

**FINANCIAL ADVISORY AGREEMENT
BETWEEN THE
HOUSING FINANCE AUTHORITY OF PASCO COUNTY
AND
THE HENDRICKSON COMPANY**

THIS IS AN AGREEMENT between the HOUSING FINANCE AUTHORITY OF PASCO COUNTY, hereinafter referred to as the "HFA" through its members and MARK HENDRICKSON d/b/a as THE HENDRICKSON COMPANY, hereinafter referred to as the "ADVISOR":

W I T N E S S E T H

In consideration of the mutual terms and conditions, promises, covenants, and payments hereinafter set forth, the HFA and ADVISOR agree as follows:

I. PREAMBLE

It is understood by the parties hereto that the HFA requires professional financial advice from time to time on various matters involving its normal operations and further intends to undertake the issuance of notes and bonds to finance various affordable housing projects of the HFA. It is also understood that in connection with such professional advice and the issuance, sale, and delivery of such bonds, the HFA desires ADVISOR to perform professional services in the capacity as the HFA's Financial ADVISOR.

II. SCOPE OF SERVICES

The services to be provided by the Financial Advisor shall include but not be limited to the following:

1. As needed, attend monthly meetings and special meetings of the HFA and any meetings of the Board of County Commissioners as deemed necessary by the HFA.
2. Prepare monthly written reports to the HFA on single family, multi-family, and other financial issues.
3. Assist the HFA, the Executive Director, the County Attorney's Office, Bond Counsel, and the Investment Bankers in the development of programs and the preparations of rules and regulations and other applicable documentation necessary to conduct HFA business.

4. Assist the HFA in participating in any federal or state housing programs that may be beneficial to the HFA.
5. As needed, consult with members of the HFA, the Executive Director, Bond Counsel, the County Attorney's Office, Investment Bankers, the Trustees, the Servicers, and other providers of professional services or consulting services.
6. Receive, review, and evaluate applications submitted to the HFA for affordable housing financing. Make recommendations to the HFA regarding such applications.
7. Assist Legal Counsel, Bond Counsel and Investment Bankers in the preparation of supporting documents necessary for bond issues.
8. Provide information, advisement and assistance to the HFA in general matters that may affect the interests of the HFA.
9. Assist the HFA in the development of a coordinated approach for the overall financing requirements of the HFA's housing finance programs, including providing information and advice to the HFA regarding the HFA's investment of available funds, general economic conditions, housing market conditions, and proposed legislative changes..
10. Evaluate pricing and oversee costs associated with each issuance or program.
11. Examine all bond documents prior to the issuance of bonds and inform the HFA of any obligations to the HFA resulting from the provisions of the bond documents over the life of the bond issue.
12. Provide the HFA forecasts of incoming revenues and outgoing expenditures resulting from a bond issue or any other type of major financing activity undertaken. This forecast should encompass the life of the bond issue or major financial activity and should be updated on an annual basis by the Financial Advisor for the life of the bond issue or other major financial activity.

A major financial activity is defined in this document to be a program, investment, or service implemented by the HFA for which the HFA has requested the Financial Advisor's advice.
13. Assist the HFA in establishing audit requirements for its affordable housing programs, its bond issues, and other related financial activity.

14. The ADVISOR has a strict fiduciary relationship with the HFA. The ADVISOR must advise the HFA as to any potential conflicts if the ADVISOR is asked to be being retained by other affordable housing providers. The ADVISOR must provide the HFA a list of other affordable housing providers it currently does business with.
15. In addition, the ADVISOR will perform the tasks set in the HFA's Request for Proposals (RFP- 16-149) for Financial Advisor Services, which is attached hereto and incorporated herein by reference as Exhibit A.

III. PERSONNEL TO BE ASSIGNED

The following member of ADVISOR will be assigned primarily to work with HFA as Financial ADVISOR on the PROJECT: Mark Hendrickson, President

A. The HFA has the right to approve, disapprove or change any of the staff assigned by ADVISOR to the account. If, for any reason, the personnel assigned are changed or replaced, the HFA has the right to immediately terminate the contract.

B. The HFA has the right to request, for any reason, ADVISOR to replace any personnel assigned. Should the HFA make such a request, ADVISOR shall promptly suggest a substitute until a satisfactory substitute is selected.

C. The ADVISOR assures the HFA that during the term of this Agreement, the ADVISOR shall comply with Title VII of the 1964 Civil Rights Act, as amended, and the Florida Human Right Act of 1977 in that ADVISOR shall not, on the grounds of race, color, national origin, religion, sex, age, handicap or marital status, discriminate in any form or manner against its employees or applicants for employment. The ADVISOR understands that this Agreement is conditioned upon the veracity of this statement of assurance. Furthermore, the ADVISOR assures the HFA it will comply with Title VI of the Civil Rights Act of 1964, as amended, in the event federal grant funds are involved. Compliance with other applicable federal and state laws, executive orders, and regulations prohibiting the type of discrimination delineated above is also required. This statement of assurance shall be interpreted to include Vietnam-era veterans and disabled veterans within its protective range of applicability.

IV. OBLIGATIONS OF THE HFA

The HFA will retain the ADVISOR, bond counsel, and/or consultants or additional advisors as deemed necessary and appropriate for development contracting and financing. Consultations with and requests for services by the ADVISOR from the HFA's consultants in technical, accounting and other matters as may be appropriate is subject to previous approval by the HFA. The HFA may select managing underwriters

in the event of negotiated bond sales, with the assistance of the ADVISOR, in soliciting and evaluating proposals from various firms. Fees for services rendered by counsel, consultants or other advisors will be paid by the HFA.

A. The HFA and the ADVISOR acknowledge and agree that the ADVISOR has been engaged to provide public finance advisory services to advise and assist the HFA with all bond financings that come before the HFA, as well as the analysis of other housing programs in which the HFA may, or does, participate. Such services to be provided are listed in Exhibit A.

B. As part of those services, the ADVISOR, acting in the capacity of Independent Registered Municipal Advisor ("IRMA"), reviews all third party recommendations made to the HFA and which are submitted to the ADVISOR in writing by the HFA.

C. The HFA shall, upon receipt of any materials presented by third parties to the HFA or individual members of the HFA, which are associated with, or related to, any of the ADVISOR's services provided as an IRMA, deliver such material to the ADVISOR for handling as appropriate.

V. COMPENSATION

A. The ADVISOR, as an independent contractor, is not deemed to be an employee or an official of the HFA and in performance of this Agreement is not acting as a business broker, realty broker, lawyer, or accountant, but only as Agent to the HFA.

B. With regard to the issuance of bonds, fees for the ADVISOR'S services will be paid out of the cost of issuance as follows:

1. Multi-family bond issues: \$25,000 per multi-family bond issue, to be paid by the developer/ applicant at the time of application.
2. Multi-family bond application review: \$5,500 multi-family review fee, to be paid by the developer/applicant at the time of application.
3. For single family bond transactions, the ADVISOR shall be paid a fee equal to 10% of any renegotiated fee arrangement with the Pinellas County HFA for those loan transactions originated in Pasco County under their program for which the Pinellas County HFA has agreed to pay a fee to the HFA.

C. At the end of the initial two (2) term of the agreement, the parties reserve the right to renegotiate the fee structure, based upon the financial condition of the HFA and satisfaction with the services of the Advisor.

D. Expenses: ADVISOR would expect full reimbursement, not to exceed \$2,500, after full detail and documentation, of all expenses incurred in the pursuit of its duties on behalf of the HFA. Such expenses shall include, but not be limited to, items such as travel (including both interstate and intrastate travel), meals, lodging, communications, duplicating, postage and federal express charges. ADVISOR will receive payment for the above expenses upon the closing of a bond issue, based upon an expense report submitted by ADVISOR to the HFA. All travel, except travel to HFA Board meetings and bond closings shall be pre-approved by the HFA and shall be billed in accordance with Chapter 112, Florida Statutes. In order to facilitate the HFA's efforts in controlling and monitoring expenses incurred in conjunction with ADVISOR'S performance of its contractual duties, ADVISOR shall report all expenses incurred during each calendar quarter, indicating both expenses for the quarter, and total expenses accumulated and not reimbursed to date. The report for each calendar quarter thereafter will be due within thirty (30) days of the end of each quarter. It is recognized by the parties that expenses will be paid from the proceeds of completed financings.

VI. GENERAL PROVISIONS

A. The ADVISOR agrees to keep such records and accounts as may be necessary in order to record complete and correct entries for which the ADVISOR expects to be reimbursed. Such books and records shall be available at all reasonable times for such examination and audit by the HFA. All HFA records are deemed public records pursuant to Chapter 119, Florida Statutes.

B. All work performed by the ADVISOR, pursuant to the Agreement, shall be by the direction of the HFA or their designee and all communications pertaining to the progress of any work performed hereunder shall be addressed to the HFA. The HFA may, from time to time, designate one or more of their members, or staff, to perform all or part of the functions required hereunder and shall advise the ADVISOR thereof in writing.

C. The ADVISOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the ADVISOR, to solicit or secure this Agreement and that they have not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for ADVISOR, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For the breach or violation of this provision, the HFA shall have the right to terminate the Agreement

without liability at its discretion, and to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

D. This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances by the ADVISOR, without prior written consent of the HFA.

E. The ADVISOR has not had, does not have, nor will not entertain any implied, verbal or written understanding or contract with any other investment banking firm in regard to the negotiation for, or participation in the approved financing plan. Unless otherwise directed by the County, the ADVISOR agrees not to be a member of an investment banking group proposing to provide the financing. The foregoing shall not restrict, however, the ADVISOR from its customary business associations, from time to time, unrelated to the HFA's bonds with any members of the investment banking group purchasing the bonds.

F. The Advisor agrees that it will comply with public records access requirements set forth in section 119.0701(2), Florida Statutes, including the obligation to:

1. Keep and maintain public records required by the HFA and the County to perform the Financial Advisor Scope of Services required under this Agreement.
2. Upon request from either the HFA's or the County's custodian of public records, provide the HFA or the County 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 Chapter 119, Florida Statutes, 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 for the duration of the term of this Agreement and following termination of the Agreement if the ADVISOR does not transfer the records to the HFA or the County.
4. Upon completion or termination of the Agreement, transfer, at no cost, to the HFA or the County, as requested, all public records in possession of the ADVISOR, at no cost to the HFA or keep and maintain public records required by the HFA or the County to perform the Scope of Services required hereunder f. If the ADVISOR transfers all public records to the HFA or the County, as requested, upon termination of the Agreement, the ADVISOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the ADVISOR keeps

and maintains public records upon termination of the Agreement, the ADVISOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the HFA or the County, upon request from either the HFA's or the County's custodian of public records, in a format that is compatible with the information technology systems of the HFA or the County. All documentation produced as part of this Agreement will become the property of the County. This paragraph shall survive the expiration or termination of this Agreement.

5. IF THE ADVISOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE ADVISOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE HFA'S CUSTODIAN OF PUBLIC RECORDS, GEORGE ROMAGNOLI AT (727) 847- 3445 or by email at gromagnoli@pascocounty fl.net.

6. Under Florida law, failure on the part of the ADVISOR to provide the public records to the HFA within a reasonable time may be subject to penalties under Section 119.10, Florida Statutes, and such non-compliance will constitute a breach of the Agreement and may serve as grounds for termination of this Agreement.

7. Cooperation with State Auditor General. By executing this Agreement, the ADVISOR specifically agrees to cooperate with any audit of state funds initiated by the State Auditor General or the state agency providing the funds in question.

VII. INCORPORATION OF ALL PRIOR AGREEMENTS

A. This document incorporates and includes the ADVISOR's Response, dated June 25, 2016 (as modified herein) to the HFA's Request for Proposals to Serve as Financial ADVISOR, all prior negotiations, correspondence, conversations, agreements, or understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written.

B. It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

VIII. EFFECTIVE DATE, TERM, AND TERMINATION

A. This Agreement shall be for a term of two years (the "Term") which be deemed to have commenced on October 6, 2016 and which will expire on October 5, 2018 unless terminated earlier in writing. The parties may, by written amendment, extend the Term of the Agreement upon mutual agreement.

B. This Agreement may be terminated without cause by either party upon written notice to the other party. In the event the ADVISOR receives such termination notice from the HFA, the Advisor shall be reimbursed for out-of-pocket expenses incurred and shall be entitled to fees for services performed up to the date of termination, including services related to any bond transaction in progress as of the date of such termination.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective date under each signature: The HFA, signing by and through its Chairman, and ADVISOR signed by and through Mark Hendrickson, President, The Hendrickson Company.

ATTEST: HOUSING FINANCE HFA
OF PASCO COUNTY

BY: _____
John Letvin, Chairman

Date

ATTEST:

THE HENDRICKSON COMPANY
By: Mark Hendrickson, President

Witness

Authorized Signature

Title

Witness

PASCO

Date

DRAFT

EXHIBIT A

Duties of Financial Advisor in Addition to Financial Advisory Services

1. Develop and modify Investment Policy
2. Analyze investment opportunities for Board consideration
3. Monitor situation with SBA
4. Handle all payments for the HFA
5. Handle all investments for the HFA
6. Coordinate with CPA for monthly financial statements
7. Coordinate with Auditors
8. Maintain membership in housing organizations for the HFA
9. Register Board members for conferences
10. Maintain Board meeting calendar
11. Obtain meeting space for HFA meetings
12. Coordinate quorum with Board members
13. Intake of all correspondence to the HFA
14. Coordinate proper record keeping with County Attorney
15. Work with local governments on contributions to both single family and multi-family deals
16. Maintain Board contact information
17. Maintain record of all income and expenses of HFA
18. Evaluate all multi-family applications
19. Coordinate credit underwriting reports with credit underwriters
20. Evaluate monthly occupancy reports and maintain detailed occupancy charts by project
21. Evaluate monthly servicing reports
22. Evaluate demographics for both single family and multi-family programs, with monthly reports to Board
23. Maintain detailed cost information for all developments
24. Evaluate economic occupancy for all developments
25. Monitor FHFC activities as they relate to the HFA and to PASCO County
26. Prepare comments for Board in conjunction with HFA rulemaking
27. Lobby for HFA at state level
28. Evaluate all proposals for professional services
29. Evaluate contract performance for Homeless Coalition and USF Training programs
30. Manage documentation of second mortgages, as required by the PASCO County SHIP program
31. **Develop monitoring plan and payment process for deals that pay-off bonds before the end of the compliance period**
32. **Develop veterans' Housing Loan Program**
33. **Develop special programs for the HFA, including analysis of potential multi-family targeting.**