

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20050435

1. ACTION REQUESTED/PURPOSE: Execute grant award agreements for \$881,455 in the first round of supplemental funds from fiscal years 2003/2004 and 2004/2005 for the Affordable Housing Program funded through the State Housing Initiatives Partnership (SHIP) Program.

2. WHAT ACTION ACCOMPLISHES: Allows the county to enter into additional grant award agreements for fiscal years 2003/2004 and 2004/2005 to increase the supply of affordable housing and implement the Local Housing Assistance Plan.

3. MANAGEMENT RECOMMENDATION: Execute grant award agreements

4. Departmental Category:

C4E

5. Meeting Date:

04-12-2005

6. Agenda:

- Consent
- Administrative
- Appeals
- Public
- Walk-On

7. Requirement/Purpose: (specify)

- Statute
- Ordinance
- Admin. Code
- Other

8. Request Initiated:

Commissioner N/A
 Department Community Development
 Division Planning
 By: Paul O' Connor, AICP, Planning
 Director POC 3/31/05

9. Background: On February 25, 2003, the Board of County Commissioners authorized grant award agreements for fiscal year 2002/2003 and issued commitment letters for fiscal years 2003/2004 and 2004/2005 based on conservative projected allocations of SHIP dollars to Lee County. However, because actual SHIP funds allocated to Lee County exceeded the projections, Lee County solicited additional proposals. The acceptance period was from January 20, 2005, to February 21, 2005.

The Affordable Housing Committee reviewed the proposals and staff funding recommendations during a public meeting on March 29, 2005. The recommendations for funding are attached. Proposals were evaluated as to whether they were eligible. Eligible proposals were ranked based on selection criteria.

The funding recommendations are in compliance with the 2002-2005 Local Housing Assistance Plan (LHAP) adopted by the Board of County Commissioners on April 23, 2002, and approved by the Florida Housing Finance Corporation on July 1, 2002. The LHAP provides for the expenditure of funds received through the SHIP program.

SHIP Funds received are maintained in accounts LB 55405 13801.508302 S/L LB007 and
 LB 55405 13801.508302 S/L LB008

Attachments: Ranking, Evaluation and Summary sheets for the first round of supplemental funds for 2003/2004 and 2004/2005

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services <i>CA/M 3/31/05</i>				County Manager/P.W. Director
					Analyst	Risk	Grants	Mgr.	
<i>MAN 6/1/05</i>	<i>[Signature]</i> <i>3/31</i>			<i>[Signature]</i> <i>3/31/05</i>	<i>[Signature]</i> <i>3/31/05</i>	<i>[Signature]</i> <i>3/31/05</i>	<i>[Signature]</i> <i>3/31/05</i>	<i>[Signature]</i> <i>3/31/05</i>	<i>[Signature]</i>

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

Rec. by CoAtty
 Date: *3/31/05*
 Time: *2:30*
 Forwarded To:
[Signature]
3/31/05

RECEIVED BY
 COUNTY ADMIN:
3-31-05 MR?
4:00 p.m.
 COUNTY ADMIN
 FORWARDED TO:
[Signature]
3/31/05
4:40pm

2003/2004, 2004/2005 SHIP Supplemental Cycle #1 Applications

APPLICANT	Project Description and Number of Units	Amount of Ship \$ Requested/ Total Project Cost/ Developer Fee	Amount of Other Public Funding	Total Ship \$ Per Unit Cost Per Unit/ Sales Price Per Unit	Households Assisted and Income Level	Staff/Affordable Housing Committee Recommendations
Homeownership – New Construction						
Application 1 Bonita Springs Area Housing Development Corporation- Scattered Sites	Construction of 5 single family homes	\$160,000/ \$736,547/ \$6,000 per unit	County HOME fund Request \$60,000 Impact Fee waivers from the City of Bonita Springs	\$30,000-\$35,000 \$147,309/ \$145,309 3bdrm \$149,309 4 bdrm	5 households 2 very low 3 low	\$161, 208 SHIP S/L-LB007/LB008 \$40,500 HOME 5 Single family homes 3 very low 2 low
Application 2 Lee County Housing Development Corporation – Scattered Sites	Construction of 4 single family homes	\$125,000 \$491,548/ \$10,000 per unit	County HOME fund request \$61,000	\$30,000-\$35,000 \$122,887 \$122,000 average	4 households 1 very low 3 low	\$125,000 SHIP S/L-LB007/LB008 \$40,500 HOME 4 Single family homes 1 very low 3 low
Application 3 DIAD- Campbell Acres	Construction of 6 single family homes	\$175,000/ \$724,950/ \$ 10,000 per unit	County HOME fund request \$61,000 City of Ft Myers CDBG fund request \$60,000	\$ 29,167 average \$120,825/ \$120,000 average	6 households 5 low 1 moderate	\$120,000 SHIP S/L-LB008 \$ 41,000 HOME 4 Single family homes 4 low
Rental -General						
Application 4 Partnership in Housing- Pueblo Bonito III	Construction of 15 duplexes (30 rental units)	\$500,000/ \$3,491,550/ \$349,155	State HOME funds \$2,450,000	\$16,667/ \$116,385 Rent \$521-\$638 2bdrm Rent \$559-\$677 3bdrm	30 families 6 very low 24 low	\$266,138 SHIP S/L-LB008 30 Rental units 6 very low 24 low
Rental -Special Needs						
Application 5 Renaissance Manor	Construct one duplex to house 6 adults with long term mental illness <i>Note: For special needs projects each person is one household</i>	\$209,109/ \$209,109 None	None	\$34,852/ \$38,785 Rent \$200-450	6 households 6 very low	\$209,109 SHIP S/L-LB007 6 Rental units 6 very low
						\$881,455 Total SHIP Funds

SHIP Supplemental Cycle #1 FY (FUNDING YEAR) 2003/2004, 2004/2005

App #	Rank	Points		Amount Available	Request	Recommend	Recommended Units and Funds					
							Very Low Income		Low Income		Total	
							# Units	SHIP\$'s	# Units	SHIP\$'s	# Units	SHIP \$'s
Homeownership -- New Construction				\$ 406,208.00		\$ 406,208.00						
2	1	118	Lee County HDC		\$ 125,000	\$ 125,000	1	\$ 35,000	3	\$ 90,000	4	\$ 125,000
1	2	116	Bonita Springs Area HDC		\$ 160,000	\$ 161,208	3	\$ 101,208	2	\$ 60,000	5	\$ 161,208
3	3	98	DIAD		\$ 175,000	\$ 120,000			4	\$ 120,000	4	\$ 120,000
Total					\$ 460,000	\$ 406,208	4	\$ 136,208	9	\$ 270,000	13	\$ 406,208

App #	Rank	Points		Amount Available	Request	Recommend	Recommended Units and Funds					
							Very Low Income		Low Income		Total	
							# Units	SHIP\$'s	# Units	SHIP\$'s	# Units	SHIP \$'s
Rental: General				\$ 266,138		\$ 266,138						
4	1	108	Partnership in Housing - Pueblo Bonito III		\$ 500,000	\$ 266,138	6	\$ 210,000	24	\$ 56,138	30	\$ 266,138
Total					\$ 500,000	\$ 266,138	6	\$ 210,000	24	\$ 56,138	30	\$ 266,138

App #	Rank	Points		Amount Available	Request	Recommend	Recommended Units and Funds					
							Very Low Income		Low Income		Total	
							# Units	SHIP\$'s	# Units	SHIP\$'s	# Units	SHIP \$'s
Rental: Special Needs				\$ 209,109		\$ 209,109						
5	1	113	Renaissance Manor		\$ 209,109	\$ 209,109	6	\$ 209,109			6	\$ 209,109
Total					\$ 209,109	\$ 209,109	6	\$ 209,109	\$ -	\$ -	6	\$ 209,109

<i>Very Low, Low and Moderate Totals</i>	16	\$ 555,317	33	\$ 326,138	49	\$ 881,455
<i>Percentage Very Low, Low and Moderate based on total available of \$881,455.</i>		63%		37%		

Calculating Selection Criteria for SHIP Awards 2003/2004, 2004/2005 Supplemental Cycle #1

Homeownership Projects

MEASURES	Maximum	# 1	# 2	# 3
Overall Capacity of the Organization, Including Management System, for Effective and Efficient Production as Well as Cost and Quality Control	Available Points	Bonita Springs Area HDC	Lee County HDC	DIAD
Staff	5	5	5	5
Operations Procedures	5	5	5	5
Staff Experience	5	5	5	5
Board Experience	5	5	5	5
Homeowner Counseling and Training	5	5	5	5
Development Feasibility - Ability to Proceed in a Timely Fashion and Attain Clear, Achievable Objectives				
Measurable Project Objectives are Clearly Stated	5	5	5	5
Project Readiness and Timely Accomplishment in a Timely Fashion	5	5	5	5
Site Control	5	5	5	5
Engineering and Architectural Drawings	5	5	5	5
Minimum Accessibility Design				
Zoning and Land Use	5	5	5	5
Site Suitability	5	5	5	5
Financial Feasibility				
Project Budget to Include Sources and Uses of Funds	5	5	5	5
Due Diligence in Cost Estimates	5	5	5	5
Findings and Prior Contract Compliance	5	5	5	0
Audit Reports	5	5	5	5
Financial Resources in Place - Adequate Cash Available for project to be Implemented	5	5	5	3
Funds Leveraged/Matched for the Proposed Project	10	10	10	10
Developer Fee or Developer/Builder Fee Appropriate for Work	5	5	4	4
Bonus Points				
WAGES Participation	5	0	0	0
Very low and Low Income Benefit	8	8	0	0
Low Income Benefit	6	0	6	6
Assistance for Special Needs Populations	5	0	0	0
Location	10	5	8	0
Special Circumstances Justification	20	0	0	0
Innovative Approach	5	0	0	0
Universal Design	5	5	5	5
Health or Welfare Emergency	15	0	0	0
Energy Efficiency	5	3	5	0
TOTAL	179	116	118	98

Calculating Selection Criteria for SHIP Awards 2003/2004, 2004/2005 Supplemental Cycle #1

Rental Projects

MEASURES	Maximum	# 4	# 5
Overall Capacity of the Organization, Including Management System, for Effective and Efficient Production as Well as Cost and Quality Control	Available Points	Partnership in Housing Pueblo Bonito III	Renaissance Manor
Staff	5	5	5
Operations Procedures	5	5	5
Staff Experience	5	5	5
Board Experience	5	5	5
Rental Property Management & Operations Experience & Approach	5	5	5
Development Feasibility - Ability to Proceed in a Timely Fashion and Attain Clear, Achievable Objectives			
Measurable Project Objectives are Clearly Stated	5	5	5
Project Readiness and Can Be Accomplished in a Timely	5	5	5
Site Control	5	5	5
Engineering and Architectural Drawings	5	5	0
Zoning and Land Use	5	5	5
Site Suitability	5	5	5
Financial Feasibility			
Project Budget to Include Sources and Uses of Funds	5	5	5
Due Diligence in Cost Estimates	5	5	5
Findings and Prior Contract Compliance	5	5	5
Audit Reports	5	5	5
Financial Resources in Place - Adequate Cash Available for project to be Implemented	5	5	5
SHIP Funds Leveraged/Matched for the Proposed Project	5	5	0
Developer Fee or Developer/Builder Fee Appropriate for Work	5	5	5
Bonus Points			
WAGES Participation	5	0	0
Very low and Low Income Benefit	8	0	8
Low Income Benefit	6	6	0
Assistance for Special Needs Populations	5	0	5
Location	10	5	5
Special Circumstances Justification	20	0	10
Innovative Approach	5	0	0
Universal Design	5	5	5
Health or Welfare Emergency	15	0	0
Energy Efficiency	5	2	0
Total Points	174	108	113

STANDARD SUBRECIPIENT CONTRACT

CSFA # 52.901
CFDA # _____
Contract No. C-3071
Funding Source: LB 5540513801.508302 S/L LB007
and LB008

**AGREEMENT BETWEEN
THE LEE COUNTY BOARD OF COUNTY COMMISSIONERS
And
Bonita Springs Area Housing Development Corporation**

THIS **Service** **Capital (check one) CONTRACT** entered this 12th day of April 2005, between LEE COUNTY hereinafter referred to as **COUNTY** and Bonita Springs Area Housing Development Corporation, a Not-for-Profit Corporation existing under the laws of the State of Florida and, hereinafter referred to as "**PROVIDER**".

WHEREAS, COUNTY believes it to be in the public interest to provide certain activities to Lee County through the **PROVIDER** according to this contract, the agency's intent as stated in the proposal and attachments and/or exhibits and all other terms and conditions as specified.

NOW THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein **COUNTY** and the **PROVIDER** agree as follows:

ARTICLE I SCOPE OF SERVICES

The **COUNTY** has awarded the following amounts for each program listed below. The **PROVIDER** will be responsible for implementing these program(s) for the residents of Lee County: Program(s) must be implemented in accordance with the approved proposal(s) and exhibits/attachments.

ARTICLE II TERM OF CONTRACT

This contract shall begin **April 12, 2005** and ends **December 31, 2006** unless terminated as specified in Article VIII, Suspension/Termination.

ARTICLE III COMPENSATION AND REPORTS

A. Contract Payment

Payments will be made by the **COUNTY** to the **PROVIDER** and the **PROVIDER** agrees to accept as full compensation the total amount not to exceed **\$161,208.00** during the term of this contract, subject to the provisions of Article III B. Deferred Payment/Return of Funds, and Article VIII, Suspension/Termination. Funding is contingent upon the **COUNTY** receiving the related State funds.

B. Deferred Payment/Return of Funds

The **PROVIDER** agrees to return to the **COUNTY** any overpayments due to funds disallowed pursuant to the terms of this contract. Such funds shall be considered county funds and must be refunded to the **COUNTY** within thirty (30) calendar days of receiving notice from the **COUNTY** in writing regarding the overpayment. Should repayment not be made in a timely manner, the **COUNTY** will charge interest of one (1) percent per month compounded on the outstanding balance after forty (40) calendar days after the date of notification or discovery. The **PROVIDER** will be required to reimburse the **COUNTY** for any acts of non-compliance resulting in disallowed costs or fines.

It is at the option of the **COUNTY** to defer payment to the **PROVIDER** for noncompliance with contract deliverables or during the period of a county audit or monitoring due to questionable items. If as a result of the audit or monitoring, unallowable or unsupported costs are found, no further payments will be made until the full amount of overpayment is remitted to Lee County or a repayment agreement is accepted by Lee County.

C. Required Reports

1. **Financial and Compliance Audit Requirements in Exhibit/Attachment 1**
2. **Quarterly reports, final report, and any other report as stipulated in Exhibit/Attachment 2**

ARTICLE IV AUDITS, MONITORING, AND RECORDS

A. Monitoring

The **PROVIDER** agrees to permit employees duly authorized by the **COUNTY** and the Federal or State grantor agency (if applicable) or any representatives to inspect all records, papers, documents, facility's goods and services of the **PROVIDER** and/or interview any clients and employees of the **PROVIDER** to be assured of satisfactory performance of the terms and conditions of this contract to the extent permitted by the law after giving the **PROVIDER** reasonable notice. The monitoring is a limited scope review of the contract and agency management and does not relieve the **PROVIDER** of its obligation to manage the grant in accordance with applicable rules and sound management practices.

Following such monitoring the **COUNTY** may deliver to the **PROVIDER** a written report regarding the manner in which goods or services are being provided. The **PROVIDER** will rectify all noted deficiencies within the specified period of time indicated in the monitoring report or provide the **COUNTY** with a reasonable and acceptable justification for not correcting the noted shortcomings. The **PROVIDER'S** failure to correct or justify the deficiencies within the time specified by the **COUNTY** may result in the withholding of payments, being deemed in noncompliance, or termination of this contract.

PROVIDER must supply **COUNTY** with copies of all monitoring reports of programs which are also funded by the **COUNTY**, including agency response, within thirty (30) days of receipt.

B. Audit and Inspections

The **PROVIDER** will make all records referenced in Article IV. C., and all items included on financial statements available for audit or inspection purposes at any time during normal business hours and as often as **COUNTY** deems necessary.

The Clerk of Courts Internal Audit division, the Federal or State grantor agency (if applicable), Lee County employees, or any duly authorized representatives have the right of timely and unrestricted access to any books,

documents, papers, or other records of **PROVIDER** or **CPA** that are pertinent to the contract in order to make audits, examinations, excerpts, transcripts and copies of such documents. If contract non-compliance or material weaknesses in the organization is noted, the **COUNTY** or other authorized representatives have the right to unlimited access to records during an audit or inspection. This includes timely and reasonable access to a **PROVIDER'S** personnel for the purpose of interview and discussion related to such documents.

C. Records

The **PROVIDER** shall retain all financial, client demographic, and programmatic records, supporting documentation, statistical records and other records which are necessary to document service provision, client demographics, expenditures, income and assets of the **PROVIDER** by funding source, program, and functional expenses category during the term of this contract and five (5) years from the date of contract expiration. If any litigation, claim, negotiation, audit, or other action involving the records has been initiated before the expiration of the 5-year period, the records shall be retained for one (1) year after the final resolution of the action and final resolution of all issues that arise from such action.

D. Independent Audit

An original, bound annual audit of the **PROVIDER'S** financial statements in accordance with FASB 117, or current GAGA Standards as applicable including the auditor's opinion, requisite reports on internal control and compliance if required, management letter addressing internal controls if required, and management's response to such letter if required, must be submitted to the **COUNTY** no later than **180** days following the end of the **PROVIDER'S** fiscal year along with any corrective action plan if applicable.

The audit must be conducted by an independent licensed certified public accountant who has received an unmodified opinion on their current Peer Review and must be in accordance with Auditing Standards Generally Accepted in the United States, and generally accepted Government Auditing Standards, OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Organizations" if applicable, the Florida Single Audit Act (F.S. 215.97) if applicable, and the Auditor General rule 10.550 if applicable. The audit must detail the programs or service areas that are funded by Lee County either in the statement of functional expenses, revenues and expenditures, footnotes, schedule of federal awards and state financial assistance or as supplemental data in the financial statements. The statement should be consistent with programs detailed in the corresponding proposal(s) and exhibit(s).

The **PROVIDER** agrees to comply with all **FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS** as specified in Attachment A.

Failure to submit the report within the required time frame will result in the withholding of payment, or termination of the contract by the **COUNTY**.

ARTICLE V MODIFICATIONS

Modifications of provisions of this contract shall only be valid when they have been reduced to writing and duly signed and dated by both parties.

ARTICLE VI CONTRACTOR STATUS

A. Independent Contractor

It is mutually agreed that the **PROVIDER** is an independent contractor and not an agent or employee of the **COUNTY**.

B. Subcontracts

Primary roles and responsibilities of **PROVIDER** cannot be subcontracted. It is mutually agreed that any **COUNTY** funded program component that is subcontracted by **PROVIDER** must have a written contract upon execution of this contract. The **PROVIDER** must ensure each subcontractor conforms to the terms and conditions of this contract and must be subject to indemnification as stated in Article VII.

ARTICLE VII RISK MANAGEMENT

A. Indemnification

The **PROVIDER** will defend, hold harmless, and indemnify the **COUNTY** from and against any and all liability, loss, claims, damages, costs, attorneys' fees, and expenses of whatever kind or nature which the **COUNTY** may sustain, incur, or be required to pay either by reason of the loss or improper use of any monies disbursed or to be disbursed hereunder including but not limited to fraud, embezzlement, or dishonesty on the part of any person represented or employed by the **PROVIDER**, or by reason of the intentional or negligent act of the **PROVIDER** or its agents, representatives and/or employees.

The **PROVIDER** further agrees that it will, at its own expense, defend any and all claims, actions, suits, or proceedings that may be brought against the **COUNTY** in connection with the above and satisfy, pay, and discharge any and all judgments or other resolution of claims that may be entered against the **COUNTY** in any such action or proceedings.

The **PROVIDER** further agrees that it is responsible for any and all claims arising from the hiring of individuals relating to activities provided under the contract. All individuals hired are employees of the **PROVIDER** and not of the **COUNTY**.

B. Insurance

The **PROVIDER** agrees to provide and maintain during the term of this contract Commercial General Liability insurance insuring the **PROVIDER** against any and all claims, demands, or causes of action whatsoever for injuries received or damage to property incurred in the performance of the terms of this Contract or the use, occupation, management, or control of any facility herein provided for and the improvements thereto. Such a policy of insurance will insure the **PROVIDER** in an amount not less than \$300,000 to cover any and all bodily injury, personal injury. And/or property damage claim connected with any **COUNTY** accident or occurrence that may arise or be claimed to have arisen against the **PROVIDER**. The **PROVIDER** must furnish an appropriate Certificate of Insurance (**Exhibit**) naming Lee County Board Of County Commissioners as Certificate Holder and Additional insured. The **PROVIDER** agrees that the coverage granted to the Additional Insured applies on a primary basis, with the Additional Insured's coverage being excess. The **PROVIDER** agrees that this insurance requirement shall not relieve or limit **PROVIDERS** liability and that the **COUNTY** does not in any way represent that the insurance

required is sufficient or adequate to protect the **PROVIDER'S** interests or liabilities, but are merely minimums. Certificates of Insurance and bonding and renewals must be submitted to:

Risk Management
Lee County Board of County Commissioners
P.O. Box 398 Fort Myers, Florida 33902-0398

C. Bonding

The PROVIDER must provide fidelity bonding for all employees that handle PROVIDER'S funds. The amount of the bond must be equivalent to the highest daily cash balance of the PROVIDER. Proof of this bonding must be submitted to the COUNTY prior to the date of execution of this contract.

ARTICLE VIII SUSPENSION/TERMINATION

A. Suspension

The **COUNTY** reserves the right to suspend funding for failure to comply with the requirements of this contract.

In the event **PROVIDER** ceases operation for any reason or files for protection from creditors under bankruptcy law, any remaining unpaid portion of this contract, less funds for expenditures already incurred, shall be retained by the **COUNTY** and the **COUNTY** shall have no further funding obligation to the **PROVIDER** with regard to those unpaid funds.

B. Termination by COUNTY

The **COUNTY** may at any time and for any reason cancel this contract by giving twenty-four (24) hours written notice to the **PROVIDER** by certified mail following a determination by the Board of **COUNTY** Commissioners, at its sole discretion, that such cancellation is in the best interest of the people of the **COUNTY**. From the date of cancellation, neither party shall have any further obligation unless specified in the termination notice.

C. Termination by PROVIDER

The **PROVIDER** may at any time and for any reason cancel this contract by giving seventy-two (72) hours prior written notice to the **COUNTY** by certified mail of such and specifying the effective date.

COUNTY'S obligation to make any payments under any provision of this contract shall cease on the effective date of termination.

ARTICLE IX ASSURANCE, CERTIFICATIONS, AND COMPLIANCE

The **PROVIDER** agrees that compliance with these assurances and certifications constitutes a condition of continued receipt of or benefit from funds provided through this contract, and that it is binding upon the **PROVIDER**, its successors, transferees, and assignees for the period during which services are provided. The **PROVIDER** further assures that all contractors, subcontractors, or others with whom it arranges to provide services or benefits to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of statutes, regulations, guidelines and standards. By acceptance of this funding, the **PROVIDER** assures and certifies the following:

- A. That it will comply with all applicable laws, ordinances and regulations of the United States, the State of Florida, the **COUNTY**, and the municipalities as said laws, ordinances and regulations exist and are amended from time to time. In entering into this contract, the **COUNTY** does not waive the requirements of any county or local ordinance or the requirements of obtaining any permits or licenses that are normally required to conduct business or activity contemplated by the **PROVIDER**.
- B. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-19 which prohibit discrimination in housing on the basis of race, color, national origin, sex, religion, disability or familial status.
- C. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-18 which prohibit discrimination in employment on the basis of race, color, national origin, sex, religion, disability or marital status.
- D. That it will administer its programs under procedures, supervision, safeguards, and such other methods as may be necessary to prevent fraud and abuse, and that it will target its services to those who most need them.
- E. That if clients are to be transported under this contract, the **PROVIDER** will comply with the provisions of Chapter 427, Florida Statutes, which requires the coordination of transportation for the disadvantaged.
- F. That any products or materials purchased with contract funds shall be procured in accordance with the provisions of Chapter 403.7065, Florida Statutes, which refers to the procurement of products or materials with recycled content.
- G. That it will comply with the Americans with Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.
- H. That it shall report any unusual incidents involving funded activities to the **COUNTY**, in writing, within five (5) calendar days of the occurrence or the **COUNTY** may terminate this contract. Unusual incidents include, but are not limited to those events which are reported to local police authorities by the **PROVIDER** or any person whose report requires any type of response by local law enforcement authorities; those events which result in physical injury to a person receiving **PROVIDER** services that are underwritten in any way by the **COUNTY**; or, those incidents or events which result in a report to or investigation arising from a call to the Florida Abuse Hotline. In accordance with Chapter 415, Florida Statute, an employee of the **PROVIDER** who knows or has reasonable cause to suspect that a child, aged person, or disabled adult has been abused, neglected, or exploited, shall immediately report such knowledge or suspicion to the Florida Abuse Hotline on the statewide toll-free number (1-800-96- ABUSE).
- I. That it will comply with Chapter 216.347, Florida Statutes, which prohibits the expenditure of contract funds for the purpose of lobbying the Legislature, State or County agencies.
- J. That it will notify the **COUNTY** immediately of any funding source changes and/or additions from other sources that are different from that shown in the **PROVIDER'S** proposal. This notification must include a statement as to how this change in funding affects provision of service as well as the use of and continued need for county funds.
- K. That it will acknowledge support for programs funded by Lee County.

- L. That it will notify the **COUNTY** of any **SIGNIFICANT** changes to the **PROVIDER** organization to include articles of incorporation and bylaws within ten (10) working days of the effective date.

ARTICLE X NOTICES

Official notices concerning this contract shall be directed to the following authorized representatives:

COUNTY:

ATTN: Gloria M. Sajgo, AICP, Principal Planner
Lee County Department of Community Development/Planning

Telephone: (239) 479-8311

Fax: (239) 479-8161

E-mail: sajgogm@leegov.com

PROVIDER:

Name: Mary E. Sorge

Title: Executive Director

Agency: Bonita Springs Area Housing Development Corporation

Address: 26801 Old 41 Road, Unit 2
Bonita Springs, FL 34135

Telephone: 239-495-7100

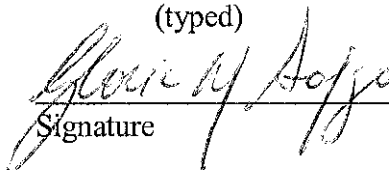
Web site address: _____

E-mail: m-sorge@earthlink.net

The signatures of the persons shown below are designated and authorized to sign all applicable reports:

OR

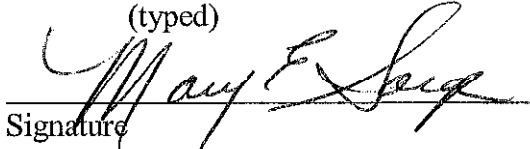
Name: Gloria M. Sajgo, AICP
(typed)


Signature

Principal Planner

Title

Name: Mary E. Sorge
(typed)


Signature

Executive Director

Title

In the event that different representatives are designated by either party after execution of this contract, notice of the name and address of the new representative will be rendered in writing by authorized officer of **PROVIDER** to the **COUNTY**. The notification shall be attached to originals of this contract.

ARTICLE XI SPECIAL PROVISIONS

- A. If needed, **PROVIDER** may be called upon to assist county during a natural disaster or emergency.

ARTICLE XII ALL TERMS AND CONDITIONS INCLUDED

This contract and its **attachments**, and any **exhibits** referenced in said attachments, together with any documents incorporated by reference, contain all the terms and conditions agreed upon by the parties. There are no provisions terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or

provision of this contract is legally determined unlawful or unenforceable, the remainder of the contract shall remain in full force and effect and such terms or provisions shall be stricken.

IN WITNESS THEREOF, **PROVIDER** and **COUNTY** have caused this contract, to be executed by their undersigned officials as duly authorized.

PROVIDER:

COUNTY: LEE COUNTY

By: David E. McKee

By: _____

Name (typed)

Name (typed)

David E. McKee
Signature of authorized officer

Signature of authorized officer

President

Title

Title

3/23/2005

Date

Date



Aurelia Andrade
My Commission DD250299
Expires September 16, 2007

NOTARY:

ATTEST: CLERK OF CIRCUIT COURT

By: *Aurelia Andrade*
Notary of Public (Signature)

By: _____

Aurelia Andrade
Name (Typed)

Title: _____

Date: _____

**APPROVED AS TO FORM:
COUNTY ATTORNEY'S OFFICE**

By: _____

Title: _____

Date: _____

FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS

This attachment outlines audit requirements for non-federal entities or subrecipients, hereinafter known as the Contractor. This attachment shall apply when the Contractor has obtained Federal and/or State funding from Lee County. Each subrecipient is responsible for complying with the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and 29 CFR, part 96, of the Department of Labor Regulations that implements Office of Management and Budget (OMB) Circular A-133. Also, each subrecipient is responsible for complying with the Florida Single Audit Act (FS 216.3491) (as applicable).

NOTE: Subrecipients/Contractors that are State Departments, State Universities and/or State Community Colleges are audited annually by the Office of the State Auditor General, and are not required to have additional independent audits performed as outlined by this Attachment. Additionally, copies of the State Auditor General's audit report is transmitted directly to AWI by that office. No further actions are required by the entities (as Contractors) referenced in this paragraph.

The Contractor agrees to have an annual financial and compliance audit as specified by The Single Audit Act of 1996 and OMB Circular A-133. **An annual audit is required if the Subrecipient/Contractor has Federal expenditures of \$300,000 or more in a fiscal year. This includes all Federal funds received from all funding sources, not just the funds awarded under this contract.** The audits are to be performed by independent auditors in accordance with the current Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and in compliance with OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

The Contractor agrees to have an annual State financial and compliance audit, if the total expenditures are \$300,000 or more in a fiscal year (i.e. state financial assistance provided to carry out a state project) in accordance with auditing standards as stated in the Rules of the Auditor General. The Contractor must have a single audit or project-specific audit for such fiscal year in accordance with section 216.3491, Florida Statutes; applicable rules of the Executive Office of the Governor and the Comptroller, and Chapter 10.600. Rules of the Auditor General.

Audit Requirements for States, Local Governments and Nonprofit Organizations:

Non-federal organizations that expend \$300,000 or more in a fiscal year in Federal awards (**all Federal funding sources must be considered**) must have a single audit or a program-specific audit conducted for that fiscal year in accordance with current Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with The Single Audit Act of 1984 (P.L. 98-502), the Single Audit Act Amendments of 1996 (P.L. 104-156) and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations".

Single Audit – Single Audit means an audit that includes both the entity’s financial statements and the Federal awards requirements as described in Section _____.500 of OMB Circular A-133. A State single audit means an audit of a non-state entity’s financial statements and state awards. A Single Audit also includes a report on Internal Controls and a report on Program Compliance.

Program-Specific Audit – A Program-Specific Audit means an audit of **one Federal program** as provided for in Section _____.200© and Section _____.235 of OMB Circular A-133. Additionally, a state program-specific audit means an audit of **one state project** in accordance with the requirements of FS 216.3491.

No Audit Exemption:

Even when cumulative (all programs considered) Federal and/or State award expenditures are less than \$300,000 in a fiscal year, an audit is required.

The cost of audits conducted in accordance with the Single Audit Act and/or the provisions of Section 216.3491, Florida Statutes, must be paid from non-Federal/non-State funds (i.e., the cost of such an audit must be paid from subrecipient/contractor funds obtained from other than Federal/State sources).

Bonita Springs Area Housing Development Corporation – Scattered Sites

1. a. The Project, as approved for grant assistance, shall consist of the following authorized scope of Project work: Construction of 5 single-family homes for 3 very low and 2 low-income homebuyers. Two single-family units must be completed by December 31, 2005, and three by December 31, 2006.
 - b. The amount of funds awarded under this grant is \$161,208.00. The Grantor is not obligated or authorized to award any funds in addition to this amount.
 - c. The purchase price of home ownership units must not exceed \$150,000 for a newly constructed dwelling unit, and must meet affordability requirements in order to qualify as eligible.
 - d. The Provider is expected to make every reasonable effort to participate in program training activities offered by the Florida Housing Finance Corporation, the Florida Housing Coalition, Lee County or similar organizations in order to ensure compliance with local and State regulations governing the State Housing Initiatives Partnership Program.
2. The Grantor agrees to provide drawdowns to the Provider, upon receipt and verification of the Provider's request and documentation for project costs pursuant to and as defined in Subsection 1. a. up to a maximum of \$50,000.00 or the amount of actual cash expended by the Provider for project work, whichever is less.
 3. The Provider is hereby placed on notice that when public funds are expended by an agency, then all the financial, business, and membership records pertaining to the public agency from which or on whose behalf the payments are made, of the person, corporation, foundation, trust, association, group, or organization to whom such payments are made shall be public records and subject to the provisions of Florida Statutes, Chapter 119 Public Records.

Every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record or the custodian's designee.

Before any person is granted access to the records related to these funds (except governmental agencies or their agents who are entitled to access to the records specified in this paragraph for the purposes of auditing federal, state, or local housing programs or housing assistance programs), please seek the advice of your legal counsel or contact the Lee County Division of Planning who shall seek counsel from the office of the County Attorney. Home addresses, telephone numbers, social security numbers, photographs, and places of employment of the certain personnel, spouses and children of such personnel; and the names and locations of schools and day care facilities attended by the children of such personnel are exempt from public record. Medical history records, bank account numbers, credit card numbers, telephone numbers, and information related to health or property insurance furnished by an individual to any agency pursuant to federal, state, or local housing assistance programs are confidential and exempt. Any other information produced or received by any private or public entity in direct connection with federal, state, or local housing assistance programs, unless the subject of another federal or state exemption, is subject to public records requests.

A person who has custody of a public record and who asserts that an exemption or special law applies to a particular public record or part of such record shall delete or excise from the record only that portion

of the record with respect to which an exemption has been asserted and validly applies, and such person shall produce the remainder of such record for inspection and examination.

4. The Provider agrees to perform all necessary requirements to assist the Grantor in implementing its monitoring responsibilities, which include on-site inspections of the project to determine compliance with applicable laws, rules, regulations, ordinances, and codes of the federal, state, and local governments, including the requirements of the State Housing Initiatives Partnership (SHIP) and the Lee County Local Housing Assistance Plan.
5. The Grantor shall be provided access to all contracts of the Provider for the procurement of goods and/or services relating to the project work described in Subsection 1. a. and all change orders or amendments, but said access shall not be construed as acceptance by or imposition of upon the Grantor of any financial liability in connection with said contracts.
6. The Provider shall be responsible for ensuring that all builders/contractors utilized are licensed appropriately and capable of performing all necessary work. The Provider will further be responsible to ensure that all applicable permits, inspections, and fees are obtained and paid (as required for the respective scope of work). The Provider shall further serve as the agent for the homebuyer in all communications with the selected builder and ensure a timely completion of construction proceedings, as the buyer's agent.
7. The Provider shall ensure that clear/marketable title is obtained for all properties to be purchased, conveyed, or made a part of in any way, a subsidy request package submitted to the Grantor for assistance.
8. The Grantor shall be provided access to all detailed plans, specifications and home buyer incomes relating to the project and records relating thereto describe in subsection 1-a to ensure compliance with the objectives, requirements, and limitations of the Lee County SHIP Affordable Housing Program. The following documentation must be maintained on file for each beneficiary or unit produced by the Provider for a period of seven (7) years following the effective date of contract. The following documentation at a minimum must be available for inspections at all reasonable times by the Grantor or their assigns:
 - a. Applicant Intake Forms
 - b. Income Verification and Certification Forms
 - c. Release of Information/Acknowledgment of SHIP terms signed by beneficiary
 - d. Good Faith Estimate
 - e. Final Appraisal of Property
 - f. Loan Application or copy of lender Application
 - g. Verification of Deposit of beneficiary
 - h. Verification of Employment for beneficiary
 - i. Certificate of Occupancy.
9. All projects must be in compliance with the rules and regulations of the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907, Florida Administrative Code 67-37, and the Lee County Housing Assistance Program authorized by Lee County Ordinance 95-17, as amended, and in particular:
 - a. Income limits
 - b. Definition of Affordability
 - c. Non-discrimination
 - d. Maximum production or purchase cost
 - e. Maximum SHIP funds per unit

- f. Compliance reporting as required per project
10. The Provider shall provide to the Grantor proof or make available the following, as applicable, for each beneficiary prior to receiving final payment:

- a. SHIP Program Recipient Profile form

APPLICATION DOCUMENTS:

- b. Authorization for Release of Information Form
- c. Income Verification Form(s)
- d. Income Certification Form
- e. Proof of Property Ownership
- f. Application for Program Assistance
- g. Letter of Commitment
- h. Homeownership Training Course Certificate

CONSTRUCTION DOCUMENTS:

- i. Cost Estimate and Work Write-up
- j. Contractor(s) Bid or Proposal
- k. Contractor/Homeowner or Home Buyer Contract
- l. Work Inspection Reports
- m. Construction Payment Requests
- n. Certificate of Occupancy or Completion
- o. Final Payment Release
- p. Change Orders (if applicable)
- q. Summary per Unit Budget & Actual Expenditures

CLOSING DOCUMENTS:

- r. Recorded SHIP Lien Document(s) with Recapture Provisions
- s. HUD 1 Settlement or Loan Closing Statement
- t. Recorded First Mortgage Document(s)
- u. Release of Liens (for rehabilitation)
- v. Title Policy for Title Insurance
- w. Final Inspection Report
- x. Appraisal

CERTIFICATE OF INSURANCE

The company indicated below certifies that the insurance afforded by the policy or policies numbered and described below is in force as of the effective date of this certificate. This Certificate of Insurance does not amend, extend, or otherwise alter the Terms and Conditions of Insurance coverage contained in any policy numbered and described below.

CERTIFICATE HOLDER:

LEE COUNTY BOARD OF COMMISSIONERS
 ADDITIONAL INSUREDS
 P O BOX 398
 FT MYERS, FL 33912

INSURED:

BONITA SPRINGS AREA HOUSING DEVELOPEMENT CORP
 P O BOX 3189
 BONITA SPRINGS, FL 34133

TYPE OF INSURANCE	POLICY NUMBER & ISSUING CO.	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS OF LIABILITY (*LIMITS AT INCEPTION)
<input checked="" type="checkbox"/> LIABILITY	77-BO-451272-3001	09-12-04	09-12-05	
<input checked="" type="checkbox"/> Liability and Medical Expense Personal and Advertising Injury	NATIONWIDE MUTUAL FIRE INSURANCE CO.			Any One Occurrence..... \$ 1,000,000 Included in Above - Any One Person or Organization
<input checked="" type="checkbox"/> Medical Expenses				ANY ONE PERSON \$ 5,000
<input checked="" type="checkbox"/> Fire Legal Liability				Any One Fire or Explosion \$ 50,000
<input type="checkbox"/> Other Liability				General Aggregate* \$ 2,000,000 Prod/Comp Ops Aggregate* . \$ 1,000,000
AUTOMOBILE LIABILITY				
<input type="checkbox"/> BUSINESS AUTO				Bodily Injury (Each Person) \$ (Each Accident) \$
<input type="checkbox"/> Owned				Property Damage (Each Accident) \$
<input type="checkbox"/> Hired				Combined Single Limit ... \$
<input type="checkbox"/> Non-Owned				
EXCESS LIABILITY				
<input type="checkbox"/> Umbrella Form				Each Occurrence \$ Prod/Comp Ops/Disease Aggregate* \$
STATUTOR' LIMITS				
<input type="checkbox"/> Workers' Compensation and				BODILY INJURY/ACCIDENT ... \$ Bodily Injury by Disease
<input type="checkbox"/> Employers' Liability				EACH EMPLOYEE \$ Bodily Injury by Disease POLICY LIMIT \$

Should any of the above described policies be cancelled before the expiration date, the insurance company will endeavor to mail written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability upon the company, its agents, or representatives.

DESCRIPTION OF OPERATIONS/LOCATIONS
 VEHICLES/RESTRICTIONS/SPECIAL ITEMS
 \$250,000.DISHONESTY BOND INCLD

Effective Date of Certificate: 09-12-2004
 Date Certificate Issued: 09-09-2004

Authorized Representative: DOM DIBLASE AGENCY
 Countersigned at: 3401 BON TA BEACH RD,A101
 BONITA SPRINGS,FL 34134

STANDARD SUBRECIPIENT CONTRACT

CSFA # 52.901
CFDA # _____
Contract No. C-3072
Funding Source: LB 5540513801.508302 S/L LB007
and LB008

**AGREEMENT BETWEEN
THE LEE COUNTY BOARD OF COUNTY COMMISSIONERS
And
Lee County Housing Development Corporation**

THIS **Service** **Capital (check one) CONTRACT** entered this 12th day of April 2005, between LEE COUNTY hereinafter referred to as **COUNTY** and Lee County Housing Development Corporation, a Not-for-Profit Corporation existing under the laws of the State of Florida and, hereinafter referred to as "**PROVIDER**".

WHEREAS, COUNTY believes it to be in the public interest to provide certain activities to Lee County through the **PROVIDER** according to this contract, the agency's intent as stated in the proposal and attachments and/or exhibits and all other terms and conditions as specified.

NOW THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein **COUNTY** and the **PROVIDER** agree as follows:

ARTICLE I SCOPE OF SERVICES

The **COUNTY** has awarded the following amounts for each program listed below. The **PROVIDER** will be responsible for implementing these program(s) for the residents of Lee County: Program(s) must be implemented in accordance with the approved proposal(s) and exhibits/attachments.

ARTICLE II TERM OF CONTRACT

This contract shall begin **April 12, 2005** and ends **December 31, 2006** unless terminated as specified in Article VIII, Suspension/Termination.

ARTICLE III COMPENSATION AND REPORTS

A. Contract Payment

Payments will be made by the **COUNTY** to the **PROVIDER** and the **PROVIDER** agrees to accept as full compensation the total amount not to exceed **\$125,000.00** during the term of this contract, subject to the provisions of Article III B. Deferred Payment/Return of Funds, and Article VIII, Suspension/Termination. Funding is contingent upon the **COUNTY** receiving the related State funds.

B. Deferred Payment/Return of Funds

The **PROVIDER** agrees to return to the **COUNTY** any overpayments due to funds disallowed pursuant to the terms of this contract. Such funds shall be considered county funds and must be refunded to the **COUNTY** within thirty (30) calendar days of receiving notice from the **COUNTY** in writing regarding the overpayment. Should repayment not be made in a timely manner, the **COUNTY** will charge interest of one (1) percent per month compounded on the outstanding balance after forty (40) calendar days after the date of notification or discovery. The **PROVIDER** will be required to reimburse the **COUNTY** for any acts of non-compliance resulting in disallowed costs or fines.

It is at the option of the **COUNTY** to defer payment to the **PROVIDER** for noncompliance with contract deliverables or during the period of a county audit or monitoring due to questionable items. If as a result of the audit or monitoring, unallowable or unsupported costs are found, no further payments will be made until the full amount of overpayment is remitted to Lee County or a repayment agreement is accepted by Lee County.

C. Required Reports

1. **Financial and Compliance Audit Requirements in Exhibit/Attachment 1**
2. **Quarterly reports, final report, and any other report as stipulated in Exhibit/Attachment 2**

ARTICLE IV AUDITS, MONITORING, AND RECORDS

A. Monitoring

The **PROVIDER** agrees to permit employees duly authorized by the **COUNTY** and the Federal or State grantor agency (if applicable) or any representatives to inspect all records, papers, documents, facility's goods and services of the **PROVIDER** and/or interview any clients and employees of the **PROVIDER** to be assured of satisfactory performance of the terms and conditions of this contract to the extent permitted by the law after giving the **PROVIDER** reasonable notice. The monitoring is a limited scope review of the contract and agency management and does not relieve the **PROVIDER** of its obligation to manage the grant in accordance with applicable rules and sound management practices.

Following such monitoring the **COUNTY** may deliver to the **PROVIDER** a written report regarding the manner in which goods or services are being provided. The **PROVIDER** will rectify all noted deficiencies within the specified period of time indicated in the monitoring report or provide the **COUNTY** with a reasonable and acceptable justification for not correcting the noted shortcomings. The **PROVIDER'S** failure to correct or justify the deficiencies within the time specified by the **COUNTY** may result in the withholding of payments, being deemed in noncompliance, or termination of this contract.

PROVIDER must supply **COUNTY** with copies of all monitoring reports of programs which are also funded by the **COUNTY**, including agency response, within thirty (30) days of receipt.

B. Audit and Inspections

The **PROVIDER** will make all records referenced in Article IV. C., and all items included on financial statements available for audit or inspection purposes at any time during normal business hours and as often as **COUNTY** deems necessary.

The Clerk of Courts Internal Audit division, the Federal or State grantor agency (if applicable), Lee County employees, or any duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers, or other records of **PROVIDER** or **CPA** that are pertinent to the contract in order to make audits, examinations, excerpts, transcripts and copies of such documents. If contract non-compliance or material weaknesses in the organization is noted, the **COUNTY** or other authorized representatives have the right to unlimited access to records during an audit or inspection. This includes timely and reasonable access to a **PROVIDER'S** personnel for the purpose of interview and discussion related to such documents.

C. Records

The **PROVIDER** shall retain all financial, client demographic, and programmatic records, supporting documentation, statistical records and other records which are necessary to document service provision, client demographics, expenditures, income and assets of the **PROVIDER** by funding source, program, and functional expenses category during the term of this contract and five (5) years from the date of contract expiration. If any litigation, claim, negotiation, audit, or other action involving the records has been initiated before the expiration of the 5-year period, the records shall be retained for one (1) year after the final resolution of the action and final resolution of all issues that arise from such action.

D. Independent Audit

An original, bound annual audit of the **PROVIDER'S** financial statements in accordance with FASB 117, or current GAGA Standards as applicable including the auditor's opinion, requisite reports on internal control and compliance if required, management letter addressing internal controls if required, and management's response to such letter if required, must be submitted to the **COUNTY** no later than **180** days following the end of the **PROVIDER'S** fiscal year along with any corrective action plan if applicable.

The audit must be conducted by an independent licensed certified public accountant who has received an unmodified opinion on their current Peer Review and must be in accordance with Auditing Standards Generally Accepted in the United States, and generally accepted Government Auditing Standards, OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Organizations" if applicable, the Florida Single Audit Act (F.S. 215.97) if applicable, and the Auditor General rule 10.550 if applicable. The audit must detail the programs or service areas that are funded by Lee County either in the statement of functional expenses, revenues and expenditures, footnotes, schedule of federal awards and state financial assistance or as supplemental data in the financial statements. The statement should be consistent with programs detailed in the corresponding proposal(s) and exhibit(s).

The **PROVIDER** agrees to comply with all **FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS** as specified in Attachment A.

Failure to submit the report within the required time frame will result in the withholding of payment, or termination of the contract by the **COUNTY**.

ARTICLE V MODIFICATIONS

Modifications of provisions of this contract shall only be valid when they have been reduced to writing and duly signed and dated by both parties.

ARTICLE VI **CONTRACTOR STATUS**

A. Independent Contractor

It is mutually agreed that the **PROVIDER** is an independent contractor and not an agent or employee of the **COUNTY**.

B. Subcontracts

Primary roles and responsibilities of **PROVIDER** cannot be subcontracted. It is mutually agreed that any **COUNTY** funded program component that is subcontracted by **PROVIDER** must have a written contract upon execution of this contract. The **PROVIDER** must ensure each subcontractor conforms to the terms and conditions of this contract and must be subject to indemnification as stated in Article VII.

ARTICLE VII **RISK MANAGEMENT**

A. Indemnification

The **PROVIDER** will defend, hold harmless, and indemnify the **COUNTY** from and against any and all liability, loss, claims, damages, costs, attorneys' fees, and expenses of whatever kind or nature which the **COUNTY** may sustain, incur, or be required to pay either by reason of the loss or improper use of any monies disbursed or to be disbursed hereunder including but not limited to fraud, embezzlement, or dishonesty on the part of any person represented or employed by the **PROVIDER**, or by reason of the intentional or negligent act of the **PROVIDER** or its agents, representatives and/or employees.

The **PROVIDER** further agrees that it will, at its own expense, defend any and all claims, actions, suits, or proceedings that may be brought against the **COUNTY** in connection with the above and satisfy, pay, and discharge any and all judgments or other resolution of claims that may be entered against the **COUNTY** in any such action or proceedings.

The **PROVIDER** further agrees that it is responsible for any and all claims arising from the hiring of individuals relating to activities provided under the contract. All individuals hired are employees of the **PROVIDER** and not of the **COUNTY**.

B. Insurance

The **PROVIDER** agrees to provide and maintain during the term of this contract Commercial General Liability insurance insuring the **PROVIDER** against any and all claims, demands, or causes of action whatsoever for injuries received or damage to property incurred in the performance of the terms of this Contract or the use, occupation, management, or control of any facility herein provided for and the improvements thereto. Such a policy of insurance will insure the **PROVIDER** in an amount not less than \$300,000 to cover any and all bodily injury, personal injury. And/or property damage claim connected with any **COUNTY** accident or occurrence that may arise or be claimed to have arisen against the **PROVIDER**. The **PROVIDER** must furnish an appropriate Certificate of Insurance (**Exhibit**) naming Lee County Board Of County Commissioners as Certificate Holder and Additional insured. The **PROVIDER** agrees that the coverage granted to the Additional Insured applies on a primary basis, with the Additional Insured's coverage being excess. The **PROVIDER** agrees that this insurance requirement shall not relieve or limit **PROVIDERS** liability and that the **COUNTY** does not in any way represent

that the insurance required is sufficient or adequate to protect the **PROVIDER'S** interests or liabilities, but are merely minimums. Certificates of Insurance and bonding and renewals must be submitted to:

Risk Management
Lee County Board of County Commissioners
P.O. Box 398 Fort Myers, Florida 33902-0398

C. Bonding

The PROVIDER must provide fidelity bonding for all employees that handle PROVIDER'S funds. The amount of the bond must be equivalent to the highest daily cash balance of the PROVIDER. Proof of this bonding must be submitted to the COUNTY prior to the date of execution of this contract.

ARTICLE VIII SUSPENSION/TERMINATION

A. Suspension

The COUNTY reserves the right to suspend funding for failure to comply with the requirements of this contract.

In the event PROVIDER ceases operation for any reason or files for protection from creditors under bankruptcy law, any remaining unpaid portion of this contract, less funds for expenditures already incurred, shall be retained by the COUNTY and the COUNTY shall have no further funding obligation to the PROVIDER with regard to those unpaid funds.

B. Termination by COUNTY

The COUNTY may at any time and for any reason cancel this contract by giving twenty-four (24) hours written notice to the PROVIDER by certified mail following a determination by the Board of COUNTY Commissioners, at its sole discretion, that such cancellation is in the best interest of the people of the COUNTY. From the date of cancellation, neither party shall have any further obligation unless specified in the termination notice.

C. Termination by PROVIDER

The PROVIDER may at any time and for any reason cancel this contract by giving seventy-two (72) hours prior written notice to the COUNTY by certified mail of such and specifying the effective date.

COUNTY'S obligation to make any payments under any provision of this contract shall cease on the effective date of termination.

ARTICLE IX ASSURANCE, CERTIFICATIONS, AND COMPLIANCE

The PROVIDER agrees that compliance with these assurances and certifications constitutes a condition of continued receipt of or benefit from funds provided through this contract, and that it is binding upon the PROVIDER, its successors, transferees, and assignees for the period during which services are provided. The PROVIDER further assures that all contractors, subcontractors, or others with whom it arranges to provide services or benefits to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of statutes, regulations, guidelines and standards. By acceptance of this funding, the PROVIDER assures and certifies the following:

- A. That it will comply with all applicable laws, ordinances and regulations of the United States, the State of Florida, the **COUNTY**, and the municipalities as said laws, ordinances and regulations exist and are amended from time to time. In entering into this contract, the **COUNTY** does not waive the requirements of any county or local ordinance or the requirements of obtaining any permits or licenses that are normally required to conduct business or activity contemplated by the **PROVIDER**.
- B. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-19 which prohibit discrimination in housing on the basis of race, color, national origin, sex, religion, disability or familial status.
- C. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-18 which prohibit discrimination in employment on the basis of race, color, national origin, sex, religion, disability or marital status.
- D. That it will administer its programs under procedures, supervision, safeguards, and such other methods as may be necessary to prevent fraud and abuse, and that it will target its services to those who most need them.
- E. That if clients are to be transported under this contract, the **PROVIDER** will comply with the provisions of Chapter 427, Florida Statutes, which requires the coordination of transportation for the disadvantaged.
- F. That any products or materials purchased with contract funds shall be procured in accordance with the provisions of Chapter 403.7065, Florida Statutes, which refers to the procurement of products or materials with recycled content.
- G. That it will comply with the Americans with Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.
- H. That it shall report any unusual incidents involving funded activities to the **COUNTY**, in writing, within five (5) calendar days of the occurrence or the **COUNTY** may terminate this contract. Unusual incidents include, but are not limited to those events which are reported to local police authorities by the **PROVIDER** or any person whose report requires any type of response by local law enforcement authorities; those events which result in physical injury to a person receiving **PROVIDER** services that are underwritten in any way by the **COUNTY**; or, those incidents or events which result in a report to or investigation arising from a call to the Florida Abuse Hotline. In accordance with Chapter 415, Florida Statute, an employee of the **PROVIDER** who knows or has reasonable cause to suspect that a child, aged person, or disabled adult has been abused, neglected, or exploited, shall immediately report such knowledge or suspicion to the Florida Abuse Hotline on the statewide toll-free number (1-800-96- ABUSE).
- I. That it will comply with Chapter 216.347, Florida Statutes, which prohibits the expenditure of contract funds for the purpose of lobbying the Legislature, State or County agencies.
- J. That it will notify the **COUNTY** immediately of any funding source changes and/or additions from other sources that are different from that shown in the **PROVIDER'S** proposal. This notification must include a statement as to how this change in funding affects provision of service as well as the use of and continued need for county funds.
- K. That it will acknowledge support for programs funded by Lee County.

L. That it will notify the **COUNTY** of any **SIGNIFICANT** changes to the **PROVIDER** organization to include articles of incorporation and bylaws within ten (10) working days of the effective date.

ARTICLE X NOTICES

Official notices concerning this contract shall be directed to the following authorized representatives:

COUNTY:
ATTN: Gloria M. Sajgo, AICP, Principal Planner
Lee County Department of Community Development/Planning

PROVIDER:
Name: Treva K. Gilligan
Title: Executive Director

Telephone: (239) 479-8311

Agency: Lee County Housing Development Corp.

Fax: (239) 479-8161

Address: 1288 N Tamiami Trail, N Ft. Myers, FL 33903

E-mail: sajgogm@leegov.com

Telephone: (239) 656-2721

Web site address: N/A

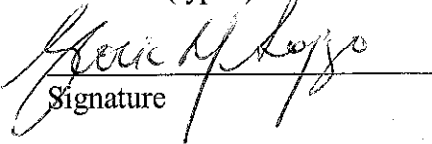
E-mail: trevalchdc@yahoo.com

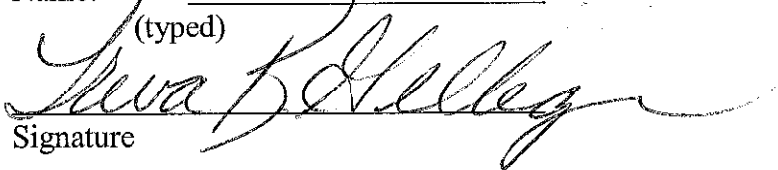
The signatures of the persons shown below are designated and authorized to sign all applicable reports:

OR

Name: Gloria M. Sajgo, AICP
(typed)

Name: Treva K. Gilligan
(typed)


Signature


Signature

Principal Planner
Title

Executive Director
Title

In the event that different representatives are designated by either party after execution of this contract, notice of the name and address of the new representative will be rendered in writing by authorized officer of **PROVIDER** to the **COUNTY**. The notification shall be attached to originals of this contract.

ARTICLE XI SPECIAL PROVISIONS

A. If needed, **PROVIDER** may be called upon to assist county during a natural disaster or emergency.

ARTICLE XII ALL TERMS AND CONDITIONS INCLUDED

This contract and its **attachments**, and any **exhibits** referenced in said attachments, together with any documents incorporated by reference, contain all the terms and conditions agreed upon by the parties. There are no provisions terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or

provision of this contract is legally determined unlawful or unenforceable, the remainder of the contract shall remain in full force and effect and such terms or provisions shall be stricken.

IN WITNESS THEREOF, **PROVIDER** and **COUNTY** have caused this contract, to be executed by their undersigned officials as duly authorized.

PROVIDER:

COUNTY: LEE COUNTY

By: Ahmad R. Kareh

Name (typed)

Ahmad Kareh

Signature of authorized officer

HDC Secy/Treasurer

Title

March 29, 2005

Date

By: _____

Name (typed)

Signature of authorized officer

Title

Date

NOTARY:

By: Vanessa H. Patterson
Notary of Public (Signature)

Vanessa H. Patterson

Name (Typed)



Vanessa H. Patterson
MY COMMISSION # DD156480 EXPIRES
October 2, 2006
BORN THROUGH INSURANCE, INC.

ATTEST: CLERK OF CIRCUIT COURT

By: _____

Title: _____

Date: _____

**APPROVED AS TO FORM:
COUNTY ATTORNEY'S OFFICE**

By: _____

Title: _____

Date: _____

FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS

This attachment outlines audit requirements for non-federal entities or subrecipients, hereinafter known as the Contractor. This attachment shall apply when the Contractor has obtained Federal and/or State funding from Lee County. Each subrecipient is responsible for complying with the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and 29 CFR, part 96, of the Department of Labor Regulations that implements Office of Management and Budget (OMB) Circular A-133. Also, each subrecipient is responsible for complying with the Florida Single Audit Act (FS 216.3491) (as applicable).

NOTE: Subrecipients/Contractors that are State Departments, State Universities and/or State Community Colleges are audited annually by the Office of the State Auditor General, and are not required to have additional independent audits performed as outlined by this Attachment. Additionally, copies of the State Auditor General's audit report is transmitted directly to AWI by that office. No further actions are required by the entities (as Contractors) referenced in this paragraph.

The Contractor agrees to have an annual financial and compliance audit as specified by The Single Audit Act of 1996 and OMB Circular A-133. **An annual audit is required if the Subrecipient/Contractor has Federal expenditures of \$300,000 or more in a fiscal year. This includes all Federal funds received from all funding sources, not just the funds awarded under this contract.** The audits are to be performed by independent auditors in accordance with the current Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and in compliance with OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

The Contractor agrees to have an annual State financial and compliance audit, if the total expenditures are \$300,000 or more in a fiscal year (i.e. state financial assistance provided to carry out a state project) in accordance with auditing standards as stated in the Rules of the Auditor General. The Contractor must have a single audit or project-specific audit for such fiscal year in accordance with section 216.3491, Florida Statutes; applicable rules of the Executive Office of the Governor and the Comptroller, and Chapter 10.600. Rules of the Auditor General.

Audit Requirements for States, Local Governments and Nonprofit Organizations:

Non-federal organizations that expend \$300,000 or more in a fiscal year in Federal awards (**all Federal funding sources must be considered**) must have a single audit or a program-specific audit conducted for that fiscal year in accordance with current Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with The Single Audit Act of 1984 (P.L. 98-502), the Single Audit Act Amendments of 1996 (P.L. 104-156) and OMB Circular A-133 "Audits of States Local Governments, and Non-Profit Organizations".

Single Audit – Single Audit means an audit that includes both the entity’s financial statements and the Federal awards requirements as described in Section __.500 of OMB Circular A-133. A State single audit means an audit of a non-state entity’s financial statements and state awards. A Single Audit also includes a report on Internal Controls and a report on Program Compliance.

Program-Specific Audit – A Program-Specific Audit means an audit of **one Federal program** as provided for in Section __.200© and Section __.235 of OMB Circular A-133. Additionally, a state program-specific audit means an audit of **one state project** in accordance with the requirements of FS 216.3491.

No Audit Exemption:

Even when cumulative (all programs considered) Federal and/or State award expenditures are less than \$300,000 in a fiscal year, an audit is required.

The cost of audits conducted in accordance with the Single Audit Act and/or the provisions of Section 216.3491, Florida Statutes, must be paid from non-Federal/non-State funds (i.e., the cost of such an audit must be paid from subrecipient/contractor funds obtained from other than Federal/State sources).

Lee County Housing Development Corporation –Scattered Sites

1. a. The Project, as approved for grant assistance, shall consist of the following authorized scope of Project work: Construction of 4 single-family homes for 1 very low and 3 low-income homebuyers. Two single-family units must be completed by December 31, 2005, and two by December 31, 2006.
 - b. The amount of funds awarded under this grant is \$125,000.00. The Grantor is not obligated or authorized to award any funds in addition to this amount.
 - c. The purchase price of home ownership units must not exceed \$150,000 for a newly constructed dwelling unit, and must meet affordability requirements in order to qualify as eligible.
 - d. The Provider is expected to make every reasonable effort to participate in program training activities offered by the Florida Housing Finance Corporation, the Florida Housing Coalition, Lee County or similar organizations in order to ensure compliance with local and State regulations governing the State Housing Initiatives Partnership Program.
2. The Grantor agrees to provide drawdowns to the Provider, upon receipt and verification of the Provider's request and documentation for project costs pursuant to and as defined in Subsection 1. a. up to a maximum of \$50,000.00 or the amount of actual cash expended by the Provider for project work, whichever is less.
 3. The Provider is hereby placed on notice that when public funds are expended by an agency, then all the financial, business, and membership records pertaining to the public agency from which or on whose behalf the payments are made, of the person, corporation, foundation, trust, association, group, or organization to whom such payments are made shall be public records and subject to the provisions of Florida Statutes, Chapter 119 Public Records.

Every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record or the custodian's designee.

Before any person is granted access to the records related to these funds (except governmental agencies or their agents who are entitled to access to the records specified in this paragraph for the purposes of auditing federal, state, or local housing programs or housing assistance programs), please seek the advice of your legal counsel or contact the Lee County Division of Planning who shall seek counsel from the office of the County Attorney. Home addresses, telephone numbers, social security numbers, photographs, and places of employment of the certain personnel, spouses and children of such personnel; and the names and locations of schools and day care facilities attended by the children of such personnel are exempt from public record. Medical history records, bank account numbers, credit card numbers, telephone numbers, and information related to health or property insurance furnished by an individual to any agency pursuant to federal, state, or local housing assistance programs are confidential and exempt. Any other information produced or received by any private or public entity in direct connection with federal, state, or local housing assistance programs, unless the subject of another federal or state exemption, is subject to public records requests.

A person who has custody of a public record and who asserts that an exemption or special law applies to a particular public record or part of such record shall delete or excise from the record only that portion of the record with respect to which an exemption has been asserted and validly applies, and such person shall produce the remainder of such record for inspection and examination.

4. The Provider agrees to perform all necessary requirements to assist the Grantor in implementing its monitoring responsibilities, which include on-site inspections of the project to determine compliance with applicable laws, rules, regulations, ordinances, and codes of the federal, state, and local governments, including the requirements of the State Housing Initiatives Partnership (SHIP) and the Lee County Local Housing Assistance Plan.
5. The Grantor shall be provided access to all contracts of the Provider for the procurement of goods and/or services relating to the project work described in Subsection 1. a. and all change orders or amendments, but said access shall not be construed as acceptance by or imposition of upon the Grantor of any financial liability in connection with said contracts.
6. The Provider shall be responsible for ensuring that all builders/contractors utilized are licensed appropriately and capable of performing all necessary work. The Provider will further be responsible to ensure that all applicable permits, inspections, and fees are obtained and paid (as required for the respective scope of work). The Provider shall further serve as the agent for the homebuyer in all communications with the selected builder and ensure a timely completion of construction proceedings, as the buyer's agent.
7. The Provider shall ensure that clear/marketable title is obtained for all properties to be purchased, conveyed, or made a part of in any way, a subsidy request package submitted to the Grantor for assistance.
8. The Grantor shall be provided access to all detailed plans, specifications and home buyer incomes relating to the project and records relating thereto describe in subsection 1-a to ensure compliance with the objectives, requirements, and limitations of the Lee County SHIP Affordable Housing Program. The following documentation must be maintained on file for each beneficiary or unit produced by the Provider for a period of seven (7) years following the effective date of contract. The following documentation at a minimum must be available for inspections at all reasonable times by the Grantor or their assigns:
 - a. Applicant Intake Forms
 - b. Income Verification and Certification Forms
 - c. Release of Information/Acknowledgment of SHIP terms signed by beneficiary
 - d. Good Faith Estimate
 - e. Final Appraisal of Property
 - f. Loan Application or copy of lender Application
 - g. Verification of Deposit of beneficiary
 - h. Verification of Employment for beneficiary
 - i. Certificate of Occupancy.
9. All projects must be in compliance with the rules and regulations of the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907, Florida Administrative Code 67-37, and the Lee County Housing Assistance Program authorized by Lee County Ordinance 95-17, as amended, and in particular:
 - a. Income limits

- b. Definition of Affordability
 - c. Non-discrimination
 - d. Maximum production or purchase cost
 - e. Maximum SHIP funds per unit
 - f. Compliance reporting as required per project
10. The Provider shall provide to the Grantor proof or make available the following, as applicable, for each beneficiary prior to receiving final payment:
- a. SHIP Program Recipient Profile form

APPLICATION DOCUMENTS:

- b. Authorization for Release of Information Form
- c. Income Verification Form(s)
- d. Income Certification Form
- e. Proof of Property Ownership
- f. Application for Program Assistance
- g. Letter of Commitment
- h. Homeownership Training Course Certificate

CONSTRUCTION DOCUMENTS:

- i. Cost Estimate and Work Write-up
- j. Contractor(s) Bid or Proposal
- k. Contractor/Homeowner or Home Buyer Contract
- l. Work Inspection Reports
- m. Construction Payment Requests
- n. Certificate of Occupancy or Completion
- o. Final Payment Release
- p. Change Orders (if applicable)
- q. Summary per Unit Budget & Actual Expenditures

CLOSING DOCUMENTS:

- r. Recorded SHIP Lien Document(s) with Recapture Provisions
- s. HUD 1 Settlement or Loan Closing Statement
- t. Recorded First Mortgage Document(s)
- u. Release of Liens (for rehabilitation)
- v. Title Policy for Title Insurance
- w. Final Inspection Report
- x. Appraisal

CERTIFICATE OF INSURANCE

The company indicated below certifies that the insurance afforded by the policy or policies numbered and described below is in force as of the effective date of this certificate. This Certificate of Insurance does not amend, extend, or otherwise alter the Terms and Conditions of Insurance coverage contained in any policy numbered and described below.

CERTIFICATE HOLDER:
 LEE COUNTY BOARD OF
 COMMISSIONERS
 ATTN G JACKSON
 P O BOX 39B
 FT MYERS, FL 33902

INSURED:
 LEE COUNTY HOUSING
 DEVELOPMENT
 PO BOX 2854
 FT MYERS, FL 33902

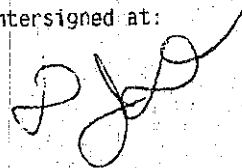
TYPE OF INSURANCE	POLICY NUMBER & ISSUING CO.	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS OF LIABILITY (*LIMITS AT INCEPTION)
<input checked="" type="checkbox"/> LIABILITY	77-PR-464354-3001	07-01-04	07-01-05	
<input checked="" type="checkbox"/> Liability and Medical Expense	NATIONWIDE MUTUAL FIRE INSURANCE CO.			Any One Occurrence..... \$ 1,000,000
<input checked="" type="checkbox"/> Personal and Advertising Injury				Any One Person/Org \$ 1,000,000
<input checked="" type="checkbox"/> Medical Expenses				ANY ONE PERSON \$ 5,000
<input checked="" type="checkbox"/> Fire Legal Liability				Any One Fire or Explosion \$ 100,000
<input type="checkbox"/> Other Liability				General Aggregate* \$ 1,000,000 Prod/Comp Ops Aggregate* . \$ 1,000,000
AUTOMOBILE LIABILITY				
<input type="checkbox"/> BUSINESS AUTO				Bodily Injury (Each Person) \$ (Each Accident) \$
<input type="checkbox"/> Owned				Property Damage (Each Accident) \$
<input type="checkbox"/> Hired				Combined Single Limit \$
<input type="checkbox"/> Non-Owned				
EXCESS LIABILITY				
<input type="checkbox"/> Umbrella Form				Each Occurrence \$ Prod/Comp Ops/Disease Aggregate* \$
STATUTORY LIMITS				
<input type="checkbox"/> Workers' Compensation and				BODILY INJURY/ACCIDENT ... \$ Bodily Injury by Disease EACH EMPLOYEE \$
<input type="checkbox"/> Employers' Liability				Bodily Injury by Disease POLICY LIMIT \$

Should any of the above described policies be cancelled before the expiration date, the insurance company will endeavor to mail written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation of liability upon the company, its agents, or representatives.

DESCRIPTION OF OPERATIONS/LOCATIONS
 VEHICLES/RESTRICTIONS/SPECIAL ITEMS
 NON-OWNED AUTO LIAB IMIL.DISHO
 NESTY BOND \$50,000.LEE CO BOCC
 IS ADDITIONAL INSURED.

Effective Date of Certificate: 07-01-2004
 Date Certificate Issued: 06-10-2004

Authorized Representative: DOM DIBLASE AGENCY
 Countersigned at: 3401 BONITA BEACH RD.A101
 BONITA SPRINGS,FL 34134



STANDARD SUBRECIPIENT CONTRACT

CSFA # 52.901
CFDA # _____
Contract No. C-3073
Funding Source: LB.5540513801.508302 S/L LB007

**AGREEMENT BETWEEN
THE LEE COUNTY BOARD OF COUNTY COMMISSIONERS
And
Renaissance Manor, Inc.**

THIS Service Capital (check one) CONTRACT entered this 12th day of April 2005, between LEE COUNTY hereinafter referred to as COUNTY and Renaissance Manor, Inc., a Not-for-Profit Corporation existing under the laws of the State of Florida and, hereinafter referred to as "PROVIDER".

WHEREAS, COUNTY believes it to be in the public interest to provide certain activities to Lee County through the PROVIDER according to this contract, the agency's intent as stated in the proposal and attachments and/or exhibits and all other terms and conditions as specified.

NOW THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein COUNTY and the PROVIDER agree as follows:

ARTICLE I SCOPE OF SERVICES

The COUNTY has awarded the following amounts for each program listed below. The PROVIDER will be responsible for implementing these program(s) for the residents of Lee County: Program(s) must be implemented in accordance with the approved proposal(s) and exhibits/attachments.

ARTICLE II TERM OF CONTRACT

This contract shall begin April 12, 2005 and ends December 31, 2005 unless terminated as specified in Article VIII, Suspension/Termination.

ARTICLE III COMPENSATION AND REPORTS

A. Contract Payment

Payments will be made by the COUNTY to the PROVIDER and the PROVIDER agrees to accept as full compensation the total amount not to exceed \$209,109.00 during the term of this contract, subject to the provisions of Article III B. Deferred Payment/Return of Funds, and Article VIII, Suspension/Termination. Funding is contingent upon the COUNTY receiving the related State funds.

B. Deferred Payment/Return of Funds

The **PROVIDER** agrees to return to the **COUNTY** any overpayments due to funds disallowed pursuant to the terms of this contract. Such funds shall be considered county funds and must be refunded to the **COUNTY** within thirty (30) calendar days of receiving notice from the **COUNTY** in writing regarding the overpayment. Should repayment not be made in a timely manner, the **COUNTY** will charge interest of one (1) percent per month compounded on the outstanding balance after forty (40) calendar days after the date of notification or discovery. The **PROVIDER** will be required to reimburse the **COUNTY** for any acts of non-compliance resulting in disallowed costs or fines.

It is at the option of the **COUNTY** to defer payment to the **PROVIDER** for noncompliance with contract deliverables or during the period of a county audit or monitoring due to questionable items. If as a result of the audit or monitoring, unallowable or unsupported costs are found, no further payments will be made until the full amount of overpayment is remitted to Lee County or a repayment agreement is accepted by Lee County.

C. Required Reports

1. **Financial and Compliance Audit Requirements in Exhibit/Attachment 1**
2. **Quarterly reports, final report, and any other report as stipulated in Exhibit/Attachment 2**

ARTICLE IV AUDITS, MONITORING, AND RECORDS

A. Monitoring

The **PROVIDER** agrees to permit employees duly authorized by the **COUNTY** and the Federal or State grantor agency (if applicable) or any representatives to inspect all records, papers, documents, facility's goods and services of the **PROVIDER** and/or interview any clients and employees of the **PROVIDER** to be assured of satisfactory performance of the terms and conditions of this contract to the extent permitted by the law after giving the **PROVIDER** reasonable notice. The monitoring is a limited scope review of the contract and agency management and does not relieve the **PROVIDER** of its obligation to manage the grant in accordance with applicable rules and sound management practices.

Following such monitoring the **COUNTY** may deliver to the **PROVIDER** a written report regarding the manner in which goods or services are being provided. The **PROVIDER** will rectify all noted deficiencies within the specified period of time indicated in the monitoring report or provide the **COUNTY** with a reasonable and acceptable justification for not correcting the noted shortcomings. The **PROVIDER'S** failure to correct or justify the deficiencies within the time specified by the **COUNTY** may result in the withholding of payments, being deemed in noncompliance, or termination of this contract.

PROVIDER must supply **COUNTY** with copies of all monitoring reports of programs which are also funded by the **COUNTY**, including agency response, within thirty (30) days of receipt.

B. Audit and Inspections

The **PROVIDER** will make all records referenced in Article IV. C., and all items included on financial statements available for audit or inspection purposes at any time during normal business hours and as often as **COUNTY** deems necessary.

The Clerk of Courts Internal Audit division, the Federal or State grantor agency (if applicable), Lee County employees, or any duly authorized representatives have the right of timely and unrestricted access to any books,

documents, papers, or other records of **PROVIDER** or **CPA** that are pertinent to the contract in order to make audits, examinations, excerpts, transcripts and copies of such documents. If contract non-compliance or material weaknesses in the organization is noted, the **COUNTY** or other authorized representatives have the right to unlimited access to records during an audit or inspection. This includes timely and reasonable access to a **PROVIDER'S** personnel for the purpose of interview and discussion related to such documents.

C. Records

The **PROVIDER** shall retain all financial, client demographic, and programmatic records, supporting documentation, statistical records and other records which are necessary to document service provision, client demographics, expenditures, income and assets of the **PROVIDER** by funding source, program, and functional expenses category during the term of this contract and five (5) years from the date of contract expiration. If any litigation, claim, negotiation, audit, or other action involving the records has been initiated before the expiration of the 5-year period, the records shall be retained for one (1) year after the final resolution of the action and final resolution of all issues that arise from such action.

D. Independent Audit

An original, bound annual audit of the **PROVIDER'S** financial statements in accordance with FASB 117, or current GAGA Standards as applicable including the auditor's opinion, requisite reports on internal control and compliance if required, management letter addressing internal controls if required, and management's response to such letter if required, must be submitted to the **COUNTY** no later than **180** days following the end of the **PROVIDER'S** fiscal year along with any corrective action plan if applicable.

The audit must be conducted by an independent licensed certified public accountant who has received an unmodified opinion on their current Peer Review and must be in accordance with Auditing Standards Generally Accepted in the United States, and generally accepted Government Auditing Standards, OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Organizations" if applicable, the Florida Single Audit Act (F.S. 215.97) if applicable, and the Auditor General rule 10.550 if applicable. The audit must detail the programs or service areas that are funded by Lee County either in the statement of functional expenses, revenues and expenditures, footnotes, schedule of federal awards and state financial assistance or as supplemental data in the financial statements. The statement should be consistent with programs detailed in the corresponding proposal(s) and exhibit(s).

The **PROVIDER** agrees to comply with all **FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS** as specified in Attachment A.

Failure to submit the report within the required time frame will result in the withholding of payment, or termination of the contract by the **COUNTY**.

ARTICLE V MODIFICATIONS

Modifications of provisions of this contract shall only be valid when they have been reduced to writing and duly signed and dated by both parties.

ARTICLE VI CONTRACTOR STATUS

A. Independent Contractor

It is mutually agreed that the **PROVIDER** is an independent contractor and not an agent or employee of the **COUNTY**.

B. Subcontracts

Primary roles and responsibilities of **PROVIDER** cannot be subcontracted. It is mutually agreed that any **COUNTY** funded program component that is subcontracted by **PROVIDER** must have a written contract upon execution of this contract. The **PROVIDER** must ensure each subcontractor conforms to the terms and conditions of this contract and must be subject to indemnification as stated in Article VII.

ARTICLE VII RISK MANAGEMENT

A. Indemnification

The **PROVIDER** will defend, hold harmless, and indemnify the **COUNTY** from and against any and all liability, loss, claims, damages, costs, attorneys' fees, and expenses of whatever kind or nature which the **COUNTY** may sustain, incur, or be required to pay either by reason of the loss or improper use of any monies disbursed or to be disbursed hereunder including but not limited to fraud, embezzlement, or dishonesty on the part of any person represented or employed by the **PROVIDER**, or by reason of the intentional or negligent act of the **PROVIDER** or its agents, representatives and/or employees.

The **PROVIDER** further agrees that it will, at its own expense, defend any and all claims, actions, suits, or proceedings that may be brought against the **COUNTY** in connection with the above and satisfy, pay, and discharge any and all judgments or other resolution of claims that may be entered against the **COUNTY** in any such action or proceedings.

The **PROVIDER** further agrees that it is responsible for any and all claims arising from the hiring of individuals relating to activities provided under the contract. All individuals hired are employees of the **PROVIDER** and not of the **COUNTY**.

B. Insurance

The **PROVIDER** agrees to provide and maintain during the term of this contract Commercial General Liability insurance insuring the **PROVIDER** against any and all claims, demands, or causes of action whatsoever for injuries received or damage to property incurred in the performance of the terms of this Contract or the use, occupation, management, or control of any facility herein provided for and the improvements thereto. Such a policy of insurance will insure the **PROVIDER** in an amount not less than \$300,000 to cover any and all bodily injury, personal injury. And/or property damage claim connected with any **COUNTY** accident or occurrence that may arise or be claimed to have arisen against the **PROVIDER**. The **PROVIDER** must furnish an appropriate Certificate of Insurance (**Exhibit**) naming Lee County Board Of County Commissioners as Certificate Holder and Additional insured. The **PROVIDER** agrees that the coverage granted to the Additional Insured applies on a primary basis, with the Additional Insured's coverage being excess. The **PROVIDER** agrees that this insurance requirement shall not relieve or limit **PROVIDER'S** liability and that the **COUNTY** does not in any way represent that the insurance required is

sufficient or adequate to protect the **PROVIDER'S** interests or liabilities, but are merely minimums. Certificates of Insurance and bonding and renewals must be submitted to:

Risk Management
Lee County Board of County Commissioners
P.O. Box 398 Fort Myers, Florida 33902-0398

C. Bonding

The PROVIDER must provide fidelity bonding for all employees that handle PROVIDER'S funds. The amount of the bond must be equivalent to the highest daily cash balance of the PROVIDER. Proof of this bonding must be submitted to the COUNTY prior to the date of execution of this contract.

ARTICLE VIII SUSPENSION/TERMINATION

A. Suspension

The **COUNTY** reserves the right to suspend funding for failure to comply with the requirements of this contract.

In the event **PROVIDER** ceases operation for any reason or files for protection from creditors under bankruptcy law, any remaining unpaid portion of this contract, less funds for expenditures already incurred, shall be retained by the **COUNTY** and the **COUNTY** shall have no further funding obligation to the **PROVIDER** with regard to those unpaid funds.

B. Termination by COUNTY

The **COUNTY** may at any time and for any reason cancel this contract by giving twenty-four (24) hours written notice to the **PROVIDER** by certified mail following a determination by the Board of **COUNTY** Commissioners, at its sole discretion, that such cancellation is in the best interest of the people of the **COUNTY**. From the date of cancellation, neither party shall have any further obligation unless specified in the termination notice.

C. Termination by PROVIDER

The **PROVIDER** may at any time and for any reason cancel this contract by giving seventy-two (72) hours prior written notice to the **COUNTY** by certified mail of such and specifying the effective date.

COUNTY'S obligation to make any payments under any provision of this contract shall cease on the effective date of termination.

ARTICLE IX ASSURANCE, CERTIFICATIONS, AND COMPLIANCE

The **PROVIDER** agrees that compliance with these assurances and certifications constitutes a condition of continued receipt of or benefit from funds provided through this contract, and that it is binding upon the **PROVIDER**, its successors, transferees, and assignees for the period during which services are provided. The **PROVIDER** further assures that all contractors, subcontractors, or others with whom it arranges to provide services or benefits to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of statutes, regulations, guidelines and standards. By acceptance of this funding, the **PROVIDER** assures and certifies the following:

- A. That it will comply with all applicable laws, ordinances and regulations of the United States, the State of Florida, the **COUNTY**, and the municipalities as said laws, ordinances and regulations exist and are amended from time to time. In entering into this contract, the **COUNTY** does not waive the requirements of any county or local ordinance or the requirements of obtaining any permits or licenses that are normally required to conduct business or activity contemplated by the **PROVIDER**.
- B. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-19 which prohibit discrimination in housing on the basis of race, color, national origin, sex, religion, disability or familial status.
- C. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-18 which prohibit discrimination in employment on the basis of race, color, national origin, sex, religion, disability or marital status.
- D. That it will administer its programs under procedures, supervision, safeguards, and such other methods as may be necessary to prevent fraud and abuse, and that it will target its services to those who most need them.
- E. That if clients are to be transported under this contract, the **PROVIDER** will comply with the provisions of Chapter 427, Florida Statutes, which requires the coordination of transportation for the disadvantaged.
- F. That any products or materials purchased with contract funds shall be procured in accordance with the provisions of Chapter 403.7065, Florida Statutes, which refers to the procurement of products or materials with recycled content.
- G. That it will comply with the Americans with Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.
- H. That it shall report any unusual incidents involving funded activities to the **COUNTY**, in writing, within five (5) calendar days of the occurrence or the **COUNTY** may terminate this contract. Unusual incidents include, but are not limited to those events which are reported to local police authorities by the **PROVIDER** or any person whose report requires any type of response by local law enforcement authorities; those events which result in physical injury to a person receiving **PROVIDER** services that are underwritten in any way by the **COUNTY**; or, those incidents or events which result in a report to or investigation arising from a call to the Florida Abuse Hotline. In accordance with Chapter 415, Florida Statute, an employee of the **PROVIDER** who knows or has reasonable cause to suspect that a child, aged person, or disabled adult has been abused, neglected, or exploited, shall immediately report such knowledge or suspicion to the Florida Abuse Hotline on the statewide toll-free number (1-800-96- ABUSE).
- I. That it will comply with Chapter 216.347, Florida Statutes, which prohibits the expenditure of contract funds for the purpose of lobbying the Legislature, State or County agencies.
- J. That it will notify the **COUNTY** immediately of any funding source changes and/or additions from other sources that are different from that shown in the **PROVIDER'S** proposal. This notification must include a statement as to how this change in funding affects provision of service as well as the use of and continued need for county funds.
- K. That it will acknowledge support for programs funded by Lee County.

L. That it will notify the **COUNTY** of any **SIGNIFICANT** changes to the **PROVIDER** organization to include articles of incorporation and bylaws within ten (10) working days of the effective date.

ARTICLE X NOTICES

Official notices concerning this contract shall be directed to the following authorized representatives:

COUNTY:

ATTN: Gloria M. Sajgo, AICP, Principal Planner
Lee County Department of Community Development/Planning

Telephone: (239) 479-8311

Fax: (239) 479-8161

E-mail: sajgogm@leegov.com

PROVIDER:

Name: J. Scott HELLER

Title: Executive Director

Agency: Renaissance Manor, Inc.

Address: 1401 16th Street, Ft. Lauderdale, FL 33426

Telephone: 941-365-4127

Web site address: N/A

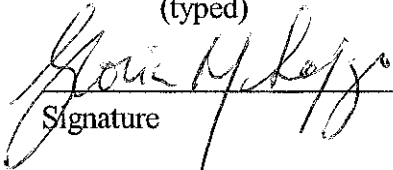
E-mail: renaissanceofsm@aol.com

The signatures of the persons shown below are designated and authorized to sign all applicable reports:

OR

Name: Gloria M. Sajgo, AICP

(typed)



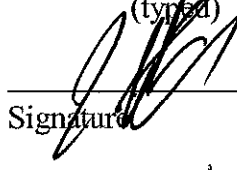
Signature

Principal Planner

Title

Name: J. Scott HELLER

(typed)



Signature

Executive Director

Title

In the event that different representatives are designated by either party after execution of this contract, notice of the name and address of the new representative will be rendered in writing by authorized officer of **PROVIDER** to the **COUNTY**. The notification shall be attached to originals of this contract.

ARTICLE XI SPECIAL PROVISIONS

A. If needed, **PROVIDER** may be called upon to assist county during a natural disaster or emergency.

ARTICLE XII ALL TERMS AND CONDITIONS INCLUDED

This contract and its **attachments**, and any **exhibits** referenced in said attachments, together with any documents incorporated by reference, contain all the terms and conditions agreed upon by the parties. There are no provisions terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or

provision of this contract is legally determined unlawful or unenforceable, the remainder of the contract shall remain in full force and effect and such terms or provisions shall be stricken.

IN WITNESS THEREOF, PROVIDER and COUNTY have caused this contract, to be executed by their undersigned officials as duly authorized.

PROVIDER:

COUNTY: LEE COUNTY

By: J. Scott HELL

By: _____

Name (typed)

Name (typed)

[Signature]
Signature of authorized officer

Signature of authorized officer

Executive Director

Title

Title

03/28/2005

Date

Date

ATTEST: CLERK OF CIRCUIT COURT

By: _____

Title: _____

Date: _____

NOTARY:

By: [Signature]
Notary of Public (Signature)

**APPROVED AS TO FORM:
COUNTY ATTORNEY'S OFFICE**

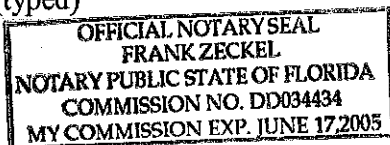
By: _____

Title: _____

Date: _____

FRANK ZECKEL

Name (typed)



FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS

This attachment outlines audit requirements for non-federal entities or subrecipients, hereinafter known as the Contractor. This attachment shall apply when the Contractor has obtained Federal and/or State funding from Lee County. Each subrecipient is responsible for complying with the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and 29 CFR, part 96, of the Department of Labor Regulations that implements Office of Management and Budget (OMB) Circular A-133. Also, each subrecipient is responsible for complying with the Florida Single Audit Act (FS 216.3491) (as applicable).

NOTE: Subrecipients/Contractors that are State Departments, State Universities and/or State Community Colleges are audited annually by the Office of the State Auditor General, and are not required to have additional independent audits performed as outlined by this Attachment. Additionally, copies of the State Auditor General's audit report is transmitted directly to AWI by that office. No further actions are required by the entities (as Contractors) referenced in this paragraph.

The Contractor agrees to have an annual financial and compliance audit as specified by The Single Audit Act of 1996 and OMB Circular A-133. **An annual audit is required if the Subrecipient/Contractor has Federal expenditures of \$300,000 or more in a fiscal year. This includes all Federal funds received from all funding sources, not just the funds awarded under this contract.** The audits are to be performed by independent auditors in accordance with the current Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and in compliance with OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

The Contractor agrees to have an annual State financial and compliance audit, if the total expenditures are \$300,000 or more in a fiscal year (i.e. state financial assistance provided to carry out a state project) in accordance with auditing standards as stated in the Rules of the Auditor General. The Contractor must have a single audit or project-specific audit for such fiscal year in accordance with section 216.3491, Florida Statutes; applicable rules of the Executive Office of the Governor and the Comptroller, and Chapter 10.600. Rules of the Auditor General.

Audit Requirements for States, Local Governments and Nonprofit Organizations:

Non-federal organizations that expend \$300,000 or more in a fiscal year in Federal awards (**all Federal funding sources must be considered**) must have a single audit or a program-specific audit conducted for that fiscal year in accordance with current Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with The Single Audit Act of 1984 (P.L. 98-502), the Single Audit Act Amendments of 1996 (P.L. 104-156) and OMB Circular A-133 "Audits of States Local Governments, and Non-Profit Organizations".

Single Audit – Single Audit means an audit that includes both the entity’s financial statements and the Federal awards requirements as described in Section __.500 of OMB Circular A-133. A State single audit means an audit of a non-state entity’s financial statements and state awards. A Single Audit also includes a report on Internal Controls and a report on Program Compliance.

Program-Specific Audit – A Program-Specific Audit means an audit of **one Federal program** as provided for in Section __.200© and Section __.235 of OMB Circular A-133. Additionally, a state program-specific audit means an audit of **one state project** in accordance with the requirements of FS 216.3491.

No Audit Exemption:

Even when cumulative (all programs considered) Federal and/or State award expenditures are less than \$300,000 in a fiscal year, an audit is required.

The cost of audits conducted in accordance with the Single Audit Act and/or the provisions of Section 216.3491, Florida Statutes, must be paid from non-Federal/non-State funds (i.e., the cost of such an audit must be paid from subrecipient/contractor funds obtained from other than Federal/State sources).

ATTACHMENT 2
Renaissance Manor, Inc. – Broadway Duplexes

1. a. The Project, as approved for grant assistance, shall consist of the following authorized scope of Project work:
 - Permanent supportive housing for individuals with mental health disabilities. Construction of 2 duplexes (3 bedrooms each unit) for a total of 6 bedrooms for 6 very low-income special needs persons or households with mental health disabilities to be completed by December 31, 2005.
 - b. The amount of funds awarded under this grant is \$209,109. The Grantor is not obligated or authorized to award any funds in addition to this amount.
 - c. The Provider is expected to make every reasonable effort to participate in program training activities offered by the Florida Housing Finance Corporation, the Florida Housing Coalition, Lee County or similar organizations in order to ensure compliance with local and State regulations governing the State Housing Initiatives Partnership Program.
2. The Grantor agrees to provide drawdowns to the Provider, upon receipt and verification of the Provider's request and documentation for project costs pursuant to and as defined in Subsection 1.a. up to a maximum of \$50,000.00 or the amount of actual cash expended by the Provider for project work, whichever is less.
 3. The Provider is hereby placed on notice that when public funds are expended by an agency, then all the financial, business, and membership records pertaining to the public agency from which or on whose behalf the payments are made, of the person, corporation, foundation, trust, association, group, or organization to whom such payments are made shall be public records and subject to the provisions of Florida Statutes, Chapter 119 Public Records.

Every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record or the custodian's designee.

Before any person is granted access to the records related to these funds (except governmental agencies or their agents who are entitled to access to the records specified in this paragraph for the purposes of auditing federal, state, or local housing programs or housing assistance programs), please seek the advice of your legal counsel or contact the Lee County Division of Planning who shall seek counsel from the office of the County Attorney. Home addresses, telephone numbers, social security numbers, photographs, and places of employment of the certain personnel, spouses and children of such personnel; and the names and locations of schools and day care facilities attended by the children of such personnel are exempt from public record. Medical history records, bank account numbers, credit card numbers, telephone numbers, and information related to health or property insurance furnished by an individual to any agency pursuant to federal, state, or local housing assistance programs are confidential and exempt. Any other information

produced or received by any private or public entity in direct connection with federal, state, or local housing assistance programs, unless the subject of another federal or state exemption, is subject to public records requests.

A person who has custody of a public record and who asserts that an exemption or special law applies to a particular public record or part of such record shall delete or excise from the record only that portion of the record with respect to which an exemption has been asserted and validly applies, and such person shall produce the remainder of such record for inspection and examination.

4. The Provider agrees to perform all necessary requirements to assist the Grantor in implementing its monitoring responsibilities, which include on-site inspections of the project to determine compliance with applicable laws, rules, regulations, ordinances, and codes of the federal, state, and local governments, including the requirements of the State Housing Initiatives Partnership (SHIP) and the Lee County Local Housing Assistance Plan.
5. The Grantor shall be provided access to all contracts of the Provider for the procurement of goods and/or services relating to the project work described in Subsection 1.a. and all change orders or amendments, but said access shall not be construed as acceptance by or imposition of upon the Grantor of any financial liability in connection with said contracts.
6. The Provider shall be responsible for ensuring that all builders/contractors utilized are licensed appropriately and capable of performing all necessary work. The Provider will further be responsible to ensure that all applicable permits, inspections, and fees are obtained and paid (as required for the respective scope of work).
7. The Grantor shall be provided access to detailed plans, specifications and tenant income levels relating to the project described in Subsection 1.a. to assure compliance with the objectives, requirements and limitations of the Lee County SHIP affordable housing program. **Documentation must be maintained on file for each beneficiary or unit produced by the Provider for a period of fifteen years following effective date of contract.**
8. The Provider shall provide to the Grantor proof of the following prior to receiving final payment:
 - a. Applicant Intake Forms
 - b. Income Verification and Certification Forms
 - c. Release of Information/Acknowledgment of SHIP terms signed by beneficiary
 - d. Proof of affordability of units. Monthly rents cannot exceed 30 percent of an amount representing the percentage of the median anticipated annual income adjusted for family size for the household. In addition, all rental units must be rented at affordable rates (i.e.: rents will not exceed those limits adjusted for the number of bedrooms published by the Florida Housing Finance Corporation).
 - e. Certificate of Completion/Occupancy.
9. All projects must be in compliance with the rules and regulations of 24 CFR Part 5 (Income Limits, Annual Income, Rent, and Examinations for the Public Housing and Section 8 Programs), the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907, Florida Administrative Code 67-37, and the Lee

County Housing Assistance Program authorized by Lee County Ordinance 95-17, as amended, and in particular:

- a. Income limits
 - b. Definition of Affordability
 - c. Non-discrimination
 - d. Maximum rent
 - e. Maximum SHIP funds per unit
 - f. Compliance reporting as required per project
10. The Provider shall provide to the Grantor proof of the following, as applicable, for each beneficiary prior to receiving final payment:
- a. SHIP Program Recipient Profile Form
 - b. Certificate of Hazard Insurance naming Lee County as co-insured
 - c. Budget and Actual expended Summary per unit form
 - d. Proof of Affordability of Units

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/10/2004

PRODUCER (941)366-7070 FAX (941)953-4901
Purmort & Martin Insurance Agency, LLC
2301 Ringling Boulevard
Sarasota, FL 34237
Wagner, Ann

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Lexington Insurance Company	19437
INSURER B:	Ohio Casualty Ins Co.	24074
INSURER C:		
INSURER D:		
INSURER E:		

INSURED Renaissance Manor Inc
1401 16th Street
Sarasota, FL 34236

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE: <input checked="" type="checkbox"/> OCCUR	3CN4660	06/09/2004	06/09/2005	EACH OCCURRENCE	\$ 1,000,000
		GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000
						MED EXP (Any one person)	\$ EXCL
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COMP/OP AGG	\$ 1,000,000
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WVC STATUTORY LIMITS	OTHER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
B		OTHER Employee Dishonesty Bond	3773642	11/19/2004	11/19/2005	\$15,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
* Lee County Board Of County Commissioners Listed As Additional Insured Reference General Liability
Fax: 239 652-7960

CERTIFICATE HOLDER

Lee County Board of County Commissioners
Attn: Michelle Dixon
P.O. Box 398
Ft. Myers, FL 33902

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Matthew Stepulla/ANN

Matthew A. Stepulla

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

STANDARD SUBRECIPIENT CONTRACT

CSFA # 52.901
CFDA # _____
Contract No. C-3074
Funding Source: LB 5540513801.508302 S/L LB008

AGREEMENT BETWEEN
THE LEE COUNTY BOARD OF COUNTY COMMISSIONERS
And
Partnership in Housing, Inc.

THIS Service Capital (check one) CONTRACT entered this 12th day of April 2005, between LEE COUNTY hereinafter referred to as COUNTY and Partnership in Housing, Inc. a Not-for-Profit Corporation existing under the laws of the State of Florida and, hereinafter referred to as "PROVIDER".

WHEREAS, COUNTY believes it to be in the public interest to provide certain activities to Lee County through the PROVIDER according to this contract, the agency's intent as stated in the proposal and attachments and/or exhibits and all other terms and conditions as specified.

NOW THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein COUNTY and the PROVIDER agree as follows:

ARTICLE I SCOPE OF SERVICES

The COUNTY has awarded the following amounts for each program listed below. The PROVIDER will be responsible for implementing these program(s) for the residents of Lee County: Program(s) must be implemented in accordance with the approved proposal(s) and exhibits/attachments.

ARTICLE II TERM OF CONTRACT

This contract shall begin April 12, 2005 and ends December 31, 2006 unless terminated as specified in Article VIII, Suspension/Termination.

ARTICLE III COMPENSATION AND REPORTS

A. Contract Payment

Payments will be made by the COUNTY to the PROVIDER and the PROVIDER agrees to accept as full compensation the total amount not to exceed \$266,138.00 during the term of this contract, subject to the provisions of Article III B. Deferred Payment/Return of Funds, and Article VIII, Suspension/Termination. Funding is contingent upon the COUNTY receiving the related State funds.

B. Deferred Payment/Return of Funds

The **PROVIDER** agrees to return to the **COUNTY** any overpayments due to funds disallowed pursuant to the terms of this contract. Such funds shall be considered county funds and must be refunded to the **COUNTY** within thirty (30) calendar days of receiving notice from the **COUNTY** in writing regarding the overpayment. Should repayment not be made in a timely manner, the **COUNTY** will charge interest of one (1) percent per month compounded on the outstanding balance after forty (40) calendar days after the date of notification or discovery. The **PROVIDER** will be required to reimburse the **COUNTY** for any acts of non-compliance resulting in disallowed costs or fines.

It is at the option of the **COUNTY** to defer payment to the **PROVIDER** for noncompliance with contract deliverables or during the period of a county audit or monitoring due to questionable items. If as a result of the audit or monitoring, unallowable or unsupported costs are found, no further payments will be made until the full amount of overpayment is remitted to Lee County or a repayment agreement is accepted by Lee County.

C. Required Reports

1. **Financial and Compliance Audit Requirements in Exhibit/Attachment 1**
2. **Quarterly reports, final report, and any other report as stipulated in Exhibit/Attachment 2**

ARTICLE IV AUDITS, MONITORING, AND RECORDS

A. Monitoring

The **PROVIDER** agrees to permit employees duly authorized by the **COUNTY** and the Federal or State grantor agency (if applicable) or any representatives to inspect all records, papers, documents, facility's goods and services of the **PROVIDER** and/or interview any clients and employees of the **PROVIDER** to be assured of satisfactory performance of the terms and conditions of this contract to the extent permitted by the law after giving the **PROVIDER** reasonable notice. The monitoring is a limited scope review of the contract and agency management and does not relieve the **PROVIDER** of its obligation to manage the grant in accordance with applicable rules and sound management practices.

Following such monitoring the **COUNTY** may deliver to the **PROVIDER** a written report regarding the manner in which goods or services are being provided. The **PROVIDER** will rectify all noted deficiencies within the specified period of time indicated in the monitoring report or provide the **COUNTY** with a reasonable and acceptable justification for not correcting the noted shortcomings. The **PROVIDER'S** failure to correct or justify the deficiencies within the time specified by the **COUNTY** may result in the withholding of payments, being deemed in noncompliance, or termination of this contract.

PROVIDER must supply **COUNTY** with copies of all monitoring reports of programs which are also funded by the **COUNTY**, including agency response, within thirty (30) days of receipt.

B. Audit and Inspections

The **PROVIDER** will make all records referenced in Article IV. C., and all items included on financial statements available for audit or inspection purposes at any time during normal business hours and as often as **COUNTY** deems necessary.

The Clerk of Courts Internal Audit division, the Federal or State grantor agency (if applicable), Lee County employees, or any duly authorized representatives have the right of timely and unrestricted access to any books,

documents, papers, or other records of **PROVIDER** or **CPA** that are pertinent to the contract in order to make audits, examinations, excerpts, transcripts and copies of such documents. If contract non-compliance or material weaknesses in the organization is noted, the **COUNTY** or other authorized representatives have the right to unlimited access to records during an audit or inspection. This includes timely and reasonable access to a **PROVIDER'S** personnel for the purpose of interview and discussion related to such documents.

C. Records

The **PROVIDER** shall retain all financial, client demographic, and programmatic records, supporting documentation, statistical records and other records which are necessary to document service provision, client demographics, expenditures, income and assets of the **PROVIDER** by funding source, program, and functional expenses category during the term of this contract and five (5) years from the date of contract expiration. If any litigation, claim, negotiation, audit, or other action involving the records has been initiated before the expiration of the 5-year period, the records shall be retained for one (1) year after the final resolution of the action and final resolution of all issues that arise from such action.

D. Independent Audit

An original, bound annual audit of the **PROVIDER'S** financial statements in accordance with FASB 117, or current GAGA Standards as applicable including the auditor's opinion, requisite reports on internal control and compliance if required, management letter addressing internal controls if required, and management's response to such letter if required, must be submitted to the **COUNTY** no later than **180** days following the end of the **PROVIDER'S** fiscal year along with any corrective action plan ii applicable.

The audit must be conducted by an independent licensed certified public accountant who has received an unmodified opinion on their current Peer Review and must be in accordance with Auditing Standards Generally Accepted in the United States, and generally accepted Government Auditing Standards, OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Organizations" if applicable, the Florida Single Audit Act (F.S. 215.97) if applicable, and the Auditor General rule 10.550 if applicable. The audit must detail the programs or service areas that are funded by Lee County either in the statement of functional expenses, revenues and expenditures, footnotes, schedule of federal awards and state financial assistance or as supplemental data in the financial statements. The statement should be consistent with programs detailed in the corresponding proposal(s) and exhibit(s).

The **PROVIDER** agrees to comply with all **FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS** as specified in Attachment A.

Failure to submit the report within the required time frame will result in the withholding of payment, or termination of the contract by the **COUNTY**.

ARTICLE V MODIFICATIONS

Modifications of provisions of this contract shall only be valid when they have been reduced to writing and duly signed and dated by both parties.

ARTICLE VI CONTRACTOR STATUS

A. Independent Contractor

It is mutually agreed that the **PROVIDER** is an independent contractor and not an agent or employee of the **COUNTY**.

B. Subcontracts

Primary roles and responsibilities of **PROVIDER** cannot be subcontracted. It is mutually agreed that any **COUNTY** funded program component that is subcontracted by **PROVIDER** must have a written contract upon execution of this contract. The **PROVIDER** must ensure each subcontractor conforms to the terms and conditions of this contract and must be subject to indemnification as stated in Article VII.

ARTICLE VII RISK MANAGEMENT

A. Indemnification

The **PROVIDER** will defend, hold harmless, and indemnify the **COUNTY** from and against any and all liability, loss, claims, damages, costs, attorneys' fees, and expenses of whatever kind or nature which the **COUNTY** may sustain, incur, or be required to pay either by reason of the loss or improper use of any monies disbursed or to be disbursed hereunder including but not limited to fraud, embezzlement, or dishonesty on the part of any person represented or employed by the **PROVIDER**, or by reason of the intentional or negligent act of the **PROVIDER** or its agents, representatives and/or employees.

The **PROVIDER** further agrees that it will, at its own expense, defend any and all claims, actions, suits, or proceedings that may be brought against the **COUNTY** in connection with the above and satisfy, pay, and discharge any and all judgments or other resolution of claims that may be entered against the **COUNTY** in any such action or proceedings.

The **PROVIDER** further agrees that it is responsible for any and all claims arising from the hiring of individuals relating to activities provided under the contract. All individuals hired are employees of the **PROVIDER** and not of the **COUNTY**.

B. Insurance

The **PROVIDER** agrees to provide and maintain during the term of this contract Commercial General Liability insurance insuring the **PROVIDER** against any and all claims, demands, or causes of action whatsoever for injuries received or damage to property incurred in the performance of the terms of this Contract or the use, occupation, management, or control of any facility herein provided for and the improvements thereto. Such a policy of insurance will insure the **PROVIDER** in an amount not less than \$300,000 to cover any and all bodily injury, personal injury. And/or property damage claim connected with any **COUNTY** accident or occurrence that may arise or be claimed to have arisen against the **PROVIDER**. The **PROVIDER** must furnish an appropriate Certificate of Insurance (**Exhibit**) naming Lee County Board Of County Commissioners as Certificate Holder and Additional insured. The **PROVIDER** agrees that the coverage granted to the Additional Insured applies on a primary basis, with the Additional Insured's coverage being excess. The **PROVIDER** agrees that this insurance requirement shall not relieve or limit **PROVIDERS** liability and that the **COUNTY** does not in any way represent that the insurance required is

sufficient or adequate to protect the **PROVIDER'S** interests or liabilities, but are merely minimums. Certificates of Insurance and bonding and renewals must be submitted to:

Risk Management
Lee County Board of County Commissioners
P.O. Box 398 Fort Myers, Florida 33902-0398

C. Bonding

The PROVIDER must provide fidelity bonding for all employees that handle PROVIDER'S funds. The amount of the bond must be equivalent to the highest daily cash balance of the PROVIDER. Proof of this bonding must be submitted to the COUNTY prior to the date of execution of this contract.

ARTICLE VIII SUSPENSION/TERMINATION

A. Suspension

The COUNTY reserves the right to suspend funding for failure to comply with the requirements of this contract.

In the event PROVIDER ceases operation for any reason or files for protection from creditors under bankruptcy law, any remaining unpaid portion of this contract, less funds for expenditures already incurred, shall be retained by the COUNTY and the COUNTY shall have no further funding obligation to the PROVIDER with regard to those unpaid funds.

B. Termination by COUNTY

The COUNTY may at any time and for any reason cancel this contract by giving twenty-four (24) hours written notice to the PROVIDER by certified mail following a determination by the Board of COUNTY Commissioners, at its sole discretion, that such cancellation is in the best interest of the people of the COUNTY. From the date of cancellation, neither party shall have any further obligation unless specified in the termination notice.

C: Termination by PROVIDER

The PROVIDER may at any time and for any reason cancel this contract by giving seventy-two (72) hours prior written notice to the COUNTY by certified mail of such and specifying the effective date.

COUNTY'S obligation to make any payments under any provision of this contract shall cease on the effective date of termination.

ARTICLE IX ASSURANCE, CERTIFICATIONS, AND COMPLIANCE

The PROVIDER agrees that compliance with these assurances and certifications constitutes a condition of continued receipt of or benefit from funds provided through this contract, and that it is binding upon the PROVIDER, its successors, transferees, and assignees for the period during which services are provided. The PROVIDER further assures that all contractors, subcontractors, or others with whom it arranges to provide services or benefits to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of statutes, regulations, guidelines and standards. By acceptance of this funding, the PROVIDER assures and certifies the following:

- A. That it will comply with all applicable laws, ordinances and regulations of the United States, the State of Florida, the **COUNTY**, and the municipalities as said laws, ordinances and regulations exist and are amended from time to time. In entering into this contract, the **COUNTY** does not waive the requirements of any county or local ordinance or the requirements of obtaining any permits or licenses that are normally required to conduct business or activity contemplated by the **PROVIDER**.
- B. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-19 which prohibit discrimination in housing on the basis of race, color, national origin, sex, religion, disability or familial status.
- C. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-18 which prohibit discrimination in employment on the basis of race, color, national origin, sex, religion, disability or marital status.
- D. That it will administer its programs under procedures, supervision, safeguards, and such other methods as may be necessary to prevent fraud and abuse, and that it will target its services to those who most need them.
- E. That if clients are to be transported under this contract, the **PROVIDER** will comply with the provisions of Chapter 427, Florida Statutes, which requires the coordination of transportation for the disadvantaged.
- F. That any products or materials purchased with contract funds shall be procured in accordance with the provisions of Chapter 403.7065, Florida Statutes, which refers to the procurement of products or materials with recycled content.
- G. That it will comply with the Americans with Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.
- H. That it shall report any unusual incidents involving funded activities to the **COUNTY**, in writing, within five (5) calendar days of the occurrence or the **COUNTY** may terminate this contract. Unusual incidents include, but are not limited to those events which are reported to local police authorities by the **PROVIDER** or any person whose report requires any type of response by local law enforcement authorities; those events which result in physical injury to a person receiving **PROVIDER** services that are underwritten in any way by the **COUNTY**; or, those incidents or events which result in a report to or investigation arising from a call to the Florida Abuse Hotline. In accordance with Chapter 415, Florida Statute, an employee of the **PROVIDER** who knows or has reasonable cause to suspect that a child, aged person, or disabled adult has been abused, neglected, or exploited, shall immediately report such knowledge or suspicion to the Florida Abuse Hotline on the statewide toll-free number (1-800-96- ABUSE).
- I. That it will comply with Chapter 216.347, Florida Statutes, which prohibits the expenditure of contract funds for the purpose of lobbying the Legislature, State or County agencies.
- J. That it will notify the **COUNTY** immediately of any funding source changes and/or additions from other sources that are different from that shown in the **PROVIDER'S** proposal. This notification must include a statement as to how this change in funding affects provision of service as well as the use of and continued need for county funds.
- K. That it will acknowledge support for programs funded by Lee County.

- L. That it will notify the **COUNTY** of any **SIGNIFICANT** changes to the **PROVIDER** organization to include articles of incorporation and bylaws within ten (10) working days of the effective date.

ARTICLE X NOTICES

Official notices concerning this contract shall be directed to the following authorized representatives:

COUNTY:

ATTN:Gloria M. Sajgo, AICP, Principal Planner
Lee County Department of Community Development/Planning

Telephone: (239) 479-8311

Fax: (239) 479-8161

E-mail: sajgogm@leegov.com

PROVIDER:

Name: Rick Miller

Title: Managing Member

Agency: National Development of America

Address: 1520 Royal Palm Square Blvd., #360
Fort Myers, FL 33919

Telephone: 239-275-8029

Web site address:

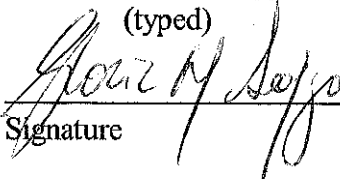
E-mail: rmiller@ndallc.com

The signatures of the persons shown below are designated and authorized to sign all applicable reports:

OR

Name: Gloria M. Sajgo, AICP

(typed)

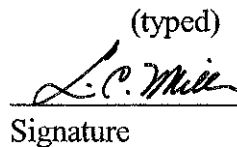

Signature

Principal Planner

Title

Name: Rick Miller

(typed)


Signature

Managing Member

Title

In the event that different representatives are designated by either party after execution of this contract, notice of the name and address of the new representative will be rendered in writing by authorized officer of **PROVIDER** to the **COUNTY**. The notification shall be attached to originals of this contract.

ARTICLE XI SPECIAL PROVISIONS

- A. If needed, **PROVIDER** may be called upon to assist county during a natural disaster or emergency.

ARTICLE XII ALL TERMS AND CONDITIONS INCLUDED

This contract and its **attachments**, and any **exhibits** referenced in said attachments, together with any documents incorporated by reference, contain all the terms and conditions agreed upon by the parties. There are no provisions terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or

provision of this contract is legally determined unlawful or unenforceable, the remainder of the contract shall remain in full force and effect and such terms or provisions shall be stricken.


IN WITNESS THEREOF, PROVIDER and COUNTY have caused this contract, to be executed by their undersigned officials as duly authorized.

PROVIDER:

Partnership in Housing, Inc.

By: David G. Hanson

Name (typed)


Signature of authorized officer

President

Title

March 28, 2005

Date

COUNTY: LEE COUNTY

By: _____

Name (typed)

Signature of authorized officer

Title

Date

ATTEST: CLERK OF CIRCUIT COURT

By: _____

Title: _____

Date: _____

NOTARY:

By: _____

Notary of Public (Signature)

Name (typed)

**APPROVED AS TO FORM:
COUNTY ATTORNEY'S OFFICE**

By: _____

Title: _____

Date: _____

FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS

This attachment outlines audit requirements for non-federal entities or subrecipients, hereinafter known as the Contractor. This attachment shall apply when the Contractor has obtained Federal and/or State funding from Lee County. Each subrecipient is responsible for complying with the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and 29 CFR, part 96, of the Department of Labor Regulations that implements Office of Management and Budget (OMB) Circular A-133. Also, each subrecipient is responsible for complying with the Florida Single Audit Act (FS 216.3491) (as applicable).

NOTE: Subrecipients/Contractors that are State Departments, State Universities and/or State Community Colleges are audited annually by the Office of the State Auditor General, and are not required to have additional independent audits performed as outlined by this Attachment. Additionally, copies of the State Auditor General's audit report is transmitted directly to AWI by that office. No further actions are required by the entities (as Contractors) referenced in this paragraph.

The Contractor agrees to have an annual financial and compliance audit as specified by The Single Audit Act of 1996 and OMB Circular A-133. **An annual audit is required if the Subrecipient/Contractor has Federal expenditures of \$300,000 or more in a fiscal year. This includes all Federal funds received from all funding sources, not just the funds awarded under this contract.** The audits are to be performed by independent auditors in accordance with the current Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and in compliance with OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

The Contractor agrees to have an annual State financial and compliance audit, if the total expenditures are \$300,000 or more in a fiscal year (i.e. state financial assistance provided to carry out a state project) in accordance with auditing standards as stated in the Rules of the Auditor General. The Contractor must have a single audit or project-specific audit for such fiscal year in accordance with section 216.3491, Florida Statutes; applicable rules of the Executive Office of the Governor and the Comptroller, and Chapter 10.600. Rules of the Auditor General.

Audit Requirements for States, Local Governments and Nonprofit Organizations:

Non-federal organizations that expend \$300,000 or more in a fiscal year in Federal awards (**all Federal funding sources must be considered**) must have a single audit or a program-specific audit conducted for that fiscal year in accordance with current Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with The Single Audit Act of 1984 (P.L. 98-502), the Single Audit Act Amendments of 1996 (P.L. 104-156) and OMB Circular A-133 "Audits of States Local Governments, and Non-Profit Organizations".

Single Audit – Single Audit means an audit that includes both the entity’s financial statements and the Federal awards requirements as described in Section __.500 of OMB Circular A-133. A State single audit means an audit of a non-state entity’s financial statements and state awards. A Single Audit also includes a report on Internal Controls and a report on Program Compliance.

Program-Specific Audit – A Program-Specific Audit means an audit of **one Federal program** as provided for in Section __.200© and Section __.235 of OMB Circular A-133. Additionally, a state program-specific audit means an audit of **one state project** in accordance with the requirements of FS 216.3491.

No Audit Exemption:

Even when cumulative (all programs considered) Federal and/or State award expenditures are less than \$300,000 in a fiscal year, an audit is required.

The cost of audits conducted in accordance with the Single Audit Act and/or the provisions of Section 216.3491, Florida Statutes, must be paid from non-Federal/non-State funds (i.e., the cost of such an audit must be paid from subrecipient/contractor funds obtained from other than Federal/State sources).

ATTACHMENT 2
Partnership in Housing, Inc. Pueblo Bonito III

1. a. The Project, as approved for grant assistance, shall consist of the following authorized scope of Project work:
 - Construction of 30 rental units for 6 very-low and 24 low-income rental households to be completed by December 31, 2006.
 - b. The amount of funds awarded under this grant is \$266,138. The Grantor is not obligated or authorized to award any funds in addition to this amount.
 - c. The Provider is expected to make every reasonable effort to participate in program training activities offered by the Florida Housing Finance Corporation, the Florida Housing Coalition, Lee County or similar organizations in order to ensure compliance with local and State regulations governing the State Housing Initiatives Partnership Program.
2. The Grantor agrees to provide drawdowns to the Provider, upon receipt and verification of the Provider's request and documentation for project costs pursuant to and as defined in Subsection 1.a. up to a maximum of \$50,000.00 or the amount of actual cash expended by the Provider for project work, whichever is less.
 3. The Provider is hereby placed on notice that when public funds are expended by an agency, then all the financial, business, and membership records pertaining to the public agency from which or on whose behalf the payments are made, of the person, corporation, foundation, trust, association, group, or organization to whom such payments are made shall be public records and subject to the provisions of Florida Statutes, Chapter 119 Public Records.

Every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record or the custodian's designee.

Before any person is granted access to the records related to these funds (except governmental agencies or their agents who are entitled to access to the records specified in this paragraph for the purposes of auditing federal, state, or local housing programs or housing assistance programs), please seek the advice of your legal counsel or contact the Lee County Division of Planning who shall seek counsel from the office of the County Attorney. Home addresses, telephone numbers, social security numbers, photographs, and places of employment of the certain personnel, spouses and children of such personnel; and the names and locations of schools and day care facilities attended by the children of such personnel are exempt from public record. Medical history records, bank account numbers, credit card numbers, telephone numbers, and information related to health or property insurance furnished by an individual to any agency pursuant to federal, state, or local housing assistance programs are confidential and exempt. Any other information produced or received by any private or public entity in direct connection with federal, state, or local

housing assistance programs, unless the subject of another federal or state exemption, is subject to public records requests.

A person who has custody of a public record and who asserts that an exemption or special law applies to a particular public record or part of such record shall delete or excise from the record only that portion of the record with respect to which an exemption has been asserted and validly applies, and such person shall produce the remainder of such record for inspection and examination.

4. The Provider agrees to perform all necessary requirements to assist the Grantor in implementing its monitoring responsibilities, which include on-site inspections of the project to determine compliance with applicable laws, rules, regulations, ordinances, and codes of the federal, state, and local governments, including the requirements of the State Housing Initiatives Partnership (SHIP) and the Lee County Local Housing Assistance Plan.
5. The Grantor shall be provided access to all contracts of the Provider for the procurement of goods and/or services relating to the project work described in Subsection 1.a. and all change orders or amendments, but said access shall not be construed as acceptance by or imposition of upon the Grantor of any financial liability in connection with said contracts.
6. The Provider shall be responsible for ensuring that all builders/contractors utilized are licensed appropriately and capable of performing all necessary work. The Provider will further be responsible to ensure that all applicable permits, inspections, and fees are obtained and paid (as required for the respective scope of work).
7. The Grantor shall be provided access to detailed plans, specifications and tenant income levels relating to the project described in Subsection 1.a. to assure compliance with the objectives, requirements and limitations of the Lee County SHIP affordable housing program. **Documentation must be maintained on file for each beneficiary or unit produced by the Provider for a period of fifteen years following effective date of contract.**
8. The Provider shall provide to the Grantor proof of the following prior to receiving final payment:
 - a. Applicant Intake Forms
 - b. Income Verification and Certification Forms
 - c. Release of Information/Acknowledgment of SHIP terms signed by beneficiary
 - d. Proof of affordability of units. Monthly rents cannot exceed 30 percent of an amount representing the percentage of the median anticipated annual income adjusted for family size for the household. In addition, all rental units must be rented at affordable rates (i.e.: rents will not exceed those limits adjusted for the number of bedrooms published by the Florida Housing Finance Corporation).
 - e. Certificate of Completion/Occupancy.
9. All projects must be in compliance with the rules and regulations of 24 CFR Part 5 (Income Limits, Annual Income, Rent, and Examinations for the Public Housing and Section 8 Programs), the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907, Florida Administrative Code 67-37, and the Lee County Housing

Assistance Program authorized by Lee County Ordinance 95-17, as amended, and in particular:

- a. Income limits
 - b. Definition of Affordability
 - c. Non-discrimination
 - d. Maximum rent
 - e. Maximum SHIP funds per unit
 - f. Compliance reporting as required per project
10. The Provider shall provide to the Grantor proof of the following, as applicable, for each beneficiary prior to receiving final payment:
- a. SHIP Program Recipient Profile Form
 - b. Certificate of Hazard Insurance naming Lee County as co-insured
 - c. Budget and Actual expended Summary per unit form
 - d. Proof of Affordability of Units

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID DR
NATIO-7

DATE (MM/DD/YYYY)
03/24/05

PRODUCER
Brown & Brown, Inc.
2600 Lake Lucien Dr., Ste. 330
Maitland FL 32751-7234
Phone: 407-660-8282 Fax: 407-660-2012

INSURED
National Development America,
LLC
1520-360 Royal Palm Sq. Blvd
Ft. Myers FL 33919

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Auto Owners Ins. Co
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	01231220603828-04	07/04/04	07/04/05	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
					GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC AGG \$
	EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$
	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

REF: Pueblo Bonita III , 26095 Milagro Lane, Bonita Springs, FL 34135
Vacant Land Only. Certificate holder has additional insured status as granted by the general liability policy for the operations of the named insured only.

CERTIFICATE HOLDER

LEEEO-1
Lee County BOCC
Risk Management
PO Box 398
Fort Myers FL 33902

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

STANDARD SUBRECIPIENT CONTRACT

CSFA # 52.901
CFDA #
Contract No. C-3078
Funding Source: LB 5540513801.508302 S/L LB008

AGREEMENT BETWEEN
THE LEE COUNTY BOARD OF COUNTY COMMISSIONERS
And
D.I.A.D. Inc.

THIS Service Capital (check one) CONTRACT entered this 12th day of April 2005, between LEE COUNTY hereinafter referred to as COUNTY and D.I.A.D., Inc. a Not-for-Profit Corporation existing under the laws of the State of Florida and, hereinafter referred to as "PROVIDER".

WHEREAS, COUNTY believes it to be in the public interest to provide certain activities to Lee County through the PROVIDER according to this contract, the agency's intent as stated in the proposal and attachments and/or exhibits and all other terms and conditions as specified.

NOW THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein COUNTY and the PROVIDER agree as follows:

ARTICLE I SCOPE OF SERVICES

The COUNTY has awarded the following amounts for each program listed below. The PROVIDER will be responsible for implementing these program(s) for the residents of Lee County: Program(s) must be implemented in accordance with the approved proposal(s) and exhibits/attachments.

ARTICLE II TERM OF CONTRACT

This contract shall begin April 12, 2005 and ends December 31, 2006 unless terminated as specified in Article VIII, Suspension/Termination.

ARTICLE III COMPENSATION AND REPORTS

A. Contract Payment

Payments will be made by the COUNTY to the PROVIDER and the PROVIDER agrees to accept as full compensation the total amount not to exceed \$120,000.00 during the term of this contract, subject to the provisions of Article III B. Deferred Payment/Return of Funds, and Article VIII, Suspension/Termination. Funding is contingent upon the COUNTY receiving the related State funds.

B. Deferred Payment/Return of Funds

The **PROVIDER** agrees to return to the **COUNTY** any overpayments due to funds disallowed pursuant to the terms of this contract. Such funds shall be considered county funds and must be refunded to the **COUNTY** within thirty (30) calendar days of receiving notice from the **COUNTY** in writing regarding the overpayment. Should repayment not be made in a timely manner, the **COUNTY** will charge interest of one (1) percent per month compounded on the outstanding balance after forty (40) calendar days after the date of notification or discovery. The **PROVIDER** will be required to reimburse the **COUNTY** for any acts of non-compliance resulting in disallowed costs or fines.

It is at the option of the **COUNTY** to defer payment to the **PROVIDER** for noncompliance with contract deliverables or during the period of a county audit or monitoring due to questionable items. If as a result of the audit or monitoring, unallowable or unsupported costs are found, no further payments will be made until the full amount of overpayment is remitted to Lee County or a repayment agreement is accepted by Lee County.

C. Required Reports

1. **Financial and Compliance Audit Requirements in Exhibit/Attachment 1**
2. **Quarterly reports, final report, and any other report as stipulated in Exhibit/Attachment 2**

ARTICLE IV AUDITS, MONITORING, AND RECORDS

A. Monitoring

The **PROVIDER** agrees to permit employees duly authorized by the **COUNTY** and the Federal or State grantor agency (if applicable) or any representatives to inspect all records, papers, documents, facility's goods and services of the **PROVIDER** and/or interview any clients and employees of the **PROVIDER** to be assured of satisfactory performance of the terms and conditions of this contract to the extent permitted by the law after giving the **PROVIDER** reasonable notice. The monitoring is a limited scope review of the contract and agency management and does not relieve the **PROVIDER** of its obligation to manage the grant in accordance with applicable rules and sound management practices.

Following such monitoring the **COUNTY** may deliver to the **PROVIDER** a written report regarding the manner in which goods or services are being provided. The **PROVIDER** will rectify all noted deficiencies within the specified period of time indicated in the monitoring report or provide the **COUNTY** with a reasonable and acceptable justification for not correcting the noted shortcomings. The **PROVIDER'S** failure to correct or justify the deficiencies within the time specified by the **COUNTY** may result in the withholding of payments, being deemed in noncompliance, or termination of this contract.

PROVIDER must supply **COUNTY** with copies of all monitoring reports of programs which are also funded by the **COUNTY**, including agency response, within thirty (30) days of receipt.

B. Audit and Inspections

The **PROVIDER** will make all records referenced in Article IV. C., and all items included on financial statements available for audit or inspection purposes at any time during normal business hours and as often as **COUNTY** deems necessary.

The Clerk of Courts Internal Audit division, the Federal or State grantor agency (if applicable), Lee County employees, or any duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers, or other records of **PROVIDER** or **CPA** that are pertinent to the contract in order to make audits, examinations, excerpts, transcripts and copies of such documents. If contract non-compliance or material weaknesses in the organization is noted, the **COUNTY** or other authorized representatives have the right to unlimited access to records during an audit or inspection. This includes timely and reasonable access to a **PROVIDER'S** personnel for the purpose of interview and discussion related to such documents.

C. Records

The **PROVIDER** shall retain all financial, client demographic, and programmatic records, supporting documentation, statistical records and other records which are necessary to document service provision, client demographics, expenditures, income and assets of the **PROVIDER** by funding source, program, and functional expenses category during the term of this contract and five (5) years from the date of contract expiration. If any litigation, claim, negotiation, audit, or other action involving the records has been initiated before the expiration of the 5-year period, the records shall be retained for one (1) year after the final resolution of the action and final resolution of all issues that arise from such action.

D. Independent Audit

An original, bound annual audit of the **PROVIDER'S** financial statements in accordance with FASB 117, or current GAGA Standards as applicable including the auditor's opinion, requisite reports on internal control and compliance if required, management letter addressing internal controls if required, and management's response to such letter if required, must be submitted to the **COUNTY** no later than **180** days following the end of the **PROVIDER'S** fiscal year along with any corrective action plan ii applicable.

The audit must be conducted by an independent licensed certified public accountant who has received an unmodified opinion on their current Peer Review and must be in accordance with Auditing Standards Generally Accepted in the United States, and generally accepted Government Auditing Standards, OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Organizations" if applicable, the Florida Single Audit Act (F.S. 215.97) if applicable, and the Auditor General rule 10.550 if applicable. The audit must detail the programs or service areas that are funded by Lee County either in the statement of functional expenses, revenues and expenditures, footnotes, schedule of federal awards and state financial assistance or as supplemental data in the financial statements. The statement should be consistent with programs detailed in the corresponding proposal(s) and exhibit(s).

The **PROVIDER** agrees to comply with all **FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS** as specified in Attachment A.

Failure to submit the report within the required time frame will result in the withholding of payment, or termination of the contract by the **COUNTY**.

ARTICLE V MODIFICATIONS

Modifications of provisions of this contract shall only be valid when they have been reduced to writing and duly signed and dated by both parties.

ARTICLE VI CONTRACTOR STATUS

A. Independent Contractor

It is mutually agreed that the **PROVIDER** is an independent contractor and not an agent or employee of the **COUNTY**.

B. Subcontracts

Primary roles and responsibilities of **PROVIDER** cannot be subcontracted. It is mutually agreed that any **COUNTY** funded program component that is subcontracted by **PROVIDER** must have a written contract upon execution of this contract. The **PROVIDER** must ensure each subcontractor conforms to the terms and conditions of this contract and must be subject to indemnification as stated in Article VII.

ARTICLE VII RISK MANAGEMENT

A. Indemnification

The **PROVIDER** will defend, hold harmless, and indemnify the **COUNTY** from and against any and all liability, loss, claims, damages, costs, attorneys' fees, and expenses of whatever kind or nature which the **COUNTY** may sustain, incur, or be required to pay either by reason of the loss or improper use of any monies disbursed or to be disbursed hereunder including but not limited to fraud, embezzlement, or dishonesty on the part of any person represented or employed by the **PROVIDER**, or by reason of the intentional or negligent act of the **PROVIDER** or its agents, representatives and/or employees.

The **PROVIDER** further agrees that it will, at its own expense, defend any and all claims, actions, suits, or proceedings that may be brought against the **COUNTY** in connection with the above and satisfy, pay, and discharge any and all judgments or other resolution of claims that may be entered against the **COUNTY** in any such action or proceedings.

The **PROVIDER** further agrees that it is responsible for any and all claims arising from the hiring of individuals relating to activities provided under the contract. All individuals hired are employees of the **PROVIDER** and not of the **COUNTY**.

B. Insurance

The **PROVIDER** agrees to provide and maintain during the term of this contract Commercial General Liability insurance insuring the **PROVIDER** against any and all claims, demands, or causes of action whatsoever for injuries received or damage to property incurred in the performance of the terms of this Contract or the use, occupation, management, or control of any facility herein provided for and the improvements thereto. Such a policy of insurance will insure the **PROVIDER** in an amount not less than \$300,000 to cover any and all bodily injury, personal injury. And/or property damage claim connected with any **COUNTY** accident or occurrence that may arise or be claimed to have arisen against the **PROVIDER**. The **PROVIDER** must furnish an appropriate Certificate of Insurance (**Exhibit**) naming Lee County Board Of County Commissioners as Certificate Holder and Additional insured. The **PROVIDER** agrees that the coverage granted to the Additional Insured applies on a primary basis, with the Additional Insured's coverage being excess. The **PROVIDER** agrees that this insurance requirement shall not relieve or limit **PROVIDERS** liability and that the **COUNTY** does not in any way represent

that the insurance required is sufficient or adequate to protect the **PROVIDER'S** interests or liabilities, but are merely minimums. Certificates of Insurance and bonding and renewals must be submitted to:

Risk Management
Lee County Board of County Commissioners
P.O. Box 398 Fort Myers, Florida 33902-0398

C. Bonding

The PROVIDER must provide fidelity bonding for all employees that handle PROVIDER'S funds. The amount of the bond must be equivalent to the highest daily cash balance of the PROVIDER. Proof of this bonding must be submitted to the COUNTY prior to the date of execution of this contract.

ARTICLE VIII SUSPENSION/TERMINATION

A. Suspension

The **COUNTY** reserves the right to suspend funding for failure to comply with the requirements of this contract.

In the event **PROVIDER** ceases operation for any reason or files for protection from creditors under bankruptcy law, any remaining unpaid portion of this contract, less funds for expenditures already incurred, shall be retained by the **COUNTY** and the **COUNTY** shall have no further funding obligation to the **PROVIDER** with regard to those unpaid funds.

B. Termination by COUNTY

The **COUNTY** may at any time and for any reason cancel this contract by giving twenty-four (24) hours written notice to the **PROVIDER** by certified mail following a determination by the Board of **COUNTY** Commissioners, at its sole discretion, that such cancellation is in the best interest of the people of the **COUNTY**. From the date of cancellation, neither party shall have any further obligation unless specified in the termination notice.

C. Termination by PROVIDER

The **PROVIDER** may at any time and for any reason cancel this contract by giving seventy-two (72) hours prior written notice to the **COUNTY** by certified mail of such and specifying the effective date.

COUNTY'S obligation to make any payments under any provision of this contract shall cease on the effective date of termination.

ARTICLE IX ASSURANCE, CERTIFICATIONS, AND COMPLIANCE

The **PROVIDER** agrees that compliance with these assurances and certifications constitutes a condition of continued receipt of or benefit from funds provided through this contract, and that it is binding upon the **PROVIDER**, its successors, transferees, and assignees for the period during which services are provided. The **PROVIDER** further assures that all contractors, subcontractors, or others with whom it arranges to provide services or benefits to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of statutes, regulations, guidelines and standards. By acceptance of this funding, the **PROVIDER** assures and certifies the following:

- A. That it will comply with all applicable laws, ordinances and regulations of the United States, the State of Florida, the **COUNTY**, and the municipalities as said laws, ordinances and regulations exist and are amended from time to time. In entering into this contract, the **COUNTY** does not waive the requirements of any county or local ordinance or the requirements of obtaining any permits or licenses that are normally required to conduct business or activity contemplated by the **PROVIDER**.
- B. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-19 which prohibit discrimination in housing on the basis of race, color, national origin, sex, religion, disability or familial status.
- C. That it will comply with Chapter 760, Florida Statutes and Lee County Ordinance 00-18 which prohibit discrimination in employment on the basis of race, color, national origin, sex, religion, disability or marital status.
- D. That it will administer its programs under procedures, supervision, safeguards, and such other methods as may be necessary to prevent fraud and abuse, and that it will target its services to those who most need them.
- E. That if clients are to be transported under this contract, the **PROVIDER** will comply with the provisions of Chapter 427, Florida Statutes, which requires the coordination of transportation for the disadvantaged.
- F. That any products or materials purchased with contract funds shall be procured in accordance with the provisions of Chapter 403.7065, Florida Statutes, which refers to the procurement of products or materials with recycled content.
- G. That it will comply with the Americans with Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.
- H. That it shall report any unusual incidents involving funded activities to the **COUNTY**, in writing, within five (5) calendar days of the occurrence or the **COUNTY** may terminate this contract. Unusual incidents include, but are not limited to those events which are reported to local police authorities by the **PROVIDER** or any person whose report requires any type of response by local law enforcement authorities; those events which result in physical injury to a person receiving **PROVIDER** services that are underwritten in any way by the **COUNTY**; or, those incidents or events which result in a report to or investigation arising from a call to the Florida Abuse Hotline. In accordance with Chapter 415, Florida Statute, an employee of the **PROVIDER** who knows or has reasonable cause to suspect that a child, aged person, or disabled adult has been abused, neglected, or exploited, shall immediately report such knowledge or suspicion to the Florida Abuse Hotline on the statewide toll-free number (1-800-96- ABUSE).
- I. That it will comply with Chapter 216.347, Florida Statutes, which prohibits the expenditure of contract funds for the purpose of lobbying the Legislature, State or County agencies.
- J. That it will notify the **COUNTY** immediately of any funding source changes and/or additions from other sources that are different from that shown in the **PROVIDER'S** proposal. This notification must include a statement as to how this change in funding affects provision of service as well as the use of and continued need for county funds.
- K. That it will acknowledge support for programs funded by Lee County.

L. That it will notify the **COUNTY** of any SIGNIFICANT changes to the **PROVIDER** organization to include articles of incorporation and bylaws within ten (10) working days of the effective date.

ARTICLE X NOTICES

Official notices concerning this contract shall be directed to the following authorized representatives:

COUNTY:

ATTN:Gloria M. Sajgo, AICP, Principal Planner
Lee County Department of Community Development/Planning

Telephone: (239) 479-8311

Fax: (239) 479-8161

E-mail: sajgogm@lccgov.com

PROVIDER:

Name: MARQUIS WHITE

Title: EXECUTIVE DIRECTOR

Agency: DIAD, INC.

Address: PO BOX 9385 ZIP 33902

Telephone: (239) 334-2220

Web site address: _____

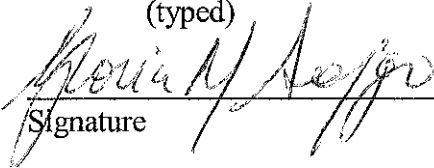
E-mail: DIAD1987@AOL.COM

The signatures of the persons shown below are designated and authorized to sign all applicable reports:

OR

Name: Gloria M. Sajgo, AICP

(typed)

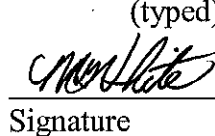

Signature

Principal Planner

Title

Name: MARQUIS WHITE

(typed)


Signature

EXECUTIVE DIRECTOR

Title

In the event that different representatives are designated by either party after execution of this contract, notice of the name and address of the new representative will be rendered in writing by authorized officer of **PROVIDER** to the **COUNTY**. The notification shall be attached to originals of this contract.

ARTICLE XI SPECIAL PROVISIONS

A. If needed, **PROVIDER** may be called upon to assist county during a natural disaster or emergency.

ARTICLE XII ALL TERMS AND CONDITIONS INCLUDED

This contract and its **attachments**, and any **exhibits** referenced in said attachments, together with any documents incorporated by reference, contain all the terms and conditions agreed upon by the parties. There are no provisions terms, conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or

provision of this contract is legally determined unlawful or unenforceable, the remainder of the contract shall remain in full force and effect and such terms or provisions shall be stricken.

IN WITNESS THEREOF, PROVIDER and COUNTY have caused this contract, to be executed by their undersigned officials as duly authorized.

PROVIDER:

COUNTY: LEE COUNTY

By: MARQUIS WHITE
Name (typed)

By: _____
Name (typed)

M White
Signature of authorized officer

Signature of authorized officer

EXECUTIVE DIRECTOR
Title

Title

3/29/05
Date

Date

NOTARY:

ATTEST: CLERK OF CIRCUIT COURT

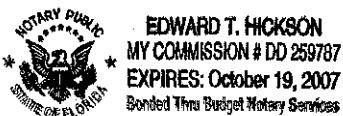
By: Edward T. Hickson
Notary of Public (Signature)

By: _____

Edward T. Hickson
Name (Typed)

Title: _____

Date: _____



**APPROVED AS TO FORM:
COUNTY ATTORNEY'S OFFICE**

By: _____

Title: _____

Date: _____

FINANCIAL AND COMPLIANCE AUDIT REQUIREMENTS

This attachment outlines audit requirements for non-federal entities or subrecipients, hereinafter known as the Contractor. This attachment shall apply when the Contractor has obtained Federal and/or State funding from Lee County. Each subrecipient is responsible for complying with the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and 29 CFR, part 96, of the Department of Labor Regulations that implements Office of Management and Budget (OMB) Circular A-133. Also, each subrecipient is responsible for complying with the Florida Single Audit Act (FS 216.3491) (as applicable).

NOTE: Subrecipients/Contractors that are State Departments, State Universities and/or State Community Colleges are audited annually by the Office of the State Auditor General, and are not required to have additional independent audits performed as outlined by this Attachment. Additionally, copies of the State Auditor General's audit report is transmitted directly to AWI by that office. No further actions are required by the entities (as Contractors) referenced in this paragraph.

The Contractor agrees to have an annual financial and compliance audit as specified by The Single Audit Act of 1996 and OMB Circular A-133. **An annual audit is required if the Subrecipient/Contractor has Federal expenditures of \$300,000 or more in a fiscal year. This includes all Federal funds received from all funding sources, not just the funds awarded under this contract.** The audits are to be performed by independent auditors in accordance with the current Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and in compliance with OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations.

The Contractor agrees to have an annual State financial and compliance audit, if the total expenditures are \$300,000 or more in a fiscal year (i.e. state financial assistance provided to carry out a state project) in accordance with auditing standards as stated in the Rules of the Auditor General. The Contractor must have a single audit or project-specific audit for such fiscal year in accordance with section 216.3491, Florida Statutes; applicable rules of the Executive Office of the Governor and the Comptroller, and Chapter 10.600. Rules of the Auditor General.

Audit Requirements for States, Local Governments and Nonprofit Organizations:

Non-federal organizations that expend \$300,000 or more in a fiscal year in Federal awards (**all Federal funding sources must be considered**) must have a single audit or a program-specific audit conducted for that fiscal year in accordance with current Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with The Single Audit Act of 1984 (P.L. 98-502), the Single Audit Act Amendments of 1996 (P.L. 104-156) and OMB Circular A-133 "Audits of States Local Governments, and Non-Profit Organizations".

Single Audit – Single Audit means an audit that includes both the entity's financial statements and the Federal awards requirements as described in Section __.500 of OMB Circular A-133. A State single audit means an audit of a non-state entity's financial statements and state awards. A Single Audit also includes a report on Internal Controls and a report on Program Compliance.

Program-Specific Audit – A Program-Specific Audit means an audit of **one Federal program** as provided for in Section __.200© and Section __.235 of OMB Circular A-133. Additionally, a state program-specific audit means an audit of **one state project** in accordance with the requirements of FS 216.3491.

No Audit Exemption:

Even when cumulative (all programs considered) Federal and/or State award expenditures are less than \$300,000 in a fiscal year, an audit is required.

The cost of audits conducted in accordance with the Single Audit Act and/or the provisions of Section 216.3491, Florida Statutes, must be paid from non-Federal/non-State funds (i.e., the cost of such an audit must be paid from subrecipient/contractor funds obtained from other than Federal/State sources).

D.I.A.D, Inc. –Campbell Acres

1. a. The Project, as approved for grant assistance, shall consist of the following authorized scope of Project work: Construction of 4 single-family homes for 4 low-income homebuyers. Construction of these homes shall be completed by December 31, 2006.
 - b. The amount of funds awarded under this grant is \$120,000. The Grantor is not obligated or authorized to award any funds in addition to this amount.
 - c. The purchase price of home ownership units must not exceed \$150,000 for a newly constructed dwelling unit, and must meet affordability requirements in order to qualify as eligible.
 - d. The Provider is expected to make every reasonable effort to participate in program training activities offered by the Florida Housing Finance Corporation, the Florida Housing Coalition, Lee County or similar organizations in order to ensure compliance with local and State regulations governing the State Housing Initiatives Partnership Program.
2. The Grantor agrees to provide drawdowns to the Provider, upon receipt and verification of the Provider's request and documentation for project costs pursuant to and as defined in Subsection 1. a. up to a maximum of \$50,000.00 or the amount of actual cash expended by the Provider for project work, whichever is less.
 3. The Provider is hereby placed on notice that when public funds are expended by an agency, then all the financial, business, and membership records pertaining to the public agency from which or on whose behalf the payments are made, of the person, corporation, foundation, trust, association, group, or organization to whom such payments are made shall be public records and subject to the provisions of Florida Statutes, Chapter 119 Public Records.

Every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record or the custodian's designee.

Before any person is granted access to the records related to these funds (except governmental agencies or their agents who are entitled to access to the records specified in this paragraph for the purposes of auditing federal, state, or local housing programs or housing assistance programs), please seek the advice of your legal counsel or contact the Lee County Division of Planning who shall seek counsel from the office of the County Attorney. Home addresses, telephone numbers, social security numbers, photographs, and places of employment of the certain personnel, spouses and children of such personnel; and the names and locations of schools and day care facilities attended by the children of such personnel are exempt from public record. Medical history records, bank account numbers, credit card numbers, telephone numbers, and information related to health or property insurance furnished by an individual to any agency pursuant to federal, state, or local housing assistance programs are confidential and exempt. Any other information produced or received by any private or public entity in direct connection with federal, state, or local housing assistance programs, unless the subject of another federal or state exemption, is subject to public records requests.

A person who has custody of a public record and who asserts that an exemption or special law applies to a particular public record or part of such record shall delete or excise from the record only that portion of the record with respect to which an exemption has been asserted and validly applies, and such person shall produce the remainder of such record for inspection and examination.

4. The Provider agrees to perform all necessary requirements to assist the Grantor in implementing its monitoring responsibilities, which include on-site inspections of the project to determine compliance with applicable laws, rules, regulations, ordinances, and codes of the federal, state, and local governments, including the requirements of the State Housing Initiatives Partnership (SHIP) and the Lee County Local Housing Assistance Plan.
5. The Grantor shall be provided access to all contracts of the Provider for the procurement of goods and/or services relating to the project work described in Subsection 1. a. and all change orders or amendments, but said access shall not be construed as acceptance by or imposition of upon the Grantor of any financial liability in connection with said contracts.
6. The Provider shall be responsible for ensuring that all builders/contractors utilized are licensed appropriately and capable of performing all necessary work. The Provider will further be responsible to ensure that all applicable permits, inspections, and fees are obtained and paid (as required for the respective scope of work). The Provider shall further serve as the agent for the homebuyer in all communications with the selected builder and ensure a timely completion of construction proceedings, as the buyer's agent.
7. The Provider shall ensure that clear/marketable title is obtained for all properties to be purchased, conveyed, or made a part of in any way, a subsidy request package submitted to the Grantor for assistance.
8. The Grantor shall be provided access to all detailed plans, specifications and home buyer incomes relating to the project and records relating thereto describe in subsection 1-a to ensure compliance with the objectives, requirements, and limitations of the Lee County SHIP Affordable Housing Program. The following documentation must be maintained on file for each beneficiary or unit produced by the Provider for a period of seven (7) years following the effective date of contract. The following documentation at a minimum must be available for inspections at all reasonable times by the Grantor or their assigns:
 - a. Applicant Intake Forms
 - b. Income Verification and Certification Forms
 - c. Release of Information/Acknowledgment of SHIP terms signed by beneficiary
 - d. Good Faith Estimate
 - e. Final Appraisal of Property
 - f. Loan Application or copy of lender Application
 - g. Verification of Deposit of beneficiary
 - h. Verification of Employment for beneficiary
 - i. Certificate of Occupancy.
9. All projects must be in compliance with the rules and regulations of the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907, Florida Administrative Code 67-37, and the Lee County Housing Assistance Program authorized by Lee County Ordinance 95-17, as amended, and in particular:

- a. Income limits
- b. Definition of Affordability
- c. Non-discrimination
- d. Maximum production or purchase cost
- e. Maximum SHIP funds per unit
- f. Compliance reporting as required per project

10. The Provider shall provide to the Grantor proof or make available the following, as applicable, for each beneficiary prior to receiving final payment:

- a. SHIP Program Recipient Profile form

APPLICATION DOCUMENTS:

- b. Authorization for Release of Information Form
- c. Income Verification Form(s)
- d. Income Certification Form
- e. Proof of Property Ownership
- f. Application for Program Assistance
- g. Letter of Commitment
- h. Homeownership Training Course Certificate

CONSTRUCTION DOCUMENTS:

- i. Cost Estimate and Work Write-up
- j. Contractor(s) Bid or Proposal
- k. Contractor/Homeowner or Home Buyer Contract
- l. Work Inspection Reports
- m. Construction Payment Requests
- n. Certificate of Occupancy or Completion
- o. Final Payment Release
- p. Change Orders (if applicable)
- q. Summary per Unit Budget & Actual Expenditures

CLOSING DOCUMENTS:

- r. Recorded SHIP Lien Document(s) with Recapture Provisions
- s. HUD 1 Settlement or Loan Closing Statement
- t. Recorded First Mortgage Document(s)
- u. Release of Liens (for rehabilitation)
- v. Title Policy for Title Insurance on the SHIP Mortgage
- w. Final Inspection Report
- x. Appraisal



Five County Insurance Agency, Inc.

March 29, 2005

Dunbar Industrial Action
3901 Martin Luther 119
Ft Myers, FL 33916

Attn: Mark White - Director

RE: General Liability Quotation

Dear Mr. White,

Please be advised that Five County Insurance Agency, Inc. is actively pursuing General Liability quotations for DIAD, Inc.

I am attaching a copy of the initial General Liability quotation secured for you. The annual premium is \$17,050.50. As we receive any additional quotations from carriers offering coverage, I will fax those over to you for consideration.

Thank You,

Millie Kraujalis

enclosures

CERTIFICATE OF LIABILITY INSURANCE

OP ID MK
DUNBA-2

DATE (MM/DD/YY)
03/29/05

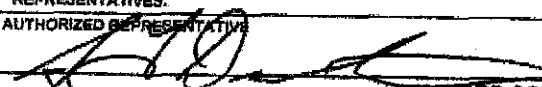
PRODUCER Five County Insurance Agency 14120 Metropolis Avenue Fort Myers FL 33912 Phone: 239-939-1400 Fax: 239-939-3813	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURERS AFFORDING COVERAGE	
INSURED Dunbar Industrial Action Development, Inc 3901 Martin Luther 119 Ft Myers FL 33916	INSURER A: USF&G/St Paul- Atlanta
	INSURER B: Carolina Casualty&Agency Mkt
	INSURER C:
	INSURER D:
	INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BL01258793	11/25/03	01/14/05	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$ 300,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COM/POP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS OTH-ER
					E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
A	OTHER				
	Crime	406CF3414	10/09/03	10/09/06	Crime 350,000
B	D&O Liability	3648130-1	03/19/05	03/19/06	D&O Liab 1,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 Fax: 332-6667

CERTIFICATE HOLDER COMMUNITY REDEVELOPMENT AGENCY & CITY OF FORT MYERS RITA RITCHIE 1700 MEDICAL LANE FORT MYERS FL 33907	N ADDITIONAL INSURED; INSURER LETTER:	COMM170	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE: 
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Regency Insurance Brokerage Services, Inc.
P. O. Box 190 . Hallandale, FL 33008-0190
Phone (954) 458-6323 . (800) 982-1895
FAX (954) 454-5862

Date: Jan.5, 2005
 To: Five County Insurance Agency- Mary Retz- 1-239-939-3813
 From: David Hershberger
 Re: DIAD, INC

General Liability Quotation

Coverage: Commercial General Liability Coverage, Manuscript Contractors Special Coverage
 Policy, Form CGL 103. Additional Amendments and Special Exclusions apply as noted in
 sections below. Please read carefully.

Issuing Company: Mt. Hawley Insurance Company
 (A.M. Best Rated A+X an approved surplus lines carrier)

Policy Term: 1 year

Limits of Liability:	\$2,000,000	General Aggregate (Other than Products/Completed Operations)
	\$1,000,000	Products/Completed Operations Aggregate
	\$1,000,000	Personal & Advertising Injury
	\$1,000,000	Each Occurrence
	\$50,000	Fire Damage Legal Liability
	\$5,000	Medical Expense Payments

Coverage for defense of covered claims is in addition to the policy limits

Deductible: \$2,500 each claim (applicable to indemnity and claims expense)

Rates	Comments	Exposure	Advanced Premium
Flat		N/A	\$ 15,000.
Flat	Non Owned auto liability only		\$ 1,000
Total Advance Premium without Terrorism/Minimum at Audit			\$ 16,000.
Premium:	Premium is based on estimated exposure and subject to audit.		
	Base Premium	\$ 16,000. (Minimum & Deposit)	
	Inspection Fee	\$200.	
	Surplus Lines Tax	\$810.	
	Stamping Fee	\$ 40.50	
		Total \$ 17,050.50	

Commission: 10%

The minimum premium, in the event of mid-term cancellation by the insured, is the greater of the short rate or 25% of the minimum annual premium.

PREMIUM for Certified Acts of Terrorism: This quotation is extended to provide an option for coverage for terrorism as defined in the Terrorism Risk Insurance Act of 2002. The additional premium for this coverage is \$1,684.00- Adjustable.

Exclusions: This a manuscript form, which has significantly reduced coverage compared to the standard ISO Comprehensive General Liability policy. This policy does not provide any coverage and we will not defend any claim for damages, arising out of property damage attributed to products or completed operations. This policy also excludes: Pre-existing conditions, breach of contract, infringement of intellectual rights, lead contamination, earth movement, terrorism, asbestos, discrimination, fungi and any contractual obligation to indemnify others for injury to your employees. There are other exclusions, common to CGL policies, please read the entire form for a complete understanding.

CGL-356(05/00) EIFS

RIL-2126A(12/02) Limited Terrorism(Other than Certified Acts of Terrorism)

CGL-372(10/03) Absolute Silica

Coverage amendments to standard policy form:

GC-0419(11/85) Hired and Non Owned Auto(covers non-owned auto liability only, no hired car coverage)

CGI-102A(03/03) Contractors- Required HH & AI Status from Subs

Regency Insurance Brokerage Services, Inc.
P. O. Box 190 - Hallandale, FL 33008-0190
Phone (954) 458-6323 . (800) 982-1895
FAX (954) 454-5862

Requirements Prior to Binding: None

In order to bind coverage at the premium quoted (without Terrorism) the attached Rejection form must be signed and returned

Requirements After Binding:

Original Signed Accord Application

Subject to satisfactory inspection at insured's expense, which carrier will arrange if bound.

Copy of the general contractor's 1mm GL policy with evidence of Additional Insured status for our insured

Copy of the hold harmless and indemnity agreements from the general contractor.

SIGNED RLI/Mt Hawley Supplemental Construction Application

Carrier Reserves the right to perform a mid-term audit and charge additional premiums mid-term, if audited exposures exceed the estimated exposures.

To Bind Coverage:

Fax written request to our office. This quote is valid until 1/14/2005 and may only be bound by our office. Flat cancellations are prohibited; 25% minimum earned premium applies.



NOTICE

OFFER OF FEDERAL TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act that are applicable to perils insured under your insurance policy, ("federal terrorism insurance coverage") The insurance policy's other provisions will still apply to any such acts

The term "act of terrorism" means any act that is certified by the Secretary of the Treasury in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT COVERAGE PROVIDED FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA WHEREBY THE UNITED STATES PAYS 90% OF COVERED TERRORISM LOSSES EXCEEDING A PRESCRIBED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT

IF YOU CHOOSE THE OFFER OF COVERAGE, YOUR PREMIUM FOR SUCH COVERAGE IS SET FORTH ON THE PREMIUM NOTICE PROVIDED FOR THIS INSURANCE POLICY, WHICH AMOUNT SHOULD ALSO BE INSERTED BELOW.

NOTE THAT THIS OFFER OF TERRORISM INSURANCE COVERAGE IS SUBJECT TO THE CONTINUED EFFECTIVENESS OF THE TERRORISM RISK INSURANCE ACT OF 2002.

SELECTION OR REJECTION OF FEDERAL TERRORISM INSURANCE COVERAGE

- I hereby elect to purchase Federal Terrorism Insurance Coverage for the premium of **\$1,600**
- I hereby reject this Offer Of Federal Terrorism Insurance Coverage. I understand that by making this election, an exclusion for terrorism losses, as allowed by law, will be made a part of this insurance policy.

DIAD Inc

Applicant/First Named Insured

Applicant/First Named Insured Signature or Authorized Signature

Title

Mt. Hawley Insurance Company
Insurance Company

Date

UW 20313 (09/04)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS – CONDITIONS OF COVERAGE

It is hereby understood and agreed that conditions of coverage under this policy are:

1. Insured will obtain certificates of insurance with limits of liability equal to or greater than those provided by this policy from all subcontractors prior to commencement of any work performed for the insured.
2. Insured will confirm that the subcontractors' insurance policies are valid and have not been cancelled prior to commencement of any work by the subcontractors performed for the insured.
3. Insured will obtain hold harmless agreements from subcontractors indemnifying against all losses from the work performed for the insured by any and all subcontractors.
4. Insured will be named as additional insured on all subcontractors general liability policies.
5. Insured will give notice of claim to all "potential insurers" as soon as practicable.

"Potential insurers" means all insurance companies who may be obligated to defend the insured as either a named insured or an additional insured. "Potential insurers" includes the insurers of all subcontractors who were contractually obligated to name the insured as an additional insured on their own insurance policy(ies).

In the event the insured fails to comply with the above conditions for a subcontractor whose work directly or indirectly gives rise to a claim, coverage for such claim will be voided under this policy. Insured agrees that we need not demonstrate any prejudice to us in order to enforce these conditions of coverage.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms of the conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

All other Terms and Conditions of this Policy remain unchanged.