SECOND AMENDMENT
TO CONTRACT NUMBER 2001-03-01-002

THIS SECOND AMENDMENT to Contract Number 2001-03-01-002 (Amendment) is by and between FLORIDA HOUSING FINANCE CORPORATION (Florida Housing), a public corporation and a public body corporate and politic, and AMERINATIONAL COMMUNITY SERVICES, INC. (Provider). This Amendment shall bind the parties upon execution by their duly authorized representatives, and shall become effective May 31, 2005.

MUTUAL UNDERSTANDINGS

1. Florida Housing and the Provider entered into Contract Number 2001-03-01-002, effective February 5, 2001, for credit underwriting, construction and permanent loan servicing, compliance monitoring, and financial monitoring for Florida Housing’s single family and multifamily programs (Contract).

2. Paragraph (21) of the Contract allows for modification, provided the modification is mutually agreed upon by the parties in a written, signed document, attached to the original Contract.

3. On July 30, 2004, the Board of Directors of Florida Housing authorized staff to begin the solicitation process to select multiple providers to perform credit underwriting, construction and permanent loan servicing, and financial and compliance monitoring for Florida Housing’s single family and multifamily programs.

4. On November 24, 2004, Request for Proposals 2004-07 was issued. Three responses were received by the January 28, 2005 deadline.

5. On March 4, 2005, the Board of Directors of Florida Housing authorized staff to extend the term of the Contract until the earlier of May 31, 2005 or until the last day of the month in which a new Provider contract(s) becomes effective.


7. Both parties agree a final renewal is needed to extend the term of the Contract until the earlier of August 31, 2005 or until the last day of the month in which a new Provider contract(s) becomes effective, because contract negotiations will not be completed by May 31, 2005.

NOW THEREFORE, in consideration of the terms and conditions contained in the Contract, and notwithstanding anything herein to the contrary, the Contract shall be modified as follows:
Pursuant to Paragraph (5), the Contract is renewed until the earlier of August 29, 2005 or until the last day of the month in which a new Provider contract(s) becomes effective.

This Amendment affects no provision of the Contract other than that expressed herein.

IN WITNESS WHEREOF, the parties have executed this SECOND AMENDMENT to Contract Number 2001-03-01-002, each through a duly authorized representative, effective May 31, 2005.

AMERINATIONAL COMMUNITY SERVICES, INC.

By: Adeline Thompson
Name/Title: ADRIENNE THOMSON, PRES.
Date: 5-17-05
FID#: 41-1951655

Witness:
Date: 5/18/05
Witness:
Date: 5/18/05

FLORIDA HOUSING FINANCE CORPORATION

By: Orlando J. Cabrera
Name/Title: ORLANDO J. CABRERA
Executive Director
FHFC
Date: 5-26-05

Witness:
Date: 5-26-05
Witness:
Date: 5-26-05
FIRST AMENDMENT
TO CONTRACT NUMBER 2001-03-01-002

THIS FIRST AMENDMENT to Contract Number 2001-03-01-002 (Amendment) is by and between FLORIDA HOUSING FINANCE CORPORATION (Florida Housing), a public corporation and a public body corporate and politic, and AMERINATIONAL COMMUNITY SERVICES, INC. (Provider). This Amendment shall bind the parties upon execution by their duly authorized representatives, and shall become effective February 5, 2005.

MUTUAL UNDERSTANDINGS

1. Florida Housing and the Provider entered into Contract Number 2001-03-01-002, effective February 5, 2001, for credit underwriting, construction and permanent loan servicing, compliance monitoring, and financial monitoring for Florida Housing’s single family and multifamily programs (Contract).

2. Paragraph (21) of the Contract allows for modification, provided the modification is mutually agreed upon by the parties in a written, signed document, attached to the original Contract.

3. On July 30, 2004, the Board of Directors of Florida Housing authorized staff to begin the solicitation process to select multiple providers to perform credit underwriting, construction and permanent loan servicing, and financial and compliance monitoring for Florida Housing’s single family and multifamily programs.

4. On November 24, 2004, Request for Proposals 2004-07 was issued. Three responses were received by the January 28, 2005 deadline.


6. Both parties agree a renewal is needed to extend the term of the Contract until the earlier of May 31, 2005 or until the last day of the month in which a new Provider contract(s) becomes effective.

NOW THEREFORE, in consideration of the terms and conditions contained in the Contract, and notwithstanding anything herein to the contrary, the Contract shall be modified as follows:

Pursuant to Paragraph (5), the Contract is renewed until the earlier of May 31, 2005 or until the last day of the month in which a new Provider contract(s) becomes effective.

This Amendment affects no provision of the Contract other than that expressed herein.
IN WITNESS WHEREOF, the parties have executed this FIRST AMENDMENT to Contract Number 2001-03-01-002, each through a duly authorized representative, effective February 5, 2005.

AMERINATIONAL COMMUNITY SERVICES, INC.

By: Adrienne Thomas
Name/Title: Adrienne Thomas/PRESIDENT
Date: 2-4-05
FID#: 41-1951655
Witness: Judy K. Christopherson
Date: 2/4/05

FLORIDA HOUSING FINANCE CORPORATION

By: Orlando J. Cabrera
Name/Title: Orlando J. Cabrera/EXECUTIVE DIRECTOR
Date: 2-4-05
Witness: June
Date: 2-9-05

Witness: Johnathan
Date: 2-9-05
Contract for Credit Underwriting, Loan Servicing, Compliance and Financial Monitoring for Single Family and Multifamily Programs

This Contract #2001-03-01-002 ("Contract") is entered into by and between the Florida Housing Finance Corporation ("Florida Housing"), a public body corporate and politic, and AmeriNational Community Services, Inc. ("Provider"). This Contract shall bind the parties upon its execution by their representative and shall become effective upon the date the last party signs this Contract.

MUTUAL UNDERSTANDINGS:

A. The Provider shall perform credit underwriting, construction and permanent loan servicing, compliance monitoring, and financial monitoring for Florida Housing’s single family and multifamily programs.

B. The Provider represents that it is fully qualified, possesses the requisite skills, knowledge, qualifications, and experience to provide the services identified in this Contract, and offers to perform those services described in Exhibit A, attached and incorporated by reference.

C. Florida Housing has a need for such services and accepts the offer of the Provider upon the terms and conditions set forth in this Contract.

D. Florida Housing has the authority, pursuant to Florida Law, to disburse funds for compensation described in Exhibits C and C-1 of this Contract.

E. Florida Housing issued a Request for Proposals for these services on July 13, 2001. On October 25, 2001, Florida Housing’s Board of Directors selected the following offerors to provide services:

Credit Underwriting
Seltzer Management Group, Inc.
First Housing Development Corporation
AmeriNational Community Services, Inc.
Florida Community Partners
Peninsula Housing Partners, Inc.

Loan Servicing and Financial Monitoring
Seltzer Management Group, Inc.
First Housing Development Corporation
AmeriNational Community Services, Inc.
Florida Community Partners
Peninsula Housing Partners, Inc.
Compliance Monitoring
Seltzer Management Group, Inc.
First Housing Development Corporation
AmeriNational Community Services, Inc.

NOW, THEREFORE, Florida Housing and the Provider mutually agree as follows:

1. DEFINITIONS

For purposes of this document and Exhibits A, B, and C, the following definitions apply:

"Compliance Monitor" the Provider that is to perform the compliance monitoring services being requested in this Contract.

"Construction Loan" the financing that is made to a Developer for construction of a Development.

"Credit Underwriter" the Provider that is to perform the credit underwriting services being requested in this Contract.

"Days" calendar Days, unless otherwise specified.

"Developer" a person or entity that has been awarded a loan or tax credit from Florida Housing Finance Corporation to develop a property.

"Desk Top Audit" an off-site review of files and other documents that have been sent to the Compliance Monitor.

"Development" a property that will undergo new construction, rehabilitation construction or both, by a Developer.

"Draw Request" the request a Developer submits for disbursement of funds.

"Effective Date" the date the last party signs the Contract that is awarded as a result of the prior Request for Proposals.

"EHCL" the Elderly Housing Community Loan program that Florida Housing administers pursuant to Sections 420.507 and 420.5087(3)(c)2, Fla. Stat., and Chapter 67-32, Fla. Admin. Code.

"Financial Monitor" the Provider that is to perform the financial monitoring services being requested in this Contract.
"Florida Housing" or "Corporation"  Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.


"Home Buyer Second Mortgage Loan"  a HOME loan converted from a portion of the construction to a second mortgage loan for an eligible home buyer.

"Housing Credit Program"  the Housing Credit program that Florida Housing administers pursuant to Sections 420.507 and 420.5099, Fla. Stat., and Chapter 67-48, Fla. Admin. Code.

"HUD"  the United States Department of Housing and Urban Development.

"Lender"  the entity other than Florida Housing that provides a mortgage loan.

"Management Company"  a firm selected by the Developer and approved by Florida Housing to oversee the operation and management of the Development and who accepts compliance responsibility.

"Management Review and Physical Inspection Summary"  Florida Housing form.

“Permanent Loan” the loan made to an eligible borrower that is not a Construction Loan.


“Program Report” Florida Housing form PR-1.

“QLI” Qualified Lending Institution means any bank, trust company, national bank, savings bank, state or federal savings and loan association, state or federal credit union, insurance company, private or public pension fund, philanthropic institution, Florida local housing finance authority, the Florida Housing Finance Corporation, in its capacity as a lender, or any other entity approved by the Corporation.

“Recap of Tenant Income Certification Information” Florida Housing form AR-1.


“Servicer” the Provider that is to perform the construction loan and permanent loan servicing being requested in this Contract.

“Tenant Income Certification” Florida Housing form TIC-1.

2. ATTACHMENTS

This Contract has the following attachments, which are attached and incorporated by reference:

Exhibit A, Scope of Work
Exhibit B, Copyright, Patent, and Trademark
Exhibit C, Compensation
Exhibit C-1, Fee Schedule
3. **ENGAGEMENT OF THE PROVIDER & SCOPE OF WORK**

Except for the Guarantee Program, Florida Housing agrees to engage the Provider, and the Provider agrees to perform the services set forth in Exhibit A, of this Contract. The scope of financial monitoring, relating only to the Guarantee Program, shall be separately agreed to, in writing, between the parties prior to beginning any assignments under the Guarantee Program. The fees relative to the scope of work for the Guarantee Program shall be negotiated between the parties at the time the scope of financial monitoring is defined.

4. **INCORPORATION OF LAWS, RULES AND REGULATIONS**

Both the Provider and Florida Housing shall be governed by the applicable Federal and State laws, rules, and regulations.

5. **TERM OF AGREEMENT**

This Contract shall begin upon the date the last party signs the Contract ("Effective Date"). This Contract shall end three years from the Effective Date ("Period"), unless terminated earlier in accordance with the provisions of section 10 of this Contract. If the parties mutually agree in writing, the Contract may be renewed twice, each time for an additional 1 year period. Renewals shall be contingent upon satisfactory performance evaluations by Florida Housing.

6. **CONSIDERATION**

Florida Housing shall only pay fees and costs described in Exhibits C and C-1. The Provider shall return any and all funds to Florida Housing if the Provider is found in violation of applicable Florida laws, federal laws or Florida Housing's rules, or federal rules and regulations, governing the use of the funds paid under this Contract. Florida Housing shall have the sole discretion to determine that the Provider is in violation of Florida laws, federal laws, or Florida Housing's rules, or federal rules, governing the use of the funds, subject to application of the Administrative Procedures Act, Sections 120.et. al., Fla. Stat.

7. **QUALIFICATIONS OF PERSONNEL**

In accordance with the Request for Proposals 2001/03, dated July 13, 2001, the Provider has an ongoing duty and responsibility to provide the names of all personnel who perform services under this Contract. The Credit Underwriters must have a minimum of five years of experience to be assigned to any of the responsibilities and services pursuant to this Contract. The Provider shall provide a copy of the personnel’s qualifications and experience to Florida Housing prior to any personnel commencing work under this Contract.

8. **FILES**

   (a) Location of the Files: The Provider shall maintain all files in the State of Florida and provide a copy to Florida Housing upon request.
(b) Contents of the Files: The files shall contain documentation to verify all requests for fees and/or cost reimbursement in connection with this Contract, as well as the reports, records, documents, papers, letters or other material received, generated, maintained or filed by the Provider in connection with this Contract. The Provider shall also include in the files any records, reports, or financial statements as may be necessary to audit or monitor funds awarded or disbursed to the Provider pursuant to this Contract.

(c) Retaining the Files: Except as provided in Section 7.(f) below, the Provider shall physically preserve and maintain the files in the State of Florida in accordance with all applicable federal and state laws, unless otherwise directed, in writing, by Florida Housing through its duly authorized representative, as approved by the Florida Housing Board of Directors.

(d) Access to the Files: The Provider and its employees, affiliates, or agents who are paid from funds provided under this Contract shall allow Florida Housing or its agent(s) access to its files during normal business hours, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

(e) Files subject to Florida’s Public Records Law: The Provider acknowledges familiarity with Florida’s Public Records Law and agrees to comply with section 119 et. al., Fla. Stat., unless such documents are specifically exempted.

(f) Return of the Files: In the event this Contract is terminated, all finished or unfinished documents, data, audio and video recordings of any kind, studies, correspondences, and other products prepared by, or on behalf of, the Provider, under any of the terms and provisions of this Contract, shall be delivered promptly to Florida Housing, but not more that 14 days from the date this Contract is terminated. This provision does not preclude a Provider from keeping and maintaining a copy of all documents, at the Provider’s own expense.

9. LIABILITY

(a) Florida Housing shall not be deemed to have assumed any liability for the acts, omissions, or negligence of the Provider, its agents, servants, or employees, and the Provider specifically accepts responsibility for the Provider’s acts, omissions, or negligence and for the acts, omissions, or negligence of the Provider’s agents, servants, or employees, and holds Florida Housing harmless from the claims of any third party arising from the Provider’s acts. The Provider further acknowledges that it is not an employee or agent of Florida Housing while performing the services contemplated by this Contract. The Provider is a licensed independent contractor.

(b) The Provider specifically accepts responsibility for compliance with all applicable Florida laws, federal laws, Florida Housing’s rules, federal rules and regulations, or Florida Housing policies.
(c) The Provider specifically accepts responsibility for the payment of all taxes, assessments, or contributions that may be required to be paid to any unit of government, as a result of the consideration being paid to or by the Provider, in conjunction with the services rendered pursuant to this Contract. At no time shall the Provider make any commitments for, or incur any charges or expenses on behalf of, or in the name of, Florida Housing.

(d) Nothing stated in this Contract is intended to serve as a waiver of sovereign immunity by Florida Housing, except as provided in Section 768.28, Fla. Stat.

(e) The Provider shall not be relieved of liability to Florida Housing for damages sustained by Florida Housing by virtue of any termination, or breach, of this Contract by the Provider. The Provider shall be liable to Florida Housing for reasonable attorney fees and costs in the event Florida Housing prevails under this provision.

(f) The Provider shall maintain and provide a copy of the Provider’s policy of professional liability insurance to Florida Housing. The professional liability insurance shall pertain to Exhibit A, Scope of Work.

10. DEFAULT AND REMEDIES

(a) If any of the events listed in subparagraph (b) occur, all obligations on the part of Florida Housing to make any further payment of funds under this Contract shall, if Florida Housing elects, under Florida Housing’s sole option and discretion, terminate and Florida Housing may, at its sole option and discretion, exercise any of its remedies set forth in this Contract, or as otherwise provided by law. Notwithstanding, Florida Housing may make any payments, or partial payments, after the occurrence of any Event of Default listed in subparagraph (b) without waiving the right to exercise such remedies, without constituting a course of dealing, and without becoming liable to make any further payment.

(b) The following shall be considered an Event of Default:

1. If any report, information, representation, or material provided by the Provider in this Contract, is inaccurate, false, or misleading;

2. If any warranty or representation made by the Provider in this Contract, the proposal submitted, or any other outstanding or past agreement with Florida Housing is deemed by Florida Housing to be inaccurate, false, or misleading;

3. If the Provider fails to keep, observe, or perform any of the terms or covenants contained in this Contract, or is unable or unwilling to meet the Provider’s obligations as set forth in this Contract;
4. If any report required by this Contract has not been submitted to Florida Housing as required in Exhibit A or if, in the sole option and discretion of Florida Housing, the report that has been submitted contains incorrect, incomplete, or insufficient information;

5. If, in the sole option and discretion of Florida Housing, the Provider has failed to perform or complete any of the services identified in Exhibit A, on or before the due date as set forth in Exhibit A;

6. If the Provider has not complied with all Florida laws, federal laws, Florida Housing’s rules, federal rules and regulations, or Florida Housing’s and federal policies applicable to the work;

7. If the Provider has discriminated on the grounds of race, color, religion, gender, national origin, or disability in performing any service identified in Exhibit A;

8. If the Provider fails to comply with any of the terms and conditions set forth in Section 420.512(5), Fla. Stat.

9. If the Provider misuses funds or commits fraud; or

10. If, after proper notice and request for access, the Provider refuses to permit public access to any document, paper, letter, or other material subject to disclosure under Section 119 et. al., Fla. Stat.

(c) Upon the occurrence of any Event of Default, listed in subparagraph (b) above, Florida Housing shall provide written notice of the Default (the “Notice of Default”), to the address set forth in Section 11 of this Contract. Notice of Default shall be complete upon the date the Notice of Default is mailed or upon hand-delivery.

(d) Upon the occurrence of any Event of Default, listed in subparagraph (b), Florida Housing may, at its sole option and discretion, provide the Provider a period of time to cure the Event of Default (“Cure Period”). If Florida Housing provides a discretionary Cure Period, Florida Housing shall notify the Provider of the length of the Cure Period in the Notice of Default.

(e) If Florida Housing provides a Cure Period, and if the Provider is unable or unwilling to cure the Event of Default within the Cure Period provided in the Notice of Default, Florida Housing may exercise any one of the following remedies. The pursuit of any one of the following remedies shall not preclude Florida Housing from pursuing any other remedies contained in this Contract, or otherwise provided at law or in equity:
1. Immediately terminate the Contract by providing written notice to the representative of the Provider through mail, to the address set forth in Section 11 of this Contract, or by hand-delivery of the notice. Notice of Termination shall be complete upon the date the Notice of Termination is mailed or upon hand-delivery.

2. Commence a legal or equitable action to enforce the terms and conditions of this Contract;

3. Exercise any corrective or remedial actions, including but not limited to, requesting additional information from the Provider to determine the reasons for, or the extent of, non-compliance or lack of performance; issuing a written warning to advise the Provider that more serious measures may be taken if the situation is not corrected; advising the Provider to suspend, discontinue, or refrain from incurring fees or costs for any activities in question; or requiring the Provider to reimburse Florida Housing for the amount of costs incurred; or

4. Exercise any other rights or remedies that may be otherwise available under law or equity.

11. TERMINATION

(a) If the necessary funds are not available to fund this Contract as a result of action by the Federal Government, the Florida State Office of the Comptroller, the Florida Legislature, the Florida Office of Policy and Budget, the Secretary of the Florida Department of Community Affairs, or the Florida State Board of Administration, as applicable, all obligations on the part of Florida Housing to make any further payment of funds shall cease, Florida Housing shall terminate this Contract by giving written notice ("Termination Notice") to the representative of the Provider identified in Section 11 of this Contract. The Contract shall automatically terminate on the 10th day after the Provider receives the Termination Notice.

(b) Florida Housing may terminate the Contract without cause and the Contract shall automatically terminate on the 30th day after the Provider receives the Termination Notice.

(c) Florida Housing shall unilaterally terminate this Contract on the 10th day after the Provider receives the Termination Notice, if the Provider fails to comply with Florida’s Public Records Law.

(d) Florida Housing shall unilaterally terminate this Contract on the 10th day after the Provider receives the Termination Notice, if the Provider fails to comply with the terms and conditions set forth in Section 420.512(5), Fla. Stat.

(e) Florida Housing may immediately terminate the Contract for cause, including but not limited to the Events of Default contained in this Contract, by giving written notice, to the representative of the Provider identified in Section 11 of this Contract. Florida Housing agrees to pay the Provider for invoices submitted up to, and including, the termination date.

Contract # 2001-03-01-002
(f) This Contract may be terminated by the written mutual consent of the parties upon 30 Days written notice to the representatives identified in Section 11 of this Contract. The Contract shall automatically terminate on the date agreed to by the parties. Florida Housing agrees to pay the Provider for invoices submitted up to and including termination date.

(g) The events causing the Notice of Termination, set forth above, shall be complete upon the date mailed.

12. NOTICE AND CONTACT

(a) All notices required pursuant to this Contract shall be in writing, through certified mail, return receipt requested, to the representative identified below at the address set forth below.

(b) The names and addresses of Florida Housing program representatives for this Contract are:

Credit Underwriting
Ms. Jan Rayboun, Loan Closing Coordinator
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

Permanent Loan Servicing and Financial Monitoring
Ms. Diane M. Carr, Loan Servicing Administrator
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

Construction Loan Servicing
Ms. Kerey Carpenter, Deputy Development Officer
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

Compliance Monitoring
Ms. Wilma B. Lauder, Compliance Administrator
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301-1329
Guarantee Program Financial Monitoring
Mr. Junious Brown, Guarantee Program Administrator
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

The name and address of the representative of the Provider for this Contract is:

Ms. Veronica A. Repanti, Branch Manager
AmeriNational Community Services, Inc.
10012 North Dale Mabry Highway, Suite 209
Tampa, FL 33618

13. CONFIDENTIALITY

(a) Subject to the provisions of Section 119, et. al., Fla. Stat., as applicable to Florida Housing, all materials furnished to Florida Housing pursuant to this Contract are privileged and confidential and the Provider shall treat such materials as privileged and confidential. The Provider shall not reveal or discuss such materials, or any other information learned as a result of this Contract, with any other person or entity, except as authorized or directed by Florida Housing.

(b) In addition, working papers, copies, internal documents, procedures, methods, and related materials are considered privileged and confidential and/or proprietary, and the Provider shall treat such information as privileged and confidential and/or proprietary. The Provider shall not reveal or discuss any such information with any other person or entity, except as authorized or directed by Florida Housing. All such records and materials shall remain the property of Florida Housing.

(c) The Provider shall not voluntarily, in any manner, disclose or publish the existence or terms of this Contract. If the Provider is required to disclose or publish the existence or terms of this Contract, pursuant to Florida’s Records Law, then the Provider must immediately notify Florida Housing, in writing, of such disclosure within 3 days after receipt of the public record request.

14. OTHER PROVISIONS

(a) This Contract shall be construed and governed under the laws of the State of Florida and venue for any actions arising out of this Contract shall be in Leon County, Florida.

(b) If any provision of this Contract conflicts with any applicable statute or rule, or is otherwise unenforceable, then such provision shall be deemed null and void to the extent of such conflict, and shall be severable, but shall not invalidate any other provision of this Contract.
(c) No waiver by Florida Housing of any right or remedy granted under this Contract, or failure to insist on strict performance by the Provider, shall affect, or extend, or act as a waiver of any other right or remedy of Florida Housing, or affect the subsequent exercise of the same right or remedy by Florida Housing for any further or subsequent default by the Provider. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a course of dealing.

(d) Any power of approval, or disapproval, granted to Florida Housing under the terms of this Contract shall survive the terms and life of this Contract as a whole.

(e) The Contract may be executed in any number of counterparts, any one of which may be taken as an original.

15. LOBBYING PROHIBITION.

No funds or other resources received from Florida Housing in connection with this Contract may be used, directly or indirectly, to influence legislation or any other official action by the Florida or Federal Legislature or any State or Federal agency. The Provider further acknowledges that it has not retained the services of any lobbyist, consultants, or former Florida Housing employees to assist in the procurement and negotiation of this Contract.

16. COPYRIGHT, PATENT AND TRADEMARK

Exhibit B contains the terms and conditions relating to the copyrights, patents, and trademarks.

17. LEGAL AUTHORIZATION

The Provider certifies that the Provider has the legal authority to receive the funds to be provided under this Contract and that, if applicable, its governing body has authorized, by resolution or otherwise, the execution and acceptance of this Contract with all covenants and assurances contained in this Contract. The Provider also certifies that the undersigned possesses the authority to legally execute and bind the Provider to the terms of this Contract.

18. CONVICTED VENDOR CLAUSE

(a) Section 287.133(2)(a), Fla. Stat., states:

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded to perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any
public entity for a period of 36 months from the date of being placed on the convicted vendor list.

(b) By executing this contract the Provider certifies that neither the Provider nor any of its employees, affiliates or agents has been placed on the State of Florida's convicted vendor list at any time during the prior 36 months.

19. CONFLICTS OF INTEREST

(a) Pursuant to Section 420.512(5), Fla. Stat:

Service providers shall comply with the following standards of conduct as a condition of eligibility to be considered or retained to provide services. For purposes of paragraphs (a), (b), and (c) only, the term "service provider" means and is limited to a law firm, an investment bank, or a credit underwriter, and the agents, officers, principals, and professional employees of the service provider.

(a) A service provider may not make contributions in any amounts, directly or indirectly, for or on behalf of candidates for Governor, nor shall any service provider make a contribution in excess of $100 to any candidate for a member of the State Board of Administration other than the Governor in Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.

(b) The service provider shall not participate in fundraising activities for or on behalf of candidates for Governor in Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.

(c) Service providers shall provide to the corporation a statement that the service provider has not contributed to candidates for Governor or contributed in excess of the amounts allowed by this section for a member of the State Board of Administration or engaged in fundraising activities for or on behalf of candidates for Governor in Florida since the effective date of this section or during the 24 months preceding the service provider's application to provide services to the corporation, whichever period is shorter.

(d) The service provider may not engage in prohibited business solicitation communications with officers, members, or covered employees of the corporation.

(e) If a service provider is in doubt as to whether its activities, or the activities of its principals, agents, or employees, violate the provisions of this section, it may request a declaratory statement in accordance with the applicable rule and Section 120.565, Fla.Stat.
(f) If the corporation determines that a service provider has failed to meet the provisions of this section, it shall consider the magnitude of the violation and whether there has been a pattern of violations in determining whether to terminate or decline to enter into contracts with the service provider.

(b) Section 420.503(31), Fla. Stat., states:

"Prohibited business solicitation communication" means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:
(a) A verbal communication made on the record during a public meeting;
(b) A written communication provided to each member and officer of the corporation and made part of the record at a public meeting;
(c) A written proposal or statement of qualifications submitted to the corporation in response to a corporation advertisement seeking proposals or statements of qualifications as part of a competitive selection process.
(d) A verbal or written communication related to the contractual responsibilities of a service provider who was selected to provide services or who was included in a pool of service providers eligible to provide services as a result of a competitive selection process, so long as the communication does not relate to solicitation of business.
(e) A verbal or written communication related to a proposed method of financing or proposed projects, so long as the communication does not relate to solicitation of business.

(c) By executing this contract, the Provider certifies that it shall comply and is in compliance with Section 420.512(5), Fla. Stat., as may be amended from time to time.

20. ENTIRE AGREEMENT

This Contract, including any and all attachments, embodies the entire agreement of the parties. There are no other provisions, terms, conditions, or obligations between the parties. The Contract supersedes all previous oral or written communications, representations, or agreements pertaining to the terms and provisions of this Contract.

21. MODIFICATION OF AGREEMENT

Either party may request a modification of the provisions of this Contract. Modifications, which are mutually agreed upon, shall be valid only when reduced to writing and duly signed by the parties.
IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their undersigned representatives as duly authorized.

AMERICAN NATIONAL COMMUNITY SERVICES, INC.

By: [Signature] Name and Title: Veronica A. Remington, MGR
FID#: 41.1951655
Date: February 1, 2002
Witness: [Signature] Date: 2/1/02

FLORIDA HOUSING FINANCE CORPORATION

By: [Signature] Name and Title: Mark Kaplan, Executive Director
Date: 2-5-02
Witness: [Signature] Date: 2-5-02

Contract # 2001-03-01-002
EXHIBIT A

SCOPE OF WORK

A. Credit Underwriting

I. The Credit Underwriter shall provide Florida Housing with a credit underwriting analysis of the Developments or proposed Developments, as requested by Florida Housing. The credit underwriting analysis of the Development must include a recommendation as to whether the requested loan amount and/or housing credit allocation is adequate and the amount necessary for the financial feasibility and viability of each Development. The Credit Underwriter shall meet with Florida Housing and/or the applicant of each Development as requested by Florida Housing. Florida Housing may also request a credit underwriting analysis in regards to changes of ownership, re-financings, refundings, or other restructuring requests that Florida Housing may receive from a Developer.

II. Credit underwriting for any Florida Housing program must comply with Chapter 420, Part V, Fla. Stat., and the following Rules, as may be amended from time to time, for each Florida Housing program set forth in the Florida Administrative Code:

a. Elderly Housing Community Loan Program – Chapter 67-32
b. Florida Affordable Housing Guarantee Program – Chapter 67-39
c. Florida Homeownership Assistance Program – Chapter 67-50
d. HOME Home Ownership Program – Chapter 67-50
e. HOME Multifamily Rental Program – Chapter 67-48
f. Housing Credit Program – Chapter 67-48
g. Multifamily Mortgage Revenue Bonds Program – Chapter 67-21
h. Predevelopment Loan Program – Chapter 67-38
i. State Apartment Incentive Loan Program – Chapter 67-48

III. The process to be used by the Credit Underwriter to underwrite all Developments financed by Florida Housing, or other QLIs needing credit underwriting analysis, shall address, at a minimum, the factors outlined in a. through s. below (as applicable according to the program):

a. With respect to the Developer, the Credit Underwriter must:

1. Review Developer’s and general contractor’s previous experience in building similar Developments.
2. Review Developments constructed and/or currently owned by Developer to ensure that Developments are in good financial standing and, where applicable, in compliance with applicable statutes, rules, and regulations. If it is identified by the Credit Underwriter that the Developer’s principals have other loans with Florida Housing that are out of compliance, in default or non-performing, the loan recommendation shall include a summary of the problems.

3. Verify that the Certificate of Good Standing for the applicant entity through the Florida Department of State is current 30 Days prior to closing.

4. Evaluate Developer’s and general contractor’s ability to complete a Development, based on financial capability, stability and contingent liabilities of Developer and general contractor.

5. Evaluate financial capacity, stability and contingent liabilities of any guarantors, syndicators and credit enhancers. This shall include the review of commitments from bond purchasers and housing tax credit syndicators.

6. Perform a credit analysis (i.e., credit reports, bank references, supplier references, written financial statements analysis, tax returns, bank deposit verification, etc.)

7. For Developments that have not started construction, the Credit Underwriter shall obtain a copy of each Development’s plans and specifications prior to submitting the credit underwriting report for approval, compare it to the basic structure components, energy features, amenities and other commitments included in the Development’s application and include this comparison in the credit underwriting report. The Credit Underwriter shall also review final plans and specifications prior to the closing and shall notify Florida Housing of the results of this comparison.

8. The Credit Underwriter shall obtain and perform an analysis of a plan and cost review or a physical needs assessment, where applicable, for the Development.
9. If construction has commenced, the Credit Underwriter shall compare basic structure components, energy features, amenities and other commitments included in the Development’s application to final plans and specifications. The results of this comparison must be included in the credit underwriting report. For HOME funded programs, the Credit Underwriter must verify that the completed work meets Federal Labor Standards.

10. The Credit Underwriter shall review and verify executed certification forms and experience charts for management agents, architect or engineer, attorney and consultants, if any.

11. The Credit Underwriter shall review the cost estimates and certifications from the Developer’s architects, engineer, or other professionals.

b. With respect to the location of the Development, the Credit Underwriter must:

1. Perform a physical site inspection and neighborhood analysis, to include:
   
i. Proximity to employment, job centers, transportation, shopping, schools, day care centers, hospitals, health clinics, parks, and any other applicable service establishment; and
   
   ii. Type of neighborhood, including its appearance, growth or decline, and possible intrusion of commercial and industrial uses.

2. Perform a site analysis to include the Development’s:
   
i. Accessibility - ingress, egress, utilities, infrastructure availability.
   
   ii. Topography.
   
   iii. Zoning (conforming use, concurrency).
   
   iv. Review of environmental aspects (Phase I Environmental Report and, if necessary, a Phase II Environmental Report, Asbestos Survey and Lead-Based Paint Report).
   
   v. Review of Local Government approval of preliminary plans and specifications.
3. Compare the local land use requirements to the Development and verify that land use requirements have been met.

c. With respect to the appraised value of the Development, the Credit Underwriter must:

1. Review the appraiser’s qualifications and technical sufficiency, and obtain approval from Florida Housing for use of that appraiser.

2. Review the appraisal’s valuation approach and provide an opinion as to the validity of the technique and value conclusion.

3. Review appraisal to determine whether the value of the land and improvements to be acquired supports the acquisition cost.

4. Review appraisal to determine whether the value of completed or rehabilitated homes supports the proposed sales price of the homes.

d. With respect to the market study of the Development, the Credit Underwriter must:

1. Review the qualifications of professional economic and market consultants who provide the market study and obtain approval from Florida Housing for use of that market consultant.

2. Review and verify the market study report to make a recommendation as to whether the market exists to support both the demographic and income restriction set-asides and any fixed rents committed to in the application. (The market study may be a separate report from the appraisal.)

3. Review for proximity to other market rate and affordable housing developments and review the absorption rates, occupancy, and vacancy levels in the market, and the potential impact on existing developments and the proposed Development.

4. For the Housing Credits Program, the Credit Underwriter must order the market study and collect money from the Developer to pay for the market study.

c. With respect to the Development’s economic feasibility, the Credit Underwriter must:

1. Review the sources and uses of funds and operating pro-forma statements to make sure that the Developer has the resources to fund the cost of the Development and to cover the debt service.
2. For the HOME Home Ownership Program and the Homeownership Assistance Program (HAP), ensure that buyers in the chosen set aside income ranges can afford the homes.

3. For HOME Home Ownership and HAP programs, evaluate the proposed sale price of homes to ensure that they do not exceed the limits established in Rule 67-50, Fla. Admin. Code, and 24 CFR, Part 92.

f. The Credit Underwriter must perform an analysis of the Management Company’s ability to manage the Development, including a review of existing Developments currently being managed. Any identified non-compliance issues must be included in the analysis and disclosed in the credit underwriting report.

g. The Credit Underwriter must complete a Subsidy Layering Review if required by HUD.

h. The Credit Underwriter must obtain and review the following forms (which may be amended from time to time), as required:

1. Florida Housing Form 121 - Architect’s Fair Housing, Section 504 and ADA Design Certification

2. Florida Housing Form 122 - Architect’s Fair Housing, Section 504 and ADA As-Built Certification

3. Florida Housing Form 123 - Developer’s Fair Housing, Section 504 and ADA Design Certification

4. Florida Housing Form 124 - Developer’s Fair Housing, Section 504 and ADA As-Built Certification

5. Florida Housing Form 125 - Construction Consultant’s Fair Housing, Section 504 and ADA Design Certification

6. Florida Housing Form 126 - Construction Consultant’s Fair Housing, Section 504 and ADA As-Built Certification

i. For HOME programs, the Credit Underwriter shall ensure that Development materials and plans are in compliance with 24 CFR, Part 92.

j. The Credit Underwriter must review use and source analysis to ensure that, for the HOME-assisted units, HOME funds are only being used for eligible costs pursuant to 24 CFR, Part 92.206.
For the Housing Credit Program, the Credit Underwriter shall apply the applicable requirements of Section 42, Internal Revenue Code, to the Credit Underwriter's review and determinations of the developments financed with such credits.

For the Housing Credit Program, the Credit Underwriter must compute the number of housing credits a Development should receive by using the qualified basis calculation and the gap calculation. The Credit Underwriter must also compute the 50% test for developments funded with tax-exempt bonds that are requesting 4% credits.

For the Predevelopment Loan Program (PLP), the Credit Underwriter shall give an analysis for any Development that is either: (1) using PLP funding for site acquisition or (2) requesting an extension of the loan term. In those situations where PLP funding is being requested for site acquisition, the credit underwriting report must provide Florida Housing with a recommendation as to whether the requested loan amount is adequate and of the amount necessary for site acquisition and related closing costs. In the instances where a PLP applicant is requesting an extension of the loan term, the Credit Underwriter shall provide Florida Housing with a recommendation as to the loan term extension.

The Credit Underwriter must submit to Florida Housing weekly written reports that give an update on the status of each Development it is currently underwriting.

After receipt of all requested material from the Developer, the Credit Underwriter shall complete credit underwriting in accordance with the rules pertaining to the particular program (i.e., HOME, HAP, PLP, SAIL, MMRB) and make a written draft report to Florida Housing and the Developer. Florida Housing and the Developer shall make comments and submit to the Credit Underwriter for possible incorporation into a final report.

The Credit Underwriter must present the final credit underwriting report to Florida Housing and its Board of Directors prior to loan closing.

The Credit Underwriter must attend the loan closing for Multi Family Mortgage Revenue Bond (MMRB) issues only.

The Credit Underwriter must also provide Florida Housing with a letter at closing that indicates that all loan closing conditions listed in the credit underwriting report have been met. The Credit Underwriter must also provide Florida Housing with a dated and signed copy of approved sources and uses and a construction draw schedule.
s. After Florida Housing Board approves the Credit Underwriting the Credit Underwriter must provide a copy of the final credit underwriting report to the Compliance Monitor.

t. The Credit Underwriter shall review commitment letters and other appropriate legal documentation to ensure that the loan terms outlined in the credit underwriting report are incorporated into the loan documents.

B. Construction Loan Servicing

1. The Provider shall provide the following services for all recipients of Construction Loans as applicable pursuant to the loan documents:

   a. Establish servicing files for each Development that shall contain copies of all documents and reports pertaining to the Development. The Provider shall maintain the files until such time as the loan has been paid in full, unless otherwise directed in writing by Florida Housing.

   b. Review each Draw Request from the Developer. The Provider shall determine that the following conditions, as applicable, have been met prior to each Draw Request being paid:

   1. The work completed by the Developer justifies the amount of the draw based on a physical inspection (of the work completed) by the Provider.

   2. The good and insurable title to the property is vested in the Developer, free and clear of all encumbrances, except as provided in the original title insurance commitment or policy insuring the Development and delivered at the loan closing, based upon a title endorsement provided by the Developer.

   3. The Developer, or its designee, has furnished the Provider with an affidavit stating whether or not the Developer has been served with any written notice that a lien may be claimed for any amounts by any person or entity furnishing materials or performing labor of any kind in the construction process of the Development through the date of the previous disbursement. The affidavit shall include copies of the notices of any liens. In the event a lien has been filed against the property, the Provider shall require that such lien be satisfied, escrowed or bonded before approving a Draw Request.
(b) The Developer has procured proper construction lien waivers including, but not limited to, a contractor's affidavit or bonds from the general contractor and all sub-contractors, which have provided statutory “Notice to Owner” to the Provider through the date of the previous disbursement.

(c) The Developer has furnished the Provider satisfactory evidence that the undisbursed proceeds of the Construction Loan shall be sufficient to pay the cost of completing the construction of the Development as required by the Construction Loan documents.

(d) The construction of the Development is not in violation of the Land Use Restriction Agreement (LURA), or any covenants, restrictions, codes, or zoning ordinances affecting the Development.

(e) The Developer has provided the Provider with a monthly title endorsement indicating that there has been no change in the state of title to the Development since the issuance of the policy.

(f) That an authorized officer of the Developer has executed each Draw Request. The names and signatures of the officers of the Developer who are authorized to execute Draw Requests shall be provided to Florida Housing and the Provider prior to the commencement of draw requests and immediately following any change(s) in officers.

(g) A draw approval from the Developer’s engineer or architect, which indicates that work has been accomplished in accordance with the plans and specifications so as to entitle the Developer to the Draw Request, accompanies each Draw Request.

(h) Any change orders are within the scope of the plans and specifications and in compliance with Florida Housing’s rules.

(i) All Federal Labor Standards have been met, for the applicable programs.

(j) That Florida Housing has been advised whether all requirements for the Draw Request have been satisfied or what requirements must still be met by the Developer.

(k) The Developer has fully complied with all other provisions of the Construction Loan documents.
c. Within 5 Days after a physical inspection of the construction at the Development, or if physical inspections are sub-contracted by the Provider within 5 Days after receipt of an inspection report, notify Florida Housing and the Developer of approval, disapproval, or modification of the Draw Request.

d. Provide a monthly statement to the Developer of the amount due and payment date on the Construction Loan.

e. Collect loan payments from the Developer and make the appropriate remittances to Florida Housing within 45 Days of collection. For remittances not received by Florida Housing within 45 Days of the date received by the Provider, the Provider shall be assessed a 5% late charge of the remittance amount.

f. Service delinquent accounts of Developers including, but not limited to, sending notices as required by the loan documents with a copy to Florida Housing, and implementing all appropriate collection procedures. The Provider may retain late fees collected, if any, after Florida Housing’s interest, principal and other applicable fees, if any, have been paid.

g. Analyze the transaction’s capitalized interest account semi-annually to ensure adequate funding is available to complete construction. If the review determines the funds in the Account are inadequate to complete construction, Florida Housing should be notified within 15 Days of the determination.

h. Establish escrow accounts, authorized under the construction loan documents, including, but not limited to, real estate taxes, insurance premiums, sinking funds, retainage and replacement reserves, and review on an annual basis for adjustments, if necessary. Report escrow balances and reconciliations to Florida Housing by the 10th of the month following the end of each quarter. By the 31st of January following the close of the calendar year, submit a report of all such accounts to Florida Housing showing account information including account balances.

i. Upon request by Florida Housing, perform an analysis of disbursements from any escrow account.

j. Verify that all insurance policies meet Florida Housing’s requirements as to dollar amount and types of coverage and that Florida Housing is named as loss payee, mortgagee and additional insured, as applicable. Track the renewal or anniversary premium payment dates of all insurance policies. In the event of a loss, the Provider shall review and disburse the insurance proceeds in accordance with Section B. et. al. Notify Florida Housing of
any potential coverage lapses 60 Days prior to policy termination and of any coverage lapses, policy terminations or expirations. Compensation for managing insurance proceeds in the event of a loss, shall be at the hourly rates for extraordinary services under Exhibit C-1.

k. Verify that the Development is built to the standards set forth in the Developer’s application to Florida Housing.

l. In addition to the physical inspections needed for processing Draw Requests, the Provider shall conduct physical inspections of Developments at Florida Housing’s request, and notify Florida Housing of any deficiencies found and recommend corrections.

m. In the event that Florida Housing forecloses on a Development, the Provider’s responsibility shall be limited to providing documents and other information in its files regarding the Development and testifying on Florida Housing’s behalf. If the Provider is requested to provide additional services related to the foreclosure, the payment for such services shall be negotiated and agreed to prior to proceeding.

n. For the Housing Credit Program, a physical inspection of the Development must be done to compare basic structure components, energy features, and amenities to final plans and specifications and the application. When under construction (property not complete) a minimum of 4 inspections with 1 inspection occurring prior to 15% completion and 1 inspection upon completion must be conducted by the Provider. For Developments generally complete and fully occupied, 1 inspection with any necessary follow up inspections shall be conducted by the Provider. The Provider must provide Florida Housing with a written report of the findings of the inspections.

o. Report the status of construction (buildings and units completed), each month to Florida Housing including the status of liens outstanding against the Development and the status of construction draws including amount of any draw, total amount disbursed and balance of loan remaining. If a project is lagging behind the construction schedule projected in the credit underwriting report, the Provider must include that information in the monthly report.

p. For HOME Home Ownership and HAP programs, provide monthly reports to Florida Housing for each Construction Loan being serviced. The reports shall include, at a minimum, the following information:

(a) Development name;

(b) Development number that was assigned by Florida Housing;
(e) Developer name;

(d) Construction Loan amount;

(e) Set-aside requirements;

(f) Total Construction Loan funds disbursed;

(g) Total Permanent Loan funds reserved for home buyers;

(h) Total Permanent Loan funds received by home buyers;

(i) Number of homes sold;

(j) Number of households receiving Permanent Loans;

(k) Detailed by (i) all buyers purchasing homes in the Development; and (ii) only those buyers purchasing homes in the Development receiving Permanent Loans:

   i. Average sales price;

   ii. Average income;

   iii. Average family size;

   iv. Average age of borrowers and average age of co-borrowers;

   v. Average age of borrowers and co-borrowers who are elderly as defined in Section 420.503(15), Fla. Stat., as amended;

   vi. Total number of borrowers and co-borrowers that are farmworkers, as defined in Section 420.503(18), Fla. Stat.; and

   vii. Total number of borrowers, by race (white; black or African American; Hispanic or Latino; American Indian and Alaskan Native; Asian; and Native Hawaiian and Other Pacific Islander); and total number of co-borrowers, by race.

(l) For each home purchased with a Permanent Loan:

   i. Borrower’s name;

   ii. Number of persons in household;

   iii. Gross annual household income;
iv. Legal description of property;

v. Sales price;

vi. Amount of Permanent Loan funds that had been reserved, if applicable;

vii. Amount of Permanent Loan funds received, if applicable; and

viii. Set-aside category.

(m) Whether the Development meets its set-aside requirements.

II. The Provider shall ensure that the requirements of the Davis-Bacon Act, 40 United States Code 276a - 276a-5, as required by HUD, the Contract Work Hours and Safety Standards Act, 40 United States Code 327-333, and the Copeland Act, 40 United States Code 276c, are being met during the construction of any Development receiving a HOME Construction Loan. The Provider shall provide Florida Housing with documentation sufficient for Florida Housing to certify to HUD that these requirements are being met.

a. To aid in this process, Florida Housing shall perform the following functions:

1. Include wage compliance procedure guidelines for inclusion in bid packages.

2. Verify the general contractor's eligibility for contract award.

3. Have certification signed regarding debarment, suspension, ineligibility and voluntary exclusion.

b. The Provider, or its designee, shall be required to perform functions including, but not limited to, the following:

1. Re-verify the general contractor's eligibility for contract award.

2. Send letters to the local area HUD office of the Development's start and completion dates.

3. Forward information regarding Federal labor standards to the identified general contractor and all subcontractors.

4. Conduct a pre-construction conference to review the Federal labor standards. At a minimum, the Developer and the general contractor shall attend. A Florida Housing representative may be in attendance.

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5. Prepare and issue pre-construction conference minutes to Florida Housing and all attendees.

6. Re-verify wage rates of anticipated worker classifications using Davis-Bacon Act forms.

7. Verify authenticity of any apprenticeship programs and proper registration of identified apprentices.

8. Verify authenticity of any training programs and proper registration of identified trainees.

9. Conduct interviews of employees of the Developer, general contractor or sub-contractors using form HUD-11. This shall include monthly site interviews, and monthly mail interviews (postage paid return envelope provided).

10. Review the certified weekly payrolls from the Developer, general contractor and all sub-contractors to ensure that:
    
    i. The payroll report is complete.
    
    ii. An employee record form has been submitted to the Provider for each worker on the payroll.
    
    iii. Classifications and wage rates are equal to or exceed the rates required by HUD.
    
    iv. Overtime hours and wages are properly calculated.
    
    v. Fringe benefits have been paid in cash to an approved third party plan, fund, or program.
    
    vi. The ratio of apprentices to journeymen does not exceed the ratio stipulated under the approved program.
    
    vii. The ratio of trainees to journeymen does not exceed the ratio stipulated under the approved program.

11. Recommend withholding Draw Request disbursements to Developers if certified payrolls have not been forwarded when due or if outstanding discrepancies have not been resolved.

12. Prepare and forward a Development Summary Report each month to Florida Housing including the following:
i. Copies of HUD notification letters of the start date and the completion date of the Development.

ii. Confirmation during pre-construction and construction phases of completion of basic structure components, energy features, amenities and other commitments included in the Development’s Application to Florida Housing.

iii. Dates of all monthly site and mail interviews, summaries of all discrepancies affecting the Development and the resolution.

iv. Draw Request disbursements to a Developer.

C. Permanent Loan Servicing

1. The Provider shall provide the following services for all recipients of Permanent Loans as applicable pursuant to the loan documents:

a. Establish separate loan servicing files for each Development, which shall contain copies of all closing documents pertaining to the Development. The Provider shall maintain the files until such time as the loan has been paid in full, in accordance with all applicable federal and state laws unless otherwise directed, in writing by Florida Housing through its duly authorized representative, as approved by the Florida Housing Board of Directors.

b. Notify the Developer of the amount due and payments due to Florida Housing.

c. Collect loan payments and allocate funds to the appropriate servicing accounts and make all appropriate remittances to Florida Housing or the trustee, if applicable, within 45 Days of collection. For remittances not received by Florida Housing or trustee, if applicable, within 45 Days of the date received by the Provider, the Provider shall be assessed a late charge of 5% of the remittance amount.

d. Service delinquent accounts of Developers, including, but not limited to, sending notices as required by the loan documents with a copy to Florida Housing, and implementing all appropriate collection procedures. The Provider may retain any late fees collected, after Florida Housing’s interest, principal and other applicable fees, if any, have been paid.
e. Establish escrow accounts including, but not limited to, real estate taxes, insurance premiums, sinking funds, and replacement reserves, and review on a quarterly basis for adjustments, withdrawals and deposits, if necessary. Report escrow balances and reconciliations to Florida Housing by the 10th of the month following the end of each quarter. By the 31st of January following the close of the calendar year, report all such accounts to Florida Housing showing account information including account balances.

f. Upon request by Florida Housing, perform an analysis of disbursements from any escrow account.

g. Verify and confirm with quarterly reports to Florida Housing’s Compliance Department the sufficiency of all insurance policies as to dollar amount and the types of coverage that are required by Florida Housing. Track the renewal or anniversary premium payment dates of all policies. In the event of a loss, the Provider shall review and disburse the insurance proceeds in accordance with Section B. et al. Notify Florida Housing of any potential coverage lapses 60 Days prior to policy termination and of any coverage lapses, policy terminations or expirations. Compensation for managing insurance proceeds in the event of a loss, shall be at the hourly rates for extraordinary services under Exhibit C-1.

h. Provide monthly loan servicing reports to Florida Housing by the 10th of the month which identify all delinquent accounts and/or default issues.

i. Timely file Uniform Commercial Code (UCC-3) continuation statements with the Florida Secretary of State and the appropriate county office.

j. Upon request by Florida Housing, determine the eligibility of persons applying for Home Buyer Second Mortgage Loans or HAP Permanent Loans by performing, at a minimum, the following:

1. Oversee the Lender’s activities to ensure that it is properly following procedures established by Florida Housing for origination of the Home Buyer Second Mortgage Loan or the HAP Permanent Loan;

2. Review mortgagor’s affidavits and Lender’s affidavits for the following:

   (a) Proper completion and execution by the home buyer and the Lender, as applicable;

   (b) Verification that each home buyer’s gross annual family income does not exceed program income limits;
(c) Verification that the purchase price of the home does not exceed program limits;

(d) Verification that the Home Buyer Second Mortgage Loan or HAP Permanent Loan does not exceed the per unit subsidy limits;

(e) Verification that the amount of the Home Buyer Second Mortgage Loan or HAP Permanent Loan does not exceed the amounts stated in Rule 67-50, Fla. Admin. Code.

3. Prior to the home buyer closing and receiving the Home Buyer Second Mortgage Loan or HAP Permanent Loan, the Provider or its designee shall inspect the construction of the house and assure Florida Housing in writing that all applicable HAP application and HOME application requirements have been met.

4. For the HOME program only, prior to the home buyer closing and receiving the Home Buyer Second Mortgage Loan, the Provider or its designee shall inspect the construction of the house and assure Florida Housing that all applicable HUD Requirements (24 C.F.R Part 92) have been met. The Provider shall verify documents required by the HOME Program and set up individual files for each house (in addition to the servicing file for the entire Development mentioned previously in part I a. of this section) containing appropriate documentation (including income verification documents, location, purchase price, HUD Uniform Relocation Act Notice to Sellers, HUD Housing Quality Standards Inspection, Environmental Review Checklist, Lead Based Paint Notice, HOME Program Agreement, promissory note, certified original copy of subordinate mortgage, HUD-1 Settlement Statement, title insurance policy, copy of first mortgage note and mortgage); and

5. Submit a complete file on the home buyer to Florida Housing on or before the 45th day after the date of closing of the Home Buyer Second Mortgage Loan or HAP Permanent Loan, or an explanation as to why the file has not been submitted, accompanied by appropriate documentation.

k. The Provider shall verify annually whether the residence continues to be occupied by the person named on the Home Buyer Second Mortgage Loan or HAP Permanent Loan, or by that person’s surviving spouse. For Home Buyer Second Mortgage Loans, the Provider verification shall be performed in compliance with the following Florida Housing and HUD standards. The Provider must:
(a) Send a letter to the person named on the Home Buyer Second Mortgage Loan or HAP Permanent Loan, or that person's surviving spouse, requesting a notarized statement regarding occupancy of the house and requesting a copy of the most recent utilities bill.

(b) If no response is received to the first letter, the Provider shall send a second letter requesting the same information to the person named on the Home Buyer Second Mortgage Loan or HAP Permanent Loan, or that person's surviving spouse.

(c) If no response is received to the second letter, the Provider shall send a third letter to the person or persons named on the Home Buyer Second Mortgage Loan or HAP Permanent Loan, or that person's surviving spouse through first-class, certified mail, return receipt requested.

(d) If no response is ever received, the Provider shall attempt to verify occupancy through phone contact, or where available, through an online search of property tax records.

(e) If the Provider is unable to verify occupancy through phone contact or through an on-line search of property tax records, the Provider shall alert Florida Housing in writing.

D. Financial Monitoring

I. The Financial Monitor shall perform financial monitoring of loans, including loans financed by Florida Housing or other QLs and credit enhanced by the Guarantee Program, as applicable. The Financial Monitor shall:

a. Obtain a Development’s mid-year operating results in a form approved by Florida Housing. The Financial Monitor shall review the interim operating results and annualize the numbers. The Financial Monitor shall compare the annualized results to projections and shall report any unusual variances or trends and provide a copy of the analysis to Florida Housing. For loans financed by Florida Housing or other QLs, and credit enhanced by the Guarantee Program, as applicable, Providers shall complete forms provided by the Guarantee Program.

b. Obtain a Development’s audited annual financial statements when due. The Financial Monitor shall provide an analysis of the Development’s balance sheet, income statement, and any other schedules, in a form approved by Florida Housing. The Financial Monitor shall compare actual year-end results to projected and budgeted (if applicable). For loans financed by Florida Housing or other QLs, and credit enhanced by the Guarantee Program, as applicable, Providers shall complete forms provided by the Guarantee Program.
c. Provide a written report to Florida Housing summarizing the results of the financial statement analysis on or before 30 days of the required receipt date specified by the program.

d. Submit with the financial statement analysis, obtained from rating agency or other sources, long-term debt rating(s) for the credit enhancer of the Development, if applicable. Report any negative or downgraded rating to Florida Housing.

e. Track each property’s status of completion and operating deficits, if any, and report to Florida Housing the adequacy of existing collateralization, such as a guarantee and/or letter of credit, on a semi-annual basis. The Financial Monitor shall be responsible for recommending the release of the collateralization and the guarantee (according to the terms specified in the bond documents) if all conditions outlined for release have been satisfied or for recommending the continuation of the collateralization, if the satisfaction of the terms of the guarantee and/or bond documents has not been met.

f. For loans credit enhanced by the Guarantee Program:

1. Review maintenance procedures for the Developments and provide schedules semi-annually to Florida Housing showing the necessary maintenance is being performed by the Developer or Management Company as required by the procedures. Review the Development’s replacement and maintenance reserve fund balance requirements under the loan documents to ensure they are adequate to complete maintenance required by their maintenance procedures. The Financial Monitor shall notify Florida Housing within 15 Days of such review.

2. Make an annual physical site inspection of each Development in accordance with the specified criteria in Section E.III.b.3. below. The Financial Monitor shall prepare a report in a format approved by Florida Housing detailing the findings and submit the report to Florida Housing on or before 30 Days of the inspection. Physical inspections done for MMRB Program shall suffice for this inspection.

3. Provide occupancy reports to Florida Housing as part of the mid-year operating results analysis and as a part of the annual financial statement analysis for each Development for the 6th month for mid-year operating results and the 12th month for annual audited financial statements.
E. **Compliance Monitoring**

To ensure each Development’s compliance with Federal and State laws, rules, and any loan closing documents currently in effect and as may be revised from time to time, the Compliance Monitor shall provide, at a minimum, the following services:

I. **Pre-Occupancy Conference/Training.** Prior to the leasing of any Development units, the Compliance Monitor shall conduct a pre-occupancy conference/training with the Developer and Management Company personnel to provide complete instructions on items a. through q., below. Upon completion of the conference/training, the Compliance Monitor must provide written confirmation to Florida Housing that the items specified in a. through r., below, have been addressed:

a. Federal requirements including, but not limited to, the minimum number of set aside units, certification and recertification of tenants, and next available unit documentation.

b. State laws including, but not limited to, additional set aside units and any program requirements as may be required by Section 420, Fla. Stat., as may be amended from time to time;

c. Florida Housing rules concerning tenant income restrictions;

d. Resident Programs/Public Purpose Requirement/Public Policy Criteria;

e. The Fair Housing and Equal Opportunity law and the Federal Fair Housing Act, as amended;

f. Affirmative Fair Housing Marketing requirements (currently applicable for HOME and MMRB with HUD Risk-Sharing), as may be amended from time to time;

g. Tenant applications - specific information necessary for continued program compliance;

h. Income limits;

i. Rent Limits (currently applicable for Housing Credit Program, HOME Rental, MMRB with HUD Risk-Sharing, and 501(c)(3) Bonds) as may be amended from time to time;

j. Income verifications;

k. Utility allowances;
l. Annual income and assets;
m. Tenant income certifications;
n. Leases;
o. Program Reports;
p. Management units, and;
q. Developer’s responsibilities including, but not limited to:
   1. Notifying the Compliance Monitor of any change in management personnel; and,
   2. Notifying Florida Housing of any change in ownership of the Management Company.

II. Program Reports.

The Developer or Management Company shall complete a Program Report, which provides a unit-by-unit listing of all units in the Development and gives detailed information regarding the occupants’ eligibility and set-aside requirements. The Program Report will be submitted to the Compliance Monitor, Florida Housing, and the trustee, if the Development is MMRB in accordance with the deadlines stated in part b. of this section.

a. The Compliance Monitor shall perform the following functions regarding the Program Reports:

   1. Review Tenant Income Certification and Recap of Tenant Income Certification Information, that are submitted with the Program Report, for completeness, including proper execution and income eligibility.

   2. Confirm that all re-certifications are completed in a timely manner.

   3. Confirm that all new move-ins and move-outs have been correctly designated.

   4. For SAIL and MMRB Developments, provide Florida Housing with occupancy information on or before the 20th of the month following the Program Report due date.
For Housing Credit and HOME Rental Developments, provide Florida Housing with annual occupancy information on or before 75 Days following the due date of the Program Reports.

5. Review the Program Report to determine that the applicable program set-aside requirements have been met.

6. The Compliance Monitor shall keep all Program Reports and Tenant Income Certifications in files of the Compliance Monitor.

7. Contact the Developer or Management Company, as applicable, immediately following the due date if the Program Report has not been received. A record shall be kept of the tardiness of responses. If a pattern of tardiness develops, a letter shall be sent by the Compliance Monitor to the Developer or Management Company, as applicable, giving notice that extra effort should be made to have reports in before the deadline.

8. Write or telephone the Developer or the appropriate Management Company personnel regarding any discrepancies in Program Reports. Responses from the Developer or Management Company are due to the Compliance Monitor on or before 15 Days. If the Developer or Management Company does not respond on or before the end of the 15 day period, the Compliance Monitor shall contact the Developer or Management Company, as applicable, to determine the reason. Any telephone response must be documented in the Development file. In cases of incorrect Program Report information, the Compliance Monitor shall make a note to the file to review the next Program Report to see that errors have been corrected. Florida Housing must be provided copies of any correspondence by the Compliance Monitor relating to any monitored Developments within 30 Days of the correspondence’s origination.

b. Submission of Program Reports shall be as follows:

1. Housing Credit Program--
   i. The initial Program Report shall be submitted upon request of the Compliance Monitor or Florida Housing prior to the initial management review and physical inspection, but no later than 120 Days following the leasing of any unit.

   ii. Subsequent Program Reports shall be submitted each year of the compliance period/extended use period and are due on or before the date assigned by Florida Housing.
iii. The Program Reports shall be accompanied by the Recap of Tenant Income Certification Information and copies of Tenant Income Certifications executed since the last Program Report for 10% of the Development’s set-aside units or a minimum of 10 units, whichever is greater (submitted to the Compliance Monitor only).

iv. If a Development becomes non-compliant, the Compliance Monitor or Florida Housing may require the Developer or Management Company to submit monthly Program Reports until compliance is re-established.

2. SAIL –

i. The Developer or Management Company shall prepare the initial Program Report as of the 15th of the month after the first unit is occupied and submit the Program Report by the 25th of each month until all units are initially occupied and compliance with all requirements is met. The Program Report shall be accompanied by:

a. For rehabilitation/acquisition Developments with occupied units at the time of loan closing, the initial Program Report shall be submitted prior to the time of the pre-loan closing review and an updated Program Report shall be submitted as of the date of the loan closing.

b. Recap of Tenant Income Certification Information; and

c. Tenant Income Certifications for new move-ins and re-certifications that have occurred during the reporting period which are due only to the Compliance Monitor no later than the 25th of each month.

ii. Ongoing Program Reports – once all units have been initially occupied and compliance with Land Use Restriction Agreement (LURA) or Extended Use Agreement (EUA) requirements are met, the Program Reports shall be submitted quarterly during the compliance period and are due on or before the date as assigned by Florida Housing. The Program Reports shall be accompanied by:
a. Recap of Tenant Income Certification Information; and

b. Copies of Tenant Income Certifications executed since the last Program Report for 10% of the Development’s set-aside units, or a minimum of 10 units, whichever is greater (submitted to the Compliance Monitor only).

iii. If a Development becomes non-compliant, the Compliance Monitor or Florida Housing may require the Developer or Management Company to submit monthly Program Reports until compliance is re-established.

3. HOME Rental –

i. Initial Program Reports

a. For rehabilitation/acquisition Developments with occupied units at the time of loan closing, the initial Program Report shall be submitted prior to the time of the pre-loan closing review and an updated Program Report shall be submitted as of the date of the loan closing.

b. For new construction, rehabilitation, acquisition Developments with no occupied units at the time of loan closing, the initial Program Report shall be submitted upon request of the Compliance Monitor or Florida Housing prior to the initial management review and physical inspection, but no later than 120 Days following the leasing of any unit.

ii. Subsequent Program Reports shall be submitted each year of the period of affordability/compliance period and are due on or before the date assigned by Florida Housing. The Program Reports shall be accompanied by:

a. Recap of Tenant Income Certification Information; and

b. Copies of Tenant Income Certifications executed since the last Program Report for 10% of the Development’s set-aside units, or a minimum of 10 units, whichever is greater (submitted to the Compliance Monitor only.)
iii. If a Development becomes non-compliant, the Compliance Monitor or Florida Housing may require the Developer or Management Company to submit monthly Program Reports until compliance is re-established.

4. MMRB –

i. Initial Program Reports

(a) For rehabilitation/acquisition Developments with occupied units at the time of loan closing, the initial Program Report shall be submitted prior to the time of the pre-loan closing review and an updated Program Report shall be submitted as of the date of the loan closing.

ii. The Developer or Management Company shall prepare the initial Program Report as of the 15th of the month after the first unit is occupied and submitted by the 25th of each month until all units are initially occupied and compliance with all requirements is met. The Program Report shall be accompanied by:

(a) Recap of Tenant Income Certification Information; and

(b) Tenant Income Certification for new move-ins and recertifications which have occurred during the reporting period are due only to the Compliance Monitor, no later than the 25th of each month.

iii. Ongoing Program Reports – Once all units have been initially occupied and compliance with all requirements is met, the Program Reports shall be submitted quarterly during the compliance period and are due on or before the date assigned by Florida Housing. The Program Reports shall be accompanied by:

b. Recap of Tenant Income Certification Information; and

c. Copies of Tenant Income Certifications executed since the last Program Report for 10% of the Development’s set-aside units, or a minimum of ten 10 units, whichever is greater (submitted to the Compliance Monitor only).
iv. If a Development becomes non-compliant, the Compliance Monitor or Florida Housing may require the Developer or Management Company to submit monthly Program Reports until compliance is re-established.

III. Management reviews and physical inspections.

The Compliance Monitor shall conduct a management review consisting of a review of tenant files, the administrative procedures of the Management Company, and a physical inspection of the Development. The administrative procedures are stated in part b.2. of this section. The purpose of the management review and physical inspection is to evaluate management of the Development, to conduct an onsite inspection of the premises, and to provide any information needed by the Developer in order to fulfill the compliance requirements. The Compliance Monitor shall then submit the Management Review and Physical Inspection Summary to the Developer, the Management Company representative, the onsite manager, Florida Housing and, if the Development is MMRB, to the trustee. At the request of Florida Housing, the Compliance Monitor shall inquire or investigate a non-compliance issue and notify Florida Housing of the findings. Personnel representing the Management Company shall attend each management review and physical inspection.

a. Frequency of management reviews and physical inspections conducted by the Compliance Monitor:

1. Housing Credits - For 9% housing credits rehabilitation/acquisition Developments, which have units occupied at the time of carryover or final allocation, whichever occurs first, the Compliance Monitor shall conduct the initial review on or before the 120th day after carryover or final allocation, and subsequent reviews within three years of the previous review (whether initial or subsequent) throughout the compliance period/extended use period.

For 9% housing credits new construction or rehabilitation/acquisition Developments with no tenants at the time of carryover, the Compliance Monitor shall conduct the initial review on or before the 120th day after the leasing of any unit, and subsequent reviews conducted within 3 years of the previous review (whether initial or subsequent) throughout the compliance period/extended use period.

For Developments financed with local housing authority bonds that also receive 4% housing credits, the Compliance Monitor shall conduct the initial review on or before the 120th day after final allocation and subsequent reviews conducted within 3 years of the previous review (whether initial or subsequent) throughout the compliance period/extended use period.
2. SAIL - For Developments that have units occupied at the time of loan closing, the Compliance Monitor shall conduct the initial review prior to loan closing or on or before the 120th day after loan closing, and subsequent reviews conducted within 1 year of the previous review, whether initial or subsequent, throughout the compliance period.

For Developments with no tenants at the time of loan closing, the Compliance Monitor shall conduct the initial review on or before the 120th day after the leasing of any SAIL unit, and subsequent reviews conducted within 1 year of the previous review (whether initial or subsequent) throughout the compliance period.

3. HOME Rental - For Developments which have units occupied at the time of loan closing, the Compliance Monitor shall conduct the initial review prior to loan closing or on or before the 120th day after loan closing, and subsequent reviews will be conducted throughout the period of affordability as listed in the Subsequent Review Schedule below.

For Developments with no tenants at the time of loan closing, the Compliance Monitor shall conduct the initial review on or before the 120th day after the leasing of any HOME assisted unit, and subsequent reviews will be conducted throughout the period of affordability as listed in the Subsequent Review Schedule below.

<table>
<thead>
<tr>
<th>Total Units in Development</th>
<th>Frequency of Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4</td>
<td>Within 3 years of the previous review</td>
</tr>
<tr>
<td>5-25</td>
<td>Within 2 years of the previous review</td>
</tr>
<tr>
<td>26+</td>
<td>Within 1 year of the previous review</td>
</tr>
</tbody>
</table>

4. MMRB - For Developments which have units occupied at the time of loan closing, the Compliance Monitor shall conduct the initial review prior to loan closing or on or before the 120th day after loan closing and subsequent reviews will be conducted within 1 year of the previous review, whether initial or subsequent, throughout the qualified project period/compliance period.
For Developments with no tenants at the time of loan closing, the Compliance Monitor shall conduct the initial review on or before the 120th day after the leasing of any unit and subsequent reviews conducted within 1 year of the previous review, whether initial or subsequent, throughout the qualified project period/compliance period.

b. Management review and physical inspection procedures include the following:

1. Tenant Files and Records. The Compliance Monitor must:

   i. Select at random and inspect tenant files. Within each of the tenant's files reviewed, the Compliance Monitor shall inspect and verify the following:

      a. Application(s) - check for completeness and inclusion of total income from all sources, including assets.

      b. Tenant Income Certification (initial and/or current) - check for completeness and confirm the amount of income documented in the tenant file.

      c. Verification(s) of income - examine for completeness and compare to the application and the initial and/or current Tenant Income Certification for agreement.

      d. Lease (initial and current) - examine to ensure that all occupants of the unit are listed, the lease is fully executed, and the terms of the lease meet LURA and/or EUA requirements, and confirm that the current rent for the unit does not exceed applicable rent limits, if any.

      e. The sequence of the certification procedure to ensure that no person or family occupies a Development unit prior to being properly certified.

   ii. Housing Credit - Randomly examine a minimum of 20% of the low- or very low-income unit files with an option to perform a Desk Top Audit. If a Desk Top Audit is performed the physical inspection of the property shall be conducted within 60 days of completion of the Desk Top Audit.
iii. SAIL - Randomly examine a minimum of 10% of the tenant files of the set-aside units in the Development with a minimum of one unit per building with an option of a Desk Top Audit. If a Desk Top Audit is performed the physical inspection of the property shall be conducted within 60 days of completion the Desk Top Audit.

iv. HOME Rental - Randomly examine a minimum of 15% of the tenant files (of the set-aside units in the Development) with a minimum of one unit per building with an option of a Desk Top Audit. If a Desk Top Audit is performed the physical inspection of the property shall be conducted within 60 days of completion of the Desk Top Audit.

v. MMRB - Randomly examine a minimum of 10% of the tenant files (of the set-aside units in the Development) with a minimum of one unit per building with an option of a Desk Top Audit. If a Desk Top Audit is performed the physical inspection of the property shall be conducted within 60 days of completion of the Desk Top Audit.

vi. Housing Credit, HOME Rental, MMRB with HUD Risk Sharing or 501(c)(3) Bonds- Reviewing Rents and Utility Allowance verification, as applicable.

2. The administrative procedures of the Developer/Management Company. Review the following administrative procedures at a minimum and indicate findings on the Management Review and Physical Inspection Summary:

   i. Tenant selection and orientation
   ii. Maintenance program
   iii. Security program
   iv. Organization and supervision
   v. Training
   vi. Advertising and Affirmative Fair Marketing
   vii. Tenant programs and services

3. Physical inspection of units. The Compliance Monitor must inspect a Development’s units to determine if those units meet the HUD Uniform Physical Condition Standards and/or local and state codes. Management must provide notice pursuant to Section 83.53, Fla. Stat., to tenants for unit inspections.

   Physical inspection includes:
i. Inspection of the buildings including unit features, Development amenities and the grounds (including landscaping) to evaluate overall appearance and compliance with LURA and/or EUA requirements and indicate findings on the Management Review and Physical Inspection Summary.

ii. The number of units to be inspected (if there is more than one program, the most stringent applies):

(a) Housing Credits – 20% of the set-aside units (the same units as for the tenant files inspected) plus a minimum of 2 other units randomly selected.

(b) SAIL – as follows:

<table>
<thead>
<tr>
<th># of set-aside units</th>
<th># of units to be inspected: set asides + other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-50</td>
<td>5 + 1 random</td>
</tr>
<tr>
<td>51-200</td>
<td>8 + 2 random</td>
</tr>
<tr>
<td>200+</td>
<td>10 + 2 random</td>
</tr>
</tbody>
</table>

(c) HOME Rental – 15% of the HOME assisted units with a minimum of one unit per building, plus a minimum of 2 other units randomly selected.

(d) MMRB – as follows:

<table>
<thead>
<tr>
<th># of set-aside units</th>
<th># of units to be inspected: set asides + other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-50</td>
<td>5 + 1 random</td>
</tr>
<tr>
<td>51-200</td>
<td>8 + 2 random</td>
</tr>
<tr>
<td>200+</td>
<td>10 + 2 random</td>
</tr>
</tbody>
</table>

In addition, for Developments with MMRB with HUD Risk Sharing Program, the Compliance Monitor shall review the Real Estate Assessment Center (REAC) inspection report, and confirm that the findings have been satisfactorily resolved. Findings not resolved shall be indicated on the Management Review and Physical Inspection Summary.
4. Transmittal of Management Review and Physical Inspection Summary

The Compliance Monitor must prepare and send the Management Review and Physical Inspection Summary to the Developer, the Management Company representative, the onsite manager, Florida Housing and, if the Development is MMRB, the trustee and the servicer for the credit enhancer. The Developer must acknowledge receipt of the Management Review and Physical Inspection Summary to the Compliance Monitor within 10 Days from the date the Summary was mailed and respond in writing to the Compliance Monitor and Florida Housing within 30 Days of the date the Summary was mailed. The response must address all noted discrepancies and indicate the manner in which corrective action has been made. The Compliance Monitor shall review the response to determine whether all discrepancies have been satisfactorily corrected and follow up with the Developer or Management Company representative until resolved.

If a response has not been received by the due date, the Compliance Monitor shall follow up with the Developer or Management Company until the response is received.

5. Housing Credit Non-Compliance

The Compliance Monitor must notify the Developer, with a copy to Florida Housing, of non-compliance noted as result of a management review and physical inspection or Program Report. The notice must provide the Developer with a 30 day cure period, and advise the Developer that Florida Housing must file IRS form 8823 with the Internal Revenue Service for non-compliance, even when corrected. The Compliance Monitor shall provide Florida Housing with the necessary information and/or documentation needed for filing IRS form 8823.

6. Close-Out Letters

The Compliance Monitor must provide the Developer and Florida Housing with a close-out letter when all discrepancies have been corrected satisfactorily and provide a close-out letter on MMRB with HUD Risk-Sharing Developments at the time all MMRB discrepancies have been corrected, even if discrepancies remain outstanding for other programs.
c. Follow-up Review. Based on the quantity and nature of the errors found by the Compliance Monitor in a review or the physical condition of the property, the Compliance Monitor may schedule a follow-up review, onsite or Desk Top Audit, on or before the 90th day after the response due date for all rental programs listed above.

The Compliance Monitor shall re-examine previously reviewed files containing discrepancies to ensure the Developer or Management Company corrected noted discrepancies and review additional files to determine whether acceptable procedures are currently being followed.

V. Additional Miscellaneous Duties of the Compliance Monitor.

a. Daily availability to Developer, Management Company personnel, and onsite staff to answer any questions concerning compliance.

b. Provide Florida Housing with a written monthly management review and physical inspection schedule 7 Days prior to the 1st day of each month.

c. Any change in ownership and/or Management Company may require additional reviews.

d. Additional training to instruct Developer and Management Company personnel on compliance requirements shall be conducted as deemed necessary by the Compliance Monitor or Florida Housing.

e. Participation in conducting regional training workshops for Developers and Management Company personnel to ensure compliance with Federal laws and regulations, State laws, and Florida Housing rules concerning program requirements. Workshops are to be conducted at least quarterly.
EXHIBIT B

COPYRIGHT, PATENT AND TRADEMARK

A. If the Provider has, prior to the performance of this Contract, a pre-existing copyright, patent or trademark, the Provider shall retain all rights and entitlements to that pre-existing copyright, patent, or trademark unless this Contract provides otherwise.

B. Upon execution of this Contract, the Provider shall disclose, in writing, to Florida Housing all intellectual properties relevant to the performance of this Contract that he or she knows or should know could give rise to a copyright, patent, or trademark. The Provider shall retain all rights and entitlements to any pre-existing intellectual property that is disclosed, in writing, to Florida Housing. Failure to disclose, in writing, shall indicate that no such intellectual property exists. Florida Housing shall then, under Paragraph C, have the right to all copyrights, patents, or trademarks that are created during performance of the Contract.

C. If any discovery or invention arises, or is developed in the course of or as a result of work or services performed under this Contract, or in any way connected with this Contract, the Provider shall refer the discovery or invention to Florida Housing for a determination of whether patent protection shall be sought in the name of the Florida Housing. Any and all patent rights accruing under, or in connection with the performance of, this Contract are hereby reserved to Florida Housing. In the event that any books, manuals, films, or other copyrightable material are produced, the Provider shall notify Florida Housing. Any and all copyrights or trademarks created by, or in connection with, the performance under this Contract are reserved, and provided, to Florida Housing.
EXHIBIT C

COMPENSATION OF THE PROVIDER

It is understood that compensation to the Provider shall be paid by Florida Housing or by another paying entity for the services rendered by the Provider under this Contract in accordance with the following provisions:

1. The Provider shall submit invoices payable by Florida Housing to the contact person for the applicable service listed in Section 11 of this Contract at Florida Housing Finance Corporation, Suite 5000, 227 North Bronough St., Tallahassee, FL 32301-1329. Each invoice for fees must be in a format that is clearly itemized so that the invoice states the specific services performed, when the services were performed, and by which employees, or classification of employees, the services were performed. Payment of an undisputed invoice shall be made within a reasonable period of time not to exceed 40 days after receipt of the invoice.

2. The Provider shall submit other invoices, payable by the trustee or by Developers, directly to the paying entity, and not to Florida Housing. Each invoice for fees must be in a format that is clearly itemized so that the invoice states the specific services performed, when the services were performed, and by which employees, or classification of employees, the services were performed.

3. For any and all Developments for which an application was made prior to January 1, 2002, for financing from Florida Housing, or made under the Housing Credit Program, the fee schedule shall apply, as referenced in the prior contracts between the parties, that was in effect at the time of the application for financing from Florida Housing, or that was in effect for the application made under the Housing Credit Program.

4. Each year, the fee schedule shall be adjusted, but not decreased, annually based on the South Region Consumer Price Index for the twelve month period ending each November 30th of the Contract term. This automatic increase shall not exceed 3% of the prior’s years fee.

5. The fee schedule is attached and incorporated as Exhibit C-1.
<table>
<thead>
<tr>
<th>Service/Activity</th>
<th>HOME</th>
<th>SARL</th>
<th>HC</th>
<th>ENCL</th>
<th>FLP</th>
<th>MMRB</th>
<th>Multiple</th>
<th>HAP</th>
<th>HOME 2nd Mortgage</th>
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<td>In-house Review (loans rate)</td>
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<td>n/a</td>
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<tr>
<td>On-site Inspection (misc. fee per case)</td>
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<td>n/a</td>
<td>n/a</td>
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<tr>
<td>On-site Inspection (hourly rate)</td>
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<tr>
<td>Loan servicing fee (minimum fee)</td>
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