

**FIRST AMENDMENT
TO CONTRACT NUMBER 2014-04-P-001-001**

THIS FIRST AMENDMENT ("Amendment") to CONTRACT NUMBER 2014-04-P-001-001 is entered into and effective as of January 7, 2020, ("Effective Date") by and between FLORIDA HOUSING FINANCE CORPORATION, a public corporation and a public body corporate and politic ("Florida Housing"), and ERNST & YOUNG LLP ("Auditor").

RECITALS

- A. Florida Housing and Auditor entered into Contract Number 2014-04-P-001-001, dated January 7, 2015, ("Contract") wherein Auditor agreed to provide or perform audit services pursuant to RFQ 2014-04. As used herein, "Contract" shall include within its meaning any modification or amendment to the Contract.
- B. The initial term of the Contract was for five years, beginning January 7, 2015, and ending January 6, 2020.
- C. Section C. of the Contract provides that the Contract may be renewed for one, five-year term.
- D. Florida Housing and Auditor wish to renew the Contract for the five-year renewal term, subject to the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the terms and conditions contained in the Contract and this Amendment, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

A. Effective Date; Recitals. Upon its execution by both parties, this Amendment shall be effective as of the Effective Date. The above recitals are true and correct and form a part of this Amendment.

B. Renewal. The Contract is hereby renewed for the five-year renewal term, beginning January 6, 2020, and ending January 6, 2025. Subject to any previous amendments or modifications and except as otherwise provided in this Amendment, the Contract shall stand renewed upon its same terms and conditions except that the Auditing Services for fiscal years 2019-2023 will be performed in accordance with the terms of the engagement letter attached as Exhibit C rather than the engagement letter attached as Exhibit B.

C. Amendments. The Contract is hereby amended as follows.

- 1. Subsection K.1. thereof is hereby deleted in its entirety and substitutes in its place the following:

Files Subject to Florida's Public Records Law: Any file, report, record, document, paper, letter, or other material received, generated, maintained or sent by the Auditor in connection with this Contract is subject to the provisions of Section 119.01-.15, Fla. Stat., as may be amended from time to time (Florida's Public Records Law). The Auditor represents and acknowledges that it has read and understands Florida's Public Records Law and agrees to comply with Florida's Public Records Law.

Pursuant to Section 119.0701(2)(b), Fla. Stat., the Auditor will be required to comply with public records laws, specifically to:

a. Keep and maintain public records required by the public agency to perform the service.

b. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the public agency.

d. Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor upon termination of the contract or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

Notwithstanding anything contained herein to the contrary, the provisions and requirements of this paragraph shall only apply if and when the Auditor is acting on behalf of Florida Housing.

If the Contractor has questions regarding the application of Chapter 119, Florida Statutes, to the Contractor's duty to provide public records relating to this contract, contact the Corporation Clerk at:

Corporation Clerk
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329
Phone: 850.488.4197
E-mail: Corporation.Clerk@floridahousing.org

2. Sub-item 5 is hereby added to Section L, Other Provisions:

5. The Auditor understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), Fla. Stat.

3. Section S, Personally Identifiable Information (PII); Security; is hereby created:

S. PERSONALLY IDENTIFIABLE INFORMATION (PII); SECURITY

1. If the Auditor or any of its subcontractors may or will create, receive, store or transmit PII under the terms of this Contract, the Auditor shall provide for the industry standard security of such PII, without limitation, non-disclosure, use of appropriate technology, security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections and audits. The Auditor shall take full responsibility for the security of all data in its possession or in the possession of its subcontractors.

2. If the Auditor or any of its subcontractors may or will create, receive, store or transmit PII under the terms of this Contract, the Auditor shall provide Florida Housing with insurance information for cyber liability coverage, including the limits available and retention levels.

3. The Auditor agrees to maintain written policies and procedures for PII and/or data classification. This plan must include disciplinary processes for employees that violate these guidelines.

4. The Auditor agrees at all times to maintain reasonable network security that, at a minimum, includes a network firewall.

5. The Auditor agrees to protect and maintain the security of data with protection security measures that include maintaining secure environments that are patched and up-to-date with all appropriate security updates as designated by a relevant authority (e.g. Microsoft notifications, Common Vulnerabilities and Exposures (CVE) database, etc.) The Auditor agrees that PII shall be appropriately destroyed based on the format stored upon the expiration of any applicable retention schedules.

6. The Auditor agrees that any and all transmission or exchange of system application data with Florida Housing and/or any other parties shall take place via secure Advanced Encryption Standards (AES), e.g. HTTPS, FTPS, SFTP or equivalent means. All data stored as a part of backup and recovery processes shall be encrypted, using AES.

7. If the Auditor reasonably suspects that a cybersecurity event or breach of security has occurred, they must notify Florida Housing's Contract Administrator within 48 hours (except to the extent prohibited by applicable law, regulation or governmental directive).

8. In the event of a breach of PII or other sensitive data, the Auditor must abide by provisions set forth in section 501.171, Fla. Stat. Additionally, the Auditor must immediately notify Florida Housing in writing of the breach and any actions taken in response to such a breach (except to the extent prohibited by applicable law, regulation or governmental directive). As the information becomes available the statement must include, at a minimum, the date(s) and number of records affected by unauthorized access, distribution, use, modification or disclosure of PII; the Auditor's corrective action plan; and the timelines associated with the corrective action plan.

4. Exhibit C, Engagement Letter for 2019-2023 Audit Services is hereby created and is attached hereto.

D. General Terms and Conditions.

1. This Amendment shall be construed and enforced according to the laws of the State of Florida and venue for any actions arising hereunder shall lie in Leon County, Florida.

2. This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, successors and assigns.

3. Capitalized terms used, but not otherwise defined, in this Amendment shall have the respective meanings ascribed to them in the Contract.

4. This Amendment may be executed in counterpart originals, no one of which needs to contain the signatures of all parties hereto, but all of which together shall constitute one and the same instrument.

5. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this Amendment invalid, illegal, or unenforceable under any applicable law. If any term

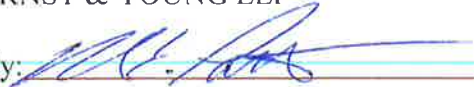
of this Amendment shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Amendment shall in no way be affected thereby.

6. Except as specifically modified by this Amendment, the Contract shall remain in full force and effect, and all of the terms and provisions thereof are hereby ratified and confirmed.

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IN WITNESS WHEREOF, the Parties have executed this FIRST AMENDMENT to Contract Number 2014-04-P-001-001, by a duly authorized representative, effective as of January 7, 2020.

ERNST & YOUNG LLP

By: 

Name/Title: Michael E. Attillio, Partner

Date: 10/18/19

FEIN: 34-6565596

FLORIDA HOUSING FINANCE CORPORATION

By: 

Name/Title: Hugh R. Brown / General Counsel

Date: 10-30-19

EXHIBIT C
ENGAGEMENT LETTER FOR 2019-2023 AUDIT SERVICES

Attached on following page.



Ernst & Young LLP
Suite 2800
200 South Orange Avenue
Orlando, Florida 32801

Tel: +1 407 872 6600
ey.com

Florida Housing Finance Corporation
Harold L. Price, Executive Director
227 North Bronough St, Suite 5000
Tallahassee, Florida

October 18, 2019

Ladies and Gentlemen:

1. This agreement (together with all attachments hereto, the “Agreement”) confirms the engagement of Ernst & Young LLP (“we” or “EY”) to audit and report on the basic financial statements of Florida Housing Finance Corporation for the years ending December 31, 2019, 2020, 2021, 2022, and 2023, and supplementary information. We will conduct the audit of the financial statements in accordance with the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and thus will also provide a report on internal control over financial reporting related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements and other matters, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. We also will audit and report on each major program of Florida Housing Finance Corporation for the years ending December 31, 2019, 2020, 2021, 2022, and 2023 in accordance with the Single Audit Act Amendments of 1996, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All of the services described in this paragraph are referred to collectively as the “Audit Services” or the “audits.”

Audit responsibilities and limitations

2. The objective of the audit of the basic financial statements is to express an opinion on whether the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles and whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We also will conduct an audit in accordance with the Single Audit Act Amendments of 1996 and the audit requirements of the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance (“Uniform Guidance compliance audit”), and other procedures we consider necessary to enable us to express an opinion on compliance for each major program and to render the required reports.
3. In connection with our audit of the financial statements, we will not perform sufficient procedures to render an opinion on internal control over financial reporting nor on compliance with provisions of laws, regulations, contracts or grant agreements and other matters, and therefore, we will not express such an opinion.

4. We will report on internal control over compliance related to major programs and provide an opinion on compliance with federal statutes, regulations and terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.
5. Should conditions not now anticipated preclude us from completing the audits and issuing our reports we will advise you and the Audit Committee promptly and take such action as we deem appropriate.
6. We will conduct the audit of the financial statements in accordance with auditing standards generally accepted in the United States, as established by the American Institute of Certified Public Accountants (the "AICPA"), and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we obtain reasonable rather than absolute assurance that the financial statements are free of material misstatement whether caused by error or fraud. As management is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud or non-compliance with laws and regulations. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements. We will conduct the Uniform Guidance compliance audit in accordance with auditing standards established by the AICPA, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996 and the provisions of the Uniform Guidance. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and material noncompliance may not be detected, even though the audit is properly planned and performed in accordance with the applicable auditing standards.
7. As part of the audit of the financial statements, we will consider, solely for the purpose of planning the audit and determining the nature, timing and extent of our audit procedures, Florida Housing Finance Corporation's internal control. Our consideration of internal control for the audit of the financial statements will not be sufficient to enable us to express an opinion on the effectiveness of internal control over financial reporting or to identify all significant deficiencies and material weaknesses.
8. In accordance with AICPA auditing standards, we will communicate certain matters related to the conduct and results of the audit to the Audit Committee. Changes to the scope of the Audit Services may occur as a result of the issuance of new standards and interpretations or inspections findings. We will communicate any significant changes in the scope of the Audit Services and related procedures to management and the Audit Committee on a timely basis.

9. If we determine that there is evidence that fraud or possible non-compliance with laws and regulations may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the financial statements, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and appropriate members of management are adequately informed of instances of non-compliance with laws and regulations that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant corrected misstatements and uncorrected misstatements noted during our audit procedures other than those that are clearly trivial. In accordance with *Government Auditing Standards*, we will determine that appropriate members of management and the Audit Committee are adequately informed of:
 - ▶ Fraud, and noncompliance with provisions of laws or regulations that have a material effect on the financial statements or financial data significant to the audit objectives and any other instances that warrant the attention of the Audit Committee.
 - ▶ Noncompliance with provisions of contracts or grant agreements that have a material effect on the financial statements or financial data significant to the audit objectives, or
 - ▶ Abuse that is material, either quantitatively or qualitatively to the financial statements or financial data significant to the audit objectives.
10. We will communicate in writing to management and to the Audit Committee all significant deficiencies and material weaknesses identified during the audit, including those that were remediated during the audit. We also will communicate any significant deficiencies and material weaknesses communicated to management and the Audit Committee in previous audits that have not yet been remediated.
11. We also may communicate other opportunities we observe for economies in or improved controls over the Florida Housing Finance Corporation's operations.
12. As part of our engagement, we will apply certain limited procedures to Florida Housing Finance Corporation's required supplementary information (RSI). The RSI consists of Management's Discussion and Analysis. Those limited procedures will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The measurement and presentation of RSI, in accordance with prescribed guidelines, will be affirmed to us by management in its letter of representations.

13. We will not subject other information that comprises nonaccounting information or accounting information not directly related to the basic financial statements to the auditing procedures applied in the audit of the basic financial statements and therefore will not express an opinion on this other information.
14. To the extent required by law, we will make our audit documentation available to a federal agency or the Comptroller General of the United States Government Accountability Office and provide copies upon their request. Audit documentation, as well as appropriate individuals, also will be made available upon request to appropriate auditors and reviewers. We shall promptly notify Florida Housing Finance Corporation of any such request to review our audit documentation.
15. An audit performed in accordance with *Government Auditing Standards* is not designed to detect noncompliance with provisions of laws, regulations, contracts or grant agreements that do not have a direct and material effect on the financial statements or other financial data significant to the audit objectives.
16. Because the determination of abuse is subjective, an audit conducted in accordance with *Government Auditing Standards* does not require us to detect abuse.
17. In some circumstances in accordance with *Government Auditing Standards*, we may be required to report known or likely fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements and abuse directly to parties external to Florida Housing Finance Corporation.
18. In accordance with *Government Auditing Standards*, we will report in a management letter instances of noncompliance with provisions of contracts or grant agreements or abuse that have an effect on the financial statements or other financial data significant to the audit objectives that are less than material but warrant the attention of the Audit Committee.
19. Under *Government Auditing Standards*, we are required to provide to Florida Housing Finance Corporation our most recent peer review report, as well as subsequent peer review reports received during the term of this Agreement. Our most recent peer review report accompanies this Agreement.

Management's responsibilities and representations

20. The financial statements (including disclosures) are the responsibility of management. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to error or fraud, for properly recording transactions in the

accounting records, for safeguarding assets and for the overall fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. Management also is responsible for the identification of, and for the Florida Housing Finance Corporation's compliance with, laws and regulations and provisions of contracts and grant agreements applicable to its activities.

21. Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to us in its letter of representations certain representations made to us during the performance of the Audit Services, including that the effects of any uncorrected misstatements aggregated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.
22. Management is responsible for communicating to us on a timely basis all instances of alleged, identified or suspected non-compliance with laws and regulations that could have an effect on the financial statements or the effects of which should be considered by management when preparing the financial statements, and all instances of alleged, identified or suspected financial improprieties, of which management or the Audit Committee is aware (regardless of the source or form in which they may have been discovered or communicated to them and including, without limitation, allegations by "whistle-blowers") and providing us full access to information and any internal investigations related to them. Such instances include, without limitation, manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY or other alleged, identified or suspected illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Florida Housing Finance Corporation. If the Florida Housing Finance Corporation limits the information otherwise available to us under this paragraph (based on the Florida Housing Finance Corporation's claims of attorney/client privilege, work product doctrine or otherwise), the Florida Housing Finance Corporation will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the Florida Housing Finance Corporation's financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the Florida Housing Finance Corporation's independent auditors. We will disclose any such withholding of information to the Audit Committee.
23. Management is responsible for providing us access to: all information of which management is aware that is relevant to the Audit Services, such as records, documentation and other matters to complete the Audit Services on a timely basis; additional information that we may request from management for purposes of the audit; and unrestricted access to persons within the Florida

Housing Finance Corporation from whom we determine it necessary to obtain audit evidence. Management's failure to do so may cause us to delay our report, modify our procedures or even terminate the Audit Services.

24. As required by AICPA auditing standards, we will make specific inquiries of management about the representations contained in the financial statements and supplementary information. AICPA auditing standards also require that, at the conclusion of the applicable Audit Services, we obtain a letter of representations from certain members of management about these matters and to represent that management has fulfilled its responsibilities as set forth in this Agreement, including that all material transactions have been recorded in the accounting records and are reflected in the financial statements and supplementary information. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in completing the applicable Audit Services.
25. Management shall make appropriate inquiries to determine whether the Florida Housing Finance Corporation has a capital lease, material cooperative arrangement or other business relationship with EY or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm") other than one pursuant to which an EY Firm performs professional services.
26. Management shall discuss any independence matters with EY that, in management's judgment, could bear upon EY's independence.
27. Florida Housing Finance Corporation shall be responsible for its personnel's compliance with the Florida Housing Finance Corporation's obligations under this Agreement.
28. Management is responsible for the following, as provided in *Government Auditing Standards*:
 - ▶ Distributing the report on internal control over financial reporting and on compliance and other matters, as well as the steps being taken to make the report available to the public.
 - ▶ Identifying for us previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.
 - ▶ Applying a process to track the status of audit findings and recommendations.
 - ▶ Providing views on any of our current findings, conclusions and recommendations, as well as management's planned corrective actions, for the report and the timing and format for providing that information.
 - ▶ Taking timely and appropriate steps to remedy fraud, noncompliance with the provisions of laws, regulations, contracts or grant agreements or abuse that we report.

29. Management is responsible for the following as provided in the Uniform Guidance:

- ▶ Complying with the provisions of the Uniform Guidance.
- ▶ Preparing the appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with the Uniform Guidance.
- ▶ Establishing and maintaining effective internal control over compliance for federal programs that provides reasonable assurance that federal awards are being managed in compliance with federal statutes, regulations and the terms and conditions of federal awards that could have a material effect on each of its federal programs.
- ▶ Complying with federal statutes, regulations and the terms and conditions of federal awards related to each of its federal programs.
- ▶ Following up and taking corrective action on audit findings, including preparing a summary schedule of prior audit findings and corrective action plans as required by the Uniform Guidance.
- ▶ Submitting the reporting package to required recipients and the data collection form to the designated federal audit clearinghouse.
- ▶ Communicating to EY any significant contractor relationships where the contractor is responsible for program compliance.

30. Management is responsible for the preparation of the supplementary information in conformity with the Uniform Guidance and the Governmental Accounting Standards Board. For any document that contains the supplementary information and indicates that we have issued a report on the supplementary information, management will include the audit report on such supplementary information.

Fees and billings

31. We estimate that our base fees for the 2019, 2020, 2021, 2022, and 2023 Audit Services will be as stated in Appendix A. However, our actual fees may be adjusted, by mutual agreement, based on changes to the business (e.g., nature of the business or change in business entities) or additional unplanned effort. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Audit Services, all of which the Florida Housing Finance Corporation shall pay (other than taxes imposed on our income generally). We will submit our invoices monthly, which reflects our estimated fees. However, we may submit additional invoices resulting from changes in the business or additional unplanned effort as set forth in this paragraph. You agree to pay our invoices within thirty days of receipt.

32. Included in our fees are direct expenses incurred in connection with the performance of the Audit Services. Direct expenses include reasonable and customary out-of-pocket expenses such as travel, meals, accommodations and other expenses specifically related to this engagement. EY

may receive rebates in connection with certain purchases, which are used to reduce charges that EY would otherwise pass on to its clients.

33. Our estimated pricing and schedule of performance are based upon, among other things, our preliminary review of the Florida Housing Finance Corporation's records, including the number of major programs and whether the Florida Housing Finance Corporation qualifies as a low-risk auditee in accordance with the Uniform Guidance and the representations Florida Housing Finance Corporation personnel have made to us and are dependent upon the Florida Housing Finance Corporation's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may adjust our fees and planned completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and will be the subject of other written agreements.
34. If the Audit Services performed for the Florida Housing Finance Corporation are selected for inspection by a federal agency or the Comptroller General of the United States Government Accountability Office, the professional time and expenses incurred related to the routine inspection activity will be billed as incurred.

Other matters

35. From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY Firms (listed at www.ey.com), who may deal with the Florida Housing Finance Corporation or its affiliates directly, although EY alone will remain responsible to you for the Audit Services, and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY Firm or any of their respective affiliates or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. Unless prohibited by applicable law, we may provide Florida Housing Finance Corporation's information to other EY Firms and their personnel, as well as third-party service providers acting on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate to facilitate performance of the Audit Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services, or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Florida Housing Finance Corporation information, regardless of where or by whom such information is Processed on our behalf. Either EY or the Florida Housing Finance Corporation may use electronic media to correspond or transmit information relating to the Audit Services, and such use will not, in itself, constitute a breach of any confidentiality obligations.

36. The Florida Housing Finance Corporation shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of EY, solicit for employment, or hire, any current or former partner, principal or professional employee of EY, any affiliate thereof, any other EY Firm or any of their respective affiliates if any such professional either: (i) performed any audit, review, attest or related service for or relating to the Florida Housing Finance Corporation at any time (a) during the then current fiscal year of the Florida Housing Finance Corporation up to and including the date of the audit report for that year or (b) in the 12 months ended on the audit report date for the immediately preceding fiscal year; or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.
37. EY shall remain fully responsible for the Audit Services and for all of its other responsibilities, covenants and obligations under this Agreement, notwithstanding that we may subcontract portions of the Audit Services to other EY Firms or that other EY Firms may participate in the provision of the Audit Services. The Florida Housing Finance Corporation may not make a claim or bring proceedings relating to the Audit Services or otherwise under this Agreement against any other EY Firm and EY shall not contest its responsibility for the Audit Services on the basis that any of them were performed by another EY Firm. The Florida Housing Finance Corporation shall make any claim or bring proceedings only against EY. This paragraph is intended to benefit the other EY Firms, which shall be entitled to enforce it. Each EY Firm is a separate legal entity.
38. If we Process Florida Housing Finance Corporation information that can be linked to specific individuals ("Personal Data"), we will Process it in accordance with paragraph 35 of this Agreement, as well as applicable law and professional regulations, including, where applicable, the EU-U.S. Privacy Shield Framework and the Swiss-U.S. Privacy Shield Framework, each administered by the U.S. Department of Commerce and to which EY has self-certified (collectively, the "Privacy Shield Framework"). Further information (including disclosures required by the Privacy Shield Framework) is set out at www.ey.com/us/privacyshield. We will require any service provider that Processes Personal Data on our behalf to provide at least the same level of protection for such data as is required by the Privacy Shield Framework and other legal and regulatory requirements applicable to us. If any Florida Housing Finance Corporation information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The Florida Housing Finance Corporation warrants that it has the authority to provide the Personal Data to EY in connection with the performance of the Audit Services and that the Personal Data provided to us has been Processed in accordance with applicable law.
39. In order to provide the Audit Services, we may need to access Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger

notification requirements under applicable law (“Restricted Personal Data”). In the event that we need access to such information, you will consult with us on appropriate measures (consistent with professional standards applicable to us) to protect the Restricted Personal Data, such as deleting or masking unnecessary information before it is made available to us, encrypting any data transferred to us, or making the data available for on-site review at a Florida Housing Finance Corporation site. You will provide us with copies of any Restricted Personal Data only in accordance with mutually agreed protective measures.

40. You acknowledge that to the extent the Florida Housing Finance Corporation is regulated by or under the supervision of a federal, state or other regulator (including, without limitation, the Board of Governors of the Federal Reserve the Office of the Comptroller of the Currency and the New York State Department of Financial Services, as applicable), you may be in possession of confidential supervisory information as defined in relevant law or regulations (“CSI”), including without limitation documents and information comprising CSI arising from, relating to, or concerning inspections and examinations by such regulator(s). As set forth in paragraph 23, we may require access to such CSI in order to perform the Audit Services. However, CSI may be subject to regulatory restrictions on disclosure to and/or use by third parties. Accordingly: (1) management will identify to EY the regulators that regulate and/or exercise supervisory oversight over the Florida Housing Finance Corporation and have specific requirements relating to CSI (each, a “Regulator”); (2) management will identify to EY all CSI in your possession; (3) to the extent management’s provision of CSI to EY is not authorized by applicable law or regulation absent Regulator approval, management will obtain authorization from the applicable Regulator to provide us access to any and all CSI for the purposes of performing the Audit Services with respect to CSI already in the Florida Housing Finance Corporation’s possession immediately following execution of this Agreement (and with respect to any later-identified CSI immediately upon learning of the examination, inspection or other activity that could result in such materials being deemed CSI); and (4) management will not provide any such access prior to having received such authorization and having identified to EY with specificity the information that constitutes CSI. You acknowledge that any failure to provide any such information could be considered a restriction on the scope of the audit, and the parties agree that they shall engage in good faith discussions regarding the effect of any withholding on the Audit Services.
41. Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services (“USCIS”) to confirm that EY employees on certain visas are, in fact, EY employees and not employees of Florida Housing Finance Corporation or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this Agreement, including Florida Housing Finance Corporation’s identity and location, as well as a redacted copy of this Agreement. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR

§ 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding certain visas will be working on Florida Housing Finance Corporation's premises. EY and Florida Housing Finance Corporation will work together to develop an appropriate notice as required. Florida Housing Finance Corporation acknowledges that EY resources will be operating at all times as an employee of and under the direction and control of Ernst & Young U.S. LLP's management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by Ernst & Young U.S. LLP. Florida Housing Finance Corporation will not have the right to control EY resources. At all times, EY resources will receive direction from an EY manager while on-site at Florida Housing Finance Corporation's premises.

42. By your signature below, you confirm that the Florida Housing Finance Corporation, through its Audit Committee and Board of Directors, has expressly authorized you to enter into this Agreement on behalf of, and to bind, the Florida Housing Finance Corporation. In addition, you confirm that management agrees to, acknowledges, and understands its responsibilities as outlined in "Management's responsibilities and representations." Either EY or the Florida Housing Finance Corporation may execute this Agreement (and any supplements or modifications hereto) by electronic means, and each of EY and the Florida Housing Finance Corporation may sign a different copy of the same document.
43. EY retains ownership in the workpapers compiled in connection with the performance of the Audit Services.
44. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Audit Services, including (without limitation) claims arising in tort, fraud, under statute or otherwise relating to the Audit Services, or questions relating to the scope or enforceability of this paragraph, shall be governed by, and construed in accordance with, the laws of Florida applicable to agreements made, and fully to be performed, therein by residents thereof. Except for a claim limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Audit Services, this Agreement or any other services provided by or on behalf of EY or any of its subcontractors or agents to the Florida Housing Finance Corporation or at the Florida Housing Finance Corporation's request (including any such matter involving any parent, subsidiary, affiliate, successor in interest, or agent of the Florida Housing Finance Corporation), shall be resolved by mediation or arbitration as set forth in the attachment to this Agreement, which is incorporated herein by reference. Judgment on any arbitration award may be entered in any court having jurisdiction. Venue for any such proceedings (judicial, mediation, or arbitration) shall lie in Tallahassee, Leon County, Florida. Florida Housing Finance Corporation is subject to Florida's Public Records Law, Chapter 119, Florida Statutes. This Agreement, including any mediation or arbitration conducted in connection herewith, is subject to that laws as may be applicable notwithstanding anything to the contrary set forth in the attachment to this agreement.



45. If any portion of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect. This Agreement applies to all Audit Services (as defined in paragraph 1), including any such services performed or begun before the date of this Agreement.

To the extent that EY agrees to perform Audit Services for a subsequent fiscal year, the terms and conditions set forth in this Agreement shall apply to the performance of such Audit Services, except as specifically modified, amended or supplemented in writing by the parties. Changes in the scope of the Audit Services and estimated fees for such services in subsequent fiscal years will be communicated in supplemental agreements. We may terminate performance of the Audit Services and this Agreement upon written notice if we reasonably determine that we can no longer provide the Audit Services in accordance with applicable law or professional obligations. Upon any termination of the Audit Services or this Agreement, Florida Housing Finance Corporation shall pay EY for all work-in-progress, Audit Services already performed and expenses incurred by us up to and including the effective date of such termination.

EY appreciates the opportunity to be of assistance to Florida Housing Finance Corporation. If this Agreement accurately reflects the terms on which the Florida Housing Finance Corporation has agreed to engage EY, please sign below on behalf of Florida Housing Finance Corporation and return it to Michael Pattillo.

Very truly yours,

Ernst & Young LLP

Agreed and accepted by:

Florida Housing Finance Corporation

By:


Harold L. Price
Executive Director

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director or substantial equity owner of any EY Firm audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director or substantial equity owner of any EY Firm audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Appendix A – Fees 2019 through 2023

Audit		2019*	2020**	2021***	2022	2023
FHFC		\$399,500	\$407,500	\$415,600	\$424,000	\$432,400
HHF		21,000	TBD	TBD	TBD	TBD
FAF		8,800	--	--	9,680	--
Total		\$429,300	\$407,500	\$415,600	\$433,680	\$432,400

* Does not include additional required audit effort for accounting changes required under GASB 84, Fiduciary Activities, or GASB 88, Disclosures Related to Debt (estimated to be \$5k-\$15k)

** Does not include new major federal program, CDBG, first time audit effort (estimated to be \$15k-\$20k); nor accounting changes for GASB 87, Leases (not expected to have a material impact)

*** Does not include additional effort related to GASB 91 implementation, Conduit Debt (estimated to be \$5k-\$10k)

**CONTRACT FOR
AUDITING SERVICES BETWEEN
FLORIDA HOUSING FINANCE CORPORATION
AND
ERNST & YOUNG LLP**

This Contract for Auditing Services, #2014-04-P-001-001 (Contract) is entered into by and between the FLORIDA HOUSING FINANCE CORPORATION (Florida Housing), a public corporation and a public body corporate and politic, with headquarters located at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301, and ERNST & YOUNG LLP (Auditor), located at 118 N. Gadsden Street, Tallahassee, FL 32301. Upon execution by both parties, this Contract shall become effective as of the date the last party signs (Effective Date).

RECITALS

- A. The Auditor represents that it is fully qualified and possesses the requisite skills, knowledge, qualifications and experience to provide Auditing Services identified herein and offers to perform those services described in Exhibit A, Request for Proposal (RFP) 2014-04 attached hereto and incorporated herein.
- B. Florida Housing has a need for such services and does hereby accept the offer of the Auditor upon the terms and conditions outlined in this Contract.
- C. Florida Housing has the authority pursuant to Florida Law to direct disbursement of funds for compensation to the Auditor under the terms and provisions of this Contract.

AGREEMENT

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

A. ATTACHMENTS

This Contract has the following attachments, which are incorporated herein:

Exhibit A, RFP 2014-04
Exhibit B, Engagement Letter

B. ENGAGEMENT OF THE AUDITOR

The Auditor agrees to provide Auditing Services in accordance with the terms and conditions hereinafter set forth. The Auditor agrees to perform the services set forth in Exhibit A, and as otherwise stated in this Contract. The Auditor understands and agrees that all services under this Contract are to be performed solely by the Auditor, and may not be subcontracted or assigned without the prior written approval and consent of Florida Housing.

C. TERM OF CONTRACT

The initial term of this Contract shall be for five (5) years from the Effective Date. If the parties mutually agree in writing, the Contract may be renewed once for an additional five (5)

year term. Renewals are at the discretion of Florida Housing, and shall be contingent upon satisfactory performance evaluations by Florida Housing.

D. MODIFICATION OF CONTRACT

Either party may request a modification of the provisions of this Contract. Modifications that are mutually agreed upon shall be valid only when reduced to writing, signed by the parties and attached to this Contract.

E. INVOICES

The Auditor shall submit invoices to the program contact person in Section J, Administration of Contract. Each invoice for fees shall be in a format that is clearly itemized so that the invoice states the specific services performed. Payment of an undisputed invoice shall be made within a reasonable period of time not to exceed 30 days after receipt of the invoice. If the Auditor is found to be in non-compliance with Florida laws, federal laws, Florida Housing rules or Florida Housing policies governing its duties hereunder, or fails to perform its duties hereunder, any compensation received in connection with this Contract shall be subject to forfeiture to Florida Housing.

F. FEES/COSTS

The Auditor shall be compensated as described in the Engagement Letter attached hereto as Exhibit B.

G. LIABILITY: INDEPENDENT CONTRACTOR; COMPLIANCE WITH LAWS

1. Florida Housing shall not be deemed to have assumed any liability for the acts, omissions, or negligence of the Auditor, its agents, its servants, or employees, and the Auditor specifically accepts responsibility for its acts, omissions or negligence and for the acts, omissions or negligence of its agents, servants or employees, and shall defend and hold Florida Housing harmless from and against the claims of any party arising out of or claimed to arise out of any such acts, omissions, or negligence.

2. This Contract is executed on behalf of Florida Housing by the signatory only in his or her designated capacity as representative and on behalf of Florida Housing. Such individual shall neither have nor incur any individual or personal responsibility or liability under this Contract as a result of such execution.

3. Nothing herein shall be construed as a waiver of sovereign immunity by Florida Housing; it being the intent to reserve all such rights and immunities to the fullest extent of the law.

4. The Auditor, together with its agents, suppliers, subcontractors, officers, and employees, shall have and always retain under this Contract the legal status of an independent contractor, and in no manner shall they be deemed employees of Florida Housing or deemed to be entitled to any benefits associated with such employment. During the term of this Contract, the Auditor shall maintain at its sole expense those benefits to which its employees would otherwise be entitled to by law. The Auditor remains responsible for all applicable federal, state, and local taxes, and all FICA contributions.

5. The Auditor shall comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state and local agencies having jurisdiction and authority. In addition, and by way of non-exhaustive example, the Auditor shall comply with Florida Housing policies, as applicable, while on Florida Housing premises and in the conduct of its business with Florida Housing personnel.

6. The Auditor specifically accepts responsibility for payment of all taxes, assessments, or contributions that may be required to be paid to any unit of government as a result of the payments being paid to or by the Auditor, if any, in conjunction with the services rendered pursuant to this Contract. At no time shall the Auditor make any commitments for or incur any charges or expenses for, or in the name of, Florida Housing.

7. The Auditor shall not be relieved of liability to Florida Housing for damages sustained by Florida Housing by virtue of any termination or breach of this Contract by the Auditor.

H. DEFAULT AND REMEDIES

1. If any of the events listed in subparagraph 2 of this section occur, all obligations on the part of Florida Housing to continue doing business with the Auditor or assign any future transaction to the Auditor shall, if Florida Housing so elects, terminate and Florida Housing may, at its option, exercise any of its remedies set forth herein, or as otherwise provided by law. However, Florida Housing may continue doing business with the Auditor as a participant after the happening of any event listed in subparagraph 2. of this section without waiving the right to exercise such remedies, without constituting a course of dealing, and without becoming liable to include the Auditor in the transaction or any future transaction.

2. The Events of Default shall include, but not be limited to, the following:

a. If any report, information or representation provided by the Auditor in this Contract is inaccurate, false or misleading in any respect;

b. If any warranty or representation made by the Auditor in this Contract or any other outstanding agreement with Florida Housing is deemed by Florida Housing to be inaccurate, false or misleading in any respect;

c. If the Auditor fails to keep, observe, or perform any of the terms or covenants contained in this Contract, or is unable or unwilling to meet its obligations as defined in this Contract;

d. If, in the sole discretion of Florida Housing, the Auditor has failed to perform or complete any of the services identified in the attachments;

e. If the Auditor has not complied with all Florida laws, federal laws, Florida Housing rules or Florida Housing policies applicable to the work;

f. If the Auditor has discriminated on the grounds of race, color, religion, sex, national origin, or disability in performing any service identified in the attachments;

g. If the Auditor does not comply with the terms and conditions set forth in Section 420.512(5), Fla. Stat.;

h. If the Auditor commits fraud in the performance of its obligations under this Contract; or

i. If the Auditor refuses to permit public access to any document, paper, letter, computer files, or other material subject to disclosure under Florida's Public Records Law.

Upon the occurrence of any Event of Default listed in subparagraph 2. above, Florida Housing will provide written notice of the Default detailing the grounds that constitute the Event of Default (Notice of Default), delivered by courier service or electronic mail to the address set forth in Section J, Administration of Contract, herein.

3. Upon the occurrence of any Event of Default listed in subparagraph 2. above, Florida Housing may provide the Auditor a reasonable period of time to cure the Event of Default (Cure Period). If Florida Housing provides a Cure Period, Florida Housing will notify the Auditor of the length of the Cure Period in the Notice of Default.

4. If Florida Housing provides a Cure Period and if the Auditor is unable or unwilling to cure the Event of Default within the Cure Period, Florida Housing may exercise any remedy permitted by law. The pursuit of any one of the following remedies shall not preclude Florida Housing from pursuing any other remedies contained herein or otherwise provided at law or in equity. The remedies include, but are not limited to the following:

a. Florida Housing may terminate the Contract on the tenth (10th) day after the Auditor receives the Notice of Default or upon the conclusion of any applicable Cure Period, whichever is later;

b. Florida Housing may commence an appropriate legal or equitable action to enforce performance of the terms and conditions of this Contract;

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

d. Florida Housing may exercise any other rights or remedies that may be otherwise available under law.

I. TERMINATION

1. Florida Housing may terminate the contract, without cause, at any time upon ten (10) days written notice delivered by courier service or electronic mail to the Auditor at the address set forth in Section J, Administration of Contract, herein.

2. The Auditor may terminate this Contract, without cause, at any time upon ninety (90) days written notice delivered by courier service or electronic mail to Florida Housing at the physical or electronic address, as applicable, set forth in Section J, Administration of Contract, herein. The Auditor shall be responsible for all costs arising from the resignation of the Auditor and the costs associated with the appointment of and transition to a successor Auditor.

J. ADMINISTRATION OF CONTRACT

1. The Florida Housing contract manager for this Contract is:

Contracts Manager
Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, Florida 32301-1329
Phone: 850.488.4197
E-mail: Contracts.Manager@floridahousing.org

2. The Florida Housing program contact for Auditor issues for this Contract is:

Angie Sellers
Comptroller
Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, Florida 32301-1329
Phone: 850.488.4197
E-mail: Angie.Sellers@floridahousing.org
or the designated successor.

3. The Auditor contract manager for this Contract is:

Mike Pattillo
Coordinating Partner
Ernst & Young LLP
390 N. Orange Avenue, Suite 1700
Orlando, FL 32801
Office: 407.872.6757
Cell: 407.782.8497
E-mail: Michael.Pattillo@ey.com
or the designated successor.

4. All written approvals referenced in this Contract shall be obtained from the parties' contract manager or their respective designees.

5. All notices shall be given to the parties' contract manager.

K. PUBLIC RECORDS; CONFIDENTIALITY; COPYRIGHT, PATENT, TRADEMARK;
FILES

1. Public Records

Files Subject to Florida's Public Records Law: Any file, report, record, document, paper, letter, or other material received, generated, maintained or sent by the Auditor in connection with this Contract is subject to the provisions of Section 119.01-.15, Fla. Stat., as may be amended from time to time (Florida's Public Records Law). The Auditor represents and acknowledges that it has read and understands Florida's Public Records Law and agrees to comply with Florida's Public Records Law.

Pursuant to Section 119.0701(2), Fla. Stat., the Auditor is required "to comply with public records laws, specifically to:

- (i) Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service.
- (ii) Provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- (iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (iv) Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that is compatible with the information technology systems of the public agency."

Notwithstanding anything contained herein to the contrary, the provisions and requirements of this paragraph shall only apply if and when the Auditor is acting on behalf of Florida Housing.

2. Confidentiality

a. If the Auditor asserts that any information or materials intended to be delivered or provided under this Contract constitute a trade secret, or are otherwise confidential or exempt from the public records disclosure requirements of Florida's Public Records Law, such assertion must be made prior to submitting them to Florida Housing.

b. It is the Auditor's obligation and responsibility to maintain the secrecy of trade secrets and the confidentiality of other confidential information by adequately marking such materials as confidential or exempt before forwarding such information or materials to Florida Housing.

c. In the case of work product furnished to Florida Housing pursuant to this Contract that is confidential, the Auditor will treat such materials as confidential and will

not reveal or discuss such materials or any other information learned as a result of this Contract with any other person or entity, except as authorized or directed by Florida Housing.

d. Working papers, copies, internal documents, procedures, methods and related materials considered confidential and/or proprietary shall be treated as confidential and/or proprietary and shall not be revealed or discussed with any other person or entity, except as authorized or directed by Florida Housing.

e. If the Auditor is required to disclose or publish the existence or terms of transactions under this Contract pursuant to Florida's Public Records Law, then the Auditor shall notify Florida Housing in writing of such disclosure within two (2) days after receipt of the Public Records request.

3. Copyright, Patent and Trademark

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

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

c. All subcontracts or other arrangements entered into, by the Auditor, with prior written approval and consent of Florida Housing, for the purpose of developing or procuring copyrightable materials (e.g. audiovisuals, computer programs, software, publications, curricula, research materials or training materials, etc.) shall specifically reference and reserve Florida Housing's exclusive rights to use and exploit copyrights and licenses to the extent permitted by copyright law and Florida Statutes.

4. Files

a. Contents of the Files: The Auditor shall maintain files containing documentation to verify all compensation to the Auditor in connection with this Contract, as well as reports, records, documents, papers, letters, computer files, or other material received, generated, maintained or filed by the Auditor in connection with this Contract. The Auditor shall also keep files, records, computer files, and reports that reflect any compensation it receives or will receive in connection with this Contract.

b. Retaining the Files: The Auditor shall maintain these files for five (5) years after the fiscal year in which the files become inactive, except that, if any litigation, claim or audit is commenced with respect to the transactions documented by such files before the end of the aforementioned five (5) year period and extends beyond the expiration of the

five (5) year period, these files will be retained until all litigation, claims, or audit findings involving the files have been resolved.

c. Access to the Files: Upon reasonable notice, the Auditor and its employees shall allow Florida Housing or its agent(s) access to its files during normal business hours, 9:00 a.m. to 5:00 p.m., Monday through Friday, provided such day is not a holiday.

d. Return of the Files: In the event this Contract is terminated, all finished or unfinished documents, data, studies, computer files, correspondence, and other products prepared by or for the Auditor under this Contract shall be submitted to Florida Housing within fifteen (15) days of such termination at the expense of the Auditor. Notwithstanding the foregoing, the Auditor may retain its working papers in accordance with its professional obligations.

L. OTHER PROVISIONS

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

2. No waiver by Florida Housing of any right or remedy granted hereunder or failure to insist on strict performance by the Auditor shall affect or extend or act as a waiver of any other right or remedy of Florida Housing hereunder, or affect the subsequent exercise of the same right or remedy by Florida Housing for any further or subsequent default by the Auditor. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a course of dealing.

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

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

M. LOBBYING PROHIBITION

No funds compensation or other resources received in connection with this Contract may be used directly or indirectly to influence legislation or any other official action by the Florida or Federal Legislature or any state or Federal agency. The Auditor further acknowledges that it has not retained the services of any lobbyist or consultant to assist in the procurement and negotiation of this Contract.

N. LEGAL AUTHORIZATION

The Auditor certifies with respect to this Contract that it possesses the legal authority to enter into this Contract and that, if applicable, its governing body has authorized, by resolution or otherwise, the execution and acceptance of this Contract with all covenants and assurances contained herein. The Auditor also certifies that the undersigned possesses the authority to legally execute and bind the Auditor to the terms of this Contract.

O. PUBLIC ENTITY CRIME

Pursuant to Section 287.133(2)(a), Fla. Stat.: "A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list."

Any contract in violation of this provision shall be null and void.

P. CONFLICTS OF INTEREST

1. Section 420.503(32), Fla. Stat., states:

Prohibited business solicitation communication' means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:

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

2. By executing this contract, the Auditor certifies that it shall comply with, and is currently in compliance with, Section 420.512(5), Fla. Stat., as amended.

3. In addition to the conflict of interest rules imposed by the Florida Statutes, should the Auditor become aware of any actual, apparent, or potential conflict of interest or should any such actual, apparent, or potential conflict of interest come into being subsequent to the effective date of this Contract and prior to the conclusion of the Contract, the Auditor will

provide notification to Florida Housing, through first class certified mail, return receipt requested (Notice of Conflict of Interest), to the address and individual set forth in Section J, Administration of Contract herein, within ten (10) working days. If Florida Housing, in its sole discretion, finds the Auditor to be in non-compliance with this provision, without prior written consent from Florida Housing's Executive Director, any compensation received in connection with this Contract shall be subject to forfeiture to Florida Housing and all obligations on the part of Florida Housing to continue doing business with the Auditor or assign any future work to the Auditor shall, if Florida Housing so elects, terminate.

Q. ENTIRE AGREEMENT

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

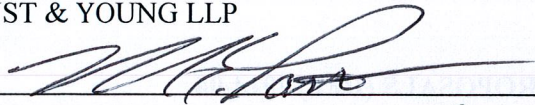
R. SEVERABILITY

If any provision of this Contract is in conflict with any applicable statute or rule, or is otherwise unenforceable, then such provision shall be deemed null and void to the extent of such conflict or unenforceability, and shall be deemed severable, but shall not invalidate any other provision of this Contract.

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IN WITNESS WHEREOF, the parties have executed this Contract Number 2014-04-P-001-001, each through a duly authorized representative, effective on the Effective Date.

ERNST & YOUNG LLP

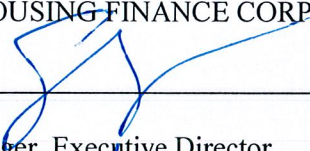
By: 

Name/Title: Michael E. P. Hillo, Partner

Date: 1/5/15

FEIN: 34-6565596

FLORIDA HOUSING FINANCE CORPORATION

By: 

Stephen P. Auger, Executive Director

Date: 1/7/15

EXHIBIT A

REQUEST FOR PROPOSALS (RFP) 2014-04
AUDITING SERVICES
FOR
FLORIDA HOUSING FINANCE CORPORATION

July 31, 2014

SECTION ONE INTRODUCTION

A. The Florida Housing Finance Corporation ("Florida Housing") is soliciting proposals from qualified certified public accounting firms to provide auditing services as generally described in Section Four of this Request for Proposals (RFP). Florida Housing intends to award a single contract to an Offeror who will provide all of the auditing services specified in this RFP. Both Joint Venture and subcontract proposals are acceptable. All Subcontractors and Joint Ventures must be specified, and all professional criteria outlined in this RFP will apply to any Subcontractors or Joint Ventures except as otherwise provided herein.

B. Florida Housing was created by Chapter 420, Part V, Fla. Stat. as a public corporation. It is a discretely presented component unit of the State of Florida for financial reporting purposes.

C. Florida Housing issues bonds and allocates federal tax credits, federal and state funded programs to finance single family and multifamily affordable housing in the State of Florida. Bonds issued by Florida Housing (other than the Guarantee Program issues, if any) are payable, both as to principal and interest, solely from the assets of the various programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of Florida Housing, the State of Florida or of any local government herein.

D. In conjunction with the refunding of certain multifamily revenue bonds, Florida Housing and HUD signed a FAF Agreement. This refunding reduced interest rates and permitted HUD to recapture Section 8 Funds used to subsidize FAF developments financed by the bonds. HUD also made available to Florida Housing fifty percent (50%) of the net recaptured funds attributable to this refunding to provide decent, safe, and sanitary housing affordable to very-low income families or persons. Eight loans totaling approximately \$4.65 million were outstanding at December 31, 2013.

E. During 2008 and 2009, in accordance with Chapter 420.507(40), Fla. Stat., Florida Housing established new subsidiary business entities for the purpose of taking title to, managing and disposing of property acquired by Florida Housing.

F. Florida Housing's audited financial statements are available online at: http://apps.floridahousing.org/StandAlone/FHFC_ECM/AppPage_InvestorPage.aspx.

SECTION TWO DEFINITIONS

For purposes of this document, the following terms shall be defined as follows:

"Auditor"	The Offeror awarded a Contract by Florida Housing to provide the auditing services described in Section Four of this RFP.
"Board"	The Board of Directors of Florida Housing Finance Corporation.

“Committee”	The review committee composed only of employees of Florida Housing that is established pursuant to Fla. Admin. Code, R. 67-49.007.
“Contract”	The document containing the terms and conditions of this Request for Proposals and any other term or condition that is agreed to by the parties.
“Days”	Calendar days, unless otherwise specified.
“Effective Date”	The date the last party signs the Contract that is awarded as a result of this Request for Proposals.
“FAF Agreement”	The Financing Adjustment Factor (FAF) Refunding Agreement between Florida Housing and HUD dated December 1, 1992.
“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“Guarantee Program”	The Florida Affordable Housing Guarantee program that Florida Housing administers pursuant to Sections 420.507 and 420.5092, Fla. Stat. and Fla. Admin. Code R. 67-39.
“HUD”	The United States Department of Housing and Urban Development.
“Interested Party”	A person or entity that obtains a copy of this Request for Proposals from Florida Housing.
“Joint Venture”	A legal entity comprised of two or more business entities engaged in the joint execution of a particular transaction for mutual profit. For all intents and purposes regarding this RFP any Joint Venture shall be treated as a partnership, with full responsibilities and liabilities applying severally to each business entity of the Joint Venture.
“Offeror”	Any person or entity who has the capability in all respects to perform fully the requirements contained in this Request for Proposals and submits a response to this Request for Proposals.
“Response”	The written submission by an Offeror to this Request for Proposals.
“RFP”	This Request for Proposals, including all exhibits referenced in this document and all other documents incorporated by reference.
“Subcontractor”	An entity which contracts with the Offeror to perform a specific part or parts of the services undertaken by the

Offeror pursuant to this RFP. For the purposes of this RFP, any Subcontractor shall be bound by and shall comply with the provisions of the Contract between Florida Housing and the Auditor regarding the specific part or parts of the subcontracted services.

“Staff”

Any employee of Florida Housing, including the Executive Director.

“Website”

The Florida Housing Finance Corporation website, www.floridahousing.org.

SECTION THREE PROCEDURES AND PROVISIONS

A. An Offeror must submit an original and five (5) copies of the Response in a sealed envelope marked “RFP 2014-04.” Each envelope or package containing Responses must clearly state the name of the Offeror. The Response that is the original must be clearly indicated on that Response. An electronic copy of the Response must also be submitted on a CD or flash drive. Florida Housing shall not accept a faxed or e-mailed Response. Florida Housing must receive any Responses on or before 2:00 p.m., Eastern Time, on August 21, 2014. Responses shall be opened at that time.

Contracts Manager
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329
(850) 488-4197; Fax (850) 414-6548
E-mail: Contracts.Manager@floridahousing.org

B. This RFP does not commit Florida Housing to award a Contract to any Offeror or to pay any costs incurred in the preparation or mailing of a Response.

C. All services under the Contract awarded are to be performed solely by the Contractor, unless subcontracted or assigned with the prior written approval and consent of Florida Housing.

D. Florida Housing reserves the right to:

1. Waive minor deficiencies and informalities;
2. Accept or reject any or all Responses received as a result of this RFP;
3. Obtain information concerning any or all Offerors from any source;
4. Schedule an oral interview before the Review Committee, the Audit Committee of the Board and/or the full Board with any or all Offerors;
5. Select for Contract negotiation or for award, a Response other than that with the highest ranking if, in the judgment of Florida Housing, its and the public's interest shall be best served; and

6. Negotiate with the successful Offeror with respect to any additional terms or conditions of the Contract.

E. Any Interested Party may submit any question regarding this RFP in writing via mail, fax, or e-mail to the Contract Manager at the address given in Section Three, paragraph A. All questions are due by 5:00 p.m., Eastern Time, on August 7, 2014. Phone calls shall not be accepted. Florida Housing expects to respond to all questions in writing by 5:00 p.m., Eastern Time, on August 11, 2014. Florida Housing shall post a copy of all questions received and their answers on Florida Housing's Website at:

<http://www.floridahousing.org/BusinessAndLegal/Solicitations/RequestForProposals/>.

Florida Housing shall also send a copy of those questions and answers in writing to any Interested Party that requests a copy. Florida Housing shall send its answers, by regular U.S. mail, overnight delivery, fax, e-mail or any combination of the above. Only written responses or statements from the Contracts Manager that are posted on our Website shall bind Florida Housing. No other means of communication, whether oral or written, shall be construed as an official response or statement from Florida Housing.

F. Any person who wishes to protest the specifications of this RFP must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, Fla. Admin. Code. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

G. The term of the contract shall be for five (5) years subject to a satisfactory annual performance review at the sole discretion of Florida Housing. If the parties mutually agree in writing, the Contract may be renewed once for an additional five (5) year term. The auditor must be prepared to perform the required services beginning with the year ending December 31, 2014.

H. Florida Housing is not required to utilize the services of any selected Offeror and may terminate any selected Offeror without cause and without penalty.

I. Pursuant to Fla. Admin. Code R. 67-49.004, Florida Housing may modify the terms of the RFP at any point prior to two (2) weeks of the due date for Responses. A notice of such modification shall be posted on Florida Housing's Website and shall be provided to potential Offerors who requested copies of the RFP.

J. The terms of this RFP, and any modifications thereto, shall be incorporated into any Contract offered as a result of this RFP. Failure of a successful Offeror to accept these obligations in the final Contract may result in cancellation of the award at Florida Housing's sole discretion.

K. The Auditor's engagement letter, as agreed upon by Florida Housing and the Auditor, shall be made an exhibit to the Contract. Florida Housing anticipates that the engagement letter shall be effective for a five (5) year period, commensurate with the term of the Contract. If the contract is renewed for the additional five (5) year period, Florida Housing expects that a new five (5) year engagement letter will be executed commensurate with the five (5) year renewal period.

SECTION FOUR SCOPE OF SERVICES

Services to be provided by the Auditor for each fiscal year being audited shall include, but are not limited to, the following:

A. Perform an examination of Florida Housing's financial statements sufficient in scope to allow the Auditor to express its opinion that the financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and present fairly the financial position as of December 31 and the related statements of revenues, expenses, and changes in financial position and cash flows for the year then ended as required by Generally Accepted Auditing Standards (GAAS). Prepare the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting based on an audit of financial statements performed in accordance with Government Auditing Standards (GAS). Florida Housing anticipates that all fieldwork shall be completed no later than 120 Days after year-end and that all reports shall be delivered to Florida Housing no later than 150 Days after year-end. All statements will provide for single year presentation unless otherwise instructed by Florida Housing. The statements may or may not include supplementary combining schedules as annually determined by Florida Housing. The scope of the audit shall encompass the activities necessary to establish compliance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants in its Statements on Auditing Standards, as have been incorporated by reference in the Rules of the Florida Board of Accountancy;

2. *Government Auditing Standards*, issued by the Comptroller General of the United States, known as the Yellow Book;

3. The Single Audit Act Amendments of 1996, the Florida Single Audit Act (Section 216.349, Fla. Stat.), and Office of Management and Budget (OMB) Circular A-133 Compliance Supplement (*Audits of States, Local Governments, and Non-Profit Organizations*) and other applicable federal law, as required and as may be amended from time to time, as applicable; and

4. The term "financial audit" as defined in Section 11.45(1)(c), Fla. Stat.

B. Florida Housing's financial statements are required to be prepared in accordance with GAAP. In the event that authoritative bodies, principally the Governmental Accounting Standards Board (GASB), promulgate modifications to GAAP during the period of the engagement, the Auditor will apprise Florida Housing of such modifications and advise Florida Housing how best to implement such changes.

C. Perform procedures as needed, including, but not limited to, those related to the Affordable Housing Guarantee Program Debt Service Reserve Funds sufficient to comply with Section 420.5092(6)(a), Fla. Stat.

D. Present necessary reports required by applicable standards, laws or rules.

E. Make recommendations to improve the economy and efficiency of Florida Housing operations.

F. Appear before Florida Housing's Board of Directors and/or Audit Committee to make oral presentations of the written reports and as otherwise may be requested by Florida Housing.

G. Retain work papers and reports for a minimum of three (3) years from the date of the audit report unless notified by the Auditor General to extend the retention period.

H. Make all audit work papers available upon request to authorized federal or state of Florida personnel and the Florida Auditor General, or his designee, at the completion of the audit.

I. Transmit to Florida Housing in electronic format one (1) copy of each report as specified in this section. The electronic format shall be as directed by Florida Housing. Any and all deliverables under this contract may be posted to Florida Housing's Website. Florida Housing may also, in other documents such as bond offerings, refer to the deliverables posted on the Website. No deliverable will be reproduced in another document without prior notification to the Auditor.

J. Supervise and monitor all Subcontractors, if any.

K. Acknowledge that all documents or data collected by the Auditor, in furtherance of the Contract services, are public record as defined in Chapter 119, Fla. Stat., subject to any exceptions therein. Florida Housing shall not be prohibited from making any reports which are a product of this RFP available to any parties requesting copies.

L. Perform an examination of a single family or multifamily bond issue or indenture sufficient in scope to allow the Auditor to express its opinion that the financial statements of that issue or indenture have been prepared in accordance with accounting principles generally accepted in the United States of America and present fairly the financial position as of December 31 and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended as required by GAAS, if requested by Florida Housing.

M. Perform procedures and prepare reports required by state or federal oversight agencies, if requested by Florida Housing, including but not limited to:

1. Provide Florida Housing with such additional information as may be reasonably requested of Florida Housing by a federal oversight agency, including an audit report of funds expended or received by Florida Housing.

2. Perform agreed upon procedures triennially or as otherwise required or requested. Such procedures may include:

- i. a programmatic review of Florida Housing's compliance with the FAF agreement and a review of the assistance provided and the families and persons assisted. The next triennial review is due for the three (3) years ending December 31, 2016;
- ii. an annual review of the effectiveness of Florida Housing's internal control over compliance related to the administration of the Hardest Hit Fund (HHF) Program.

SECTION FIVE CERTIFICATION

Do not reproduce the language of Section Five in the Response. By inclusion and execution of the statement provided in this Section Six, subsection G, of the RFP, each Offeror certifies that:

A. The Offeror submits this Response without prior understanding, agreement, or connection with any person or entity submitting a separate Response for the same services. However, any agreement with a person or entity with whom the Response is jointly filed and such joint filing is made clear on the face of the Response shall be an exception so long as the Response is in all respects fair and without collusion or fraud.

B. Any material submitted in response to this RFP is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within ten (10) Days after the Response is opened, whichever is earlier.

C. The Offeror is in compliance with Section 420.512(5), Fla. Stat., which provides:

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

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

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

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

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

(e) If a service provider is in doubt as to whether its activities, or the activities of its principals, agents, or employees, violate the provisions of this section, it may request a declaratory statement in accordance with the applicable rule and Section 120.565, Fla. Stat.

(f) If the corporation determines that a service provider has failed to meet the provisions of this section, it shall consider the magnitude of the violation and whether there has been a pattern of violations in determining whether to terminate or decline to enter into Contracts with the service provider.

D. For the purpose of Section 420.512(5), Fla. Stat., "Prohibited Business Solicitation Communications" is defined by Section 420.503(32), Fla. Stat., which provides:

Prohibited business solicitation communication' means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:

(a) A verbal communication made on the record during a public meeting;

(b) A written communication provided to each member and officer of the corporation and made part of the record at a public meeting;

(c) A written proposal or statement of qualifications submitted to the corporation in response to a corporation advertisement seeking proposals or statements of qualifications as part of a competitive selection process.

(d) A verbal or written communication related to the contractual responsibilities of a service provider who was selected to provide services or who was included in a pool of service providers eligible to provide services as a result of a competitive selection process, so long as the communication does not relate to solicitation of business.

(e) A verbal or written communication related to a proposed method of financing or proposed projects, so long as the communication does not relate to solicitation of business.

E. The Offeror is in compliance with Section 287.133(2)(a), Fla. Stat., which provides in pertinent part:

A person or affiliate, who has been placed on the convicted vendor list, following a conviction for a public entity crime, may not:

a. Submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity;

b. Submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work;

c. Submit bids, proposals or replies on leases of real property to a public entity;

d. Be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and;

e. Transact business with any public entity in excess of the threshold amount provided in Section 287.017, Fla. Stat., for CATEGORY TWO: \$35,000.00, for a period of 36 months from the date of being placed on the convicted vendor list.

F. Pursuant to Section 119.0701(2), Fla. Stat., the Service Provider is required “to comply with public records laws, specifically to:

1. Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service.

2. Provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

4. Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that is compatible with the information technology systems of the public agency.”

Notwithstanding anything contained herein to the contrary, the provisions and requirements of this paragraph shall only apply if and when Service Provider is acting on behalf of Florida Housing.

G. The Offeror acknowledges that any Offeror selected shall be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Offeror other than for the compensation agreed upon in the Contract that results from this RFP, unless that Offeror has Florida Housing’s written consent after Florida Housing has been fully informed of such activities in writing.

In addition to the conflict of interest rules imposed by the Florida Statutes, the Offeror that is selected may not engage in any actual, apparent, or potential conflict of interest. Should any such actual, apparent, or potential conflict of interest come into being subsequent to the effective date of the Contract and prior to the conclusion of the Contract, the Offeror shall provide notification (Notice of Conflict of Interest) to Florida Housing, through first class certified mail, return receipt requested, within ten (10) working days, seeking consent from Florida Housing’s Executive Director. If the Offeror is found to be in non-compliance with this provision, without written consent from Florida Housing’s Executive Director, any compensation received in connection with the Contract shall be subject to forfeiture to Florida Housing. The Offeror, in submitting this Response, acknowledges and agrees that the terms and conditions of this RFP, as well as any modifications thereto, shall be incorporated into any Contract offered as a result of this RFP.

H. CERTIFICATION STATEMENT

THE FOLLOWING SHALL BE REPEATED IN THE APPLICANT'S RESPONSE AND SIGNED BY AN INDIVIDUAL AUTHORIZED TO BIND THE APPLICANT. FAILURE TO INCLUDE THE CERTIFICATION STATEMENT BEARING AN ORIGINAL SIGNATURE SHALL RESULT IN REJECTION OF THE RESPONSE.

"I agree to abide by all conditions of RFP 2014-04 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response as the Applicant and that I am in compliance with all requirements of the RFP, including but not limited to, the certification requirements stated in Section Five of this RFP."

Authorized Signature (Original)

Print Name and Title

SECTION SIX INFORMATION TO BE PROVIDED IN RESPONSE

In providing the following information, restate each item and sub-item (with its letter and number), limit your Response to one bound volume. Responses to the items must be included immediately after the restated items without any reference to any appendix. Final fee schedule shall be subject to negotiation.

A. GENERAL INFORMATION

1. Provide a description of the Offeror including the year organized, ownership, and the total number of audit staff employees by staff level designation, i.e. senior, manager, etc., a summary of revenues and the percentage of revenues earned from auditing/accounting, tax, management consulting, and other services for the latest year end.

2. The name, job title, address, office and cellular telephone numbers, fax number, and e-mail address of a primary contact person, who will be responsible for day-to-day contact with Florida Housing, and any backup personnel who shall be accessible if the primary contact cannot be reached.

3. Provide documentation of the Offeror's ability to meet the following minimum professional qualifications. These minimum professional qualifications must be met in order to be considered for Contract award.

a. The Offeror must be a certified public accounting firm.

b. The Offeror must have annual auditing/accounting revenues in excess of \$2 million.

c. The Offeror and any Subcontractor must be independent according to applicable standards of the American Institute of Certified Public Accountants and Government Auditing Standards.

d. The Offeror must have performed audits of a state, local government, or an affordable housing finance entity with assets of over \$100 million within the last three (3) years. Related experience with mortgage and commercial banks, with assets exceeding \$500 million that have substantial activity in the origination of mortgage loans may also be acceptable.

e. The Offeror must provide information regarding the identity of proposed Subcontractors or members of a Joint Venture, if any.

f. The Subcontractor, if any, must have performed audits of a state, local government, or an affordable housing finance entity within the last three years. Related experience with mortgage and commercial banks that have substantial activity in the origination of mortgage loans may also be acceptable.

4 Documentation of a minimum of \$3 million in professional liability errors and omissions insurance is required prior to contract signing and annually thereafter. Identify if such insurance is currently in place or briefly describe the plan to have it in place prior to contract signing.

5 Provide evidence of certification from the Florida Department of State that the Offeror, and Subcontractor, if any, is qualified to do business in the State of Florida, and provide a copy of the Offeror's and Subcontractor's current licenses from the Florida Department of Business and Professional Regulation.

B. FIRM EXPERIENCE AND CAPABILITY

1. Describe in detail attestation engagements with a state government, a local government, and/or an affordable housing finance entity with assets of \$100 million and/or related experience with mortgage and commercial banks with assets exceeding \$500 million that have substantial activity in the origination of mortgage loans that clearly support the experience as set forth in the minimum qualifications. Describe how this experience demonstrates the ability to provide the services outlined for the respective activities in Section Four. Include prior experience with Florida Housing, if any.

2. Provide a list of all bond issuing entity clients, including state housing finance entity clients, for which your firm provided professional services within the last three (3) years, including names, addresses, telephone numbers and e-mail addresses. Prior to submittal of the Response, the Offeror must inform the named references that their names are being listed. Selected references may be contacted to determine the quality of work performed and personnel assigned to perform the work. The result of the reference checks will be provided to reviewers to be used in scoring the written Response and may be provided to Board members prior to final selection.

3. Describe the firm's policy on assignment and rotation of engagement partners. Explain the management approach to be used for this engagement to assure maximum effectiveness, efficiency, and benefit. Describe the firm's approach to partner review of work performed under this contract.

4. Document the Offeror's ability to complete assignments in a timely manner.

5. Provide a description of to what extent, if any, the Offeror, and any Subcontractors, including all holding companies and subsidiaries, or any officers or directors or other personnel are now, or have been during the five (5) years ended July 31, 2014, under indictment, investigation or order issued by a regulatory or governmental entity, or engaged in litigation or subject to an order from a court of competent jurisdiction. If any such condition exists, or existed in the time period specified, discuss the outcome and to what extent this could impair the level of service of the Offeror or any Subcontractor. In addition, describe any allegations made against the Offeror or any Subcontractor for the period January 2004 through the date of the proposal of which Florida Housing should be aware.

6. Provide a list of all governmental clients for which the Offeror has performed services during the three (3) years ended June 30, 2014. Identify the type of service provided for each client. Provide contacts and phone numbers for five (5) of these governmental units.

7. Provide a list of all governmental client accounts terminated during the three (3) years ended June 30, 2014 and provide the reason for termination.

8. Provide a copy of the most recent quality control review report and any other documentation regarding an independent review of your procedures, audits or services performed. Include documentation regarding resolution of any conditions identified. Clearly identify any outstanding unresolved items.

9. Describe the Offeror's approach to keeping clients informed of new, proposed or revised accounting pronouncements, standards, guidelines, accounting changes, auditing procedure additions or changes, and changes in markets or in regulations, especially as related to state housing finance agencies.

C. EXPERIENCE/QUALIFICATIONS OF PERSONNEL

1. Identify the engagement partner(s) and manager(s), including Subcontractors, if any, to be assigned to this engagement, including their qualifications, experience and office location(s). All partners and managers assigned during the term of this contract shall be currently active and licensed certified public accountants.

2. Provide the location(s) of the office(s) from which the work on this engagement is expected to be performed and a description of the range of activities performed by the office(s) to be assigned to this engagement.

3. Provide the number or percentage of fieldwork hours that staff is expected to be onsite at Florida Housing.

4. Describe the procedures used by the Offeror, and Subcontractor, if applicable, for changing assigned staff during the audit, including how the quality of staff over the term of the agreement will be maintained.

5. Describe the composition of the audit team by position levels.

6. Describe in detail the extent to which Subcontractors will be used to perform the services including, but not limited to, the number of audit hours or percentage of audit time and the type of audit work to be performed by all Subcontractors.

D. APPROACH TO SERVICES

1. Describe the Offeror's approach to creating and negotiating a letter of engagement for the term of the contract. Provide a copy of the firm's standard format for an engagement letter. Indicate which items in the engagement letter the Offeror expects are non-negotiable, aside from those items required by applicable audit standards. Discuss the Offeror's usual method of conflict resolution.

2. Describe the Offeror's audit approach for the engagement including, but not limited to, the following:

- a. Risk assessment and audit planning.
- b. Use of computer audit and/or other specialists.
- c. Gaining and documenting an understanding of Florida Housing's business, its transactions and internal controls.
- d. The types and formats of client schedules and any other information to be provided by Florida Housing.
- e. Tentative schedule for completing required reports by due dates specified in Section Four of this RFP including tentative dates for performance of interim audit work, if any.
- f. The plan for transitioning from the predecessor auditing firm, if necessary.

3. Describe how the Offeror will develop and provide recommendations on a regular, but no less than annual, basis to improve Florida Housing's present financial management, procedures, and internal controls.

E. COST PROPOSAL

Provide a schedule of fees, including hourly rates for the various staff levels, for the services outlined in Section Four, Scope of Services, Items A. – J. of this RFP. Provide either a flat fee or a maximum amount based on an hourly rate for each service. Include the estimated number of hours for the engagement type. The fee schedule should cover each of the five (5) years of the initial contract term.

***NOT WITHSTANDING THE FOREGOING, THE FINAL FEE SCHEDULE
SHALL BE SUBJECT TO NEGOTIATION***

F. DRUG-FREE WORKPLACE

If the Offeror has implemented a drug-free workplace program pursuant to Section 287.087, Fla. Stat., the Offeror must submit the following signed certification as a part of their response:

"I hereby certify on behalf of the Offeror, under the terms of RFP 2014-04 that the Offeror has implemented a drug-free workplace program pursuant to Section 287.087, Fla. Stat., which include the following requirements:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.

3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).

4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than 5 days after such conviction.

5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community by, any employee who is so convicted.

6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section."

Authorized Signature

Print Name and Title: _____

G. MINORITY BUSINESS ENTERPRISE

If the Offeror is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Offeror must submit the following signed certification as a part of their response:

"I hereby certify on behalf of the Offeror, under the terms of RFP 2014-04 that the Offeror is a "minority business enterprise" as defined in Section 288.703(3), Fla. Stat., to wit:

(3) "Minority business enterprise" means any small business concern as defined in subsection (6) which is organized to engage in commercial transactions, which is domiciled in Florida, and which is at least 51-percent-owned by minority persons who are members of an insular group that is of a particular racial, ethnic,

or gender makeup or national origin, which has been subjected historically to disparate treatment due to identification in and with that group resulting in an underrepresentation of commercial enterprises under the group's control, and whose management and daily operations are controlled by such persons. A minority business enterprise may primarily involve the practice of a profession. Ownership by a minority person does not include ownership which is the result of a transfer from a nonminority person to a minority person within a related immediate family group if the combined total net asset value of all members of such family group exceeds \$1 million. For purposes of this subsection, the term "related immediate family group" means one or more children under 16 years of age and a parent of such children or the spouse of such parent residing in the same house or living unit.

(6) "Small business" means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments."

Authorized Signature

Print Name and Title: _____

H. CERTIFICATION (Threshold Item):

FAILURE TO INCLUDE THE CERTIFICATION STATEMENT LOCATED IN SECTION FIVE OF THIS RFP BEARING AN ORIGINAL SIGNATURE SHALL RESULT IN REJECTION OF THE RESPONSE.

**SECTION SEVEN
EVALUATION PROCESS**

Individual Committee members shall evaluate and rank the Responses independently. As indicated in this section, points shall be assigned to certain items presented in Section Six of this RFP. The individual Committee members shall evaluate the Responses by reviewing the answers to each of the items and assigning points up to the maximum points allowed for each item. The Committee shall not use those items without points assigned in computing the numerical score, but shall use them as part of their evaluation and recommendation process, for informational purposes, or as a basis for possible disqualification. The Committee shall also use the various scored items as a part of its evaluation and recommendation process. Based on the criteria for selection, committee members shall rank each Response with the highest rank being "1". The Committee may conduct one or more public meetings during which members may discuss their evaluations, make any adjustments deemed necessary to their evaluations to best serve the interests of Florida Housing's mission, interview Offerors, observe presentations by Offerors, and develop a recommendation or series of recommendations to the Board. The Committee and/or Staff may make a recommendation, in addition to providing the ranking information and the information from the non-scored items to the Board for the Board to use in making the final selection. The Committee and/or Staff may also give the Board a written and/or verbal narrative

describing the reasons for any recommendation. In the event of a tie, Florida Housing shall give preference to the Response certifying a drug-free workplace has been implemented in accordance with Section 287.087, Fla. Stat. If a tie continues to exist, Florida Housing shall give preference to minority business enterprises as defined in Section 288.703, Fla. Stat. Staff may recommend that the Audit Committee of the Board, and/or the full Board, conduct oral interviews as part of the evaluation process to select the Offeror. The Board may use the Responses, the Committee's ranking, the non-scored items in the Responses, any other applicable or relevant information or recommendation provided by the Review Committee or Staff, any oral presentations of Offerors, any recommendation of the Audit Committee, if any, and any other information the Board deems relevant in its selection of an Offeror to whom to award a Contract.

The points available for the Section Six items to be evaluated are as follows:

<u>Item Reference</u>	<u>Maximum Points</u>
B. FIRM EXPERIENCE AND CAPABILITY	100
C. EXPERIENCE/QUALIFICATIONS OF PERSONNEL	100
D. APPROACH TO SERVICES.....	100
E. COST PROPOSAL	60
Total Points Available.....	360

SECTION EIGHT AWARD PROCESS

Florida Housing shall provide notice of its decision, or intended decision, for this RFP on Florida Housing's Website the next business day after the applicable Board vote. After posting, an unsuccessful applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., et al. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., et al. or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

EXHIBIT B
ENGAGEMENT LETTER

Attached on following page.

Florida Housing Finance Corporation
Stephen P. Auger, Executive Director
227 North Bronough Street, Suite 5000
Tallahassee, Florida

November 18, 2014

Ladies and Gentlemen:

1. This agreement (together with all attachments hereto, the “Agreement”) confirms the engagement of Ernst & Young LLP (“we” or “EY”) to audit and report on the basic financial statements of Florida Housing Finance Corporation (the Corporation) for the years ending December 31, 2014, 2015, 2016, 2017 and 2018. We also will audit and report on each major program of the Corporation for the years then ending in accordance with the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations* (OMB Circular A-133). All of the services described in this paragraph are referred to collectively as the “Audit Services” or the “audits.”

Audit responsibilities and limitations

2. The objective of our audit of the financial statements is to express an opinion on whether the basic financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We also will conduct an audit in accordance with the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133 and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express an opinion on compliance for each major program and to render the required reports.
3. We also will provide a report on internal control over financial reporting related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements and other matters, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. We will not perform sufficient procedures to render an opinion on internal control over financial reporting nor on compliance with provisions of laws, regulations, contracts or grant agreements and other matters, and therefore, we will not express such an opinion.
4. We will report on the fairness of the schedule of expenditures of federal awards when considered in relation to the financial statements as a whole. We also will report on internal control related to major programs and provide an opinion on compliance with laws,

regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133.

5. Should conditions not now anticipated preclude us from completing our audits and issuing our reports we will advise you and the Audit Committee promptly and take such action as we deem appropriate.
6. We will conduct the audit of the basic financial statements in accordance with auditing standards generally accepted in the United States, as established by the American Institute of Certified Public Accountants (the "AICPA"), and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we obtain reasonable rather than absolute assurance that the basic financial statements for each opinion unit are free of material misstatement whether caused by error or fraud. As management is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud or illegal acts. Accordingly, because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the applicable auditing standards. Also, an audit is not designed to detect error or fraud that is immaterial to the basic financial statements. We will conduct our A-133 audit in accordance with auditing standards established by the AICPA, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
7. As part of our audit of the basic financial statements, we will consider, solely for the purpose of planning our audit and determining the nature, timing and extent of our audit procedures, the Corporation's internal control. Our consideration of internal control for the audit of the financial statements will not be sufficient to enable us to express an opinion on the effectiveness of internal control over financial reporting or to identify all significant deficiencies and material weaknesses.
8. In accordance with AICPA auditing standards, we will communicate certain matters related to the conduct and results of the audit to the Audit Committee. Changes to the scope of our Audit Services may occur as a result of the issuance of new standards and interpretations or inspections findings. We will communicate any significant changes in the scope of our Audit Services and related procedures to management and the Audit Committee on a timely basis.

9. If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the basic financial statements, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant corrected misstatements and uncorrected misstatements other than those that are clearly trivial. In accordance with *Government Auditing Standards*, we will determine that appropriate members of management and the Audit Committee are adequately informed of:
 - ▶ Fraud, and noncompliance with provisions of laws or regulations that have a material effect on the financial statements or financial data significant to the audit objectives and any other instances that warrant the attention of the Audit Committee.
 - ▶ Noncompliance with provisions of contracts or grant agreements that have a material effect on the financial statements or financial data significant to the audit objectives, or
 - ▶ Abuse that is material, either quantitatively or qualitatively to the financial statements or financial data significant to the audit objectives.
10. We will communicate in writing to management and to the Audit Committee all significant deficiencies and material weaknesses identified during our audit, including those that were remediated during the audit. We also will communicate any significant deficiencies and material weaknesses communicated to management and to the Audit Committee in previous audits that have not yet been remediated.
11. We also may communicate other opportunities we observe for economies in or improved controls over the Corporation's operations.
12. As part of our engagement, we will apply certain limited procedures to the Corporation's required supplementary information (RSI). The RSI consists of Management's Discussion and Analysis. Those limited procedures will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The measurement and presentation of RSI, in accordance with prescribed guidelines, will be affirmed to us by management in its representations letter.
13. Supplementary information other than RSI, such as combining and individual program financial statements, also may accompany the Corporation's basic financial statements. We

will subject all supplementary information that is financially oriented such as combining and individual program financial statements to the audit procedures applied in our audit of the basic financial statements and render our opinion on whether that information is fairly stated, in all material respects, in relation to the basic financial statements as whole. We will not subject supplementary information that comprises nonaccounting information or accounting information not directly related to the basic financial statements such as the introductory and/or statistical sections to the auditing procedures applied in our audit of the basic financial statements and therefore will not express an opinion on this supplementary information.

14. To the extent required by law, we will make our audit documentation available to a federal agency or the Comptroller General of the United States Government Accountability Office and provide copies upon their request. Audit documentation, as well as appropriate individuals, also will be made available upon request to appropriate auditors and reviewers. We shall promptly notify the Corporation of any such request to review our audit documentation.
15. An audit performed in accordance with *Government Auditing Standards* is not designed to detect noncompliance with provisions of laws, regulations, contracts or grant agreements that do not have a direct and material effect on the financial statements or other financial data significant to the audit objectives.
16. Because the determination of abuse is subjective, an audit conducted in accordance with *Government Auditing Standards* does not require us to detect abuse.
17. In some circumstances in accordance with *Government Auditing Standards*, we may be required to report known or likely fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements and abuse directly to parties external to the Corporation.
18. In accordance with *Government Auditing Standards*, we will report in a management letter instances of noncompliance with provisions of laws, regulations, contracts or grant agreements or abuse that have an effect on the financial statements or other financial data significant to the audit objectives that are less than material but warrant the attention of the Audit Committee.
19. Under *Government Auditing Standards*, we are required to provide to the Corporation our most recent peer review report, as well as subsequent peer review reports received during the term of this Agreement. Our most recent peer review report was included in our proposal dated August 21, 2014.

Management's responsibilities and representations

20. The basic financial statements are the responsibility of management. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error, for properly recording transactions in the accounting records, for safeguarding assets and for the overall fair presentation of the basic financial statements in conformity with U.S. generally accepted accounting principles. Management also is responsible for the identification of, and for the Corporation's compliance with, laws and regulations and provisions of contracts and grant agreements applicable to its activities. Management is also responsible for determining that any official statements issued by the Corporation with which we are not associated clearly indicate that we are not associated with the contents of such official statements.
21. Management is responsible for adjusting the basic financial statements to correct material misstatements and for affirming to us in its representations letter that the effects of any uncorrected misstatements aggregated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.
22. Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers") and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Corporation. If the Corporation limits the information otherwise available to us under this paragraph (based on the Corporation's claims of attorney/client privilege, work product doctrine or otherwise), the Corporation will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the Corporation's basic financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the Corporation's independent auditors. We will disclose any such withholding of information to the Audit Committee.
23. Management is responsible for providing us access to: all information of which management is aware that is relevant to the Audit Services, such as records, documentation and other matters to complete the Audit Services on a timely basis; additional information that we may request from management for purposes of the audit; and unrestricted access to persons

within the Corporation from whom we determine it necessary to obtain audit evidence. Management's failure to do so may cause us to delay our report, modify our procedures or even terminate the Audit Services.

24. As required by AICPA auditing standards, we will make specific inquiries of management about the representations contained in the basic financial statements. AICPA auditing standards also require that, at the conclusion of the audit, we obtain representations letters from certain members of management about these matters and to represent that management has fulfilled its responsibilities as set out in this Agreement, including that all material transactions have been recorded in the accounting records and are reflected in the financial statements. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in forming an opinion on the basic financial statements.
25. Management shall make appropriate inquiries to determine whether the Corporation has a capital lease, material cooperative arrangement or other business relationship with EY or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm") other than one pursuant to which an EY Firm performs professional services.
26. Management shall discuss any independence matters with EY that, in management's judgment, could bear upon EY's independence.
27. The Corporation shall be responsible for its personnel's compliance with the Corporation's obligations under this Agreement.
28. Management is responsible for the following, as provided in *Government Auditing Standards*:
 - ▶ Distributing the report on internal control over financial reporting and on compliance and other matters, as well as the steps being taken to make the report available to the public.
 - ▶ Identifying for us previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.
 - ▶ Applying a process to track the status of audit findings and recommendations.
 - ▶ Providing views on any of our current findings, conclusions and recommendations, as well as management's planned corrective actions, for the report and the timing and format for providing that information.
 - ▶ Taking timely and appropriate steps to remedy fraud, noncompliance with the provisions of laws, regulations, contracts or grant agreements or abuse that we report.
29. Management is responsible for the following as provided in OMB Circular A-133:

- ▶ Complying with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
 - ▶ Preparing the appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with OMB Circular A-133.
 - ▶ Establishing and maintaining effective internal control over compliance for federal programs that provides reasonable assurance that federal awards are being managed in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs.
 - ▶ Complying with laws, regulations and the provisions of contracts and grant agreements related to each of its federal programs.
 - ▶ Following up and taking corrective action on audit findings, including preparing a summary schedule of prior audit findings and corrective action plans as required by OMB Circular A-133.
 - ▶ Submitting the reporting package to required recipients and the data collection form to the designated federal audit clearinghouse.
 - ▶ Communicating to EY any significant vendor relationships where the vendor is responsible for program compliance.
30. Management is responsible for the following with respect to the Schedule of Expenditures of Federal Awards (the “Schedule”):
- ▶ Providing us with the required representations with respect to the Schedule.
 - ▶ Including our report on the Schedule in any document that contains the Schedule and that indicates that we have reported on such Schedule.
 - ▶ Presenting the Schedule with the audited financial statements or, if the Schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule no later than the date we issue the Schedule and our report.
31. Management is responsible for the following with respect to the relevant supplementary information such as combining and individual program financial statements.
- ▶ Preparation of the relevant supplementary information in accordance with the pronouncements of the Governmental Accounting Standards Board.
 - ▶ Providing us with the required representations with respect to the relevant supplementary information.
 - ▶ Including our report on the supplementary information in any document that contains the relevant supplementary information and that indicates that we have reported on such supplementary information.
 - ▶ Presenting the relevant supplementary information with the audited financial statements or, if the relevant supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the

intended users of the relevant supplementary information no later than the date we issue the relevant supplementary information and our report.

Fees and billings

32. Our fees for the 2014, 2015, 2016, 2017 and 2018 Audit Services will be \$355,000, \$365,650, \$376,620, 387,900, and 399,500. However, our fees may be adjusted, by mutual agreement, based on changes to the business (e.g., nature of the business or change in business entities) or additional unplanned effort. We will submit our invoices monthly, and expect that payment of undisputed invoices will be made within 30 days of receipt.
33. Included in our fee estimate are direct expenses incurred in connection with the performance of our Audit Services. Direct expenses include reasonable and customary out-of-pocket expenses such as travel, meals, accommodations and other expenses specifically related to this engagement. EY may receive rebates in connection with certain purchases, which are used to reduce charges that EY would otherwise pass on to its clients.
34. Our estimated pricing and schedule of performance are based upon, among other things, our past experience and preliminary review of the Corporation's records, including, the number of major programs and whether the Corporation qualifies as a low-risk auditee in accordance with OMB Circular A-133 and the representations Corporation personnel have made to us and are dependent upon the Corporation's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may adjust our fees and planned completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and will be the subject of other written agreements.
35. If we are requested or authorized by the Corporation or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Corporation, the Corporation will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests, subject to applicable law.

Other matters

36. From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY Firms (listed at www.ey.com), who may deal with the Corporation or its affiliates directly, though EY alone will remain responsible to you for the Audit Services, and (2) personnel (including non-certified public accountants) from an

affiliate of EY or another, any other EY Firm or any of their respective affiliates or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services Unless prohibited by applicable law, we may provide the Corporation's information to other EY Firms and their personnel, as well as third-party service providers acting on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate to facilitate performance of the Audit Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services, or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Corporation information, regardless of where or by whom such information is Processed on our behalf. Either EY or the Corporation may use electronic media to correspond or transmit information relating to the Audit Services, and such use will not, in itself, constitute a breach of any confidentiality obligations.

37. The Corporation shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of EY, solicit for employment, or hire, any current or former partner, principal or professional employee of EY, any affiliate thereof, any other EY Firm or any of their respective affiliates if any such professional either: (i) performed any audit, review, attest or related service for or relating to the Corporation at any time (a) during the then current fiscal year of the Corporation up to and including the date of the audit report for that year or (b) in the 12 months ended on the audit report date for the immediately preceding fiscal year. or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.
38. EY shall remain fully responsible for the Audit Services and for all of its other responsibilities, covenants and obligations under this Agreement, notwithstanding that we may subcontract portions of the Audit Services to other EY Firms or that other EY Firms may participate in the provision of the Audit Services. The Corporation may not make a claim or bring proceedings relating to the Audit Services or otherwise under this Agreement against any other EY Firm and EY shall not contest its responsibility for the Audit Services on the basis that any of them were performed by another EY Firm. The Corporation shall make any claim or bring proceedings only against EY. This paragraph is intended to benefit the other EY Firms, which shall be entitled to enforce it. Each EY Firm is a separate legal entity.
39. If we Process Corporation information that can be linked to specific individuals ("Personal Data"), we will Process it in accordance with paragraph 36 of this Agreement, as well as applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Corporation information is protected health

information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The Corporation warrants that it has the authority to provide the Personal Data to EY in connection with the performance of the Audit Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

40. In order to provide the Audit Services, we may need to access Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law (“Restricted Personal Data”). In the event that we need access to such information, you will consult with us on appropriate measures (consistent with professional standards applicable to us) to protect the Restricted Personal Data, such as deleting or masking unnecessary information before it is made available to us, encrypting any data transferred to us, or making the data available for on-site review at a Corporation site. You will provide us with copies of any Restricted Personal Data only in accordance with mutually agreed protective measures.
41. By your signature below, you confirm that the Corporation, through its Board of Directors, has expressly authorized you to enter into this Agreement on behalf of, and to bind, the Corporation. In addition, you confirm that management agrees to, acknowledges, and understands its responsibilities as outlined in “Management’s responsibilities and representations.” Either EY or the Corporation may execute this Agreement (and any supplements or modifications hereto) by electronic means, and each of EY and the Corporation may sign a different copy of the same document.
42. EY retains ownership in the workpapers compiled in connection with the performance of the Audit Services.
43. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Audit Services, including (without limitation) claims arising in tort, fraud, under statute or otherwise relating to the Audit Services, or questions relating to the scope or enforceability of this paragraph, shall be governed by, and construed in accordance with, the laws of the State of Florida applicable to agreements made, and fully to be performed, therein by residents thereof. Except for a claim limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Audit Services, this Agreement or any other services provided by or on behalf of EY or any of its subcontractors or agents to the Corporation or at the Corporation’s request, shall be resolved by mediation or arbitration as set forth in the attachment to this Agreement, which is incorporated herein by reference. Judgment on any arbitration award may be entered in any court having jurisdiction. Venue for any such proceedings (judicial, mediation or arbitration) shall lie in Tallahassee, Leon County, Florida. The Corporation is subject to Florida's Public Records Law,



Chapter 119, Florida Statutes. This Agreement, including any mediation or arbitration conducted in connection herewith, is subject to that law as may be applicable notwithstanding anything to the contrary set forth in the attachment to this agreement.

44. If any portion of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect. This Agreement applies to all Audit Services (as defined in paragraph 1), including any such services performed or begun before the date of this Agreement.

To the extent that EY agrees to perform Audit Services for a subsequent fiscal year, the terms and conditions set forth in this Agreement shall apply to the performance of such Audit Services, except as specifically modified, amended or supplemented in writing by the parties. Changes in the scope of the Audit Services and estimated fees for such services in subsequent fiscal years will be communicated in supplemental agreements. We may terminate performance of the Audit Services and this Agreement upon written notice if we reasonably determine that we can no longer provide the Audit Services in accordance with applicable law or professional obligations. Upon any termination of the Audit Services or this Agreement, the Corporation shall pay EY for all work-in-progress, Audit Services already performed and expenses incurred by us up to and including the effective date of such termination.

EY appreciates the opportunity to be of assistance to the Corporation. If this Agreement accurately reflects the terms on which the Corporation has agreed to engage EY, please sign below on behalf of the Corporation and return it to Mike Pattillo, Suite 1700, 390 North Orange Avenue, Orlando, Florida 32801.

Very truly yours,

Ernst & Young LLP

Agreed and accepted by:

Florida Housing Finance Corporation

By: _____

Stephen P. Auger, Executive Director

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director or substantial equity owner of any Ernst & Young audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director or substantial equity owner of any Ernst & Young audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.