 Provide the public with access to such public records on the same terms and conditions that HFA would provide the records and at a cost that does not exceed that provided in Chapter 119, Florida Statutes, or as otherwise provided by law;
- 9.2.3 Ensure that public records that are exempt or that are confidential and exempt from public record requirements are not disclosed except as authorized by law; and
- 9.2.4 Meet all requirements for retaining public records and transfer to HFA, at no cost, all public records in possession of DUFRESNE upon termination of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt. All records stored electronically must be provided to HFA in a format that is compatible with the information technology systems of HFA.

The failure of DUFRESNE to comply with the provisions set forth in this Section shall constitute a default and breach of this Agreement and HFA shall enforce the default in accordance with the provisions set forth in Section 7.1.

9.3 AUDIT RIGHTS, AND RETENTION OF RECORDS

HFA shall have the right to audit the books, records, and accounts of DUFRESNE and its subcontractors that are related to this Project. DUFRESNE and its subcontractors shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Project. All books, records, and accounts of DUFRESNE and its subcontractors shall be kept in written form, or in a form capable of conversion into written form within a reasonable time, and upon request to do so, DUFRESNE or its subcontractor, as applicable, shall make same available at no cost to HFA in written form.

DUFRESNE and its subcontractors shall preserve and make available, at reasonable times for examination and audit by HFA, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida Public Records Act, Chapter 119, Florida Statutes, if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for HFA's disallowance and recovery of any payment upon such entry.

DUFRESNE shall ensure that the requirements of this Section 9.3 are included in all agreements with its subcontractor(s).

9.4 TRUTH-IN-NEGOTIATION CERTIFICATE

Execution of this Agreement by DUFRESNE shall constitute execution of a truth-in-negotiation certificate stating that wage rates and other factual unit costs supporting the compensation of the Agreement are accurate, complete, and current at the time of contracting. The original Agreement price and any additions thereto shall be adjusted to exclude any significant sums by which HFA determines the Agreement price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such Agreement adjustments shall be made within one (1) year following the end of this Agreement.

9.5 PUBLIC ENTITY CRIME ACT

DUFRESNE represents that the execution of this Agreement will not violate the Public Entity Crime Act, Section 287.133, Florida Statutes, which essentially provides that a person or affiliate who is a contractor, consultant, or other provider and 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 HFA, may not submit a bid on a contract with HFA for the construction or repair of a public building or public work, may not submit bids on leases of real property to HFA, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with HFA, and may not transact any business with HFA in excess of the threshold amount provided in Section 287.017, Florida Statutes, for category two purchases for a period of thirty-six (36) months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid by HFA pursuant to this Agreement, and may result in debarment from HFA's competitive procurement activities.

In addition to the foregoing, DUFRESNE further represents that there has been no determination, based on an audit, that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether DUFRESNE has been placed on the convicted vendor list.

9.6 INDEPENDENT CONTRACTOR

DUFRESNE is an independent contractor under this Agreement. Services provided by DUFRESNE pursuant to this Agreement shall be subject to the supervision of DUFRESNE. In providing such services, neither DUFRESNE nor its agents shall act as officers, employees, or agents of HFA. No partnership,

joint venture, or other joint relationship is created hereby. HFA does not extend to DUFRESNE or DUFRESNE's agents any authority of any kind to bind HFA in any respect whatsoever.

9.7 THIRD PARTY BENEFICIARIES

Except as provided under Subsection 8.4 and Exhibit "D," neither DUFRESNE nor HFA intends to directly or substantially benefit a third party by this Agreement. Therefore, the Parties acknowledge that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a right or claim against either of them based upon this Agreement.

9.8 NOTICES

Whenever either Party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail, postage prepaid, return receipt requested, or sent by commercial express carrier with acknowledgement of delivery, or by hand delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set forth herein until changed in writing in the manner provided in this section. For the present, the Parties designate the following:

FOR HFA:

Ralph Stone, Executive Director
Housing Finance Authority
110 N.E. Third Street, Suite 300
Fort Lauderdale, Florida 33301

FOR DUFRESNE:

Dufresne and Associates, CPA, PA
P.O. Box 1179
Orange Park, FL 32067-1179

9.9 ASSIGNMENT AND PERFORMANCE

Neither this Agreement nor any right or interest herein shall be assigned, transferred, or encumbered without the written consent of the other Party. In addition, DUFRESNE shall not subcontract any portion of the work required by this Agreement, except as provided in Subsection 8.4 and Exhibit "D." Notwithstanding the Termination provision of this Agreement, HFA may terminate this Agreement, effective immediately, if there is any assignment, or attempted assignment, transfer, or encumbrance, by DUFRESNE of this Agreement or any right or interest herein without HFA's written consent.

DUFRESNE represents that each person who will render services pursuant to this Agreement is duly qualified to perform such services by all appropriate governmental authorities, where required, and that each such person is reasonably experienced and skilled in the area(s) for which he or she will render his or her services.

DUFRESNE shall perform its duties, obligations, and services under this Agreement in a skillful and respectable manner. The quality of DUFRESNE's performance and all interim and final product(s) provided to or on behalf of HFA shall be comparable to the best local and national standards.

9.10 CONFLICTS

Neither DUFRESNE nor its employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with DUFRESNE's loyal and conscientious exercise of judgment and care related to its performance under this Agreement.

None of DUFRESNE's officers or employees shall, during the term of this Agreement, serve as an expert witness against HFA in any legal or administrative proceeding in which he, she, or DUFRESNE is not a party, unless compelled by court process. Further, such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of HFA in connection with any such pending or threatened legal or administrative proceeding unless compelled by court process. The limitations of this section shall not preclude DUFRESNE or any persons in any way from representing themselves, including giving expert testimony in support thereof, in any action or in any administrative or legal proceeding.

In the event DUFRESNE is permitted pursuant to this Agreement to utilize subcontractors to perform any services required by this Agreement, DUFRESNE shall require such subcontractors, by written contract, to comply with the provisions of this section to the same extent as DUFRESNE.

9.11 MATERIALITY AND WAIVER OF BREACH

Each requirement, duty, and obligation set forth herein was bargained for at arm's-length and is agreed to by the Parties. Each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement, and each is, therefore, a material term hereof.

HFA's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any

subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

9.12 COMPLIANCE WITH LAWS

DUFRESNE shall comply with all applicable federal, state, and local laws, codes, ordinances, rules, and regulations in performing its duties, responsibilities, and obligations pursuant to this Agreement.

9.13 SEVERANCE

In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless HFA or DUFRESNE elects to terminate this Agreement. An election to terminate this Agreement based upon this provision shall be made within seven (7) days of final court action, including all available appeals.

9.14 JOINT PREPARATION

The Parties and their counsel have participated fully in the drafting of this Agreement and acknowledge that the preparation of this Agreement has been their joint effort. The language agreed to expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

9.15 INTERPRETATION

The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as "herein," "hereof," "hereunder," and "hereinafter," refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a Section or Article of this Agreement, such reference is to the Section or Article as a whole, including all of the subsections of such Section, unless the reference is made to a particular subsection or subparagraph of such Section or Article.

9.16 PRIORITY OF PROVISIONS

If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a

term, statement, requirement, or provision of Articles 1 through 9 of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 9 shall prevail and be given effect.

9.17 JURISDICTION, VENUE, WAIVER OF JURY TRIAL

This Agreement shall be interpreted and construed in accordance with and governed by the laws of the state of Florida. The Parties acknowledge that jurisdiction of any controversies or legal disputes arising out of this Agreement, and any action involving the enforcement or interpretation of any rights hereunder, shall be exclusively in the state courts of the Seventeenth Judicial Circuit in Broward County, Florida, and venue for litigation arising out of this Agreement shall be exclusively in such state courts, forsaking any other jurisdiction which either party may claim by virtue of its residency or other jurisdictional device. **BY ENTERING INTO THIS AGREEMENT, DUFRESNE AND HFA HEREBY EXPRESSLY WAIVE ANY RIGHTS EITHER PARTY MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO, ARISING FROM, OR IN CONNECTION WITH THIS AGREEMENT.**

9.18 AMENDMENTS

The Parties may amend this Agreement to conform to changes in federal, state, or local laws, regulations, directives, and objectives. No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Board and DUFRESNE or others delegated authority to or otherwise authorized to execute same on their behalf.

9.19 PRIOR AGREEMENTS

This document represents the final and complete understanding of the Parties and incorporates or supersedes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein. There is no commitment, agreement, or understanding concerning the subject matter of this Agreement that is not contained in this written document. Accordingly, no deviation from the terms hereof shall be predicated upon any prior representation or agreement, whether oral or written.

9.20 PAYABLE INTEREST

9.20.1 Payment of Interest. Except as required by the Broward County Prompt Payment Ordinance, HFA shall not be liable for interest for any reason, whether as prejudgment interest or for any other purpose, and in furtherance thereof DUFRESNE waives, rejects, disclaims and surrenders any and all entitlement it has or may have

to receive interest in connection with a dispute or claim based on or related to this Agreement.

9.20.2 Rate of Interest. In any instance where the prohibition or limitations of Section 9.21.1 are determined to be invalid or unenforceable, the annual rate of interest payable by HFA under this Agreement, whether as prejudgment interest or for any other purpose, shall be .025 percent simple interest (uncompounded).

9.21 INCORPORATION BY REFERENCE

The truth and accuracy of each "Whereas" clause set forth above is acknowledged by the Parties. The attached Exhibits "A" and "B" are incorporated into and made a part of this Agreement.

9.22 REPRESENTATION OF AUTHORITY

Each individual executing this Agreement on behalf of a party hereto hereby represents and warrants that he or she is, on the date he or she signs this Agreement, duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

9.23 MULTIPLE ORIGINALS

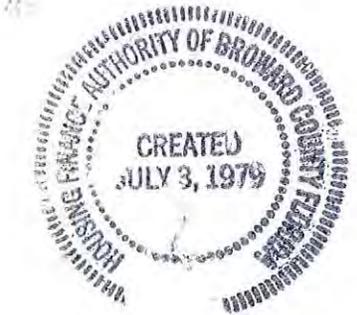
Multiple copies of this Agreement may be executed by all Parties, each of which, bearing original signatures, shall have the force and effect of an original document.

9.24 DOMESTIC PARTNERSHIP REQUIREMENT

DUFRESNE certifies and represents that it will comply with COUNTY's Domestic Partnership Act, Section 16½-157, Broward County Code of Ordinances, during the entire term of the Agreement. The failure of DUFRESNE to comply shall be a material breach of the Agreement, entitling HFA to pursue any and all remedies provided under applicable law including, but not limited to (1) retaining all monies due or to become due DUFRESNE until DUFRESNE complies; (2) termination of the Agreement; (3) and suspension or debarment of DUFRESNE from doing business with HFA.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement: HOUSING FINANCE AUTHORITY, signing by and through its Chair, authorized to execute same by Housing Finance Authority Board action on the 14th day of August, 2013, and DUFRESNE, signing by and through its President, duly authorized to execute same.



HOUSING FINANCE AUTHORITY

By [Signature]
Chair

14th day of August, 2013

Approved as to form by
Joni Armstrong Coffey
Broward County Attorney
Governmental Center, Suite 423
115 South Andrews Avenue
Fort Lauderdale, Florida 33301
Telephone: (954) 357-7600
Telecopier: (954) 357-6968

Insurance requirements
approved by Broward County
Risk Management Division

By [Signature] 10/29/13
(Date)

Risk Management Division

Frank Vasquez

Risk Insurance and Contracts

By [Signature] 10/27/13
Noel M. Pfeffer (Date)
Deputy County Attorney

AGREEMENT BETWEEN HOUSING FINANCE AUTHORITY AND DUFRESNE & ASSOCIATES, P.A. FOR ACCOUNTING SERVICES FOR THE BROWARD COUNTY HOUSING FINANCE AUTHORITY

DUFRESNE

DUFRESNE & ASSOCIATES, CPA, PA

WITNESSES:

By Linda Dufresne
Linda Dufresne, President
28 day of October, 2013

(SEAL)

NMP:DMV
10/23/13
hfa-2013dufresneauditing.doc
13-123.02

EXHIBIT A

SCOPE OF SERVICES

BROWARD COUNTY HOUSING FINANCE AUTHORITY AUDITING SERVICES AGREEMENT

This is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to the Broward County Housing Finance Authority (Broward HFA).

We will perform the following services:

1. We will compile, from information provided by you and/or the Trustee, the annual balance sheets and the related statements of income, retained earnings, and cash flows of each of the bond issues listed on Attachment A for the years ended September 30, 2014, 2015, and 2016, and with the exercise of optional renewals for 2017 and 2018.

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. A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We will not audit or review the financial statements and, accordingly, will not express an opinion or any other form of assurance on them.

If, for any reason not within our control, we are unable to complete the compilations of your financial statements, we will not issue reports on such statements as a result of this engagement.

2. Compilation reports shall be due no later than December 31 for each fiscal year.

You are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge, or experience to oversee any services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

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.

Our fees for these services will be as listed below. You will not be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. The quoted fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the performance of the work. Our invoices for

these fees will be rendered the last day of each calendar quarter in accordance with allocation shown below as work progresses and are payable on presentation.

The scope of services shall include but are not limited to, the following:

Housing Finance Authority of Broward County Operations Accounting

Monthly Bookkeeping Services

Record all banking transactions
Record all other transactions
Reconcile bank statements
Prepare Receivables analysis
Prepare Management's Use Only Balance Sheet and Income Statement omitting disclosures
Flux analysis of line items exceeding 10% variance
Attend monthly Board of Executive Directors meetings

Annual Services

Compile annual financial statements to be audited by the external auditors. Include:

- Balance sheet
- Statement of income and retained earnings
- Note disclosures

Other Services

- Prepare and post end of year adjusting journal entries
- Interface with external auditors and provide required audit schedules
- Perform such other accounting services as may be mutually agreed upon, in a detailed writing between the parties.

Bond Issues

- Analyze and record in the accounting records all transactions reported in the trustee statements for each bond issue.
- Reconcile the accounting records to each of the trustee statement balances.
- Maintain detailed general ledgers and related accounting records for each bond issue including debt service to maturity schedules and investment classification and balances.
- Prepare journal entries including accruals, deferrals, and year-end adjustments, along with supporting schedules to document the purpose for the entries.
- Compile annual financial statements to be audited by the bond issue external auditors. Include:
 - Balance sheet
 - Statement of income and retained earnings
 - Note disclosures

- Provide external auditors with any required documentation in connection with the annual bond audits.

Bond Issue	Annual Fee
Single Family Bonds	
1985 B	\$ 2,400
2006 A, B&C	3,600
2007 A,B,C&D	3,600
2007 E&F	3,600
Multi Family Bonds	
1985 Fairlakes	2,400
1996 Banyan Bay (A&B)	2,400
1996 Los Prados (A&B)	2,400
1998 Prospect Park (A&B)	3,000
1998 Stirling	3,000
1999 Reflections	3,000
1999 Stirling Phase II	3,000
2000 Chaves Lakes	3,000
2000 Summerlake	3,000
2001 Emerald Palms (A&B)	3,000
2001 Pembroke Villas	3,000
2001 Venice Homes	3,000
2002 Colonial (A&B)	3,000
2002 Meridian (A&B)	3,000
2004 Cypress Grove (A&B)	3,600
2004 Pinnacle Village	3,600
2006 Palms of Deerfield Beach	3,000
2006 Pembroke Village	3,600
2006 Pier Club/Ashlar	3,000
2007 Woodsdale Oaks	3,600
2008 Driftwood	3,600
Total Bond Issue Compilation Fees	\$ 71,400

The fees will be billed quarterly as follows:

Fee %	Date
20%	June 30
20%	September 30
40%	December 31
20%	March 31

Payment is subject to the timely delivery of all required reports; payment may be made earlier in the event all required reports and other required work are complete and delivered to HFA.

Fees for bond issue compilations will be adjusted for the following:

1. Each new multifamily bond issue added to the scope of services will increase the fee in the annual amount of \$3,000.
2. Each new single family bond issue added to the scope of services will increase the fee in the annual amount of \$4,000.
3. In the event any outstanding bond indebtedness is being defeased during any fiscal year, SECOND PARTY shall be entitled to a prorated fee based on the number of months of work performed prior to receipt of notification of defeasance.

General Fund Operations Fees

General Fund Operations Fees will be billed in the amount of \$1,300 per month, which includes all fees for services and out-of-pocket expenses

This results in a total annual fee for all work in the amount of \$87,000 (\$71,400 for bond issues and \$15,600 for general fund operations). The bond issue fees needed to reflect the fees currently being paid.

Housing Finance Authority of Broward County
April 19, 2017 – Board Meeting

Dufresne & Associates, CPA, P.A. – Overview of the March 31, 2017 Financial Reports

The following are items considered to be of note regarding the financial reports for the month of March, 2017:

1. Balance sheets (Attachments 1 and 2) changes relate primarily to individual cash account activity, including the receipt of Franklin Park home sale proceeds and Authority fees and audit adjustments to correct the financial statements to reflect the amounts supported by the Cash Projections report provided by Zomermaand Financial Advisory Services, LLC included as Attachment 8. Please note a disclosure was added to the bottom of the balance sheets that reports the unrealized gain/loss on the Karpus investments.
2. Profit and loss report indicates the changes that relate primarily to timing of new bond issuances, redemptions and related fees and residuals, fair market value adjustments, Franklin Park and timing of invoices paid and payments received. Please note that to more accurately reflect the components of interest income certain line descriptions were changed in February's monthly reports. (Attachments 3 and 4)
3. Audit fees receivable represent amounts for multifamily bond audits to be collected by BNY as trustee and remitted to Authority. Audit fees payable represents the amount that is owed to S.Davis as compensation for their audit services. No amounts are reported on the income statement for these fees because they do not represent expenses of the Authority. These are expenses of the developers, it is only the payment of the fees that is facilitated through the Trustee and the Authority. (Attachments 1 and 2)
4. Cash Projections report provided by Zomermaand Financial Advisory Services, LLC replaced Franklin Park Transactions job report because it provides additional detail as requested by the HFA Board. (Attachment 8)

Cash vs Accrual Basis for P&L Budget to Actual comparison (Attachment 4)

On a monthly basis the process to prepare the financial statements includes:

- a. Budgetary column – Cumulative 1/12 of the budgeted revenues and expenses are reported
- b. Actual column – Significant known revenue and expense items are accrued
 - a. Authority fees receivable are adjusted to correct accrual basis balance
 - b. Cumulative 1/12 of budgeted Personnel and Other Expenses due to BOCC are adjusted to correct accrual basis balance
 - c. Expenses for all invoices submitted to the HFA prior to month end are paid and recorded in the financial statements.
 - d. Bank and account management fees that are reported on the monthly bank statements are recorded as expense in the applicable month.

Index to Attachments

1. Balance Sheet (Flux Report March, 2017 comparison to February, 2017)
2. Balance Sheet (Flux Report – March, 2017 comparison to March, 2016)
3. P&L (Flux Report – Current Year-to-Date to Prior Year-to-Date)
4. P&L (Flux Report – Budget to Actual)
5. Aged Receivable Report
6. Wells Fargo Bank Reconciliation Report – Operating
7. Wells Fargo Bank Reconciliation Report – Franklin Park
8. Franklin Park Transactions – provided by Zomermaand Financial Advisory Services, LLC
9. Change in Cash and Investments Analysis

The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
3/31/2017

	<u>March</u>	<u>February</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>Explanation</u> (See criteria below)
Assets					
Cash-Wells Fargo	\$ 564,119	\$ 583,312	(19,193)	-3%	
Cash-Wells Fargo - Franklin Park	2,137,744	1,642,569	495,175	23%	1
Cash- LOC	6,093	6,089	4	0.07%	
Indemnification Fund -BNY	330,720	287,677	43,043	13%	2
Cash-BOCC Pooled equity	-	18,616	(18,616)	NA	
Total Cash	<u>\$ 3,038,676</u>	<u>\$ 2,538,263</u>			
US Bank Custody Acct-Karpus*	\$ 8,861,689	\$ 8,866,810	(5,121)	-0.06%	
Note Receivable-DPA	407,125	407,125	-	NA	
Authority Fees Receivable	49,590	19,874	29,716	60%	3
Audit Fees Receivable	69,000	69,000	-	NA	
Interest Receivable	26,855	19,041	7,814	29%	4
FP Construction Loan Receivable	-	458,185	(458,185)	-100%	1
FP Construction Loan Interest Receivable	52,098	90,802	(38,704)	-74%	1
Notes Receivable-CDC	200,000	200,000	-	NA	
Notes Receivable - Mt. Olive	241,156	241,156	-	NA	
HFA Mortgage Receivables	9,839	9,870	(31)	-0.3%	
Due from Artspace	503,729	503,729	-	NA	
Utility Deposit	1,925	1,925	-	NA	
HFA Land	698,164	698,164	-	NA	
HFA Land Inventory For Homes	31,400	31,400	-	NA	
HFA Buildings	1,115,000	1,115,000	-	NA	
Land Improvements	4,499	4,499	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(126,954)	(126,954)	-	NA	
Accumulated Depreciation, HFA	(657,338)	(657,338)	-	NA	
Total Assets	<u>\$ 14,744,185</u>	<u>\$ 14,708,284</u>			
Liabilities					
Accrued Sick/Vacation, ST	\$ 50,000	\$ 50,000	-	NA	
Due to BOCC - Exp reimb	274,133	212,709	61,424	22%	3
Due to BOCC-Artspace project	428,070	428,070	-	NA	
Due to BOCC-Artspace Interest	75,659	75,659	-	NA	
Audit Fee Payable	35,250	52,125	(16,875)	-48%	5
Good Faith Deposits	43,000	-	43,000	100%	2
Accrued Sick/Vacation, LT	39,000	39,000	-	NA	
Total Liabilities	<u>\$ 945,112</u>	<u>\$ 857,563</u>			
Equity					
Beginning of year	\$ 13,533,205	\$ 13,533,205			
Prior Period Adjustment	516,194	516,194	-	0%	
Current Year Earnings	(250,326)	(198,678)			
Total Equity	<u>13,799,073</u>	<u>13,850,721</u>			
Total Liability and Equity	<u>\$ 14,744,185</u>	<u>\$ 14,708,284</u>			

Criteria to determine if explanations are required:

Cash account fluctuation explanations provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior month

100% No activity in prior month

-100% No activity in current month

- 1 Deposit of Franklin Park home sales proceeds
- 2 Good faith deposit for Deerfield Beach
- 3 Timing of receipts/payments and accruals based on budget
- 4 Change in accrued income - Karpus
- 5 Audit fees for multifamily bonds to be collected by BNY as trustee, remitted to Authority and paid to S.Davis for bond audit services

* Market Value-Karpus	\$ 8,861,689
Unrealized Gain/Loss-Karpus	401,164
Cost Basis-Karpus	\$ 8,460,525

The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Balance Sheet (Flux Report)
3/31/2017

	<u>Mar-17</u>	<u>Mar-16</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>Explanation</u> <u>(See criteria below)</u>
Assets					
Cash-Wells Fargo	\$ 564,119	\$ 220,684	\$ 343,435	156%	2, 3, 4
Cash-Wells Fargo - Franklin Park	2,137,744	264,951	1,872,793	707%	1, 2
Cash- LOC	6,093	6,059	34	0.6%	
Indemnification Fund -BNY	330,720	267,527	63,193	24%	11
Cash-BOCC Pooled equity	-	60,692	(60,692)	-100%	6
Total Cash	<u>\$ 3,038,676</u>	<u>\$ 819,913</u>			
US Bank Custody Acct-Karpus*	\$ 8,861,689	\$ 9,280,548	\$ (418,859)	-5%	
Note Receivable-DPA	407,125	437,125	(30,000)	-7%	
Authority Fees Receivable	49,590	16,320	33,270	204%	2
Audit Fees Receivable	69,000	-	69,000	100%	9
Interest Receivable	26,855	72,000	(45,145)	-63%	3, 8
FP Construction Loan Interest Receivable	52,098	-	52,098	100%	7
Notes Receivable-CDC	200,000	200,000	-	NA	
Notes Receivable - Mt. Olive	241,156	261,156	(20,000)	-8%	
HFA Mortgage Receivables	9,839	10,199	(360)	-4%	
Notes Receivable Gulfstream Ap	-	100,000	(100,000)	-100%	3
Due from Artspace	503,729	503,729	-	NA	
Utility Deposit	1,925	1,925	-	NA	
HFA Land	698,164	693,289	4,875	1%	
HFA Land Inventory For Homes	31,400	31,400	-	NA	
HFA Buildings	1,115,000	1,115,000	-	NA	
Land Improvements	4,499	-	4,499	100%	
Equipment	90,258	108,437	(18,179)	-17%	5
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(126,954)	(122,364)	(4,590)	4%	
Accumulated Depreciation, HFA	(657,338)	(643,563)	(13,775)	2%	
Total Assets	<u>\$ 14,744,185</u>	<u>\$ 13,012,587</u>			
Liabilities					
Accrued Sick/Vacation, ST	50,000	50,000	-	NA	
Due to BOCC - Exp reimb	274,133	203,542	70,591	35%	2
Due to BOCC-Artspace project	428,070	428,070	-	NA	
Due to BOCC-Artspace Interest	75,659	75,659	-	NA	
Audit Fee Payable	35,250	8,325	26,925	323%	9
Good Faith Deposits	43,000	-	43,000	100%	11
Escrow Deposit-Indemnification	-	247,527	(247,527)	-100%	10
Accrued Sick/Vacation, LT	39,000	39,000	-	NA	
Total Liabilities	<u>\$ 945,112</u>	<u>\$ 1,052,123</u>			
Equity					
Beginning of year	\$ 13,533,205	\$ 13,107,136			
Prior Period Adjustment	516,194	-	516,194	100%	7
Current Year Earnings	(250,326)	(1,146,672)			
Total Equity	<u>13,799,073</u>	<u>11,960,464</u>			
Total Liability and Equity	<u>\$ 14,744,185</u>	<u>\$ 13,012,587</u>			

Criteria to determine if explanations are required:

Cash account fluctuation explanations provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior year

100% No activity in prior year

-100% No activity in current year

1 Account fluctuates due to transfers from Karpus for payment of FP expenses and receipts from sales of FP homes

2 Timing of payments, receipts, and accruals based on budget

3 Gulfstream payoff of second mortgage

4 Bond issues closed

5 Depreciation posted in fiscal 2016

6 No activity in current year

7 Audit adjustments to correct FP receivables as supported by Attachment 8

8 Change in accrued income - Karpus

9 Audit fees for multifamily bonds to be collected by BNY as trustee, remitted to Authority and paid to S.Davis for bond audit services

10 Change in accrued income in Karpus

11 Good faith deposit for Deerfield Beach

Market Value-Karpus	\$ 8,861,689
Unrealized Gain/Loss-Karpus	401,164
Cost Basis-Karpus	<u>\$ 8,460,525</u>

The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report) Current Year-to-Date to Prior Year-to-Date
Year to Date As of March 2017

	Mar-17	Mar-16	\$ Difference	% Difference to PY	*Explanation
Income					
Bond Authority Fees	\$ 267,996	\$ 330,565	\$ (62,569)	-19%	4
Bond redemption & other income	17,584	20,111	(2,527)	-13%	
Compliance Monitoring Fees	6,000	26,000	(20,000)	-77%	2
Application, TEFRA and Closing Fees	9,500	15,505	(6,005)	-39%	1
MCC and Lender Program Income	11,225	17,825	(6,600)	-37%	1
Interest Income, Mortgages	339	351	(12)	-3%	
Interest Income, Wells Fargo	160	47	113	240%	
* Interest Income, Karpus	59,267	74,096	(14,829)	-20%	3
* Net Change in Investment Value, Karpus	(54,490)	-	(54,490)	100%	3
* Realized Gain/Loss On Investment, Karpus	(2,852)	(42,325)	39,473	-93%	3
* Interest Income, FHLB LOC	34	-	34	100%	
* Interest Income, BNY	118	-	118	100%	
Other Income	-	3,925	(3,925)	100%	
Rent Income	-	74,984	(74,984)	100%	1
Parking Rent Income	4,040	-	4,040	100%	
Total Income	\$ 318,920	\$ 521,083	\$ (202,163)		
Expenses					
Personnel Services, Broward Co	\$ 278,015	\$ 304,417	26,403	9%	
Other Expenses, Broward County	90,535	88,335	(2,200)	-2%	
Cost of Bond Issuance	-	209	209	100%	
Professional Fees	111,451	109,805	(1,646)	-1%	
Bank Management Fees	31,982	33,560	1,578	5%	
Advertising/Marketing	1,067	3,557	2,490	70%	
Dues and Membership Fees	7,290	2,290	(5,000)	-218%	
Conference and Travel Expense	7,100	3,158	(3,942)	-125%	
Building/Land Maintenance	23,873	16,922	(6,951)	-41%	1
Utilities	8,847	10,177	1,330	13%	
Franklin Park Homes Construction	-	1,095,324	1,095,324	100%	5
Capital Outlay Expense	9,087	-	9,087	100%	6
Total Expenses	\$ 569,246	\$ 1,667,753	\$ 1,116,681		
Net Profit/(Loss)	\$ (250,326)	\$ (1,146,672)	\$ (1,318,844)		

Explanations provided for >=10% and >= \$5,000 variance

- 1 Timing of services and billings
- 2 Timing of new bond financings
- 3 Gain/Loss related to current market conditions
- 4 Timing of receipts/payments and accruals based on budget
- 5 Accumulated FP expenses booked as receivable
- 6 New expense account for fiscal 2017 to report costs related to additional parking lot development
- 7 New income account related to audit adjustments to correct FP interest income as supported by Attachment 8

* Please note that to more accurately reflect the components of interest income certain line descriptions were changed

"%Actual to Budget" Column Legend
NA - No amount reported in either of the two years
0% - Current year actual is equal to PY actual amount
100% - No amount in one of the two years presented

The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report) Budget to Actual
Year to Date As of March 2017

	Selected Period	Budgeted	\$ Difference	% Difference to budget	*Explanation
Income					
Bond Authority Fees	\$ 267,996	\$ 222,480	\$ 45,516	20%	1
Bond redemption & other income	17,584	146,045	(128,461)	-88%	2
Compliance Monitoring Fees	6,000	-	6,000	NA	
Application and Closing Fees	9,500	-	9,500	NA	
MCC and Lender Program Income	11,225	22,500	(11,275)	-50%	1
Interest Income, Mortgages	339	-	339	NA	
Interest Income, Wells Fargo	160	-	160	NA	
Interest Income, Karpus	59,267	79,500	(20,233)	-25%	3
Net Change in Investment Value, Karpus	(54,490)	-	(54,490)	NA	
Realized Gain/Loss On Investment, Karpus	(2,852)	-	(2,852)	NA	
Interest Income, FHLB LOC	34	-	34	NA	
Interest Income, BNY	118	-	118	NA	
Interest Income - FP Construction Loan Receivable	-	-	-	NA	
Rent Income	-	60,525	(60,525)	-100%	1
Parking Rent Income	4,040	-	4,040	NA	
Total Income	\$ 318,921	\$ 531,050			
Expenses					
Personnel Services, Broward Co	\$ 278,015	\$ 278,015	\$ -	0%	
Other Expenses, Broward County	90,535	90,535	-	0%	
Professional Fees	111,451	95,500	(15,951)	-17%	1
Audit Expense (BOCC)	-	6,600	6,600	100%	1
Bank Management Fees	31,982	-	(31,982)	NA	
Advertising/Marketing	1,067	3,500	2,433	70%	
Dues and Membership Fees	7,290	2,750	(4,540)	-165%	
Conference and Travel Expense	7,100	6,000	(1,100)	-18%	
Postage/FedEx	-	150	150	100%	
Liab Insurance/HFA Board	-	4,500	4,500	100%	
Building/Land Maintenance	23,873	31,000	7,127	23%	1
Utilities	8,847	12,500	3,653	29%	
Capital Outlay Expense	9,087	-	(9,087)	NA	
Total Expenses	\$ 569,247	\$ 531,050			
Net Profit/(Loss)	\$ (250,326)	\$ (0)			

* Explanations provided for >=10% and >= \$5,000 variance

1 Timing of invoices and payments

2 Indemnity deposits (Praxis at Deerfield Beach and Stanley Terrace)

3 A lower balance is maintained current year, resulting in less interest earned

NA - No Budget amount

100% - Actual is zero

The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Aged Receivables
3/31/2017

Authority fee receivable	Total Due	0 - 30	31 - 60	61 - 90	90+
1985 FAIRLAKES	17,100	17,100	-	-	-
2004 CYPRESS GROVE	32,490	32,490	-	-	-
Total Authority Fee Receivable	49,590	49,590	-	-	-

Housing Finance Authority

110 NE Third Street, #300
Fort Lauderdale, FL 33301

Reconciliation Report

4/3/2017
1:08:12 PM

Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 3/31/2017				
Last Reconciled: 2/28/2017				
Last Reconciled Balance: \$598,930.00				
Cleared Checks				
4725	2/23/2017	NALHFA		\$4,600.00
4726	2/23/2017	TECO Peoples Gas		\$37.25
4727	2/23/2017	Gardening Angel Nursery Inc		\$371.00
4728	2/23/2017	M.A.C. Construction		\$4,127.92
4729	2/23/2017	Zomermaand Financial Advisor		\$5,371.74
4730	2/28/2017	Holmes Lawn Service, Inc		\$1,110.00
SC033117	3/13/2017	WF Client Analysis Svc Chrg		\$396.07
4732	3/14/2017	L&B Janitorial Services		\$4,044.00
4734	3/14/2017	Sun-Sentinel		\$173.55
4735	3/14/2017	Dufresne and Associates		\$1,300.00
4736	3/20/2017	S. Davis & Associates, P.A.		\$16,875.00
4737	3/20/2017	Florida ALHFA		\$2,500.00
GJ002106	3/31/2017	to record Direct Debit Elec Pmt		\$1,090.24
Total:			\$0.00	\$41,996.77

Cleared Deposits

GJ002100	3/2/2017	MCC inc less utility exp	\$363.50	
GJ002101	3/3/2017	2nd Mtg, Parking and MCC inc	\$2,311.84	
CR000937	3/8/2017	Payment; 2008 Driftwood	\$16,141.92	
CR000938	3/8/2017	Payment; 1998 PROSPECT P	\$3,686.25	
GJ002103	3/21/2017	MCC income	\$925.00	
GJ002104	3/23/2017	Emerald Palms App and Ind in	\$2,000.00	
GJ002105	3/31/2017	to record MCC fees received M	\$350.00	
IE033117	3/31/2017	WF Interest Payment March 20	\$12.57	
Total:			\$25,791.08	\$0.00

Outstanding Checks

4731	3/14/2017	Bank of New York Mellon		\$0.00
4733	3/14/2017	TECO Peoples Gas		\$37.25
4738	3/30/2017	Dufresne and Associates		\$12,460.00
4739	3/30/2017	Zomermaand Financial Advisor		\$5,773.32
4740	3/30/2017	Holmes Lawn Service, Inc		\$335.00
Total:			\$0.00	\$18,605.57

Reconciliation

AccountEdge Pro Balance on 3/31/2017:	\$564,118.74
Add: Outstanding Checks:	\$18,605.57
Subtotal:	\$582,724.31
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$582,724.31</u>

Housing Finance Authority

Reconciliation Report

4/3/2017
1:08:13 PM

Page 2

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account:	1-1000	Cash-Wells Fargo		
Date of Bank Statement:	3/31/2017			
Last Reconciled:	2/28/2017			
Last Reconciled Balance:	\$598,930.00			

Outstanding Checks

Housing Finance Authority

110 NE Third Street, #300
Fort Lauderdale, FL 33301

Reconciliation Report

4/3/2017
1:11:30 PM

Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1005 WF Franklin Park Estates				
Date of Bank Statement: 3/31/2017				
Last Reconciled: 2/28/2017				
Last Reconciled Balance: \$1,642,568.72				

Cleared Checks

SC033117	3/13/2017	WF FP Srvc Chrg March 2017		\$244.32
10064	3/14/2017	Dufresne and Associates		\$1,134.00
Total:			\$0.00	\$1,378.32

Cleared Deposits

GJ002102	3/14/2017	to record FP home sales incom	\$496,889.49	
IE033117	3/31/2017	WF FP Monthly Int Pmt Mar 20	\$41.92	
Total:			\$496,931.41	\$0.00

Outstanding Checks

10065	3/31/2017	Dufresne and Associates		\$378.00
Total:			\$0.00	\$378.00

Reconciliation

AccountEdge Pro Balance on 3/31/2017:	\$2,137,743.81
Add: Outstanding Checks:	\$378.00
Subtotal:	\$2,138,121.81
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$2,138,121.81</u>

Interest Accrual Spreadsheet

		Basis		Rate		Actual		365		4.00%											
Date	Desc.	Reference	Deposit	Withdrawal	Frank. Park Bank Account Balance	Bank Reconciliation	No. of Days in Accrual	Const. Loan Principal Balance	Interest Accrual - Period	Cumulative Interest	P&I	Const. Draw	Arch., FPL, FI Eng. Testing & Stoner Fees	Bank Fees	BOCC	Prof. Fees	Interest	Other	Total Due HFA	Balancing	
3/4/2015	Architecture Fees	4502		(10,500.00)	(10,500.00)		58	(10,500.00)	(66.74)	(66.74)	(10,566.74)						(66.74)		(10,566.74)	-	
5/1/2015	Credit Underwriting	4514		(6,075.00)	(16,575.00)		5	(16,575.00)	(9.08)	(75.82)	(16,650.82)					(6,075.00)	(9.08)		(16,650.82)	-	
5/6/2015	Deposit -	GJ001844	100,000.00	-	83,425.00		0	-	-	-	(16,650.82)						-		(16,650.82)	-	
5/6/2015	Check - Octavio Santurio	10001	-	(15,300.00)	68,125.00		5	(31,875.00)	(17.47)	(93.29)	(31,968.29)		(15,300.00)				(17.47)		(31,968.29)	-	
5/11/2015	Deposit -	GJ001843	400,000.00	-	468,125.00		0	-	-	-	(31,968.29)						-		(31,968.29)	-	
5/11/2015	Bank Fees	GJ001843	-	(159.75)	467,965.25		2	(32,034.75)	(7.02)	(100.31)	(32,135.06)		(159.75)				(7.02)		(32,135.06)	-	
5/13/2015	Prof. Fees	10002	-	(677.25)	467,288.00		14	(32,712.00)	(50.19)	(150.50)	(32,862.50)					(677.25)	(50.19)		(32,862.50)	-	
5/27/2015	Prof. Fees	10003	-	(5,000.00)	462,288.00		9	(37,712.00)	(37.20)	(187.69)	(37,899.69)					(5,000.00)	(37.20)		(37,899.69)	-	
5/31/2015	Interest Income	GJ001853	5.26	-	462,293.26	R	0	-	-	-	(37,899.69)						-		(37,899.69)	-	
6/3/2015	BOCC - Voided	10004	-	-	462,293.26		0	(37,712.00)	-	(187.69)	(37,899.69)						-		(37,899.69)	-	
6/5/2015	BOCC	10005	-	(700.00)	461,593.26		4	(38,412.00)	(16.84)	(204.53)	(38,616.53)			(700.00)			(16.84)		(38,616.53)	-	
6/9/2015	Prof. Fees	10006	-	(677.25)	460,916.01		0	-	-	-	(38,616.53)						-		(38,616.53)	-	
6/9/2015	Access Builders - Canceled Ck	10007	-	-	460,858.15		2	(39,089.25)	(8.57)	(213.10)	(39,302.35)					(677.25)	(8.57)		(39,302.35)	-	
6/11/2015	Bank Fees	GJ001868	-	(217.61)	460,698.40		0	-	-	-	(39,302.35)						-		(39,302.35)	-	
6/11/2015	Bank Fees	GJ001868	-	159.75	460,858.15		1	(39,147.11)	(4.29)	(217.39)	(39,364.50)		(57.86)				(4.29)		(39,364.50)	-	
6/12/2015	Access Builders	10008	-	(69,943.54)	390,914.61		0	-	-	-	(39,364.50)						-		(39,364.50)	-	
6/12/2015	BOCC	10009	-	(12,900.22)	378,014.39		10	(121,990.87)	(133.69)	(351.08)	(122,341.95)	(69,943.54)			(12,900.22)		(133.69)		(122,341.95)	-	
6/22/2015	Stoner & Assoc	10010	-	(5,466.70)	372,547.69		1	(127,457.57)	(13.97)	(365.04)	(127,822.61)		(5,466.70)				(13.97)		(127,822.61)	-	
6/23/2015	BOCC	10011	-	(42,638.41)	329,909.28		0	-	-	-	(127,822.61)						-		(127,822.61)	-	
6/23/2015	Architecture Fees	10012	-	(18,921.20)	310,988.08		7	(189,017.18)	(145.00)	(510.04)	(189,527.22)		(18,921.20)		(42,638.41)		(145.00)		(189,527.22)	-	
6/30/2015	FP&L	10013	-	(2,420.00)	308,568.08		7	(191,437.18)	(146.86)	(658.90)	(192,094.08)		(2,420.00)				(146.86)		(192,094.08)	-	
6/30/2015	Interest Income	GJ001869	6.63	-	308,574.71	R	0	-	-	-	(192,094.08)						-		(192,094.08)	-	
7/7/2015	Access Builders	10014	-	(219,856.06)	88,718.65		1	(411,293.24)	(45.07)	(701.97)	(411,995.21)	(219,856.06)					(45.07)		(411,995.21)	-	
7/8/2015	Deposit -		400,000.00	-	488,718.65		0	-	-	-	(411,995.21)						-		(411,995.21)	-	
7/8/2015	Access Builders - CC #10007	10015	-	(88,156.65)	400,562.00		4	(499,449.89)	(218.94)	(920.91)	(500,370.80)	(88,156.65)					(218.94)		(500,370.80)	-	
7/12/2015	BOCC	10016	-	(155.80)	400,406.20		1	(499,605.69)	(54.75)	(975.66)	(500,581.35)		(155.80)				(54.75)		(500,581.35)	-	
7/13/2015	Bank Fee		-	(100.59)	400,305.61		7	(499,706.28)	(383.34)	(1,359.00)	(501,065.28)		(100.59)				(383.34)		(501,065.28)	-	
7/20/2015	BOCC	10017	-	(5,750.88)	394,554.73		3	(505,457.16)	(166.18)	(1,525.18)	(506,982.34)			(5,750.88)			(166.18)		(506,982.34)	-	
7/23/2015	Prof. Fees	10018	-	(441.00)	394,113.73		0	-	-	-	(506,982.34)						-		(506,982.34)	-	
7/23/2015	Stoner & Assoc.	10019	-	(400.00)	393,713.73		2	(506,298.16)	(110.97)	(1,636.15)	(507,934.31)					(441.00)	(110.97)		(507,934.31)	-	
7/25/2015		10020	-	(7,650.00)	386,063.73		9	(513,948.16)	(506.91)	(2,143.05)	(516,091.21)	(7,650.00)					(506.91)		(516,091.21)	-	
7/31/2015	Intrest Income		6.21	-	386,069.94	R	0	-	-	-	(516,091.21)						-		(516,091.21)	-	
8/3/2015	Florida Engineering & Testing	10021	-	(1,944.44)	384,125.50		7	(515,892.60)	(395.75)	(2,538.81)	(518,431.41)	(1,944.44)					(395.75)		(518,431.41)	-	
8/7/2015	BOCC - Void Replace 10023	10022	-	-	384,125.50		0	-	-	-	(518,431.41)						-		(518,431.41)	-	
8/10/2015	BOCC	10023	-	(2,374.62)	381,750.88		1	(518,267.22)	(56.80)	(2,595.60)	(520,862.82)			(2,374.62)			(56.80)		(520,862.82)	-	
8/11/2015	Bank Fee		-	(101.56)	381,649.32		15	(518,368.78)	(852.11)	(3,447.72)	(521,816.50)		(101.56)				(852.11)		(521,816.50)	-	
8/24/2015	Deposit -		200,000.00	-	581,649.32		0	-	-	-	(521,816.50)						-		(521,816.50)	-	
8/26/2015	Prof. Fees	10024	-	(567.00)	581,082.32		0	-	-	-	(521,816.50)						-		(521,816.50)	-	
8/26/2015	Access Builders	10025	-	(155,265.83)	425,816.49		16	(674,201.61)	(1,182.16)	(4,629.88)	(678,831.49)	(155,265.83)				(567.00)	(1,182.16)		(678,831.49)	-	
8/31/2015	Interest Income		6.34	-	425,822.83	R	0	-	-	-	(678,831.49)						-		(678,831.49)	-	
9/11/2015	Bank Fee		-	(86.88)	425,735.95		5	(674,288.49)	(369.47)	(4,999.35)	(679,287.84)		(86.88)				(369.47)		(679,287.84)	-	
9/16/2015	Access Builders	10026	-	(98,781.04)	326,954.91		14	(773,069.53)	(1,186.08)	(6,185.43)	(779,254.96)	(98,781.04)					(1,186.08)		(779,254.96)	-	
9/30/2015	Prof.Fees	10027	-	(283.50)	326,671.41		13	(773,353.03)	(1,101.76)	(7,287.19)	(780,640.22)					(283.50)	(1,101.76)		(780,640.22)	-	
9/30/2015	Interest Income		5.86	-	326,677.27	R	0	-	-	-	(780,640.22)						-		(780,640.22)	-	
10/13/2015	Access Builders	10028	-	(289,545.33)	37,131.94		-	-	-	-	(780,640.22)						-		(780,640.22)	-	
10/13/2015	Bank Fee		-	(79.83)	37,052.11		6	(1,062,978.19)	(698.94)	(7,986.14)	(1,070,964.33)	(289,545.33)		(79.83)			(698.94)		(1,070,964.33)	-	
10/14/2015	Deposit -		200,000.00	-	237,052.11		0	-	-	-	(1,070,964.33)						-		(1,070,964.33)	-	
10/19/2015	Access Builders	10029	-	(9,415.15)	227,636.96		-	-	-	-	(1,070,964.33)						-		(1,070,964.33)	-	
10/19/2015	Access Builders	10030	-	(16,357.50)	211,279.46		2	(1,088,750.84)	(238.63)	(8,224.77)	(1,096,975.61)	(25,772.65)					(238.63)		(1,096,975.61)	-	
10/21/2015	Prof. Fees	10031	-	(17,921.25)	193,358.21		20	(1,106,672.09)	(2,425.58)	(10,650.35)	(1,117,322.44)				(17,921.25)		(2,425.58)		(1,117,322.44)	-	
10/31/2015	Interest Income		4.41	-	193,362.62	R	0	-	-	-	(1,117,322.44)						-		(1,117,322.44)	-	
11/10/2015	Prof. Fees	10032	-	(913.50)	192,449.12		2	(1,107,585.59)	(242.76)	(10,893.11)	(1,118,478.70)					(913.50)	(242.76)		(1,118,478.70)	-	
11/12/2015	Bank Fee		-	(70.76)	192,378.36		11	(1,107,656.35)	(1,335.26)	(12,228.37)	(1,119,884.72)		(70.76)				(1,335.26)		(1,119,884.72)	-	
11/23/2015	Deposit -		355,726.58	-	548,104.94		2	(751,929.77)	(164.81)	(12,393.17)	(764,322.94)	355,726.58					(164.81)		(764,322.94)	-	
11/25/2015	Access Builders	10033	-	(216,036.97)	332,067.97		15	(967,966.74)	(1,591.18)	(13,984.35)	(981,951.09)	(216,036.97)					(1,591.18)		(981,951.09)	-	
11/30/2015	Interest Income		4.10	-	332,072.07	R	0	-	-	-	(981,951.09)						-		(981,951.09)	-	
12/10/2015	Access Builders	10034	-	(79,081.77)	252,990.30		-	-	-	-	(981,951.09)						-		(981,951.09)	-	
12/10/2015	Access Builders	10035	-	(161,646.27)	91,344.03		1	(1,208,694.78)	(132.46)	(14,116.81)	(1,222,811.59)	(240,728.04)					(132.46)		(1,222,811.59)	-	
12/11/2015	Bank Fee		-	(66.80)	91,277.23		10	(1,208,761.58)	(1,324.67)	(15,441.48)	(1,224,203.06)		(66.80)				(1,324.67)		(1,224,203.06)	-	

Cash Activity Summary
 April 30, 2015 - March 31, 2017

	<u>4/30/2015</u>	<u>3/31/2017</u>	<u>Difference</u>
Total Cash	858,476	3,038,676	2,180,200
US Bank Custody Acct - Karpus	<u>11,179,484</u>	<u>8,861,689</u>	<u>(2,317,795)</u>
	<u>12,037,960</u>	<u>11,900,365</u>	<u>(137,595)</u>
Explanation of Cash Difference		Total Cash Difference	(137,595)
Net Franklin Park Construction Expenditures and Sale Proceeds to date			<u>(53,961)</u>
Remaining Change in Total Cash			<u>(83,634)</u>

The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Interest Income Analysis

Year to Date As of March 2017 comparison to February 2017

	<u>Mar-17</u>	<u>Feb-17</u>	<u>\$ Difference</u>
Bond Audit Fees	-	-	-
Interest Income, Mortgages	339	283	56
Interest Income, Wells Fargo	160	105	55
* Interest Income, Karpus	59,267	48,667	10,600
* Net Change in Investment Value, Karpus	(54,490)	(46,583)	(7,907)
* Realized Gain/Loss On Investment, Karpus	(2,852)	(2,852)	-
* Interest Income, FHLB LOC	34	30	4
* Interest Income, BNY	118	75	43
<u>New account added in February</u>			
Interest Income - FP Construction Loan Receivable	-	18,798	(18,798)
<u>Previously used line item descriptions</u>			
Interest Income, Other		(95,548)	95,548
Interest Income, FHLB LOC		553	(553)
Gain/Loss On Investment		43,041	(43,041)
		<hr/>	<hr/>
Total Interest Income	<hr/> <u>6,616</u>	<hr/> <u>(33,431)</u>	<hr/> <u>40,047</u>

Housing Finance Authority of Broward County
April 19, 2017 – Board Meeting

Multifamily Bond - Action Item

Request approval of the transfer of ownership of Emerald Palms Apartments (the “Transfer”); approving the form and execution of: 1) an Assignment, Assumption, Consent and Release Agreement, 2) a First Amendment to Land Use Restriction Agreement, 3) a Subordination Agreement for Regulatory Agreement, 4) a Satisfaction of Mortgage and 5) an Escrow Trust Deposit and Defeasement Agreement; and authorizing officers of the Authority to do all things necessary or advisable in connection with the Transfer.

Background

1. Emerald Palms Apartments is a 318-unit development located in Dania Beach, Florida within Broward County (the “Development”).
2. The Authority funded the acquisition, construction and equipping of the Development via the issuance of its \$15,900,000 Multifamily Housing Revenue Bonds, Series 2001A and \$700,000 Taxable Multifamily Housing Revenue Bonds Series 2001B (Emerald Palms Apartments Project) (the “Bonds”).
3. The Development is subject to a Land Use Restriction Agreement (the “LURA”).

Present Situation

1. On January 18, 2017, the Authority received correspondence advising the Authority that Emerald Palms Apartments Limited Partnership, a Florida limited partnership (the “Seller”) had entered into a Purchase and Sale Agreement (the “PSA”) with MRK Partners Inc., a California corporation LLC (“MRK”). Per the PSA, MRK intends to assign the PSA to another entity. Closing is anticipated to occur mid-year. (Attachment I)
2. Bond counsel and credit underwriter were assigned to the transaction. The credit underwriter confirmed that MRK assigned the PSA to Emerald Palms Venture LP, a Florida limited partnership (the “Purchaser” or “New Owner”). The credit underwriter further confirmed that the Purchaser has the prerequisite financial strength and experience to successfully own and operate the Development (Attachment II)
3. The Purchaser will assume all of the obligations of the Owner as described within the Assignment, Assumption, Consent and Release Agreement (the “Assignment”).
4. The Owner will prepay the outstanding Bonds in full, in order to defease the Bonds and release the lien of the Indenture. The moneys deposited with the

Trustee to accomplish the defeasance will be held pursuant and subject to an Escrow Trust Deposit and Defeasement Agreement (the "Escrow Deposit Agreement"). Following the defeasance and the release of the Indenture, the Authority and the Trustee will execute a Satisfaction of Mortgage (the "Satisfaction of Mortgage") releasing the mortgage encumbering the Development.

5. The LURA will terminate at the end of the Qualified Project Period which is the later of May 1, 2017 or the date the Bonds are repaid in full.
6. Parties have requested certain amendments to the LURA to affirm the continuing duties and obligations of the New Owner and to remove the Trustee as a party to the LURA (the "LURA Amendment").
7. The first mortgage lender has requested that the Authority subordinate the LURA. The subordination will be evidenced via a Subordination Agreement for Regulatory Agreement (the "Subordination Agreement").
8. The Authority Resolution (including the Assignment, the LURA Amendment, the Subordination Agreement, the Satisfaction of Mortgage and the Escrow Deposit Agreement) is attached.

Recommendation

1. Approve the transfer of ownership for Emerald Palms Apartments, subject to:
 - a. Payment of all fees and expenses of the Authority and its professionals, and
 - b. Any other items reasonably required to complete the transfer of ownership.
2. Authorize the execution of:
 - a. Assignment,
 - b. LURA Amendment,
 - c. Subordination Agreement,
 - d. Satisfaction of Mortgage, and
 - e. Escrow Deposit Agreement.

Attachments

- I. Owner's Correspondence
- II. Credit Underwriting Report
- III. Authority Resolution (Exhibits A-E will be available at the meeting).
 - a. Form of Satisfaction of Mortgage
 - b. Form of Assignment
 - c. Form of LURA Amendment
 - d. Form of Subordination Agreement, and
 - e. Form of Escrow Deposit Agreement

ATTACHMENT 1



BANK OF AMERICA CENTER
390 NORTH ORANGE AVENUE
SUITE 1400
ORLANDO, FL 32801
TELEPHONE: 407.839.4200
FAX 407.425.8377
WWW.BROADANDCASSEL.COM

HOLLIE A. CROFT, P.A.
DIRECT LINE: 407.839.4239
DIRECT FACSIMILE: 407.650.0979
EMAIL: HCROFT@BROADANDCASSEL.COM

January 18, 2017

VIA E-MAIL (RSTONE@BROWARD.ORG)

Mr. Ralph Stone
Executive Director
Housing Finance Authority of Broward County
110 N.E. 3rd Street, 3rd Floor
Ft. Lauderdale, Florida 33301

Re: Change in Ownership of Emerald Palms Apartments

Dear Mr. Stone:

Our firm represents MRK Partners Inc., a California corporation ("**MRK**"), in connection with the acquisition of that certain 318-unit multifamily residential development known as Emerald Palms Apartments located at 5331 Southwest 43 Terrace, Dania Beach, Florida, 33314 ("**Development**") from Emerald Palms Apartments Limited Partnership, a Florida limited partnership ("**Seller**") pursuant to that certain Purchase and Sale Agreement ("**PSA**") between Seller and MRK, dated as of December 20, 2016 (the "**Transaction**"). MRK intends to assign the PSA to another entity ("**Purchaser**"). At this time, the PSA technically has a closing date of March 2017; however, there are certain conditions that must be satisfied before closing can occur and there are extensions built in for same, including obtaining this approval. As such, the closing is likely to occur mid-year. In the event that closing is able to proceed sooner, we would like to begin the transfer process now so that all approvals are in place.

For your convenience, the Land Use Restriction Agreement dated as of May 1, 2001, which binds the Development, is attached hereto (the "**LURA**"). The LURA was made in connection with a Housing Finance Authority of Broward County, Florida ("**Authority**") bond loan transaction. To comply with the LURA, the purpose of this letter is to provide notice to, and to seek the consent of, the Authority to the Transaction, and to request that you begin the process to document the assignment and assumption of the LURA.

We respectfully request that the aforementioned Transaction be placed on the agenda for the next possible meeting of the Board of Directors of the Authority and, to the extent required, on the agenda for the County Commission's next possible meeting, in order to seek and receive the necessary consent/approval to the Transaction, and the execution and/or recordation of such documents as may be required in connection with same.

Mr. Ralph Stone
January 18, 2017
Page 2

Please let us know what additional information you require.

If you need any additional information concerning these matters, please do not hesitate to contact me at the information listed above, or Sydne Garchik at (703) 517-7004.

Sincerely,



Hollie A. Croft, P.A.

Enclosure

cc: Sydne Garchik
Stephen Garchik
Brooke R. Perlyn, Esq.
Christopher Staller, P.A.

ATTACHMENT 2

April 6, 2017

VIA EMAIL

Mr. Ralph Stone
Executive Director
Housing Finance Authority of Broward County
110 NE Third Street, Suite 300
Fort Lauderdale, Florida 33301

Re: Emerald Palms Apartments
Multifamily Housing Revenue Bonds – Series 2001A and 2001B
Ownership Transfer

Dear Mr. Stone:

On your behalf, Seltzer Management Group, Inc. (“SMG” or “Seltzer”) has reviewed a request, dated January 23, 2017, from Counsel for Emerald Palms Apartments Limited Partnership (“EP” or “Seller”), and a request dated January 18, 2017 and amended March 8, 2017, from Counsel for MRK Partners, Inc. or its assignee (“Purchaser”) requesting that the Housing Finance Authority of Broward County (“HFABC” or “Authority”) as first mortgage lender consent to the ownership transfer of Emerald Palms Apartments. Seltzer has also been advised that the Seller will use the sales proceeds to pay off the existing HFABC Bond loan and terminate the Bond LURA.

It should be noted that SMG has performed a review related to a similar request on behalf of the Florida Housing Finance Corporation (“FHFC”) which provided subordinate financing to the transaction.

For the purposes of this analysis, SMG has reviewed the following:

1. Correspondence seeking consent of the request outlined above
2. HFABC Preliminary Credit Underwriting Report
3. SAIL–HC CUR prepared by SMG, dated May 31, 2002
4. SAIL Promissory Note, Mortgage and Security Agreement, dated August 16, 2002
5. SAIL LURA dated August 16, 2002, as last amended February 11, 2009
6. ELIHA between FHFC and Seller, dated February 3, 2004, as amended May 20, 2009
7. Purchase and Sale Agreement dated December 20, 2016, as amended January 27, 2017, and an Assignment thereof dated March 27, 2017
8. Emerald Palms Apartments Audited Financial Statements for the years ending December 31, 2015 and 2016
9. Purchaser’s Source and Use of Funds Schedule
10. A refinancing term sheet from Jones LaSalle Multifamily, LLC (“JLL”) dated February 21, 2017

11. JLL Online 2015 Financial Statements and 3rd Quarter 2016 10Q
12. FHFC Occupancy Reports
13. Annual Compliance Review and Physical Inspection dated August 9, 2016
14. FHFC Past Due Report dated February 13, 2017
15. FHFC Noncompliance Report dated February 13, 2017
16. Organizational documentation for the Purchaser and its principals
17. Financial documentation for the principals
18. Resume for the proposed management company

In addition, SMG has had various conversations with HFABC staff and the Purchaser's representative concerning the request described above.

Our findings are as follows:

Background

Emerald Palms is a family development located at 5331 Southwest 43rd Terrace, Dania Beach, Broward County, Florida, consisting of 318 rental apartment units located in 64 residential buildings comprised of two-story walk-up garden style apartment buildings, duplexes, four-plexes, and villas, plus a one-story clubhouse building.

EP was formed in February 1999. The current General Partner of EP is Emerald Palms GP, L.L.C. with a .01% partnership interest. EP has an investor limited partner, Lend Lease Emerald Palms, L.L.C. with a 99.99% interest and a special limited partner, SLP, Inc. with 0% interest. Lend Lease Emerald Palms, L.L.C. changed its name to MMA Emerald Palms, L.L.C. when Municipal Mortgage & Equity ("MMA" aka MuniMae) acquired Lend Lease in 2003. In 2009, MMA was renamed Boston Financial Investment Management, therefore, the current investor limited partner of EP is noted in the 2016 audit as Boston Financial Housing Investments II, Limited Partnership. Per EP's counsel, the limited partner has preliminarily consented to the sale of the subject development. Final consent to the sale is a condition to close.

The Subject Development originally received Multifamily Housing Revenue Bonds ("MMRB") first mortgage financing through a \$16,600,000 Housing Finance Authority of Broward County bond issue consisting of Tax-Exempt Housing Revenue Bonds Series 2001 A in the amount of \$15,900,000 and Taxable Housing Revenue Bonds Series 2001 B in the amount of \$700,000 (collectively the "Bonds"). Proceeds from the sale of the bonds funded the first mortgage loan in the same amount. Per the Trustee, The Bank of New York Mellon, the current bond principal outstanding is \$12,455,000 and approximate annual debt service for 2017 is \$1,133,806.25 including annual fees.

The development closed on a State Apartment Incentive Loan ("SAIL") in the amount of \$2,500,000 on August 16, 2002. The loan has an interest rate of 9% per annum on the outstanding principal balance in which annual interest payments are based on available cash flow ("ACF"). All required fees are paid annually. All outstanding unpaid interest and principal are due at maturity on December 1, 2033. The outstanding principal balance of the SAIL is \$2,500,000.

Other funding sources included equity derived from the sale of MMRB accompanying "in-kind" 4% HC and deferred developer fee.

Emerald Palm's Audited Financial Statements prepared by Rubin Brown, LLP, St. Louis, Missouri on February 28, 2017 for the years ended December 31, 2015 and 2016, reflect that the development generated sufficient income to meet operating expenses and to service all the mortgage debt and related fees. Cash Flows reflect net income for 2016 of \$653,518. Assets in the amount of \$17,282,597 exceed total liabilities of \$16,119,261 resulting in a partners' equity in the amount of \$1,163,336.

Operation of the subject is restricted by terms and conditions detailed in various loan documents, including but not limited to the MMRB LURA, SAIL LURA and ELIHA. It is anticipated that the HFABC MMRB LURA will be terminated. However, the SAIL LURA and ELIHA will be assigned to and assumed by the Purchaser.

Set asides for both the SAIL and ELIHA are 100% of the units at 60% of Area Median Income ("AMI"). Additionally, the Seller committed under the SAIL that at least 30% of the units will be three bedrooms or larger (Large Family). The SAIL set aside term is for 50 years and the ELIHA set aside term is 30 years.

As of January 2017, Emerald Palms reported occupancy at a rate of 97.17%. Average occupancy for the last five (5) months of 2016 was 97.36%.

The most recent Management Review and Physical Inspection for Emerald Palms was performed by the Servicer on August 9, 2016. Discrepancies were noted in error and retracted by Servicer, and the review was subsequently closed.

The FHFC Noncompliance Report dated February 13, 2017 does not reflect EP as in noncompliance. The FHFC Past Due Report dated February 13, 2017 does not reflect Emerald Palms as past due.

Ownership Transfer

The Purchase and Sale Agreement dated December 20, 2016 is between EP as Seller and MRK Partners, Inc., a California corporation, as Buyer for a purchase price to be determined as follows: if on the Determination Date the 10 Year Treasury Rate is equal to or less than 2.10% then the purchase price is \$34,000,000; however, if on the Determination Date the 10 Year Treasury Rate is greater than 2.10% the purchase price shall be calculated by subtracting \$14,052,55 from the price for every basis point by which the 10 Year Treasury Rate is greater than 2.10%. Further, if the 10 Year Treasury Rate on the Determination Date is greater than 2.90%, then Buyer shall have 5 business days to notify Seller and Escrow Agent in writing of its decision to: proceed to closing with a price based on a 10 Year Treasury Rate of 2.90% or terminate the Agreement. The First Amendment to Purchase and Sale Agreement dated January 27, 2017 provides for a credit to the purchase price of \$150,000 (for termite infestation) among other provisions. Seltzer is in receipt of an email from Purchaser's Counsel confirming that on the Determination Date (March 17, 2017) the 10 Year Treasury Rate was 2.50%, therefore, the purchase price was set at \$33,437,898. Seltzer is also in receipt an Assignment from MRK Partners, Inc. to Emerald Palms Venture LP dated March 27, 2017.

Integra Realty Resources of Tampa Bay prepared an Appraisal of Real Property dated January 17, 2017 with an effective date of January 3, 2017 that reflects a Market Value, As Is, and As Restricted by the Housing Credit, SAIL and Tax Exempt Bond programs in the amount of \$34,200,000.

Emerald Palms Venture LP is a Florida limited partnership registered with the State of Florida March 7, 2017. The administrative general partner of Emerald Palms Venture LP is Emerald

Palms Venture GP, LLC, a Delaware limited liability company, formed February 22, 2017, owning the 35% general partner interest. Emerald Palms Bridge LP, a Florida limited partnership, formed March 6, 2017 owns the 65% limited partner interest. The members of Emerald Palms Venture GP, LLC are the Russell Family Trust (50%), managed by Sydne Garchik, and Stephen J. Garchik (50%). The .01% general partner of Emerald Palms Bridge LP is Emerald Palms Venture GP, LLC (same as the GP of the Purchaser) and Sydne Garchik is the 99.99% limited partner. As a newly formed entity Emerald Palms Venture LP has no financial statements, trade references, multifamily ownership history or contingent liabilities. Emerald Palms Venture GP, LLC, and Emerald Palms Bridge LP, likewise are newly formed and have no financial information or multifamily ownership history.

The Russell Family Trust provided its Declaration of Trust dated October 1, 2015. The Trustees are Marc Lee Russell, husband, and Sydne Garchik a/k/a Sydne Garchik Russell, wife.

Sydne M. Garchik

- Ms. Garchik is the founder and principal of MRK Partners, Inc. Prior to founding MRK, she was responsible for acquisition and asset management of over 3,000 units, and renovation of over 2,000 affordable units across the country for Standard Property Company. Prior thereto she oversaw 1M SF of commercial real estate for SJM Partners, Inc. She is the co-founder of Housing on Merit, a California non-profit housing corporation, and holds a Bachelor of Science degree in Business Management from the University of Maryland. MRK Partners, Inc. has acquired and rehabilitated over 2,700 residential units in California, Maryland, Illinois, and Florida.
- A statement of financial condition for Sydne M. Garchik for the period ending December 31, 2016 was compiled by Stephen Morris, CPA, of Morris Financial Advisors, Inc. of Los Angeles, California on March 28, 2017. The statement is neither audited nor reviewed. The statement reflects total assets in the amount of \$30,486,835 that exceed total liabilities of \$15,070,939 resulting in a net worth of \$15,415,896. The balance sheet reflects total current assets in the amount of \$1,761,808. The compilation states there are no contingent liabilities. SMG also received and reviewed Ms. Garchik's 2014 and 2015 Federal Income Tax Returns.

It is noted that Ms. Garchik's assets primarily consist of real estate investments totaling \$28,340,027 and that three of those properties are held in the Russell Family Trust with an estimated market value of \$10,400,000.

- Ms. Garchik provided a Certified Statement of Multifamily Ownership and Loan History and a Statement of Financial/Credit Affairs. She has ownership interests in 12 properties in 4 states, 10 that are multifamily and 2 which are not housing. Her highest ownership interest in any property is 50% and her lowest is 0.50%. She is the administrative GP for four additional properties with no ownership interest. There are no judgments, legal suits, actions or bankruptcy pending for any of the properties.
- A Tri-merged credit report for Ms. Garchik dated April 3, 2017, reflects satisfactory credit history with the exception of one charge off on a revolving account. No account has been placed for collection and there are no public records.

Stephen.J. Garchik

- Mr. Garchik has been a real estate developer for 37 years. In that time, he and his partners at The Evans Company of McLean, Virginia and subsequently at SJM Partners, Inc. of Delray Beach, Florida have developed approximately 4,000,000 SF of office space, 2,000,000 SF of residential properties, 5,000,000 SF of self-storage projects, 1,200,000 SF of retail space, and 500,000 SF of industrial product. Residential developments include high-rise luxury rental properties in Washington DC and Baltimore, and student housing for 2,500 students at the University of Maryland. In addition, Mr. Garchik and his associates have mixed use properties, a 605 unit high rise on Brickell Avenue in Miami and several residential golf course communities. Mr. Garchik serves on the board of several non-profit institutions and holds a Bachelor of Science and MBA from the Wharton School at the University of Pennsylvania.
- Stephen J. Garchik provided certified financials dated January 31, 2017 which reflect total assets in the amount of \$40,281,301 that exceed total liabilities of \$3,177,978 resulting in net worth of \$37,103,323. Cash and equivalents total \$11,064,351. SMG also received and reviewed Mr. Garchik's 2014 and 2015 Federal Income Tax Returns.
- Mr. Garchik provided a Statement of Financial/Credit Affairs. He has an average 17.207% ownership interest in 43 properties in 7 states. Six of these are multifamily properties, one is a mobile home park, and the remainder is self storage, shopping centers and golf courses. His highest ownership interest in any property is 100% and his lowest is 0.0005%. Contingent liabilities consist of loan balances of \$38.8 million and outstanding guarantees totaling \$6.1m. There is one shopping center property in default as the loan has matured; however, Mr. Garchik advises debt service is current. There are no judgments, legal suits, actions or bankruptcy pending for any of the properties.
- A Tri-Merged credit report for Mr. Garchik dated March 30, 2017, reflects satisfactory credit history. No account has been placed for collection and there are no public records.

Management Company

Apartment Management Consultants, LLC ("AMC") is a Utah limited liability company formed in 2000 and registered with the State of Florida in 2008. A 2017 Annual Report has been filed. A biography for AMC reflects that its principals offer a combined 40+ years of experience in property management. AMC currently manages over 390 multifamily properties totaling over 79,000 units, serving both family and elderly demographics, and located in 21 different states including 3 in Florida. Most properties offer market rate units; however, Section 8 and Housing Credits properties are also represented. The selection of the management company was approved by the FHFC Asset Management Department on March 30, 2017.

Refinancing Overview

SMG has received a term sheet from JLL dated February 21, 2017 for first mortgage bridge loan financing for the acquisition of Emerald Palms via a Freddie Mac Capital Markets loan. The anticipated loan amount is \$26,378,000. Terms include a 7 year term, interest only payments for 2 years with a variable interest rate based on 30 day LIBOR plus a margin comprised of the required Freddie Mac spread and an annual servicing fee, and a 30 year amortization period. The indicative interest rate based on the 1-month LIBOR as of February 21, 2017 (0.77%) plus 257 basis points would be 3.34%. The actual interest rate will be determined approximately 10 days prior to closing with a rate reset every 30 days. Additionally, the Borrower will have to purchase a LIBOR interest rate cap from a Freddie Mac

Mr. Ralph Stone
Emerald Palms Apartments
April 6, 2017
Page 6

approved rate cap provider at a maximum strike rate of 3.20%, and each will have a minimum term of 3 years. The maximum interest rate is 5.75% which equals the interest rate cap strike rate plus the margin. After one year, the loan is repayable in full at any time subject to a 1% fixed prepayment penalty for the remainder of the loan term and open at par the last 90 days of the term. The penalty may be waived if the Borrower converts to a Freddie Mac fixed rate product. The commitment fee is 1.0% of the final loan amount, and payable at closing along with a 0.10% Freddie Mac application fee. Any immediate repairs identified by a Property Condition Report/Capital Needs Assessment must be escrowed with JLL at 125% of the estimated cost. Seltzer does note, however, that this is not the Purchaser's permanent financing for Emerald Palms but rather a bridge loan for its acquisition.

The new first mortgage loan will be utilized along with an assumption of the SAIL Loan and cash from the Purchaser to purchase the Emerald Palms development. The purchase price paid to the Seller will be utilized to redeem the outstanding MMRB in the amount of \$12,455,000 and satisfy other expenses payable.

Summary and Recommendation

Seltzer's review indicates that the Purchaser through the members of its Administrative General Partner has the prerequisite financial strength and experience to successfully own and operate the subject.

Therefore, SMG recommends that HFABC consent to the ownership transfer request, subject to the following:

- Repayment of outstanding Broward County HFA Tax-exempt Revenue Bonds Series 2001 A and Taxable Revenue Bonds Series 2001 B and satisfaction of the underlying first mortgage
- Review and approval of all loan documents consistent with the terms outlined above by the Authority's legal counsel
- Confirmation of consent of the current limited partner and FHFC.
- Payment of any outstanding arrearages to the HFABC, its legal counsel, Servicer or any agent or assignee of the Authority for past due issues applicable to the development team
- Satisfactory resolution of any noncompliance or past due items
- Any other requirement of HFABC, its legal counsel and servicer

I hope this correspondence has been helpful and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Cindy Highsmith
Credit Underwriting Manager

ATTACHMENT 3

RESOLUTION NO. 2017-_____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 P.M. on April 19, 2017, at the offices of the Housing Finance Authority of Broward County, Florida, 110 Northeast Third Street, Suite 201, in the City of Fort Lauderdale, Florida.

Present: _____

Absent: _____

* * * * *

Thereupon, _____ introduced the following resolution which was read:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, APPROVING AND AUTHORIZING (I) AN ASSIGNMENT, ASSUMPTION, CONSENT AND RELEASE AGREEMENT RELATED TO THE LAND USE RESTRICTION AGREEMENT DATED AS OF MAY 1, 2001, OF EMERALD PALMS APARTMENTS, (II) A FIRST AMENDMENT TO LAND USE RESTRICTION AGREEMENT, (III) A SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT, (IV) A SATISFACTION OF MORTGAGE, AND (V) AN ESCROW TRUST DEPOSIT AND DEFEASEMENT AGREEMENT IN CONNECTION WITH ITS \$15,900,000 MULTIFAMILY HOUSING REVENUE BONDS (EMERALD PALMS APARTMENTS PROJECT) , SERIES 2001A AND ITS \$700,000 TAXABLE MULTIFAMILY HOUSING REVENUE BONDS (EMERALD PALMS APARTMENTS PROJECT), SERIES 2001B; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority"), is empowered under (i) the laws of the State of Florida, including the Florida Housing Finance Authority law, Florida Statutes, Sections 159.601 through 159.623 (the "Act"),

and (ii) Ordinance 79-41 enacted by the Board of Commissioners (the "Board") of Broward County, Florida (the "County") on June 20, 1979, as amended, to issue multifamily housing revenue bonds and refund said bonds;

WHEREAS, the Housing Finance Authority issued and sold its \$15,900,000 Multifamily Housing Revenue Bonds (Emerald Palms Apartments Project), Series 2001A and its \$700,000 Taxable Multifamily Housing Revenue Bonds (Emerald Palms Apartments Project), Series 2001B (collectively, the "Bonds") for the purpose of assisting Emerald Palms Apartments Limited Partnership, a Florida limited partnership (the "Borrower") to acquire, construct and equip a multifamily residential rental apartment project located in Broward County, Florida, and known as Emerald Palms Apartments (the "Project"); and

WHEREAS, the Bonds were issued pursuant to a Trust Indenture, dated as of May 1, 2001 (the "Indenture"), by and between the Housing Finance Authority and The Bank of New York, predecessor in interest to The Bank of New York Mellon Trust Company, N.A. (the "Trustee"); and

WHEREAS, the proceeds made available from the issuance of the Bonds were loaned to the Borrower (the "Loan"), pursuant to the Financing Agreement, dated as of May 1, 2001 (the "Financing Agreement"), by and between the Borrower and the Housing Finance Authority for the purpose of financing the acquisition, construction and equipping of the Project; and

WHEREAS, in connection with the Bonds, the Housing Finance Authority, the Borrower and the Trustee entered into a Land Use Restriction Agreement, dated as of May 1, 2001 (the "Land Use Restriction Agreement") and

WHEREAS, the Borrower has requested the Housing Finance Authority's consent to transfer the Project (the "Transfer") to Emerald Palms Venture LP, a Florida limited partnership (the "Purchaser") and enter into an Assignment, Assumption, Consent and Release Agreement (the "Assignment and Assumption Agreement") among the Housing Finance Authority, the Borrower and the Purchaser, regarding the Borrower's assignment of the Land Use Restriction Agreement to the Purchaser and the Purchaser's assumption of same; and

WHEREAS, the Purchaser will finance the Transfer of the Project with a loan (the "Loan") from Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the "Lender"), such Loan to be assigned to Freddie Mac, and will use all or a portion of the proceeds of the Loan, together with certain other sources of funds, to finance the Transfer of the Project; and

WHEREAS, the Lender has required as a condition to making the Loan that on the date of closing (i) all of the Bonds outstanding be defeased, and (ii) the lien of the Indenture and of certain security instruments related to the Bonds be released; and

WHEREAS, the Borrower wishes to prepay all amounts due and payable under the Indenture and the Financing Agreement with the proceeds from the Transfer and certain other sources of funds provided by Purchaser in order to defease (and thereafter redeem) all of the Bonds outstanding and release the lien of the Indenture in accordance with Section 8.1 of the Indenture; and

WHEREAS, notwithstanding the defeasance of the Bonds, upon the execution of the Assignment and Assumption Agreement, Purchaser will be obligated to perform the terms and conditions of the Land Use Restriction Agreement during the remainder of the Qualified Project Period (as defined in the Land Use Restriction Agreement); and

WHEREAS, the Lender and Trustee have requested certain amendments to the Land Use Restriction Agreement in order to (i) update certain definitions and provisions referenced therein, and (ii) release the Trustee from its obligations thereunder; and

WHEREAS, the Purchaser has requested, and the Housing Finance Authority is willing, to consent to the requested amendments to the Land Use Restriction Agreement; and

WHEREAS, the Lender has also requested that the Housing Finance Authority subordinate the Land Use Restriction Agreement, and certain of its rights thereunder, to the mortgage and other loan documents made by the Borrower to and in favor of the Lender and/or Freddie Mac (collectively, the "Lender Loan Documents"); and

WHEREAS, the Purchaser has requested, and the Housing Finance Authority is willing, to consent to the subordination of the Land Use Restriction Agreement, and certain rights of the Housing Finance Authority thereunder, to the Lender Loan Documents and the rights of the Lender and/or Freddie Mac thereunder; and

WHEREAS, the Purchaser has agreed, as a condition to the Housing Finance Authority's approval of the amendments to and subordination of the Land Use Restriction Agreement, to pay the Housing Finance Authority a one-time upfront compliance monitoring fee sufficient to provide compliance monitoring during the remainder of the Qualified Project Period; and

WHEREAS, the Purchaser has also agreed to pay, pursuant to the terms of the Land Use Restriction Agreement, the transfer of ownership fee in the amount of one-half of one percent (0.50%) of the amount of the Bonds outstanding (the "Transfer Fee") required to be paid to the Housing Finance Authority upon the transfer of the Property to the Purchaser; and

WHEREAS, to document the satisfaction of the mortgage and other recordable documents

secured by the Project, the Housing Finance Authority and the Trustee will enter into a Satisfaction of Mortgage (the “Satisfaction of Mortgage”); and

WHEREAS, to document the requested amendments to the Land Use Restriction Agreement, the Housing Finance Authority, the Borrower and the Trustee will enter into a First Amendment to Land Use Restriction Agreement (the “LURA Amendment”); and

WHEREAS, to document the requested subordination of the Land Use Restriction Agreement, and certain rights of the Housing Finance Authority thereunder, the Housing Finance Authority and the Borrower will enter into a Subordination Agreement for Regulatory Agreement for the benefit of the Lender (the “LURA Subordination Agreement”); and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited with the Trustee for the payment of the Bonds, it is desirable for the Housing Finance Authority, the Trustee and the Borrower to enter into an Escrow Trust Deposit and Defeasance Agreement (the “Escrow Deposit Agreement”) with an escrow agent.

NOW, THEREFORE, BE IT RESOLVED by the Housing Finance Authority of Broward County, Florida, as follows:

SECTION 1. Declaration of Findings. The Housing Finance Authority hereby finds, determines and declares the matters hereinabove set forth.

SECTION 2. Approval of Satisfaction of Mortgage. The Housing Finance Authority hereby approves, subject to the approval of the Board, the form and content of the Satisfaction of Mortgage presented at this meeting and attached hereto as Exhibit “A”. The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Satisfaction of Mortgage, and the Secretary or Assistant Secretary is authorized to place the Housing Finance

Authority's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Nabors, Giblin & Nickerson, P.A. ("Bond Counsel") and the County Attorney's Office of Broward County, Florida (the "County Attorney"), may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

Section 3. Transfer of Project. The Housing Finance Authority hereby consents to the transfer of the Project to Emerald Palms Venture LP, a Florida limited partnership, upon the execution and delivery of the Assignment and Assumption Agreement.

Section 4. Authorization and Approval of Assignment and Assumption Agreement. The Housing Finance Authority hereby approves, subject to the approval of the Board, the form and content of the Assignment and Assumption Agreement presented at this meeting and attached hereto as Exhibit "B". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Assignment and Assumption Agreement, and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

The Chair in consultation with the County Attorney and Bond Counsel, shall execute the Assignment and Assumption Agreement upon the satisfaction of the following conditions:

- (a) All requirements for transfer contained in the Land Use Restriction Agreement are met; and
- (b) Payment has been made by Purchaser of all fees and expenses of the Housing Finance Authority and its professionals.

SECTION 5. Approval of the LURA Amendment. The Housing Finance Authority hereby approves, subject to the approval of the Board, the form and content of the LURA Amendment presented at this meeting and attached hereto as Exhibit "C". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the LURA Amendment, and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

SECTION 6. Approval of the LURA Subordination Agreement. The Housing Finance Authority hereby approves, subject to the approval of the Board, the form and content of the LURA Subordination Agreement presented at this meeting and attached hereto as Exhibit "D". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the LURA Subordination Agreement, and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney,

may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

SECTION 7. Approval of the Escrow Deposit Agreement. The Housing Finance Authority hereby approves, subject to the approval of the Board, the form and content of the Escrow Deposit Agreement presented at this meeting and attached hereto as Exhibit "E". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Escrow Deposit Agreement, and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

SECTION 8. Further Actions and Ratifications of Prior Actions. The officers, agents and employees of the Housing Finance Authority are hereby authorized and directed to do all acts and things required of them by the provisions of the Satisfaction of Mortgage, the Assignment and Assumption Agreement, the LURA Amendment, the LURA Subordination Agreement, the Escrow Deposit Agreement and this Resolution. All actions heretofore undertaken by the officers, agents and employees of the Housing Finance Authority with respect to the provisions of the Satisfaction of Mortgage, the Assignment and Assumption Agreement, the LURA Amendment, the LURA Subordination Agreement and the Escrow Deposit Agreement are hereby ratified and approved.

SECTION 9. Resolution Effective. This resolution shall take effect immediately upon its passage.

Upon motion of _____, seconded by _____, the foregoing Resolution was adopted by the following vote:

Ayes: _____

Noes: _____

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I, Colleen LaPlant, Secretary of the Housing Finance Authority of Broward County, Florida, do hereby certify that the foregoing is an accurate copy of the resolution of the Housing Finance Authority adopted at a meeting held on April 19, 2017, as set forth in the official minutes of the Housing Finance Authority, relating to the Satisfaction of Mortgage, the Assignment and Assumption Agreement, the LURA Amendment, the LURA Subordination Agreement and the Escrow Deposit Agreement for the Housing Finance Authority's \$15,900,000 Multifamily Housing Revenue Bonds (Emerald Palms Apartments Project), Series 2001A and its \$700,000 Taxable Multifamily Housing Revenue Bonds (Emerald Palms Apartments Project), Series 2001B and the execution of certain related documents.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this 19th day of April, 2017.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Colleen LaPlant, Secretary

[SEAL]

**Housing Finance Authority of Broward County
April 19, 2017 – Board Meeting**

Local HFAs Investment Portfolio (Fee Comparison)

Five (5) Local HFA's and Broward County Revenue Collection Division investment policies and fee comparisons.

Background

At the March 15th, HFA meeting, the board directed staff to contact local HFAs to review their investment policy and compare their fees with Karpus Investment Management ("Karpus") fees.

Present Situation

Staff contacted five (5) local HFA's and the Broward County Revenue Collection Division and acquired their Investment policies. Also, staff have compared the Local HFA's rate of return on investments, management fees, and their investment securities. (Attachments 2&3).

Attachments

1. Karpus Investment Management Agreement
2. Local HFA's/Broward County Investment Policies
3. Local HFAs & Broward County Fee Comparison

ATTACHMENT 1

DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT

This Discretionary Investment Management Agreement made this 2nd day of June 1999 by and between Housing Finance Authority of Broward County (the "Client") and KARPUS INVESTMENT MANAGEMENT (hereinafter referred to as the "Investment Manager").

The Client desires the Investment Manager hereunder to manage and invest such Assets, and said Investment Manager is willing to manage and invest Client's Assets pursuant to the terms of this Agreement.

The Client and the Investment Manager therefore agree to the following terms and conditions:

1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth:
 - 1.1 "Advisors Act" shall mean the Investment Advisors Act of 1940, as amended, and all regulations promulgated thereunder.
 - 1.2 "Assets" shall mean all assets delivered from time to time to the Custodian by or at the direction of the Client, for investment by the Investment Manager, including but not limited to cash, Securities and other property, and all new investments, reinvestments, proceeds of sales, all dividends and interest, all appreciation and all additions thereto, less depreciation thereof and withdrawals therefrom.
 - 1.3 "Custodian" shall mean the custodian(s) selected as set forth in Exhibit A.
 - 1.4 "Funding Policy" shall mean the written investment guidelines attached hereto as Exhibit E.
 - 1.5 "Securities" shall include but not be limited to stocks, bonds, rights, scrip, warrants, interim certificates and any other negotiable or non-negotiable paper commonly known as securities in banking custom or practice.
 - 1.6 "Securities Act" shall mean the Securities Act of 1933, as amended, and all regulations promulgated thereunder.
2. Appointment and Acceptance. The Client hereby gives a limited power of attorney to the Investment Manager by executing the Limited Power of Attorney attached hereto as Exhibit D to authorize the Investment Manager to manage the Assets. The Investment Manager hereby accepts this appointment, and agrees to supervise and direct the investment of the Assets of the Client in accordance with the Funding Policy.
3. Duties and Powers. Subject to the Funding Policy, the provisions herein, and applicable laws, the Investment Manager shall have the following duties and powers in its full discretion and without obligation to give prior notice to the Client:
 - 3.1 To sell, exchange, convey, transfer, or otherwise dispose of, any Assets held by the Custodian for investment purposes, by private contract or at public auction, and no person dealing with the Investment Manager shall be bound to see to the application of the purchase money or to inquire into the validity, expedience or propriety of any such sale or other disposition; all such sale, purchase or other instructions relating to security transactions shall be communicated to the Custodian, including written confirmation to the Custodian of all instructions which are so directed by the Investment Manager;
 - 3.2 To engage suitable brokers for the purchase and sale of securities and to pay their reasonable expenses and compensation from the fund;
 - 3.3 To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
 - 3.4 With the prior written consent of the Client, a) to settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Assets, b) to commence or defend suits of legal or administrative proceedings, and c) to represent the Assets in all suits and legal proceedings (such legal counsel as is necessary shall be the Fund's legal counsel). If the Investment Manager has requested the Client's consent in a timely fashion under this section and the Client has declined to consent (or if the time for effective action has passed prior to the receipt of the Client's consent) the Investment Manager shall not be liable for losses to the Assets as a result of the lack of consent.
 - 3.5 To vote all stock proxies in a manner calculated to increase the value of plan assets and to keep accurate records of such voting.
4. Custodian.
 - 4.1 The Custodian shall take and maintain physical possession of the Assets and hold them in a segregated account. Neither the Investment Manager nor any "affiliate" (as defined in the Securities Act), will be the Custodian. The Investment Manager shall have no liability with respect to the acts, conduct or omissions of the Custodian.
 - 4.2 The Investment Manager shall issue instructions to the Custodian as may be appropriate in connection with its duties set forth in Section 3.
 - 4.3 The Investment Manager shall audit the monthly statements supplied by the Custodian to make sure the security positions are accurate and all income items have been timely credited to the account. The Investment Manager shall file claims with the Custodian for any missing income items plus interest.
 - 4.4 The Client may elect to participate in the bank master custody arrangement negotiated by the Investment Manager to benefit by lower costs of custodial services. The cost of the custody services recommended by the Investment Manager is included. The cost of the custody services chosen by the Client is an additional expense to the Client. A Client choice of a Custodian other than a Custodian under the bank master custody arrangement may cause lower net returns.
5. Brokerage.
 - 5.1 The Investment Manager shall enter orders for Securities transactions with such brokers, dealers, or issuers as the Investment Manager may select. Orders shall be entered for execution on such markets, at such prices, and at such rates of broker-dealer compensations as the Investment Manager deems appropriate.
 - 5.2 The Client understands that under some circumstances the broker-dealer compensation it pays may exceed the compensation that could be obtained from another broker or dealer, particularly if such other broker or dealer were not providing research or other services. Investment Manager may enter orders with brokers or dealers with which the Investment Manager is affiliated, and the Client acknowledges that such brokers or dealers may profit from such transactions by charging their usual and customary rates of compensation, including mark-ups or mark-downs on principal transactions.
6. Funding Policy. (Investment Guidelines-Exhibit E) The Investment Manager shall have full discretion to manage and make investment changes in the account in accordance with the Funding Policy without obligation to give prior notice to the Client. The Investment Manager has the authority to buy, sell, exchange, convert or otherwise trade in any stocks, bonds or other securities and to establish and execute security transactions, through accounts with brokers or dealer as the Investment Manager may select as long as these activities are consistent with the established Funding Policy. The Client may from time to time amend the Funding Policy provided, however, that the Investment Manager shall not be bound to follow any such amended Funding Policy until it has received written or actual notice thereof from the Client.
7. Fees.
 - 7.1 The Investment Manager's compensation for services hereunder shall be calculated and paid in accordance with the Fee Agreement-Exhibit C.
 - 7.2 In computing the market value of the Assets, each Security listed on any National Securities Exchange shall be valued at the last sale price on the valuation date. Listed Securities not traded on such date, and any unlisted Security regularly traded in the over-the-counter market, shall be valued at the latest available bid price quotation furnished to the Investment Manager by such sources as may be deemed appropriate and reliable by the Investment Manager. Any other Security shall be valued in such manner as determined in good faith by the Investment Manager to reflect its fair market value.
 - 7.3 The Client shall receive an invoice which includes a calculation of the Investment Manager's fee. The Custodian has agreed to send the Client at least quarterly a statement indicating all amounts disbursed from the account.
 - 7.4 The expenses incurred by the Investment Manager in the performance of its duties, to the extent that such expenses would have otherwise been incurred by the Fund for securities transactions and related fees or charges in the absence of the appointment of said Investment Manager, shall be invoiced directly to the Client. All taxes of any or all kinds whatsoever which may be levied or assessed under existing or future laws upon, or in respect of, the Assets, or the income thereof, shall be paid from the Assets. The client shall receive a quarterly statement of taxes paid out of assets. During any year the fees and expenses payable by the client shall not exceed an amount equal to the fees set forth in Exhibit C plus brokers' commissions in an amount not to exceed 1% of the market value of the assets at the beginning of the year.

Exhibit A - CUSTODIANS

Bank/Broker Name: Citibank, NA
 Custodian: Address: 120 Broadway, 2nd floor/zone 2
 New York, NY 10271
 Account Executive: Steve Poortenga, Customer Service Rep.
 Phone: (212) 266-4463
 Fax: (212) 266-4550

- Investment Manager is hereby granted the authority to choose and change custodians, upon written notice to the Client.
 The Client has chosen the initial custodians, and the custodians may not be changed without the prior written consent of the Client.

Exhibit B - REPORTS

- Quarterly, the Investment Manager will supply reports including a list of assets priced at market value at the end of the quarter including earnings on an accrual basis, and transaction activity and a balancing report for the previous quarter. Quarterly cycle _____; Calendar: _____; Other: _____.
- Monthly, the Investment Manager will supply a report including a reconciliation, earnings on an accrual basis, performance for the month, fees for the month, a list of the assets priced at month end and transaction activity.
- Annually after the first year, the Investment Manager will supply a performance report and a complete asset reconciliation. Performance year end _____.
- Annually, the Investment Manager will provide a summary of interest, dividends and expenses for the tax year and a report of realized capital gains for income tax purposes. Fiscal year end _____.
- Duplicate reports sent to _____ (use reverse side if necessary)

Exhibit C - INVESTMENT MANAGEMENT FEE AGREEMENT

The Client subscribes to the Investment Management Service and agrees to the following annual fee schedule of compensation due Karpus Investment Management:

First \$2,000,000	1.00%
Next \$3,000,000	.65%
Next \$5,000,000	.50%
Next \$10,000,000	.35%
Over \$20,000,000	.25%

Initial: Client DR Investment Manger JAS

The fee is payable at the end of each quarter based on the market value of the fund as of the last business day of the preceding quarter. The initial prorated fee will be based on the market value of the funds at the end of the quarter for which management begins. The Investment Manager will invoice the client on the first of the month following the end of the calendar quarter with payment by the 15th of that month.

Exhibit D - LIMITED POWER OF ATTORNEY

I, the owner or duly appointed trustee, custodian or other fiduciary of the account of **Housing Finance Authority of Broward County** hereby appoint Karpus Investment Management as my agent and attorney-in-fact with authority to purchase and sell stocks and bonds and any other securities for the account. I also empower Karpus Investment Management to vote the proxies for those securities.

You, Citibank, as a custodian, are authorized and empowered to follow all instructions given by Karpus Investment Management with regard to any purchases and sales. Karpus Investment Management shall have the right to transfer cash and securities as long as these actions are taken in carrying out their responsibilities for account management.

It is further understood that you will not be held liable to me for any actions taken or omitted or for any errors in judgment made by Karpus Investment Management in its capacity as my agent and attorney-in-fact.

This Limited Power of Attorney is in addition to, and in no way limits or restricts, any and all rights which you may have under any other agreements between you and me and shall inure and continue in favor of your present firm, its successors, by merger, consolidation or otherwise, and assignees.

This Limited Power of Attorney shall continue in full force and effect, and you and your successors and assignees may rely on it until you receive a written notice of revocation or termination hereof, signed by me or my successors. Such revocation or termination shall in no way affect the validity of this power with reference to any transactions initiated by my agent and attorney-in-fact, Karpus Investment Management, prior to the actual receipt by you of the notice of the revocation and termination, as described above.

Dated: 6-2-99 Signed: [Signature]
 Tax ID or SS No. _____

Accepted by KARPUS INVESTMENT MANAGEMENT

By: [Signature]
 Title: Senior Vice President

1. Scope

This policy applies to all funds (cash, cash equivalents and investments) held by or for the benefit of the Housing Finance Authority of Broward County (the Authority) except for proceeds of refunded bond issues which are deposited in escrow, and debt service funds governed by their bond indentures.

2. Objective

Within the framework of the guidelines and constraints below, the investment objectives of the program are:

- (a) Safety - Ensure the preservation of capital in the overall portfolio. Each transaction shall seek to first ensure that capital losses are minimized whether they be in the form of securities defaults or erosion of market value.
- (b) Liquidity - Meet our daily cash needs.
- (c) Yield Maximization - Maximize yield subject to safety and liquidity.

3. Performance Measurement

Regularly exceed the average return on the 3-month Treasury Bill or the average rate on federal funds whichever is higher. These indices are considered benchmarks for low risk investment transactions and, therefore, comprise a minimum standard for the portfolio rate of return. The investment program shall seek to provide returns above these indices consistent with risk limitations identified herein and prudent investment principles.

4. Prudence and Ethical Standards

The standard of prudence to be used by those persons conducting investment transactions shall be that of the "prudent person" and shall be applied in the context of managing an overall portfolio. A prudent person shall be defined as one who makes "investments with judgement and care, under circumstances then prevailing, which person or prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital, liquidity of funds and investment income in that order of importance."

Officers and employees involved in the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program, or impair their ability to make impartial investment decisions. Employees and investment officers shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the timing of purchases and sales.

5. Eligible Securities

The portfolio of the Authority shall be limited to the following eligible securities. Investments in any derivative securities, including interest only or principal only and inverse floaters investments are prohibited unless specifically designated below:

- (a) Direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government, including bonds, notes, and other obligations.

- (b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

Export-Import Bank
Farm Credit System Financial Assistance Corporation
Farmers Home Administration -- (Certificates of beneficial ownership)
Federal Financing Bank
Federal Housing Administration
General Service Administration -- Participation certificates
Government National Mortgage Association (GNMA or "Ginnie Mae)
GNMA - guaranteed mortgage-backed bonds or
GNMA - guaranteed pass-through obligations
U.S. Maritime Administration -- Guaranteed Title XI financing
Small Business Administration
U.S. Department of Housing & Urban Development (HUD)
Project Notes,
Local Authority Bonds,
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

- (c) Obligations of any of the following (non-full faith and credit) U.S. federal agencies, including:

Federal Home Loan Bank System -- Senior debt obligations
Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation certificates
Senior debt obligations
Federal National Mortgage Corporation (FNMA or "Fannie Mae")
Mortgage-backed securities
Senior debt obligations
Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
Resolution Funding Corp. ("REFCORP")
Farm Credit System

- (d) One or more funding agreements, investment agreements or guaranteed investment contracts to be issued pursuant to applicable state insurance regulations by an insurance company rated by Best Insurance Reports in the two highest categories or whose claims paying ability is rated in one of the two highest general rating categories by Moody's Investor Service or Standard and Poors Corporation or by a bank rated AA or better, or their respective successors and assigns, which agreements or contracts shall be issued out of the general account of such insurance company or issued out of a separate account guaranteed by the general account of such insurance company.

- (e) Any repurchase agreements with any bank, savings institution or trust company which is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or with any broker/dealer with retail customers which is a member of the Securities Investors Protection Corporation, provided such agreements are i) in writing; and ii) fully secured by securities unconditionally guaranteed by the United States of America, and provided further that (1) any such collateral is held by the Authority or any agent acting solely for the Authority during the full term of such

agreements; (2) any such collateral is not subject to liens or claims of third parties; (3) any such collateral has a market value (determined at least every 14 days) at least equal to one hundred two percent (102%) of the amount invested in such agreement; (4) the Authority has a perfected first security interest in such collateral; and (5) such agreement shall provide that the failure to maintain such collateral at the level required by clause (3) above will require the Authority or its agents to liquidate the investments. Master repurchase agreements shall be executed with all dealers and brokers doing repurchase agreements with the Authority.

- (f) Commercial paper rated is one of the two highest rating categories by at least two nationally recognized rating agencies or commercial paper backed by a letter of credit or line of credit rated in one of the two highest rating categories.
- (g) Bonds, notes, or obligations of the State of Florida, any municipality or political subdivision or any agency or authority of this state, if such obligations are rated by at least two (2) national recognized rating services in any one of the two highest classifications.
- (h) Interest bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided such deposits are secured by collateral as may be prescribed by law.
- (i) Bank time deposits evidenced by certificates of deposit issued by any bank, savings and loan association, trust company or national banking association, which are (a) fully insured by the Federal Deposit Insurance Corporation and are governed by Florida Statutes (b) to the extent not so insured, secured by government obligations provided (i) such obligations shall be in the physical possession of the Authority or a bank or trust of its choosing which is not the Authority of such certificate or deposit or bankers' acceptance, or a first lien perfected security interest in such obligations is created for the benefit of the issuer as fiduciary for the holders of the bonds, and (ii) such obligations must continuously have a market value at least equal to the amount so invested.
- (j) Bill of Exchange or time drafts drawn on and accepted by a commercial bank (commonly referred to as a Banker's Acceptance) and eligible for use as collateral by member banks in borrowing from a Federal Reserve Bank, provided that the accepting bank or its holding company is rated in one of the two highest rating categories by Moody's Investor Service and/or Standard & Poor's Corporation.
- (k) Securities of, or other interest in, any open-end or closed-end management type, investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. SS 80a-1 et sect., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government Obligations and to repurchase agreements fully collateralized by such United States Government Obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

- (l) In shares of the Government Fund or any other investment fund established by the Florida Counties Investment Trust, the assets of which are restricted to investment instruments by Section 125.31, Florida Statutes, or by this policy, as they may be amended from time to time.
- (m) Collateralized Mortgage Obligations (CMOs) which are bank eligible and pass the Federal Financial Institution Examination Council (FFIEC) Codes for CMO safety.
- (n) World Bank Notes, Bonds and Discount Notes and Notes rated AAA or equivalent by Moody's Investor Service and/or Standard & Poor Corporation.
- (o) Obligations of the Tennessee Valley Authority.
- (p) Reverse repurchase agreements which shall be used for liquidity purposes and cannot be longer than thirty (30) days in duration.

6. **Maturity and Liquidity Requirements**

The investment portfolio shall be structured so that it provides sufficient liquidity and flexibility to manage the Authority's cash needs as a first priority.

7. **Diversification**

It is the policy of the Authority to diversify its investment portfolio. Assets held shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, or class of security.

- (a) The portfolio of the fund will be diversified with no more than 5% of the value of the portfolio invested in the securities of any single issuer. This limitation shall not apply to U.S. Government and Agency thereof, or government sponsored corporation securities, fully insured and/or collateralized Certificates of Deposit.
- (b) The maximum percentage of the portfolio permitted in each eligible security is as follows:

Diversification by Instrument:

U.S. Treasuries/Agencies	100% max
Local Government Surplus Trust Funds	60% max
Guaranteed Investment Agreements	10% max*
Repurchase Agreements	40% max
Commercial Paper	20% max
State/County Bonds	35% max
Interest Bearing Time Deposits	20% max
Banker's Acceptance (Domestic)	30% max*
Banker's Acceptance (Yankee BAs)	10% max
Derivative CMOs	5% max
Others	10% max

Diversification by Institution:

Banker's Acceptances
No more than 10% of the total portfolio with any one institution.

Repurchase Agreements
No more than 10% of the total portfolio with any one institution.

Certificates of Deposit
No more than the applicable insured amount by one institution.

Local Government Trust Funds
Unrestricted

Guaranteed Investment Agreements
No more than 5% of the total portfolio
with any one institution.

Commercial Paper
No more than 5% of the total portfolio
with any one institution.

***Overall combined exposure of Guaranteed Investment contracts,
and Banker's Acceptances is limited to a maximum of 30% of the
value of the portfolio.**

Risk - The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity.

Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. In the event of default by a specific issuer, the investment officer shall review and, if appropriate, proceed to liquidate securities having comparable credit risks.

To control market price risks, volatile investment instruments shall be avoided. The investment officer shall establish guidelines to price volatility on the overall portfolio and for individual instruments, after first establishing a range of possible interest rate fluctuations within which markets could reasonably be expected to trade.

To control risk of illiquidity, a minimum of 10% shall be held in overnight repurchase agreements and/or U.S. Treasury instruments.

8. Qualified Institution

Qualified institutions for the purpose of investment transactions shall be:

- (a) Large regional and money center banks ranked 1-25 in total capital nationally and qualified state depositories.
- (b) Primary dealers as defined by Federal Reserve Bank of New York.

9. Safekeeping and Collateralization

To protect against possible fraud and embezzlement, the assets of the Authority shall be secured through custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Employees performing the investment transaction shall be bonded. Safekeeping procedures shall be reviewed annually by the independent auditors performing the annual audit of the Authority's financial status. All transactions involving broker/dealers shall be made on a delivery versus pay system to insure payment or delivery.

10. Master Repurchase

The Authority shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the master repurchase agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

11. Reporting

Reporting shall be done on a monthly basis to the Authority of all outstanding securities including a market-to-market report and portfolio performance.

CUSTODY AGREEMENT

This AGREEMENT made as of the 21 day of November, 2007 by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America ("Custodian") and HFA ("Customer") a organized under the laws of the State or Commonwealth of Florida. HFA - Housing Finance Authority of Broward County

In consideration of the premises, undertaking and covenants herein, the parties agree as follows:

1. Appointment and Acceptance. Customer hereby appoints Custodian as its agent to provide custody and other services in connection with securities, cash and other property delivered from time to time to Custodian hereunder by, or at the direction of, Customer, and income, distributions and payments received by Custodian with respect thereto (collectively the "Assets"); and Custodian hereby agrees to act in such capacity, and perform such services, and hold the Assets in a custody account established in the name of Customer (the "Account"), upon the terms and conditions set forth below. For purposes of this Agreement, all references contained herein to actions, directions and responsibilities (other than the obligations set forth in Sections 12 and 14 below) of Customer shall include, apply to and be binding upon the Customer's agents, including any investment manager or advisor, appointed and authorized by Customer to direct Custodian or otherwise take actions on behalf of Customer in connection with Custodian's services and responsibilities hereunder. Customer shall provide written notice to Custodian of the identity of all such appointed agents and the scope of their authority to act hereunder. Customer shall be responsible for providing to each such agent a copy of this Agreement and all written policies and procedures of Custodian governing its performance of services hereunder that Customer shall receive from time to time. In the event that Customer requires Custodian to establish one or more sub-accounts within the Account under this Agreement ("sub-Accounts"), Customer shall identify such sub-Accounts on a separate Exhibit A attached hereto, and which may be amended from time to time. In such event, Customer shall deposit or direct the transfer of Assets to or among the separate sub-Accounts. Further, for such situations, the term "Account" as used in this Agreement shall refer to one or all of the sub-Accounts established by Customer, as the context of this Agreement shall require.

2. Asset Delivery, Transfer, Custody and Safekeeping.

2.1. Customer will from time to time deliver (or cause to be delivered) Assets to Custodian, which Custodian shall receive and accept for the Account upon appropriate directions from the Customer. All transactions involving Assets shall be recorded in the Account.

2.2. Upon receipt of appropriate directions, Custodian will release and return Assets to Customer, Customer's Depository (as that term is defined in Section 3.3 below) account or accounts, or otherwise deliver Assets to such location or third party, as such directions may indicate, provided that, in connection therewith it is the sole responsibility of Customer to provide any transfer documentation as may be required by the Depository or third party recipient. Custodian shall have no power or authority to assign, hypothecate, pledge or otherwise dispose of any Assets, except as provided herein or pursuant to appropriate directions.

2.3. Custodian shall furnish Customer, as part of the services for which Custodian charges its basic fee hereunder, with periodic Account statements (not less frequently than annually) reflecting all Asset transactions in the Account during the reporting period and ending Asset holdings.

2.4. Custodian shall forward to Customer, or Customer's designated agent identified in Section 17.10, below (or as identified in a separate written designation by Customer that is received by Custodian), all information it receives with respect to any of the Assets concerning redemption rights that are exercisable at Customer's option, tender or exchange offers, class action lawsuits and other special matters or shareholder rights. Custodian shall follow Customer's or Customer's designated agent's, as applicable, written directions with respect thereto consistent with Custodian's governing policies and procedures and in the absence of such directions Custodian shall take no action. Custodian shall forward to Customer or Customer's designated agent, as applicable, all proxy material it receives with respect to securities included among the Assets. The registered holder of the securities shall execute proxies so forwarded, if registered in the name of the Custodian or its nominee, but without indicating the manner in which such proxies are to be voted. Exception: Customer expressly acknowledges that Custodian will not forward so-

called "mini-tenders" to Customer or its designated agent, as applicable. Mini-tenders are tender offers for a small amount of the outstanding securities made on "target" company, generally with an offer price at or below market value. For equity issues, unless a tender offer is made for 5% or greater of the outstanding issue, and therefore subject to Securities Exchange Commission ("SEC") review, the tender offer will not be forwarded by Custodian. For debt issues, the actual terms of the offer will serve as the notification parameters. Therefore, no tender offer will be forwarded by Custodian for a debt issue if: (a) it is not registered with the SEC, (b) it has a "first received, first buy" basis with no withdrawal privilege and includes a guarantee of delivery clause, or (c) the offer includes the statement that "the purchase price includes all accrued interest on the note and has been determined in the sole discretion of the buyer and may be more than or less than the fair market value of the notes" or similar language.

2.5. Absent specific investment directions to the contrary from Customer, Custodian is hereby authorized and directed by Customer to hold all cash and all checks and drafts (when collected funds are received) in a First American Funds money market fund, identified in Section 17.11, below. Customer acknowledges receipt of the current prospectus for the applicable, designated money market fund to be held in this Account. Customer also understands and acknowledges the following information about the First American Funds: The First American family of funds (the "First American Funds") are offered through the funds' distributor identified in the current prospectuses for the funds. U.S. Bank National Association ("U.S. Bank") or an affiliate of U.S. Bank serves as the funds' investment advisor, custodian, distributor, administrator and other service provider as disclosed in the prospectuses for the funds. Compensation paid to U.S. Bank and its affiliates by the First American Funds as well as other fees and expenses of the funds are detailed in the prospectuses. Mutual funds, including the First American Funds, are not guaranteed by, or deposits of, any bank including U.S. Bank, nor are such funds insured by the FDIC or any other agency. Investments in mutual funds involve risks, including the possible loss of principal. This authorization and direction shall continue in effect with respect to the designated fund should the fund be merged with or into another money market fund.

2.6. Customer hereby authorizes and approves Custodian's performance of its services and duties hereunder consistent with the terms and conditions of the Custodian's duly adopted policies and procedures, as established and modified from time to time, related to the subject matter hereof.

2.7. If any of the Assets received and held by Custodian hereunder shall be "plan assets" with respect to any "employee benefit plan" (as those terms are defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Custodian shall not be deemed to be, and shall not exercise any discretionary powers or control over such "plan" or "plan assets" so as to be a fiduciary with respect to the plan. Furthermore, Customer shall notify Custodian in writing whenever any Assets do constitute such "plan asset," and thereafter, all subcontracts, agreements or other arrangements between Custodian and any subsidiary or affiliate thereof for services or products paid for from any assets of the said plan and utilized in the performance of Custodian's duties hereunder shall be subject to the advance approval of Customer.

3. Powers of Custodian. In the performance of its duties hereunder, Custodian shall have the following powers:

3.1. To register any of the Assets in the name of Customer or in the Custodian's name or in the name of a nominee of Custodian or in the name of the Custodian's agent bank or to hold any of the Assets in unregistered form or in such form as will pass title by delivery, provided that such Assets shall at all times be recorded in Customer's Account hereunder as one of the Assets. In consideration of Custodian's registration of any securities or other property in the name of Custodian or its nominee or agent, Customer agrees to pay on demand to Custodian or to Custodian's nominee or agent the amount of any loss or liability for Stockholders' assessments, or otherwise, claimed or asserted against Custodian or Custodian's nominee or agent by reason of such registration.

3.2. To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any or all other instruments that may be necessary or appropriate to carry out the duties described and powers granted herein.

3.3. To maintain qualifying Assets in any registered clearing agency or in a Federal Reserve Bank (collectively a "Depository"), as Custodian may select, and to permit such deposited Assets to be registered in the name of Custodian or Custodian's agent or nominee on the records of such Federal Reserve Bank or such registered clearing agency or the nominee of either, and to employ and use securities depositories, clearing agencies, clearance systems, sub-Custodians or agents located outside the United States in connection with transactions involving foreign securities.

3.4. To employ agents and to delegate duties to them as it sees fit and to employ or consult with experts, advisors and legal counsel (who may be employed also by Customer) and to rely on information and advice received from such agents, experts, advisors, and legal counsel.

3.5. To perform any and all other ministerial acts deemed by Custodian necessary or appropriate to the proper discharge of its duties hereunder.

3.6. To hold uninvested reasonable amounts of cash whenever it is deemed advisable to do so to facilitate disbursements or for other operational reasons, and to deposit the same, with or without interest, in the commercial or savings departments of the Custodian serving hereunder or of any other bank, trust company or other financial institution including those affiliated with the Custodian, notwithstanding the Custodian's or other entity's receipt of "float" from such uninvested cash.

4. **Purchases.** Upon availability of sufficient funds and receipt of appropriate directions from Customer, Custodian shall pay for and receive Assets purchased for the Account, payment for which is to be made in the amount specified in such instructions and only upon receipt by Custodian of the Assets in satisfactory form for transfer.

5. **Sales.** Upon receipt of appropriate directions from Customer, Custodian will deliver Assets held by it as Custodian hereunder and sold by or for Customer against payment to Custodian of the amount specified in such directions in accordance with the then current securities industry practices and in form satisfactory to Custodian. Customer acknowledges that the current securities industry practice is delivery of physical securities against later payment on delivery date. Custodian agrees to use its best efforts to obtain payment therefore during the same business day, but Customer confirms its sole assumption of all risks of payment for such deliveries. Custodian may accept checks, whether certified or not, in payment for securities delivered on Customer's direction, and Customer assumes sole responsibility for the risks of collectability of such checks.

6. **Settlements.**

6.1. Custodian shall provide Customer with settlement of all purchases and sales of Assets in accordance with Custodian's then prevailing settlement policies provided that (a) appropriate directions for purchases and sales are received by Custodian in accordance with Custodian's then current published instruction deadline schedule, and (b) Custodian has all other information, funds and/or Assets necessary to complete the transaction.

6.2. Custodian shall not be liable or responsible for or on account of any act or omission of any broker or other agent designated by Customer to purchase or sell securities for the Account of Customer.

7. **Corporate Actions.** In connection with any mandatory conversion of Asset securities pursuant to their terms, reorganization, recapitalization, redemption in kind, consolidation, or other exchange transaction that does not require or permit approval by the owner of the affected Assets, Custodian will tender or exchange securities held for other securities, for other securities and cash, or for cash alone.

8. **Collections.** Custodian shall collect all income, principal and other distributions due and payable on securities held either by Custodian or a Depository but shall be under no obligation or duty to take action to effect collection of any amount if the Assets upon which such payment is due are in default, or if payment is refused after due demand and presentation. Custodian shall have no responsibility to notify Customer in the event of such default or refusal to pay, but if Custodian receives notice of default or refusal to pay from an issuer or transfer agent, Custodian shall so advise Customer. Collections of monies in foreign currency, to the extent possible, are to be converted into United States dollars at customary rates through customary banking channels, including Custodian's own banking facilities, and in accordance with Custodian's prevailing policies for foreign funds repatriation. All risk and expense incident to such foreign collection and conversion is the responsibility of the Account and Custodian shall have no responsibility for fluctuations in exchange rates affecting such collections or conversion.

9. **No Discretionary Authority; Standard of Care.** Customer and Custodian acknowledge that, except to the extent set forth in any separate instrument signed by the parties with respect to this Agreement, Custodian's duties hereunder do not include any discretionary authority, control or responsibility with respect to the management or disposition of any Asset; that Custodian has no authority or responsibility to

render investment advice with respect to any Asset; and that Custodian is not a fiduciary with respect to Customer. In addition, it is agreed that:

9.1. Custodian shall have no duty to make any evaluation or to advise anyone of the suitability or propriety of action or proposed action of Customer in any particular transaction involving an Asset or the suitability or propriety of retaining any particular investment as an Asset. Custodian shall have no duty or authority to review, question, approve or make inquiries as to any investment instructions given pursuant hereto. Custodian shall be under no duty or obligation to review the securities or other property held in the Account with respect to prudence or diversification.

9.2. Custodian shall not be liable for any loss or diminution of Assets by reason of investment experience or for its actions taken in reliance upon a direction or other instruction from Customer or Customer's agent.

9.3. Custodian shall have no duty or responsibility to monitor or otherwise investigate the actions or omissions of Customer.

9.4. Custodian shall only be responsible for the performance of such duties as are expressly set forth herein or in directions or other instructions of Customer or Customer's agent which are not contrary to the provisions of this Agreement. Custodian shall exercise reasonable care in the performance of its services hereunder. In no event shall Custodian be liable for indirect or consequential damages.

Custodian shall not be responsible or liable for any failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by directions or other instructions, actions or omissions of Customer or by circumstances beyond Custodian's reasonable control, including, without limitation, loss or malfunctions of utility, transportation, computer (hardware and software) or communication service; nor shall any such failure or delay give Customer the right to terminate this Agreement, except as provided in section 15 of this Agreement.

10. Books, Records and Accounts.

10.1. Custodian will make and maintain proper books of account and complete records of all Assets and transactions in the Account maintained by Custodian hereunder on behalf of Customer. Custodian will preserve for the periods prescribed by applicable federal statute or regulation all records required to be maintained.

10.2. On at least four (4) business days' notice, Custodian will make available to and permit inspection during Custodian's regular business hours by Customer and its auditors of all books, records, and accounts retained by Custodian (or, to the extent practicable, its agents) in connection with its duties hereunder on behalf of Customer.

11. Instructions and Directions.

11.1. Custodian shall be deemed to have received appropriate "instructions" or "directions" upon receipt of written instructions or directions, or in the case of cash movement, written or oral instructions or directions, (a) signed or given by any person(s) whose name(s) and signature(s) are listed on the most recent certificate delivered by Customer to Custodian which lists those persons authorized to give orders, corrections and instructions in the name of and on behalf of the Customer or (b) signed or given by any other person(s) duly authorized by Customer to give instructions or directions to Custodian hereunder or whom Custodian reasonably believes to be so authorized (such as an investment adviser or other agent designated by Customer, for example).

11.2. Appropriate instructions or directions shall include instructions or directions sent to Custodian or its agent by letter, memorandum, telegram, cable, telex, facsimile, video (CRT) terminal, internet e-mail or other "on-line" system, or similar means of communication, or in the case of cash movement, given orally over the telephone or in person. Customer assumes full responsibility for the security of electronically transmitted communications, whether sent by Customer or Custodian.

11.3. In the event that Custodian is directed to deliver Assets to any party other than Customer or Customer's agent, appropriate directions shall include, and Customer shall supply, customary transfer documentation as required by such party, and, to the extent that such documentation has not been supplied, Custodian shall not be deemed to have received appropriate directions.

12. Compensation; Security.

12.1. Custodian fees for its services and reimbursement of certain costs incurred by it as set forth in Custodian's then current applicable fee schedule will be paid by the investment advisor. In addition, effective April 1, 2007, the following Long Term Custody Fees will be paid by Karpus Investment Management rather than charged against the Customer's Account:

ANNUAL ADMINISTRATIVE ACCOUNT FEE	\$ 100 per account
ANNUAL MISCELLANEOUS FEE Online Access (if requested)	\$ 50 per Login ID

12.2. If any advance of funds is made by Custodian on behalf of Customer to purchase, or to make payment on or against delivery of securities or there shall arise for whatever reason an overdraft in Customer's account, or if Customer is for any other reason indebted to Custodian, including, but not limited to, any advance of immediately available funds to Customer with respect to payments to be received by Custodian in next-day funds (which Customer acknowledges Customer is liable to repay if Custodian does not receive final payment), Customer agrees to repay Custodian on demand the amount of the advance, overdraft or other indebtedness, reserve requirements and accrued interest at a rate per annum (based on a 360-day year for the actual number of days involved) equal to the Federal Funds effective rate in effect from time to time.

12.3. In the event of an advance of funds by Custodian, or if any overdraft is created by Account transactions, Custodian may directly charge the Account and receive such payment therefrom. In the event that a compensation payment due Custodian is past due by more than thirty (30) days, such amount may also be charged to the Account and Custodian may receive such payment therefrom. To secure such payments obligations, Customer does hereby grant to Custodian a security interest in all Assets held in the Account from time to time.

13. **Customer Responsibility.** Customer shall be responsible for the review of all reports, accountings and other statements provided thereto by the Custodian, and shall within ninety (90) days following receipt thereof notify the Custodian of any mistakes, defects or irregularities contained or identified therein, after which time all such matters shall be presumed to be ratified, approved and correct and shall not provide any basis for claim or liability against the Custodian.

14. **Indemnification.** To the extent permitted by law, Customer hereby agrees to fully and promptly indemnify Custodian and its affiliates, officers, directors, employees and agents (each an "Indemnified Party") and hold each Indemnified Party harmless from and against any cost, losses, claims, liabilities, fines, penalties, damages and expenses (including reasonable attorneys' and accountants' fees (collectively, a "Claim") arising out of (i) Customer's actions or omissions or (ii) Custodian's action taken or omitted hereunder in reliance upon Customer's directions or instructions, or upon any information, order, indenture, stock certificate, power of attorney, assignment, affidavit or other instrument delivered hereunder to Custodian, reasonably believed by Custodian to be genuine or bearing the signature of a person or persons authorized by Customer to sign, countersign or execute the same; provided, that Customer shall not indemnify an Indemnified Party for any Claim arising from the Indemnified Party's judicially determined willful misfeasance, bad faith or gross negligence in the performance of its duties under this Agreement. Custodian hereby agrees to indemnify Customer and its Indemnified Parties (i.e., the Customer and its controlling person, officers, directors, employee and agents) and hold each of them harmless from and against any and all Claims arising out of (i) Custodian's breach of this Agreement, willful misfeasance, bad faith or gross negligence in the performance of its duties under this Agreement, or (ii) any loss of Assets, including theft or destruction thereof but expressly excluding investment losses or other diminution of Assets resulting from the Custodian's proper performance of its duties hereunder; provided, that Custodian shall not indemnify an Indemnified Party for any Claim arising from the Indemnified Party's breach of this Agreement, willful misfeasance, bad faith or gross negligence with respect to its duties and responsibilities under this Agreement. This section 14 shall survive the termination of this Agreement.

15. Termination.

15.1. This Agreement will remain in effect until terminated by either party giving written notice thirty (30) days in advance of the termination date.

15.2. Upon termination of this Agreement, Custodian shall follow such reasonable Customer instructions concerning the transfer of Assets' custody and records; provided, that (a) Custodian shall have no liability for shipping and insurance costs associated therewith; (b) Custodian shall not be required to make any such delivery or payment until full payment shall have been made by Customer of all liabilities constituting a charge on or against Custodian and until full payment shall have been made to Custodian of all its compensation, costs, including special termination costs, if any, and expenses hereunder; and (c) Custodian shall have been reimbursed for any advances of monies or securities made hereunder to Customer. If any Assets remain in the Account, Customer acknowledges and agrees that Custodian may designate Customer as successor Custodian hereunder and deliver the same directly to Customer.

15.3. Upon termination of this Agreement, all obligations of the parties to each other hereunder shall cease, except that all indemnification provisions herein shall survive with respect to any Claims arising from events prior to such termination.

16. **Binding Obligations.** Customer and Custodian each hereby represent that this Agreement constitutes its legal, valid and binding obligation enforceable in accordance with the terms hereof; subject, as to enforcement of remedies, to applicable bankruptcy and insolvency laws, and to general principles of equity.

17. General Provisions.

17.1. **Notice.** Except as provided in paragraph 11 above, any notice or other communication under this Agreement shall be in writing and shall be considered given when delivered by certified mail, return receipt requested, to the parties at the addresses set forth on the execution page hereof (or at such other address as a party may specify by notice to other). Notice shall be effective upon receipt if by mail, or on the date of personal delivery (by private messenger, courier service or otherwise) or telex or facsimile, whichever occurs first, to the addressee indicated below. The below addresses and individuals may be changed at any time by an instrument in writing executed by the party giving same and given to the other party, in accordance with the procedure set forth above.

17.2. **No Tax Responsibility.** Unless expressly indicated otherwise below in this section and notwithstanding any other terms or conditions contained herein, Custodian shall not be responsible for, and Customer does hereby waive all duties or functions of Custodian (imposed by law or otherwise) relating to, the withholding and government deposit of any and all taxes, or amounts with respect thereto, that may be incurred or payable in connection with the Account established hereunder, income or gain realized on Assets held therein or transactions undertaken with respect thereto. Except as required by law in such manner that cannot be delegated to or assumed by Customer, Custodian shall have no responsibility to undertake any federal, state, or local tax reporting in connection with Assets, the Account or transactions therein. (Check only one below.)

- Custodian shall have no duty to provide tax information.
- Custodian shall provide tax information as reasonably requested by Customer, including Form 1099.

17.3. **Complete Agreement; Modification.** This Agreement contains a complete statement of all the arrangements between the parties with respect to its subject matter, supersedes all existing agreement(s) between them concerning the subject, and cannot be amended or modified in any manner except by a written agreement executed by both parties. Notwithstanding the foregoing, if at any time Custodian is holding assets or property of Customer pursuant to any other custodial, pledge or other agency agreement with Customer (or which Customer has acknowledged in instructions to Custodian) and one or more third parties that involves Custodian's duties or obligations to a third party (which may be affiliates to Custodian) with respect to Assets, the terms and requirements of the other agreement(s) concerning such Assets shall supersede and control the provisions and duties set forth herein.

17.4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida applicable to agreements made and to be performed in Florida.

17.5. Assignment. No party may assign any of its rights hereunder without the consent of the other, which consent shall not be unreasonably withheld. The foregoing consent requirement does not apply if either party shall merge or consolidate with or sell substantially all of its assets to another corporation, provided that such other corporation shall assume without qualification or limitation all obligations of that party hereunder either by operation of law or by contract.

17.6. Separability. If any provision of this Agreement is invalid or unenforceable, the balance of the Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.

17.7. No Third Party Rights. In performing its services hereunder, Custodian is acting solely on behalf of Customer. No agency, contractual or service relationship shall be deemed to be established hereby between Custodian and any other persons.

17.8. Counterparts and Duplicates. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument. This Agreement and any administrative form under the Agreement may be proved either by a signed original or by a reproduced copy thereof (including, not by way of limitation, a microfiche copy or an electronic file copy).

17.9. Shareholder Communications Act Authorization. The Shareholder Communications Act of 1985, as amended, requires Custodian to make an effort to permit direct communications between a company that issues securities and the shareholder that exercises shareholder rights with respect to those securities. Unless Customer specifically directs Custodian in writing not to release Customer's name, address and security position to requesting companies, Custodian is required by law to disclose Customer's name and address to such companies. Therefore the Customer hereby responds to the following question [a non-response will mean "yes"]. Does Customer authorize Custodian to provide its name, address and security position to requesting companies whose stock is owned in this Account? Yes / No

17.10. Customer's Agent – Shareholder Rights. Should Customer require that a designated agent for the Account, such as an investment advisor, be responsible for proxy voting and other special matters and shareholder rights as specified in Section 2.4, above, the Customer shall provide the name and address of that agent below. Such agent shall be removed upon Custodian's receipt of a written removal from Customer. Customer may designate more than one agent to be responsible for separate sub-Accounts or investment accounts under this Agreement by providing a clear, written designation to that effect to Custodian. Custodian hereunder has no authority or responsibility with regard to proxy voting or any similar special matters. Therefore, it may not be designated below unless it has separately agreed in writing to act as investment advisor for the Account.

Designated Agent: KARPUS INVESTMENT MANAGEMENT
Address: 183 Sully's Trail, Pittsford, NY 14534
Telephone Number: 585-586-4680

17.11. Money Market Fund. Pursuant to Section 2.5, above, the First American Funds money market fund designated for this Account shall be (check one – if none is checked, the Customer hereby directs that the First American Prime Obligations Fund shall be designated):

Taxable Money Market Funds

- First American Prime Obligations Fund – Class Y
 First American Government Obligations Fund – Class Y
 First American Treasury Obligations Fund – Class Y

Federal Tax-Exempt Money Market Fund

- First American Tax-Free Obligations Fund – Class Y

Other

- Fund – Class

(Must indicate correct fund name and class for election to be valid.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representative as of the date and year first above written.

CUSTOMER NAME:

Housing Finance Authority of Broward County

Ralph Stone
(Customer Signature)

Title: Ralph Stone, Director

Date:

Address:
110 NE 3rd Street, Suite 300
Ft. Lauderdale, FL 33301

U.S. BANK NATIONAL ASSOCIATION

Sheldon D. Solbro
(Custodian Signature)

Title: Assistant Vice President

Date: 11/21/07

Address:
U.S. Bank National Association
Institutional Trust & Custody
225 Water Street
Jacksonville, FL 32202

Attn: Sheldon D. Solbro

19-12640450

Local HFA's Investment Policies

ATTACHMENT(S)

**RESOLUTION ADOPTING THE HOUSING FINANCE AUTHORITY
OF PALM BEACH, FLORIDA INVESTMENT POLICY**

WHEREAS, the Housing Finance Authority of Palm Beach County Florida ("Authority") is a public body corporate and politic, created under the laws of the State of Florida and is a special district of the State of Florida, and;

WHEREAS, Section 218.415 of the Florida Statute provides for local government investment policies, and it is in the best interest of the Authority to adopt an investment policy for the Authority in accordance with said statute.

NOW THEREFORE BE IT RESOLVED, by the Housing Finance Authority of Palm Beach County, Florida that an Investment Policy is hereby adopted as follows:

1. **SCOPE.** This Investment Policy shall apply to the separate funds of the Authority in excess of amounts needed to meet current short term expenses. This Investment Policy shall not apply to funds related to the issuance of bonds or other debts where there are indentures or agreements by the Authority relating to the investment of said funds.

2. **INVESTMENT OBJECTIVES.** The first objective of all investments shall be the safety of the capital of Authority. The second objective of all investments shall be the liquidity of Authority funds. The third objective of all investments shall be investment income to the Authority. Investments in furtherance of housing programs of the Authority need not meet any of all or the foregoing objectives.

3. **PRUDENT PERSON RULE.** Investments should be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investments.

4. AUTHORIZED INVESTMENTS. Funds shall be invested in the following identified investments and may be divested from such investments at prevailing market prices or market rates:

- A. The Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01.
- B. Securities Exchange Commission registered money market funds with the highest credit quality rating from a nationally organized rating agency.
- C. Savings accounts in state certified qualified public depositories, as defined in Section 280.02.
- D. Direct obligations of the U.S. Treasury.
- E. Certificates of deposit in state certified qualified public depositories, as defined in Section 280.02.
- F. Federal agencies and instrumentalities.

The securities listed in the foregoing lettered subparagraphs shall be invested to match investment maturities with known cash needs and anticipated cash-flow requirements.

In furtherance of its housing programs the Authority has from time to time and may in the future provide funding for and acquire an interest in (1) first or second mortgage loans, or in mortgage backed securities relating thereto, made to certain eligible persons or families in Palm Beach County, (2) custodial receipts (also known as "interest only strips" or "excess interest portions") which represents a percentage of the interest paid on a mortgage backed security, or a subordinate series of bonds, in lieu of a cash contribution to an Authority single family mortgage revenue bond issue, and (3) any other loan made in conjunction with a qualified housing development as defined under Chapter 159, Part IV, Florida Statutes.

5. RISK AND DIVERSIFICATION. Investments shall be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

6. **PERFORMANCE MEASUREMENT AND REPORTING.** The Financial Advisor of the Authority shall review the monthly statements of the the funds, investments and securities of the Authority to determine the performance and status of said funds, investments and securities. The Financial Advisor shall make periodic reports on the amount and value of said funds, investments and securities and the amount of earned income thereon, together with the compliance thereof with the applicable provisions of this Policy. This report shall be submitted by the Financial Advisor to the Authority at least quarterly or more often as the Authority or Financial Advisor deems advisable.

7. **WAIVERS.** The Authority by action specifically taken with a quorum, present and voting at a meeting thereof may waive provisions of the Policy to the extent authorized by law.

ADOPTED with a quorum present and voting this 18th day of September, 1995.

ATTEST:

HOUSING FINANCE OF
PALM BEACH COUNTY, FLORIDA


Asst. Secretary: Earl Nixon, Jr.


Chairman: Lloyd Hasner

ATTACHMENT(S)

HFA RESOLUTION HFA-2014-01

RESOLUTION AMENDING THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA INVESTMENT POLICY

WHEREAS, the Housing Finance Authority of Miami--Dade County, Florida (the "Authority") is a public body corporate and politic, created under the laws of the State of Florida; and

WHEREAS, Section 218.415 of Florida Statutes provides for local government investment policies, and it is in the best interest of the Authority to adopt an investment policy in accordance with said statute.

WHEREAS, the Authority passed and adopted HFA Resolution No. 96-12, which enacted the existing investment policy of the Authority, and needs amendment given recommendations of the Authority's external auditors.

NOW THEREFORE BE IT RESOLVED, by the Housing Finance Authority of Miami-Dade County, Florida that an Investment Policy is hereby adopted as follows:

1. SCOPE. This Investment Policy shall apply to the separate funds of the Authority in excess of amounts needed to meet current short term expenses and general working capital. This Investment Policy shall not apply to funds related to the issuance of bonds or other debt where there are indentures or agreements by the Authority relating to the investment of said funds.

2. INVESTMENT OBJECTIVES. The objectives of all investments shall be the safety of the capital, the liquidity of Authority funds and the investment income to the Authority. Investments in furtherance of housing programs of the Authority need not meet any or all of the foregoing objectives.

3. PERFORMANCE MEASUREMENTS. The Financial Advisor of the Authority shall review the monthly statements of the funds, investments, and securities of the Authority to determine the performance and status of said funds, investments and securities.

4. PRUDENT PERSON RULE. Investments should be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investments.

5. AUTHORIZED INVESTMENTS. Funds shall be invested in the following identified investments and may be divested from such investments at prevailing market prices or market rates:

- A. The Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01 of Florida Statutes

- B. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- C. Savings accounts in state certified qualified public depositories, as defined in Section 280.02 of Florida Statutes.
- D. Direct obligations of the U.S. Treasury.
- E. Certificates of deposit in state certified qualified public depositories, as defined in Section 280.02 of Florida Statutes.
- F. Federal agencies and instrumentalities.
- G. Obligations of the Federal National Mortgage Association, Government National Mortgage Association and/or Federal Home Loan Mortgage Corporation.
- H. Commercial paper with the highest credit quality rating from a nationally recognized rating agency.
- I. Time Drafts and Bills of Exchange, commonly known as Bankers Acceptances.
- J. Investments in Repurchase Agreements of any securities authorized by this Resolution.

The securities listed in the foregoing lettered subparagraphs shall be invested to match investment maturities with known cash needs and anticipated cash-flow requirements. In furtherance of its housing programs the Authority may provide funding for (1) first or second mortgage loans, or in mortgage-backed securities relating thereto, made to certain eligible persons or families in Miami-Dade County, (2) the establishment of a savings bank or other financial institution, or (3) any other loan made in conjunction with a housing development in Miami-Dade County.

6. MATURITY AND LIQUIDITY The investment portfolio shall be structured to provide sufficient liquidity to pay obligations as they come due. To that end, an attempt should be made to match maturities with known cash needs and anticipated cash flow requirements.

7. PORTFOLIO COMPOSITION The Authority shall at all times have twenty percent (20%) of assets held in a cash position. At least eighty percent (80%) of the assets may be held in investments for less than three (3) years with one (1) year in operating cash to meet obligations.

Maturity dates may exceed the three (3) year limit if the maturity of such investments are matched with the expected use of the funds or the rate of return for such investments provides a revenue stream that would justify the longer maturity date. The Portfolio composition shall be reviewed by the Authority annually to determine and enact any changes to its asset investment allocation.

16. WAIVERS. The Authority by action specifically taken with a quorum present and voting at a meeting thereof may waive provisions of the Investment Policy to the extent authorized by law.

ADOPTED this 24th day of February, 2014.

**HOUSING FINANCE AUTHORITY OF
MIAMI-DADE COUNTY, FLORIDA**

[Seal]

Chairman

Attest:

Secretary/Treasurer

Approved as to form and
legal sufficiency by the
Miami-Dade County Attorney

By: _____
Assistant County Attorney
for Miami-Dade County, Florida

ATTACHMENT(S)

Orange County Housing Finance Authority
INVESTMENT POLICY



Approved 09/03/08

Table of Contents

	Page
I. PURPOSE	3
II. SCOPE	3
III. INVESTMENT OBJECTIVES	3
IV. DELEGATION OF AUTHORITY	3
V. STANDARDS OF PRUDENCE	4
VI. ETHICS AND CONFLICTS OF INTEREST	4
VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES	4
VIII. CONTINUING EDUCATION	5
IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS	5
X. REPORTING	5
XI. RISK AND DIVERSIFICATION	6
XII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION	6
XIII. MATURITY AND LIQUIDITY REQUIREMENTS	9
XIV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS	9
XV. PERFORMANCE MEASUREMENTS	10
XVI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS	10
XVII. THIRD-PARTY CUSTODIAL AGREEMENTS	11
XVIII. INVESTMENT COMMITTEE	11
XIX. INVESTMENT POLICY ADOPTION	11

ATTACHMENT Glossary of Cash and Investment Management Terms

ORANGE COUNTY HOUSING FINANCE AUTHORITY

INVESTMENT POLICY

I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of Orange County Housing Finance Authority (hereinafter "Authority"). These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

II. SCOPE

This investment policy was developed in accordance with Chapter 218.415, Florida Statutes. The investment policy applies to all funds held by or for the benefit of the Authority. However, the investment policy shall not apply to funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

III. INVESTMENT OBJECTIVES

Safety of Principal - The foremost objective of this investment program is the safety of the principal of those funds within the portfolio. Investment transactions shall seek to be consistent with the other investment objectives, which are to keep capital losses at a minimized, whether they are from securities defaults or erosion of market value.

Maintenance of Liquidity - The portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

Return on Investment - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Procedures - The Authority will set procedures to control risks and diversify investments regarding specific security types, maturities and financial institutions within the parameter of applicable law.

IV. DELEGATION OF AUTHORITY

Responsibility for the investment program is vested with the Executive Director. Responsibility for the administration of the investment program is hereby delegated by the Executive Director Designee who shall maintain Investment Procedures and Internal Controls Manual based on this policy. The Chief Fiscal Officer shall be responsible for monitoring internal controls, administrative controls and to regulate the activities of the Authority's staff involved with the investment program. The Authorized Staff is limited to the following positions;

- Executive Director
- Deputy Executive Director/Chief Fiscal Officer

V. STANDARDS OF PRUDENCE

The standard of prudence to be used by the Authorized Staff shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Authorized Staff acting in accordance with written procedures and this investment policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectation are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The “Prudent Person” rule states the following:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

While the standard of prudence to be used by Authorized Staff who are officers or employees is the “prudent person” standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of “prudent expert”. The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

VI. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that may conflict with proper execution of the investment program, or which -is able to impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the Authority any material financial interests in financial institutions that conduct business with the Authority, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Authority’s portfolio.

VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The Chief Fiscal Officer shall establish a system of internal controls and operational procedures to protect the Authority’s assets and ensure proper accounting and reporting of the transactions related thereto. No person may engage in an investment transaction except as authorized under the terms of this policy. Independent auditors as a normal part of the annual financial audit to the Authority shall conduct a review of the system of internal controls. Such internal controls shall include, but not limited to, the following:

Separation of functions:

By separating the person who authorizes or performs the transaction from the person or persons who record or otherwise account for the transaction, a proper separation of duties is achieved.

Custodial safekeeping:

Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into a third party bank for custodial safekeeping.

Clear delegation of authority to subordinate staff members:

Subordinate staff must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.

Written confirmation of electronically initiated transactions for investments and wire transfers:

Due to the potential for error and improprieties arising from telephone or other electronically initiated transactions, all such transactions should be supported by written communications and approved by an individual other than the individual initiating said transaction. Repetitive wires do not require a secondary approval; however, all non-repetitive wires shall have secondary approval.

Documentation of transactions and strategies:

All transactions and the strategies that were used to develop said transactions should be documented in writing and approved by the appropriate person.

VIII. CONTINUING EDUCATION

The Authorized Staff and other appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Authorized Staff or a Board Selected Investment Advisor directed by the Executive Director shall only purchase securities from financial institutions which are qualified as public depositories by the Treasurer of the State of Florida or from primary securities dealers as designated by the Federal Reserve Bank of New York or securities dealers that are certified by Orange County's Minority/Women Business Enterprise Office as a Minority/Women Business Enterprise with an office located within the State of Florida or secondary securities dealers located in Orange County.

X. REPORTING

The Chief Financial Officer and/or Investment Advisor shall provide the Authority with quarterly investment reports. Schedules in the quarterly report should include the following:

- A. A listing of individual securities held at the end of the reporting period
- B. Percentage of available funds represented by each investment type
- C. Coupon, discount or earning rate
- D. Average life or duration and final maturity of all investments
- E. Par value and market value

On an annual basis, the Chief Financial Officer shall prepare and submit to the Board a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment.

The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

There shall be no deviation from the Authority's adopted investment policy, however in the event of an error in the application of the Authority's policy the investment advisor shall immediately notify the Executive Director.

XI. RISK AND DIVERSIFICATION

Assets held shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instruments, dealer, or bank through which these instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the Authority.

XII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the Authority's needs change.

The following are the guidelines for investments and limits on security types, issuers, and maturities as established by the Authority. Authorized Staff or the investment advisor directed by the Executive Director or designee shall purchase or sell investment securities for more optimal investments, at the then-prevailing market price and place the proceeds into the proper account at the Authority's custodian. The Executive Director or the Director's designee shall have the option to further restrict investment percentages from time to time based on market conditions. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

A. United States Government Securities

1. Purchase Authorization

The Authority may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to the following:

- Cash Management Bills
- Treasury Securities – State and Local Government Series (SLGS)
- Treasury Bills
- Treasury Notes
- Treasury Bonds
- Treasury Strips

2. Portfolio Composition

A maximum of 100% of available funds may be invested in the United States Government Securities.

B. United States Government Agencies (full faith and credit of the United States Government)

1. Purchase Authorization

The Authority may invest in bonds, debentures or notes issued or guaranteed by the United States Government's agencies, provided such obligations are backed by the full faith and credit of the United States Government. Such securities are limited to the following:

- Government National Mortgage Association
- United States Export – Import Bank
 - Direct obligations or fully guaranteed certificates of beneficial ownership
- Farmer Home Administration
 - Certificates of beneficial ownership
- Federal Financing Bank
 - Discount notes, notes and bonds
- Federal Housing Administration Debentures
- General Services Administration
- United States Maritime Administration Guaranteed
 - Title XI Financing
- New Communities Debentures
 - United States Government guaranteed debentures
- United States Public Housing Notes and Bonds
 - United States Government guaranteed public housing notes and bonds
- United States Department of Housing and Urban Development
 - Project notes and local authority bonds

2. Portfolio Composition

A maximum of 100% of available funds may be invested in United States Government agencies.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested in individual United States Government Agencies with the exception of GNMA's shall be limited to 25% of available funds.

4. Maturity Limitations

The maximum length to maturity for an investment in any United States Government agency security is two (2) years from the date of purchase.

C. Federal Instrumentalities (United States Government sponsored agencies which are non-full faith and credit).

1. Purchase Authorization

The Authority may invest in bonds, debentures or notes issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities which are non-full faith and credit agencies limited to the following:

- Federal Farm Credit Bank (FFCB)

Federal National Mortgage Association (FNMA)
Federal Home Loan Bank or its district banks (FHLB)
Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home
Loan Mortgage Corporation participation certificates

2. Portfolio Composition

A maximum of 75% of available funds may be invested in Federal Instrumentalities

3. Limits on Individual Issuers

A maximum of 25% of available funds may be invested in any one issuer.

4. Maturity Limitations

The maximum length to maturity for an investment in any Federal Instrumentality is two (2) years from the date of purchase.

D. Non-Negotiable Interest Bearing Time Certificates of Deposit and Bank Accounts

1. Purchase Authorization

The Authority may invest in non-negotiable interest bearing time certificates of deposit or interest bearing bank accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes and provided that the bank is not listed with any recognized credit watch information service.

2. Portfolio Composition

A maximum of 50% of available funds may be invested in non-negotiable interest bearing time certificates of deposit or savings accounts.

3. Limits on Individual Issuers

A maximum of 25% of available funds may be deposited with any one issuer.

4. The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase

E. Registered Investment Companies (Money Market Mutual Funds)

1. Investment Authorization

The Authority may invest in shares in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. In addition, the share value of the money market funds must equal to \$1.00.

2. Portfolio Composition

A maximum of 50% of available funds may be invested in money market funds.

3. Limits of Individual Issuers

A maximum of 25% of available funds may be invested with any one money market fund.

4. Rating Requirements

The money market funds shall be rated “AAAm” by Standard & Poor’s, or the equivalent by another rating agency.

5. Due Diligence Requirements

A thorough review of any money market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Director that will contain a list of questions that covers the major aspects of any investment pool/fund.

XIII. MATURITY AND LIQUIDITY REQUIREMENTS

A. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months.

B. Investments do not necessarily have to be made for the same length of time that the funds are available. The basic criteria for consideration for investments are listed below:

1. Keep maturities short in a period of constantly rising interest rates based on Treasury bill auctions or the daily Federal Funds rate.
2. Keep maturities short in a period of a flat or an inverted treasury yield curve.
3. Maturities should be lengthened when the treasury yield curve is normal and is expected to remain that way based on economic reports taken as a whole. The yield curve is normal when short-term rates are lower than long-term rates.
4. Maturities should be lengthened when interest rates are expected to fall based on economic reports taken as a whole.
5. The yield curves of the market should be analyzed for significant breaks in yields over various maturity dates. The points at which the yield curve breaks are the points at which there are significant marginal declines in yields for incremental changes in the maturity dates. Investments should be made at these breaks in the yield curve so that yield will be maximized.

XIV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

Investments in any derivative products or the use of reverse repurchase agreements are specifically prohibited by this investment policy. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values.

XV. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolio's performance, the Authority will use performance benchmarks. The use of benchmarks will allow the Authority to measure its returns against other investors in the same markets.

- A. The 91-Day United States Treasury Bill will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating funds.
- B. Investment performance of funds designated as core funds and other non-operating funds that have a longer-term investment horizon will be compared to an index comprised of U. S. Treasury or Government securities. The appropriate index will have a duration and asset mix that approximates the portfolios and will be utilized as a benchmark to be compared to the portfolio's total rate of return.

The annual report will show performance on both a book value and market value return basis and will compare the results to the above-stated performance benchmarks.

XVI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Authority with the advice of the investment advisor has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) reputable, qualified, and financially sound banks and/or dealers must be contacted and asked to provide bids on securities in questions. Bids will be held in confidence until the highest bid is determined and awarded.

However, on an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:

- A. Telerate Information System,
- B. Bloomberg Information Systems,
- C. The Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,
- D. Daily market pricing provided by the Authority's custody agents or their correspondent institutions.

The Authority or the investment advisor as directed by the Executive Director shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in the judgment of the Chief Fiscal Officer with the advice of the investment advisor, competitive bidding process would inhibit the selection.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
- B. When no active market exists for the issue being traded due to the age or depth of the issue.
- C. When a security is unique to a single dealer, for example, a private placement.
- D. When the transaction involves new issues or issues in the "when issued" market.

XVII. THIRD-PARTY CUSTODIAL AGREEMENTS

All securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by, the Board should be properly designated as an asset of the Authority. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The Executive Director will execute on behalf of the Authority, third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements may include letters of authority from the Executive Director, details as to the responsibilities of each party, method of notification of security purchases, sales, delivery, , safekeeping and transaction costs, procedures in case of wire failure or other unforeseen mishaps and describing the liability of each party.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Executive Director and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide the Authority with safekeeping receipts that provide detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

XVIII. INVESTMENT COMMITTEE

A Finance Committee shall be established for the purpose of formulating alternative strategies and short-range directions and for monitoring the performance and structure of the portfolio within established policies. The committee will formulate and recommend change, if necessary, to the investment policies. Members of the committee shall include the Executive Director, Deputy Executive Director/ Chief Fiscal Officer, an Authority Board Member(s), Authority's General Counsel, and the Authority's Investment Advisor. The Finance Committee will meet on a quarterly basis or as needed.

XIX. INVESTMENT POLICY ADOPTION

The investment policy shall be adopted by resolution of the Board of Directors. The policy shall be reviewed annually by the Authorized Staff and any proposed changes shall be submitted to the Finance Committee for review. The Finance Committee shall present the proposed changes to the Board of Directors for their consideration.

Duly adopted the _7th day of August 2008.

**BOARD OF DIRECTORS
Orange County Housing Finance Authority**

ATTACHMENT(S)

RESOLUTION No 2014 - 08

RESOLUTION ADOPTING THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA INVESTMENT POLICY

WHEREAS, the Housing Finance Authority of Pinellas County, Florida (the “Authority”) is a public body corporate and politic, created under the laws of the State of Florida; and

WHEREAS, Section 218.415 of the Florida Statutes provides for local government investment policies, and it is in the best interest of the Authority to adopt an investment policy for the Authority in accordance with said statute.

NOW THEREFORE BE IT RESOLVED, by the Housing Finance Authority of Pinellas County, Florida that an Investment Policy is hereby adopted as follows:

SCOPE. This Investment Policy shall apply to the surplus funds of the Authority in excess of amounts needed to meet current short term expenses and general issuance of bonds or other debts where there are indentures or agreements by the Authority relating to the investment of said funds.

INVESTMENT OBJECTIVES. The first objective of all investments shall be the safety of the capital of the Authority. The second objective of all investments shall be the liquidity of Authority funds. The third objective of all investments shall be investment income to the Authority. Investments in furtherance of housing programs of the Authority need not meet any or all of the foregoing objectives.

PRUDENT PERSON RULE. Investments should be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

AUTHORIZED INVESTMENTS. Funds shall be invested in the following identified investments and may be divested from such investments at prevailing market prices or market rates:

- A. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes.
- B. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- C. Savings accounts in state certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- D. Direct obligations of the U.S. Treasury.
- E. Certificates of deposit in state certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- F. U.S. government-sponsored enterprises (GSEs) .
- G. Obligations of the Federal National Mortgage Association.
- H. Commercial paper with the highest credit quality rating from a nationally recognized rating agency.
- I. Time Drafts and Bills of Exchange, commonly known as Bankers Acceptances.
- J. Investments in Repurchase Agreements of any securities authorized by this Resolution.

The securities listed in the foregoing lettered subparagraphs shall be invested to match investment maturities with known cash needs and anticipated cash-flow requirements.

In furtherance of its housing programs the Authority may provide funding for (1) first, second or third mortgage loans, or in mortgage-backed securities relating thereto, made to certain eligible persons or families in Pinellas County, (2) loans to non-profit agencies providing affordable housing services in Pinellas County, or (3) any other loan made in conjunction with a housing development in Pinellas County.

RISK AND DIVERSIFICATION. Investments shall be diversified to the extent practical to control of the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold, recognizing that the Authority's primary operations are in housing finance and as such, the majority of its

assets including its investments will consist of security instruments related to housing finance and to issuers of such securities.

PERFORMANCE MEASUREMENT AND REPORTING. The Financial Advisor of the Authority shall review the monthly statements of the funds, investments, securities of the Authority to determine the performance and status of said funds, investments and securities. The Financial Advisor shall make periodic reports on the amount and value of said funds, investments, securities and the amount of earned income thereon, together with the compliance thereof with the applicable provisions of this Policy. This report shall be submitted by the Financial Advisor to the Authority, the Authority's Attorney and the Authority's Auditor at least semi-annually or more often as the Authority, the Authority's Attorney, the Authority's Auditor or the Financial Advisor deems advisable. The Investment Policy shall be reviewed annually and any modification made thereto must be approved by the Authority by resolution.

WAIVERS. The Authority by action specifically taken with a quorum present and voting at a meeting thereof may waive provisions of the Investment Policy to the extent authorized by law.

ADOPTED with a quorum present and voting this 3rd day of December, 2014.



HOUSING FINANCE AUTHORITY OF
PINELLAS COUNTY, FLORIDA

By: 
Chairman

ATTEST:


Secretary

ATTACHMENT(S)

RESOLUTION

RESOLUTION ADOPTING THE HOUSING FINANCE AUTHORITY OF HILLSBOROUGH COUNTY, FLORIDA INVESTMENT POLICY

WHEREAS, the Housing Finance Authority of Hillsborough County, Florida (the "Authority") is a public body corporate and politic, created under the laws of the State of Florida; and

WHEREAS, the Authority desires to adopt a written Investment Policy (the "Investment Policy") pursuant to Section 218.415, Florida Statutes, to provide for policies and procedures for investment of any public funds in excess of the amounts needed to meet current expenses, as provided in Section 218.415, Florida Statutes.

NOW THEREFORE BE IT RESOLVED, by the Housing Finance Authority of Hillsborough County, Florida that the Investment Policy is hereby adopted as follows:

SCOPE. This Investment Policy shall apply to the surplus funds of the Authority in excess of amounts needed to meet current short term expenses. This Investment Policy shall not apply to proceeds from the issuance of bonds or other debts or other funds held with respect thereto where there are indentures or agreements by the Authority relating to the investment of said funds. Nor shall this Investment Policy apply to the investment or application of funds in the furtherance or implementation of the housing programs of the Authority.

INVESTMENT OBJECTIVES. The first objective of all investments shall be the preservation of the capital of the Authority. The second objective of all investments shall be the liquidity of Authority funds. The third objective of all investments shall be investment income to the Authority.

PERFORMANCE MEASUREMENT. In order to assist in the evaluation of the investments made pursuant to this policy, the Authority will compare the rate of return on its investments to the rate of return on the State Board of Administration Local Government Surplus Trust Fund Investment Pool.

PRUDENT PERSON RULE. Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital and liquidity requirements, as well as the probable income to be derived from the investment.

ETHICAL STANDARDS. Persons involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or which impair their ability to make impartial investment decisions. Also, persons involved in the investment process shall disclose to the Authority any material financial interests in financial institutions that conduct business with the Authority, and they shall further disclose any material financial/investment positions that could be related to the performance of the Authority's portfolio.

AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION. Funds shall be invested in the following identified investments and may be divested from such investments at prevailing market prices or market rates:

- A. The local Government Surplus Trust Fund Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01.
 - Limited to 5% of available funds.
- B. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
 - Limited to 100% of available funds.

- C. Savings and checking accounts in qualified public depositories, as defined in Section 280.02.
 - Limited to FDIC insurance limit for qualified depository.
- D. Direct obligations of the U.S. Treasury.
 - Limited to 100% of available funds.
- E. Money market funds secured by direct obligations of the U.S. Treasury.
 - Limited to 100% of available funds.
- F. Certificates of deposit in state certified qualified public depositories, as defined in Section 280.02.
 - Limited to FDIC insurance limit for qualified depository.
- G. Certificates of deposit in any bank(s), to the extent the deposit is secured by the FDIC.
 - Limited to \$2,500,000 total all banks, and FDIC insurance limit for any one bank
- H. Federal agencies and instrumentalities.
 - Limited to 5% of available funds.
- I. Commercial paper with the highest credit quality rating from a nationally recognized rating agency.
 - Limited to 5% of available funds.
- J. Investments in Repurchase Agreements of any securities authorized by this Resolution.
- K. Other investments authorized by resolution of the Authority
 - Limited to 100% of available funds.

MATURITY AND LIQUIDITY REQUIREMENTS. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements. The investment portfolio shall be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due.

RISK AND DIVERSIFICATION. Investments shall be diversified to the extent practical to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold. Diversification strategies shall be reviewed and revised periodically, as deemed necessary by the Authority.

THIRD PARTY CUSTODIAL AGREEMENTS. Securities should be held with a third party; and all securities purchased by, and all collateral obtained by the Authority should be properly designated as an asset of the Authority. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except by an authorized representative of the Authority. Security transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

MASTER REPURCHASE AGREEMENT. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in a Master Repurchase Agreement, when and if adopted by the Authority. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement, when and if adopted by the Authority.

BID REQUIREMENT. The Authority or its authorized representative shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives specified in "Investment Objectives" above, must be selected.

INTERNAL CONTROLS. The Authority shall establish a series of internal controls and operating procedures to protect the Authority's assets and ensure

proper accounting and reporting of the transactions related thereto. No person may engage in an investment transaction except as authorized under the terms of this policy. Independent auditors, as a normal part of the annual financial audit to the Authority shall conduct a review of the system of internal controls. Such controls shall include, but are not limited to:

- Transfers of funds from the HFA to the State Board of Administration may be made by wire transfer or EFT (by Financial Advisor or Board officer), or by check with one signature (Board officer or Financial Advisor).
- Funds may be deposited in the Authority's checking account by the Financial Advisor or any Board member without further approvals.
- Transfers by wire transfer or EFT to money market funds meeting the requirements of this Investment Agreement may be made by the Financial Advisor with the prior written approval of two Authority Board members.
- Transfers to banks for investment in certificates of deposit meeting the requirements of this Investment Policy may be made by the Financial Advisor (utilizing wires or the EFT system) with prior written approval by two Authority Board members.

CONTINUING EDUCATION. An Authority Board member or a representative of the Authority responsible for making investment decisions shall annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products.

REPORTING. The Authority's certified public accountant shall monthly, as part of its normal financial statement report, list the securities in the portfolio by class or type, book value, income earned, and market value as of the report date. The Financial Advisor of the Authority shall review the monthly statements of the funds, investments, and securities of the Authority to determine the performance and status of said funds, investments and securities. The Financial Advisor shall make periodic reports to the Authority on the compliance with the applicable provisions of this Policy.

WAIVERS. The Authority by action specifically taken with a quorum present and voting at a meeting thereof may waive provisions of this Investment Policy to the extent authorized by law.

ADOPTED with a quorum present and voting this 13th day of February, 2009.

ATTACHMENT(S)

PART XIII. - INVESTMENT POLICY FOR BROWARD COUNTY⁽¹⁾

Footnotes:

--- (1) ---

Editor's note—Res. No. 2007-314, § 2, adopted May 8, 2007, amended former Part. XIII, §§ 22.80—22.93, in its entirety to read as herein set out. Former Part XIII pertained to similar subject matter and derived from Res. No. 1995-0893, adopted Sept. 27, 1995.

22.80. - Purpose and Scope.

- a. The purpose of the Broward County Investment Policy ("Investment Policy") is to establish guidelines for the investment of County funds ("Investment Program") by setting objectives and operational procedures, identifying eligible securities, and affirming guidelines for the composition of the portfolio ("Investment Portfolio") through diversification and maturity limits. The intent of the Investment Policy is to maximize the return on invested funds while minimizing risk and meeting the daily cash flow demands of the County.
- b. The County's Investment Program shall be operated in conformance with federal, state, and other legal requirements, including Section 218.415, Florida Statutes, and Section 1-10 of the Broward County Code of Ordinances.
- c. This Investment Policy applies to investments held by or for the benefit of the Broward County Board of County Commissioners, including governmental, proprietary, and fiduciary funds as described and accounted for in the Comprehensive Annual Financial Report. Not included are the proceeds of refunded bond issues which are deposited in escrow, debt service funds governed by their bond indentures, and funds of the constitutional officers and other component units of the County governed by independent boards, unless as authorized by mutual agreement.
- d. Except for cash in certain restricted and special funds, Broward County will consolidate cash and reserve balances from all funds to maximize investment earnings and increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.81. - Investment Objectives.

The objectives of the Investment Program are, in order of importance:

- a. *Safety*: Ensure the preservation of capital in the overall Investment Portfolio. Each transaction shall seek to avoid capital losses, whether in the form of security default (credit risk) or erosion of market value (interest rate risk). This is achieved by maintaining minimal requirements for acceptable credit ratings on all security purchases and monitoring duration.
- b. *Liquidity*: The Investment Portfolio shall be structured so that it provides sufficient liquidity and flexibility to manage the County's operating requirements that may be reasonably anticipated.
- c. *Investment Income*: The County shall seek to structure the Investment Portfolio to maximize investment income subject to the above safety and liquidity objectives. Securities shall generally be held until maturity with the following exceptions:
 1. A security with declining credit may be sold early to minimize loss of principal.
 2. A security swap is allowed where it would improve the quality, yield, or duration of the Investment Portfolio.

3. Liquidity needs of the Investment Portfolio require that the security be sold.
- d. *Act Responsibly*: The County shall avoid any transaction that might impair public confidence in the government of Broward County as custodians of the public trust.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.81.1. - Strategy.

To meet the investment objectives outlined above, the County will employ the following strategies for each objective:

- a. The strategy to meet the Investment Policy's primary objective of safety and preservation of capital is to ensure that all securities are of a sufficient quality and duration so as to limit exposure to credit and interest rate risks, thereby resulting in minimal volatility during varying economic cycles. Securities should be purchased with the intention of holding until maturity.
- b. The strategy to meet the Investment Policy's objective of liquidity, including the ability to reasonably meet unanticipated needs, is to purchase securities with an active secondary or resale market. Diversification should be maintained in order to minimize possible credit risk in a specific security type.
- c. The strategic approach, within the Investment Policy's safety and liquidity objectives, is to match investment maturities to anticipated cash flows. Both short-term and long-term maturities should be **laddered to meet general operating, capital project, and debt service expenditures**, based on known and projected cash flows. Over time, this strategy should help ensure an average rate of return on the County's investments and allows the County to benefit from long-term maturities.
- d. The strategy to meet the last objective of obtaining investment income while considering risk constraints and cash flow needs, which is secondary to the objectives of safety and liquidity, requires that investments be limited to low-risk securities earning an equitable rate of return relative to the amount of risk.
- e. To the extent excess funds are available, and at the discretion of the County Administrator, excess funds may be used for the short-term funding of projects that meet objectives of the Broward County Commissioners that are in the best interest of the County. Funds should be reimbursed through expected receipts or long-term financing.

(2015-528, 10-27-15)

22.81.2. - Authority.

Authority to manage the County's Investment Program is derived from Section 3.06 of the Broward County Charter. Day-to-day management responsibility for the Investment Policy shall be assigned to the Finance and Administrative Services Department.

(2015-528, 10-27-15)

22.82. - Performance Measurement.

The Investment Portfolio should regularly exceed the average return on the Bank of America Merrill Lynch 1-3 year Treasury & Agency Index. This Benchmark tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one (1) year and less than three (3) years. This index is considered a Benchmark for low risk investment transactions and, therefore, constitutes a minimum standard for the Investment Portfolio's rate of return. The Investment Program shall seek to provide returns above this

index consistent with the risk limitations identified in this Investment Policy and prudent investment principles. The actual performance of the Investment Portfolio may vary due to changes in interest rates or market conditions.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.83. - Prudence and Ethical Standards.

- a. Those persons conducting investment transactions shall act in accordance with the "Prudent Person Rule," as defined in Section 218.415, Florida Statutes, which states: "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."
- b. Officers and employees involved in the Investment Program shall refrain from personal business activity that could conflict with proper execution of the Investment Program, or impair their ability to make impartial investment decisions. Officers and employees shall subordinate personal investment transactions to those of Broward County. Furthermore, they shall disclose to the County Administrator, County Auditor, and the Chief Financial Officer ("CFO") any material financial interests in financial institutions that conduct business within the County, and any large personal financial or investment positions that could be related to the performance of the Investment Portfolio. Materiality shall be based on either the Comparative (percentage) Threshold or the Dollar Value Threshold as defined in CE Form 1, Statement of Financial Interest, issued by the State of Florida Commission on Ethics.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.84. - Eligible Securities.

The Investment Portfolio shall be limited to the following eligible securities and any additions by ordinances enacted by the Broward County Commission. Marginable accounts, short sales (where the County does not own the underlying security), and investments in any derivative securities (including interest only or principal only and inverse floaters investments) are prohibited unless specifically designated below.

- a. Direct obligations, or obligations, of the United States Government, the principal and interest of which are unconditionally guaranteed by the United States Government, including bonds, notes, and other obligations. Such securities will include, but not be limited to, the following:
 1. Cash Management Bills.
 2. Treasury Bills.
 3. Treasury Notes.
 4. Treasury Bonds.
- b. Bonds, notes, and other obligations of any federal agency whose obligations represent the full faith and credit of the United States Government. Such securities will include, but not be limited to, the following:
 1. Farmers Home Administration—Certificate of beneficial ownership.
 2. Federal Housing Administration Debentures.
 3. United States Department of Housing and Urban Development Project notes and local authority bonds.
 4. Government National Mortgage Association (GNMA or "Ginnie Mae").

5. Department of Veterans Affairs (VA).
- c. Bonds, debentures, or notes issued by Government Sponsored Enterprises (GSEs), which carry the implicit backing of the United States Government, but are not direct obligations of the United States Government. Such securities will include issuances from, but not be limited to, the following:
 1. Federal Home Loan Bank System (FHLB)—Senior debt obligations.
 2. Federal Farm Credit Bank (FFCB).
 3. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")—Participation certificates, senior debt obligations.
 4. Federal National Mortgage Corporation (FNMA or "Fannie Mae")—Participation certificates, senior debt obligations.
 5. Federal Agricultural Mortgage Corporation (FRM or "Farmer Mac")—Participation certificates, senior debt obligations.
- d. The Local Government Surplus Trust Fund ("Florida PRIME") or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided for in Section 163.01, Florida Statutes, and established in Section 218.405, Florida Statutes. In addition, a thorough investigation of the pool is required prior to investing and on a continual basis. Areas of consideration shall include a review of the Investment Policy, the types of securities allowed, the fund's risk profile, operational requirements, and calculations relating to interest, gains and losses, and distributions.
- e. Repurchase agreements with Primary Dealers, as defined by the Federal Reserve Bank of New York, and a custodian bank acting as a tri-party agent, provided such agreements are i) in writing; and ii) fully secured by securities unconditionally guaranteed by the United States Government, and provided further that:
 1. Any such collateral is held by the County or the tri-party agent acting for the County during the full term of such agreements;
 2. Any such collateral may only be substituted for same credit quality or better;
 3. Any such collateral is not subject to liens or claims of third parties;
 4. Any such collateral has a market value (determined at least every seven (7) days) at least equal to one hundred two percent (102%) of the amount invested in such agreement;
 5. The County has a perfected first security interest in such collateral;
 6. A Master Repurchase Agreement has been executed with all counterparties per Section 22.90 of this Investment Policy;
 7. The Master Repurchase Agreement provides that the failure to maintain such collateral at the level required by clause (4) above will require the County or the tri-party agent to liquidate the investments; and
 8. Term of the repurchase agreements cannot exceed ninety (90) days from date of purchase.
- f. Commercial Paper rated in one of the two highest rating categories by at least two (2) nationally recognized rating agencies, or Commercial Paper backed by a letter of credit or line of credit rated in one of the two highest rating categories. The CFO, at his or her discretion, may direct the investment and finance coordinators to invest in asset-backed commercial paper that is rated in one of the two highest rating categories by at least two (2) nationally recognized rating agencies.
- g. Bonds, notes, or obligations of the State of Florida, or of any municipality, political subdivision, or agency or authority of this state, if such obligations are rated by at least two (2) nationally recognized rating services in any one of the two highest classifications.

- h. Bank time deposits evidenced by certificates of deposit, or other evidences of deposit, issued by any bank, savings and loan association, trust company, or national banking association, which are (a) fully insured by the Federal Deposit Insurance Corporation and are governed by Florida Statutes or (b) to the extent not so insured, secured by government obligations provided (i) the institution is designated a Qualified Public Depository by the Chief Financial Officer of the State of Florida, and such obligations shall be in the physical possession of the State or a bank or trust of its choosing as directed by the Chief Financial Officer of the State of Florida, and (ii) such obligations must continuously have a market value at least equal to the amount so invested.
- i. Securities of, or other interest in, any open-end or closed-end management type, investment company, or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and the repurchase agreements fully collateralized by such United States Government obligations and provided such an investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian. In addition, a thorough review shall take place as described in item d., above.
- j. Collateralized Mortgage Obligations ("CMOs") which are only to be used at the discretion of the CFO and which are bank eligible and pass a three-pronged test for CMO safety at purchase based on the following:
 - 1. The Weighted Average Life ("WAL") does not exceed five (5) years;
 - 2. The expected WAL does not extend for more than two (2) years nor shorten by more than three (3) years assuming an immediate and sustained parallel shift in the yield curve of plus or minus three hundred (300) basis points; and
 - 3. The estimated change in price is not more than ten percent (10%) assuming an immediate and sustained parallel shift in the yield curve of plus or minus three hundred (300) basis points.
- k. World Bank notes, Bonds, or Discount Notes, rated AAA or equivalent by Moody's Investor Service or Standard and Poors Corporation.
- l. Obligations of the Tennessee Valley Authority.
- m. Reverse repurchase agreements which shall be used only for liquidity purposes and cannot be longer than thirty (30) days in duration and must have the approval of the CFO.
- n. Securities and Exchange Commission registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency. Such funds must have maintained a net asset value of one (1) dollar.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.85. - Security Lending.

Securities or investments purchased or held under the provisions of this Investment Policy may be loaned to securities dealers or financial institutions, provided:

- a. The loan is collateralized by cash or securities having a market value of at least one hundred two percent (102%) of the market value of the securities loaned and held by a third party;
- b. Broward County is indemnified against borrower insolvency;
- c. Broward County is indemnified against insolvency of a cash collateral investment issuer or counterparty;
- d. Facilitator must have a rating of "A" or higher as designated by Standard and Poors; and

- e. The maximum securities to be loaned cannot exceed twenty-five percent (25%) of the Investment Portfolio unless approved by the CFO, who may authorize a value of up to fifty percent (50%) of the Investment Portfolio.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.86. - Maturity Limitations.

- a. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures as well as sizeable anticipated revenues. Investments with maturities greater than 5.2 years shall require CFO approval prior to purchase. This schedule applies to the investment process at time of purchase. Maturities in this category shall be timed to comply with the following guidelines:

(1)	Overnight	35% maximum
(2)	1—30 days	80% maximum
(3)	31—90 days	80% maximum
(4)	91 days to 1 year	70% maximum
(5)	1 to 2 years	40% maximum
(6)	2 to 3 years	25% maximum
(7)	3 to 4 years	20% maximum
(8)	4 to 5 years	15% maximum
(9)	5 to 7 years	10% maximum

- b. Assets held in debt service funds and reserve funds will be guided by their bond indenture and are exempted from these maturity limitations.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.87. - Diversification.

- a. It is the policy of Broward County to diversify its Investment Portfolio. Assets held shall be diversified to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, or class of security.
- b. The Investment Portfolio will be diversified with no more than five percent (5%) of the value of the Investment Portfolio invested in the securities of any single issuer at the time of purchase. This limitation shall not apply to U.S. Government or Agency obligations, Government Sponsored Enterprise Securities ("GSEs"), or fully insured or collateralized Certificates of Deposit.
- c. The maximum percentage of the Investment Portfolio permitted in each eligible security, at the time of purchase, is as follows:

1. *Diversification by Instrument:*

- a) U.S. Treasuries and Agencies—100% Maximum
- b) Florida PRIME—50% Maximum
- c) Repurchase Agreements—40% Maximum
- d) Commercial Paper—25% Maximum
- e) Florida State-County Bonds—35% Maximum
- f) Interest Bearing Time Deposits (including CDs)—25% Maximum
- g) Money Market or Mutual Funds—35% Maximum
- h) World Bank Notes, Bonds, Discount Notes—15% Maximum
- i) CMOs—5% Maximum
- j) Tennessee Valley Authority Obligations—5% Maximum

2. *Diversification by Institution:*

- a) Money Market or Mutual Funds—No more than ten percent (10%) of the total Investment Portfolio with any one fund.
- b) Repurchase Agreements—No more than ten percent (10%) of the total County Investment Portfolio with any one institution, at the time of purchase. This restriction shall not apply to repurchase agreements executed by or facilitated through the Florida State Board of Administration ("SBA").
- c) State Issued Funds—Unrestricted.
- d) Commercial Paper—No more than five percent (5%) of the total County Investment Portfolio with any one issuer, at the time of purchase.

(2007-314, 5-8-07; 2011-696, 11-8-11; 2015-528, 10-27-15)

22.87.1. - Risk.

- a. It is recognized that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. By diversification, this Investment Policy seeks to minimize losses based on investment risk.
- b. Investment Portfolio diversification should be employed as a way to control risk. Those persons responsible for investment of County funds should exercise prudence in the selection of securities so as to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall Investment Portfolio. In the event of a default, downgrade, or materially adverse event by a specific issuer, the CFO shall review such event and, if appropriate, approve the liquidation of securities having comparable credit risks.
- c. To control risk of illiquidity, a minimum of two percent (2%) of the total Investment Portfolio, with a minimum of \$40 million in the Treasury Pooled Fund, shall be held in overnight repurchase agreements, U.S. Treasury instruments, or Money Market or Mutual Funds.

(2015-528, 10-27-15)

22.88. - Qualified Institution.

Qualified institutions for the purpose of investment transactions shall include:

- a. Primary dealers as defined by the Federal Reserve Bank of New York; or
- b.

Large regional and money center banks ranked 1—10 in total capital nationally as rated by the Federal Deposit Insurance Corporation, and Qualified Public Depositories, as defined in Section 280.02, Florida Statutes; or

- c. Consistent with the expressed intent of Broward County to afford opportunities to smaller regional brokers-dealers based in the State of Florida, brokers-dealers meeting the following criteria:
 1. Must comply with the SEC mandated Minimum Net Capital Rule 15c3-1;
 2. Must provide their most recent Financial and Operational Combined Uniform Single (FOCUS) report showing a minimum net capital of \$10 million on either line 3750 or line 3760 of the Report;
 3. Must have been in continuous business operations for the five (5) years preceding the date of application to be a broker-dealer that is a qualified institution; and
 4. If a banking institution, must be a Qualified Public Depository, as defined in Section 280.02, Florida Statutes.

Qualified institutions must have the ability to confirm trades through an electronic trading platform and must complete a broker agreement prior to initial trade. An annual review of the financial condition and registration of qualified financial institutions and brokers-dealers will be conducted at the end of each fiscal year. A list containing a maximum of fifteen (15) approved brokers-dealers selected on creditworthiness will be maintained annually.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.89. - Safekeeping and Collateralization.

All securities owned by Broward County shall be held in safekeeping by a third party as agent for the County under the terms of a custodian agreement or the Master Repurchase Agreement, except for those funds held by the Trustee(s). It shall not be necessary for the Trustee(s) to lodge such collateral security with any other bank or trust company, but it shall be sufficient for the Trustee(s) to lodge such collateral security within its Trust Department.

All securities transactions must be made on a delivery versus payment basis, if applicable, to ensure that the third party acting as agent for the County will have the security or money, as appropriate, in hand at the conclusion of the transaction.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.90. - Master Repurchase.

Broward County shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

(2007-314, 5-8-07)

22.91. - Bid Requirement.

After it is determined what securities and portfolio performance are needed and in what maturity, all transactions shall be competitively bid, either electronically or manually. Except as otherwise required by law, the bid deemed to best meet the investment objectives specified in Section 22.81 must be selected.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.92. - Internal Controls.

Internal controls and operational procedures shall be those listed in the Procedures Memorandum Procedure RCC131 or its replacement.

(2007-314, 5-8-07)

Sec. 22.93. - Reporting.

Reporting shall be done on a quarterly basis. The information provided shall include the following: a summary of securities held at the end of the reporting period by authorized investment category; summary par value, summary market value, and summary book value; Investment Portfolio composition; interest earnings history; and average weighted yield to maturity of Investment Portfolio on investments as compared to applicable Benchmark. Investment Portfolio Management reports that analyze the status of the current Investment Portfolio and transactions made shall be provided to the CFO and Deputy CFO on a weekly basis and to the County Auditor on a monthly basis.

(2007-314, 5-8-07; 2011-696, 11-8-11; 2015-528, 10-27-15)

22.94. - Education Requirements.

All Broward County employees responsible for making investment decisions shall complete a minimum of eight (8) hours of continuing education on an annual basis in subjects or courses of study related to investment practices and products. A record of all such training courses, including an outline of the topics discussed, shall be filed with the CFO immediately upon completion of each said training course.

(2007-314, 5-8-07; 2011-696, 11-8-11; 2015-528, 10-27-15)

22.95. - Policy Considerations.

This Investment Policy and any modifications shall be approved by the Board of County Commissioners. Any investment currently held that does not meet the guidelines of this Investment Policy shall be exempted from the requirements of this Investment Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Investment Policy.

(2007-314, 5-8-07; 2015-528, 10-27-15)

22.95.1. - Glossary.

- a. *Agencies*. Used to describe Federal Agency obligations which are backed by the full faith and credit of the United States of America (e.g., Ginnie Maes). The term is also used to describe GSEs, privately held corporations with a public purpose. GSEs carry the implicit backing of the U.S. Government. An example of a GSE is Freddie Mac. Securities can be discount notes, notes, or bonds.
- b. *Benchmark*. A comparative base for measuring the performance or risk tolerance of the Investment Portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the Investment Portfolio's investments.
- c. *Collateralized Mortgage Obligations ("CMOs")*. A collateralized mortgage obligation is a special purpose entity that receives the mortgage repayments and owns the mortgages from which it receives cash flows (called a pool). The mortgages serve as collateral and are organized into classes based on their risk profile. Income received from the mortgages is passed to investors based on a predetermined set of rules, and investors receive money based on the specific slice of mortgages in which invested (called a tranche).

- d. *Commercial Paper*. Issued by a corporation or bank with high-quality debt ratings, not usually backed by any form of collateral, to finance its short-term credit needs, such as accounts receivable and inventory. Maturities typically range from two (2) to two hundred seventy (270) days.
- e. *Federal Home Loan Banks ("FHLB")*. Government-sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions, and insurance companies. The mission of the FHLBs is to liquefy the housing-related assets of its members who must purchase stock in their district Bank.
- f. *Federal Open Market Committee ("FOMC")*. Consists of seven (7) members of the Federal Reserve Board and five (5) of the twelve (12) Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.
- g. *Government National Mortgage Association ("GNMA" or "Ginnie Mae")*. Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by full faith and credit of the U.S. Government.
- h. *Minimum Net Capital Rule 15C3-1*. Securities and Exchange Commission requirement that member firms as well as nonmember brokers-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called "net capital rule" and "net capital ratio."
- i. *Mutual Fund*. An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in specified classes of securities such as bonds, money market instruments, or similar assets.
- j. *Primary Dealers*. Primary dealers serve as trading counterparties of the New York Federal Reserve Bank in its implementation of monetary policy. This role includes the obligations to: (i) participate consistently in open market operations to carry out U.S. monetary policy pursuant to the direction of the FOMC; and (ii) provide the New York Federal Reserve Bank's trading desk with market information and analysis helpful in the formulation and implementation of monetary policy.
- k. *Repurchase Agreement*. A repurchase agreement, or repo for short, is a type of short-term loan used in money markets whereby the seller of a security agrees to buy it back at a specified price and time. The seller pays an interest rate, called the repo rate, when buying back the securities.
- l. *Reverse Repurchase Agreement*. A purchase of securities with an agreement to resell them at a higher price at a specific future date. This is a way to borrow money and allow the securities to be held as collateral. Reverse repos occur most often in government securities and often also in other securities that are highly valued and thus considered a good source of collateral. This can be a tool to provide additional liquidity to an entity.
- m. *Securities & Exchange Commission ("SEC")*. United States Agency created by Congress to protect investors in securities transactions by administering securities legislation.
- n. *Tennessee Valley Authority ("TVA")*. Bonds and discount notes offered by a corporation created by the federal government in the Great Depression to promote the economic development of the Tennessee River and adjoining areas. The TVA, known as a builder of dams, is responsible for flood control, the generation of electric power, soil conservation, and other areas of economic development.
- o. *Treasury Bills*. A noninterest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three (3) months, six (6) months, or one (1) year.

- p. *Treasury Bonds*. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than ten (10) years.
- q. *Treasury Notes*. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two (2) to ten (10) years.
- r. *World Bank Notes*. The International Bank for Reconstruction and Development ("IBRD"), otherwise known as the World Bank, is an international organization owned by its one hundred eighty-eight (188) member countries. The IBRD sells bonds and discount notes to finance loans and guarantees, and provides technical assistance for economic reform projects and programs. The securities are backed by the member countries and are rated AAA/A1+ by Standard and Pooers.
- s. *Yield*. The rate of annual income return on an investment, expressed as a percentage. Income Yield is obtained by dividing the current dollar income by the current market price for the security. Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

(2015-528, 10-27-15)

22.96—22.103. - Reserved.

ATTACHMENT 2

LOCAL HFA'S PORTFOLIO INVESTMENT COMPARISON

	<i>Broward County HFA</i>	<i>Palm Beach HFA</i>	<i>Miami Dade HFA</i>	<i>Orange County HFA</i>	<i>Pinellas County HFA</i>	<i>Hillsborough County HFA</i>	<i>Broward County Government</i>
<i>Investment Policy</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Investment Manager</i>	Karpus, Executive Director & Staff	CFO of Clerk & Comptroller and the HFA Executive Director	HFA Executive Director, Staff and Financial Advisor	HFA Executive Director	HFA Executive Director and Board members	HFA Board Committee (3 of the 7 Board members). The Financial Advisor assist the committee.	County Staff
<i>Y 2016/2017 Rate of Return on Investment</i>	Y2016 net rate of return is .36%; rate of return prior to fees is 1.02%. YTD 2017 (01/01/2017 - 03/31/2017) net rate of return is .16%; rate of return prior to fees .32%.	Y2016 rate of return 1.42% and YTD 2017 (9/1/2016 - 2/28/2017) rate return is .63%/annualized 1.51%.	Investments are mortgage pools , earning from 2.93% to 6.6% interest. Cash balances held by the Trustee in government money market accounts are earning .45% interest.	Y2016 rate of return on the total investment was 3%. Rate of return (1/1/17 to 2/28/17) is .50%/annualized 3%.	Based on semi-annual review - average rate of return 2.37%; annualized rate of return 4.80%	Varies by investment. The HFA doesn't even calculate because liquidity & security are much higher priorities.	Rate of return for FY2016 1.00%; YTD annualized rate of return FY2017 is 1.17%.
<i>Management Fee</i>	First \$2 million, 1.00%; Next \$3 million, .65%; Next \$5 million, .50%; Next \$10 million, 35% & over \$20, million, .25%	No Fees	No Fees	Investment Advisor (from RFP); fees are 5bps	No Fees	The fee for Financial Advisor(FA) incorporated into a fixed FA fee.	No management fee; \$350 fee for the County's 3rd party custodian/safekeeping to hold the securities.
<i>Investment Securities</i>	U.S. Government Notes & Bonds, U.S. Gov. Agency Pools, Cash & Equivalents	Palm Beach Co. Clerk & Comptroller Fund (CD, Money Market, SBA Pool, State of Israel Bonds, FL Local Gov. Inv. Trust & CP)	Mortgage Pools and U.S. Government Money Market Accounts	Details Not Provided	Details Not Provided	Details Not Provided	Federal Agencies, Commercial Paper, U.S. Treasury & World Bank Securities

**Housing Finance Authority of Broward County
April 19, 2017 – Board Meeting**

HFA 110 Building

Damaged Swale Areas and Misuse of HFA property at the 110 Building.

Background

1. At the March 15th, HFA meeting, staff informed the Board of recent damage to the right of way, as result of construction occurring access the street. Staff requested authorization from the Board to direct County Attorney to prepare a demand letter placing LMC, a Lennar Company (“LMC”), on notice to repair any damages caused to the Right of Way, and to cease and desist all operations on unauthorized grounds.

Present Situation

1. Pursuant to the Board direction, on March 24, 2017 staff prepared a letter signed by the HFA Executive Director, advising LMC, that supply and delivery trucks accessing LMC’s construction site from Northeast 3rd Street, (i) have damaged the swale adjacent to the HFA 110 Building, and (ii) are improperly entering the HFA Office Building parking lot to maneuver into the construction site (photographs attached) (Attachment 1). LMC staff contacted HFA staff and indicated repairs would be forth coming and have instructed all deliveries to avoid using the HFA parking lot. To date, sidewalk repairs have been made. New sod for the damaged swales will follow soon.

Attachment

1. Demand Letter – (dated March 29, 2017)

ATTACHMENT 1

March 28, 2017

Matt Austin
Superintendent, Construction Services
LMC, a Lennar Company
205 N.E. 3rd Street
Fort Lauderdale, Florida 33301

**Re: Damaged Swales Areas and Misuse of Broward Housing Finance Authority
Headquarters at 110 N.E. 3rd Street, Fort Lauderdale, Florida 33301 (“HFA
Headquarters”)**

Dear Superintendent Austin:

NOTICE IS HEREBY GIVEN that supply and delivery trucks accessing LMC’s construction site from Northeast Third Street in Fort Lauderdale, Florida (1) have damaged the swale areas adjacent to the HFA Headquarters; and (2) are improperly entering the HFA Headquarters parking lot (“Parking Lot”) to maneuver into the construction site. Photographs of the damaged swale areas and improper use of the Parking Lot are attached.

Although the damaged swale areas are owned by the City of Fort Lauderdale (“City”), the HFA, as the adjacent property owner, is required to maintain them under the City Code of Ordinances (“Code”). Please immediately take all necessary and appropriate actions to repair the damaged swale areas, in accordance with all applicable requirements of the City Code.

Additionally, LMC is commanded to instruct the drivers of all supply and delivery trucks to cease and desist from entering the Parking Lot to facilitate access to the construction site. The Parking Lot is restricted for use by employees, customers, and licensees of the HFA and Broward County Housing Finance and Community Redevelopment Division. Neither LMC nor its contractors, subcontractors, or suppliers have any rights to access or use the Parking Lot in connection with construction site activities. Unauthorized access is a trespass. If supply and delivery trucks have insufficient clearance to enter the construction site from the Third Street access point, please immediately direct the trucks to an alternative access point.

Failure of LMC to satisfy these demands forthwith shall result in the pursuit of all available legal remedies.

Please govern yourself accordingly.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Stone", written in a cursive style.

Ralph Stone
HFA Executive Director

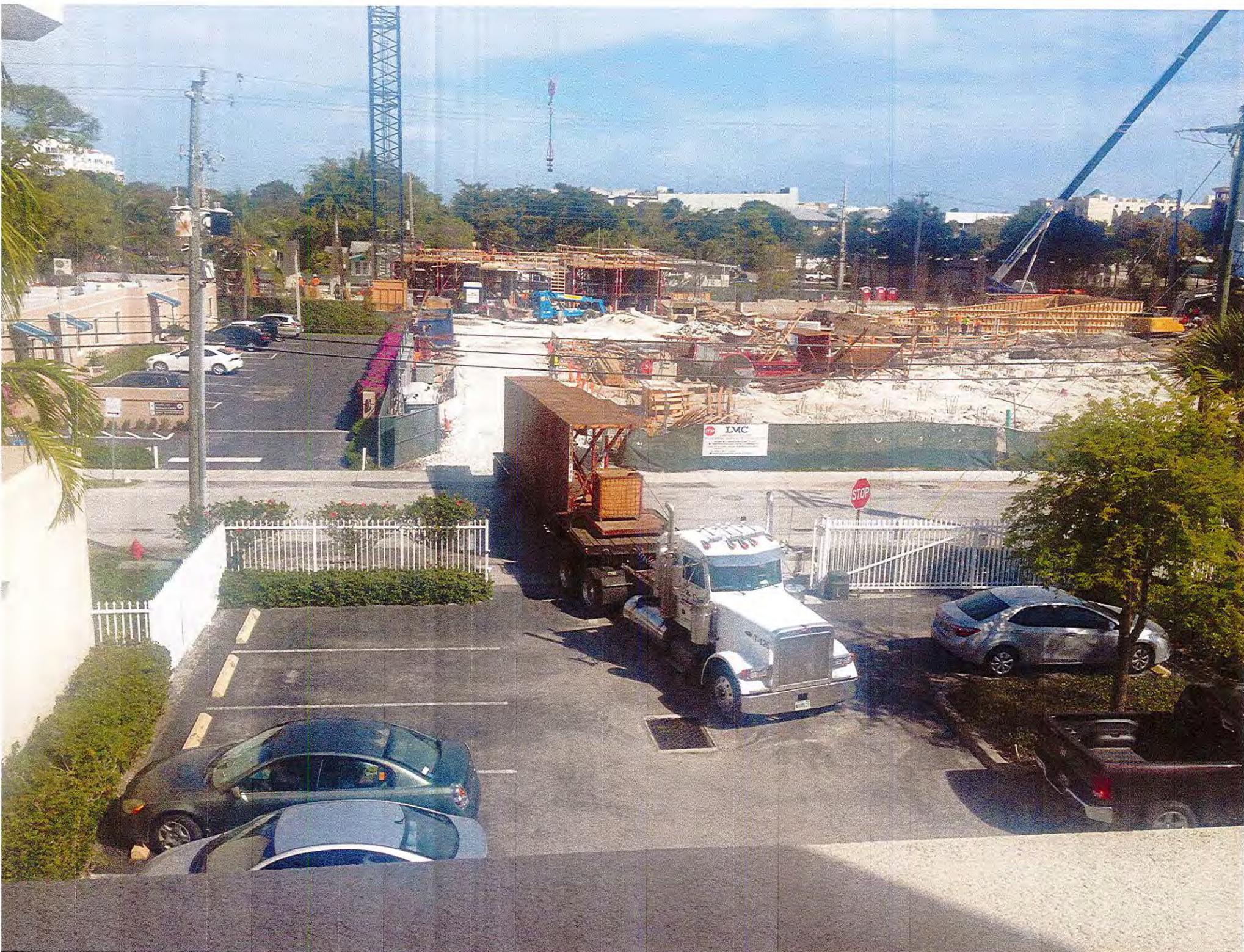
Attachments

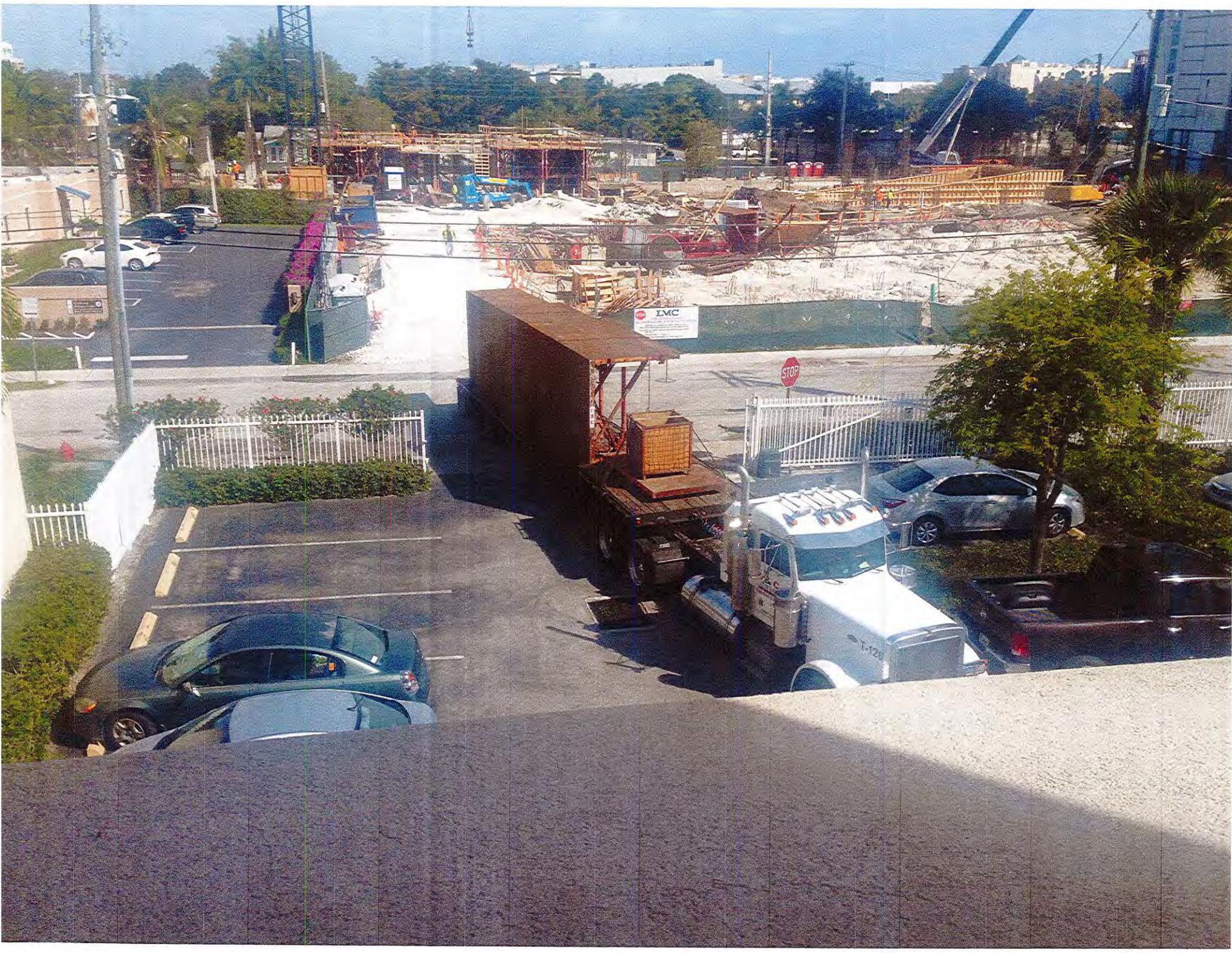
cc: HFA Board Members
Norman Howard, Assistant to the HFA Executive Director
James D. Rowlee, Counsel to the HFA

Damage to the Swale at the 110 Building











LMC

STOP