



Exhibit 7

STATE OF FLORIDA
DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

March 27, 2015

Mr. Abidemi Ajayi, Engineer I
City of Hallandale Beach
630 Northwest 2nd Street
Hallandale, Florida 33009

**Re: FEMA Project Number 1609-75-R
City of Hallandale Beach, Broward County, NE Quadrant Drainage Project**

Dear Mr. Ajayi:

Enclosed is the executed contract modification number five (5) for the Hazard Mitigation Grant Program (DEM No. 11HM-3B-11-16-02-006) between City of Hallandale Beach and the Division of Emergency Management. Upon completion of the work identified in the contract, a Request for Reimbursement form (Attachment D) should be completed and submitted to the Division for processing in accordance with Paragraphs (17) and (18) of the Agreement. Additional assistance is available regarding your Project on the Florida Division of Emergency Management Website: <http://www.floridadisaster.org/Mitigation/Hazard/index.htm>. Please reference the heading: "Grant Management Tools Listed Below" which contains sample documents that will provide guidance for completing requests for reimbursement, reporting requirements and supporting documents containing important points, and sub-grantee close-out checklist.

If you have any specific questions regarding the contract, or the Request for Reimbursement form, please call Chad Smith at (850) 487-3219.

Respectfully,



Myles E. Anderson
Bureau Chief, Mitigation
State Hazard Mitigation Officer

MEA:myr

Enclosure

Contract Number: 11HM-3B-11-16-02-006

Project Number: 1609-75-R

**MODIFICATION TO SUBGRANT AGREEMENT BETWEEN
THE DIVISION OF EMERGENCY MANAGEMENT AND
CITY OF HALLANDALE BEACH**

This Modification Number Five made and entered into by and between the State of Florida, Division of Emergency Management ("the Division"), and the City of Hallandale Beach ("the Recipient") to modify Contract Number 11HM-3B-11-16-02-006, dated June 28, 2011, ("the Agreement").

WHEREAS, the Division and the Recipient have entered into the Agreement, pursuant to which the Division has provided a subgrant to the Recipient under the Hazard Mitigation Grant Program of \$15,442,796.00, in Federal Funds; and

WHEREAS, the Division and the Recipient desire to modify the Agreement; and

WHEREAS, the Agreement expired on December 31, 2014; and

WHEREAS, the Division and the Recipient desire to reinstate and extend the terms of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein, the parties agree as follows:

1. The Agreement is hereby reinstated and extended as though it had never expired.

2. Paragraph 3 of the Agreement is hereby amended to read as follows:

(3) PERIOD OF AGREEMENT

This Agreement shall begin May 6, 2011 and shall end March 31, 2015, unless terminated earlier in accordance with the provisions of Paragraph (12) of this Agreement.

3. Paragraph 11 of the Agreement is hereby amended to read as follows:

(11) REMEDIES

If an Event of Default occurs, then the Division shall, after thirty calendar days written notice to the Recipient and upon the Recipient's failure to cure within those thirty days, exercise any one or more of the following remedies, either concurrently or consecutively:

(a) Terminate this Agreement, provided that the Recipient is given at least thirty days prior written notice of the termination. The notice shall be effective when placed in the United States, first class mail, postage prepaid, by registered or certified mail-return receipt requested, to the address in paragraph (13) herein;

(b) Begin an appropriate legal or equitable action to enforce performance of this Agreement;

(c) Withhold or suspend payment of all or any part of a request for payment;

(d) Require that the Recipient refund to the Division any monies used for ineligible purposes under the laws, rules and regulations governing the use of these funds;

(e) Exercise any corrective or remedial actions, to include but not be limited to:

1. Request additional information from the Recipient to determine the reasons for or the extent of non-compliance or lack of performance;

2. Issue a written warning to advise that more serious measures may be taken if the situation is not corrected;

3. Advise the Recipient to suspend, discontinue or refrain from incurring costs for any activities in question or

4. Require the Recipient to reimburse the Division for the amount of costs incurred for any items determined to be ineligible.

(f) Exercise any other rights or remedies which may be available under law;

(g) Pursuing any of the above remedies will not stop the Division from pursuing any other remedies in this Agreement or provided at law or in equity. If the Division waives any right or remedy in this Agreement or fails to insist on strict performance by the Recipient, it will not affect, extend or waive any other right or remedy of the Division, or affect the later exercise of the same right or remedy by the Division for any other default by the Recipient.

4. The 4th Revised Budget and Scope of Work, Attachment A to the Agreement, are hereby modified as set forth in 5th Revised Attachment A to this Modification, a copy of which is attached hereto and incorporated herein by reference.
5. All provisions of the Agreement being modified and any attachments in conflict with this Modification shall be and are hereby changed to conform with this Modification, effective on the date of execution of this Modification by both parties.
6. All provisions not in conflict with this Modification remain in full force and effect, and are to be performed at the level specified in the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Modification as of the dates set out below.

RECIPIENT: CITY OF HALLANDALE BEACH

By: _____

Name and Title: _____

Date: _____

Approved as to Form
and Sufficiency

City Attorney

STATE OF FLORIDA
DIVISION OF EMERGENCY MANAGEMENT

By: _____

Name and Title: _____

Date: _____

5th Revised Attachment A

1609-75-R, Budget and Scope of Work

STATEMENT OF PURPOSE

The purpose of this scope of work is to implement Phase II for the City of Hallandale Beach, Broward County, NE Quadrant, Drainage Project funded through the Hazard Mitigation Grant Program, as approved by the Florida Division of Emergency Management (Division) and the Federal Emergency Management Agency (FEMA). The recipient, City of Hallandale Beach, shall conduct Phase II of this project which will construct a drainage system capable of solving or reducing the flooding problem in the NE Quadrant: bounded by NE 8th Street, Federal Highway (US-1), Hallandale Beach Blvd, and NW 14th Avenue, Hallandale Beach, FL AND the SW Quadrant: bounded by SW 8th Street and Dixie Hwy, Hallandale Beach Blvd, and SW 11th Street, Hallandale Beach, FL AND the SE Quadrant bounded by NE 9th Street, Federal Highway (US-1), Hallandale Beach Blvd and NW 14th Avenue, Hallandale Beach, FL. The work will include the installation of drainage pipes, force mains, inlet and control structures, pump stations, drainage wells, grading of swales, and restoration work. The recipient will complete the Phase II work in accordance with all applicable federal, state and local laws, regulations, and codes. All Phase II activities must be complete on or before March 31, 2015.

TASKS:

1. The recipient shall procure the services of a qualified and Florida licensed professional(s) and execute a contract with the selected bidder to complete the Phase II scope of work as approved by the Division and FEMA. The recipient shall select the qualified, Florida licensed professional(s) in accordance with the recipient's procurement policy. All procurement activities will contain sufficient source documentation and be in accordance with all applicable federal and state laws and regulations

The Recipient shall ensure that no contractors or subcontractors are debarred or suspended from participating in federally funded projects. The Recipient shall provide an executed "Debarment, Suspension, Ineligibility, Voluntary Exclusion Form" for each contractor and/or subcontractor performing services under this agreement.

The Recipient shall ensure that the each selected contractor possesses and maintains a current and valid occupational license/business tax receipt issued for the type of services being performed. The Recipient shall provide the Division with copies of every professional license held by a contractor selected to perform services. The Recipient shall provide the Division with a copy of a current and valid occupational license or business tax receipt issued for the type of services to be performed by selected contractor.

The Recipient shall provide the Division with all documentation demonstrating the results of the procurement process. This will include a rationale for the method of procurement and selection of contract type, contractor selection and/or rejection and bid tabulation and listing, and the basis of contract price. All procurement activities will contain sufficient source documentation and be in accordance will all applicable regulations.

The Recipient shall provide the Division with a copy of every contract executed with a contractor and/or subcontractor.

2. The recipient, City of Hallandale Beach shall monitor and manage the Phase II portion of this project in accordance with the HMGP application and supporting documentation as submitted to the Division by the recipient and subsequently approved by the Division and FEMA.

This project is a Phase II approval of your application to construct a drainage system capable of solving or reducing the flooding problem in the NE Quadrant: bounded by NE 8th Street, Federal Highway (US-1), Hallandale Beach Blvd, and NW 14th Avenue, Hallandale Beach, FL AND the SW Quadrant: bounded by SW 8th Street and Dixie Hwy, Hallandale Beach Blvd, and SW 11th Street, Hallandale Beach, FL AND the SE Quadrant bounded by NE 9th Street, Federal Highway (US-1), Hallandale Beach Blvd and NW 14th Avenue, Hallandale Beach, FL. The work will include the installation of drainage pipes, force mains, inlet and control structures, pump stations, drainage wells, grading of swales, and restoration work.

All Phase II work will be completed in accordance with all applicable state, local and federal laws and regulations and documented, as appropriate.

3. During the course of this agreement the Recipient shall submit to the Division requests for reimbursement of actual construction and managerial costs related to the project as identified in the project application, and plans. The requests for reimbursement will include:
 - a) Contractor, subcontractor, and/or vendor invoices which clearly display dates of services performed, description of services performed, location of services performed, cost of services performed, name of service provider and any other pertinent information;
 - b) Proof of payment from the Recipient to the contractor, subcontractor, and/or vendor for invoiced services;
 - c) Clear identification of amount of costs being requested for reimbursement as well as costs being applied against the local match amount; and
 - d) The Recipient's final request for reimbursement should include the final construction project cost. Supporting documentation must show that all contractors and subcontractors have been paid.
 - e) At least quarterly, the Recipient shall submit requests for reimbursement. Adequate and complete source documentation is required to be submitted to support all costs (federal share and local share) related to the project. In some cases, all project activities may not be fully complete prior to requesting reimbursement of costs incurred in completion of this scope of work; however, a partial reimbursement may be requested.
 - f) The Recipient shall submit an Affidavit signed by the Recipient's project personnel with each reimbursement request attesting to the following: the percentage of completion of the work that the payment request represents, that disbursements or payments were made in accordance with all agreement and regulatory conditions, and that reimbursement is due and has not been previously requested.

The Recipient shall maintain accurate time records. The Recipient shall ensure invoices are accurate and any contracted services were rendered within the terms and timelines of this agreement. All supporting documentation must agree with the requested billing period. All costs submitted for reimbursement must contain adequate source documentation which may include but not be limited to: cancelled checks, bank statements, Electronic Funds Transfer, paid bills, invoices, payrolls, time and attendance records, contract and subcontract award documents.

Construction Expense: The Recipient shall pre-audit bills, invoices, and/or charges submitted by the contractors and subcontractors and pay the contractors and subcontractors for approved bills, invoices, and/or charges. Recipient will

ensure that all contractor/subcontractor bills, invoices, and/or charges are legitimate and clearly identify the activities being performed and associated costs.

Project Management Expenses: The Recipient shall pre-audit source documentation such as payroll records, project time sheets, attendance logs, etc. Documentation shall be detailed information describing tasks performed, hours devoted to each task, and the hourly rate charged for each hour including enough information to calculate the hourly rates based on payroll records. Employee benefits must be clearly shown.

The Division shall review all submitted requests for reimbursement for basic accuracy of information. Further, the Division will ensure that no unauthorized work was completed prior to the approved project start date by verifying vendor and contractor invoices. The Division shall verify that reported costs were incurred in the performance of eligible work, that the approved work was completed, and that the mitigation measures are in compliance with the approved scope of work prior to processing any requests for reimbursement.

The Division in coordination with the Recipient shall review and approve any third party in-kind services, if applicable. Quarterly reports must be submitted by the Recipient and received by the Division at the times provided in this agreement prior to the processing of any reimbursement.

DELIVERABLES

Mitigation activities consist of the repositioning of two existing 6ft diameter corrugated metal pipe culverts within the creek bed to allow for the construction of three additional 8ft diameter corrugated metal pipe culverts. Two sand cement bag headwalls will be constructed and guard rails moved to 28ft clearance at the structure.

Provided the Subgrantee performs in accordance with the Scope of Work outlined in this Agreement, the Division shall reimburse the Subgrantee based on the percentage of overall project completion.

PROJECT REQUIREMENTS AND CONDITIONS:

- The Recipient must follow all applicable state, local and federal laws regulations and requirements, and obtain (before starting project work) and comply with all required permits and approvals. If project work is delayed for a year or more after the date of the CATEX, then coordination with and project review by regulatory agencies must be redone.
- Any change, addition or supplement to the approved Scope of Work that alters the project (including other work not funded by FEMA, but done substantially at the same time) will require re-submission of the application to FEMA for NEPA re-evaluation before starting project work.
- The Recipient must submit the Environmental Resource Permit (ERP) from the Broward County Environmental Protection & Growth Management Department (BCEPGMD). Construction will not commence before all permits are provided
- The Recipient must submit a drainage well permit from the Florida Department of Environmental Protection.
- A Public Notice shall be published as soon as possible. Recipient must provide copies of the public notice and affidavit for proof of publication along with the resolution of comments received (if any) at closeout.

- If any archaeological material is discovered during project work, the project shall immediately cease all activities involving subsurface disturbance in the immediate vicinity of such discoveries. The Recipient shall contact the Florida Department of State, Division of Historical Resources, Compliance and Review Section at 850.245.6333, as well as DHS/FEMA Region IV Environmental Officer and FDEM State Environmental Liaison Officer for further guidance. Project activities shall not resume without verbal and/or written authorization.
- In the event that unmarked human remains are encountered during permitted activities, all work must stop immediately and the proper authorities notified in accordance with Section 872.05, Florida Statute.
- Construction vehicles and equipment used for this project shall be maintained in good working order to minimize pollutant emissions.
- Major activities, including placement of equipment, shall be confined to areas where soils have been previously disturbed by activities, such as site development, construction, surface grading, landscaping, utility trenching, etc. Applicant QA/QC Monitors shall identify areas of obvious soil disturbance and direct their contractor to work within these areas.
- When heavy equipment is not in use, it shall be staged on hard or firm surfaces where equipment is not susceptible to sinking. Paved surfaces shall be used to the fullest extent possible.
- Tracked vehicles or large-tired equipment shall be used whenever possible to reduce the depth of soil disturbance and minimize soil compaction to a depth of six inches or less.
- Applicant QA / QC monitors shall ensure that its contractors shall not operate heavy equipment on wet soils if the equipment begins to sink more than six inches below the current ground surface. Heavy equipment may be operated in the rain, but Applicant QA / QC monitors shall ensure that its contractors shall pay special attention to equipment sinkage.
- Excavation of on-site materials and burial of debris are not permitted.
- Best management practices will be used during project work to minimize soil erosion, sediment migration and turbidity. The Recipient will need to prepare and implement a Storm Water Pollution Prevention Plan (SWPP). The Recipient must obtain a National Pollutant Discharge Elimination System (NPDES) storm water permit (if area of disturbance will be greater than one acre). The Applicant will need to provide a copy of the Notice of Intent (NOI) submitted to use the State of Florida Generic Permit for storm water discharge from construction activities; response letter from Florida Department of Environmental Protection (FDEP) if provided; and a copy of the Notice of Termination (NOT) at project closeout.
- For projects involving groundwater dewatering activities at the construction site, provide documentation of coverage under the Florida Department of Environmental Protection (FDEP) "Generic Permit for the Discharge of Produced Ground Water from any Non-contaminated Site Activity."

FINANCIAL CONSEQUENCES

If the Recipient fails to comply with any term of the award, the Division shall take one or more of the following actions, as appropriate in the circumstances:

1. Temporarily withhold cash payments pending correction of the deficiency by the Recipient;
2. Disallow all or part of the cost of the activity or action not in compliance;
3. Wholly or partly suspend or terminate the current award for the Recipient's program;
4. Withhold further awards for the program; or
5. Take other remedies that may be legally available.

This is FEMA project **1609-75-R**, funded under **1609-DR-FL**.

The Period of Performance for this project ends on **March 31, 2015**.

Schedule of Work

State Contracting:	1 Month
Bid and Award Process:	3 Months
Construction:	11 Months
Local Inspection and final reimbursement:	2 Months
State Final Inspection:	1 Month
State Closeout Process:	1 Month
Total Period of Performance:	19 Months

Budget

Line Item Budget*

	<u>Project Cost</u>	<u>Federal Share</u>	<u>Local Share</u>
Materials and Labor:	\$20,414,829.00	\$15,311,122.00	\$5,103,707.00
<u>Administrative Cost:</u>	<u>\$ 0.00</u>	<u>\$ 131,674.00</u>	<u>\$ 0.00</u>
Total:	\$20,414,829.00	\$15,442,796.00	\$5,103,707.00

²⁰
*Any line item amount in this Budget may be increased or decreased 10% or less without an amendment to this Agreement being required, so long as the overall amount of the funds obligated under this Agreement is not increased.

Funding Summary

Federal Share:	\$15,311,122.00 (75%)
<u>Local Share:</u>	<u>\$ 5,103,707.00 (25%)</u>
Total Project Cost:	\$20,414,829.00 (100%)

Recipient Administrative Allowance up to \$131,674.00