

MAR 20 1995

BK 0725 PG 1918

INTERLOCAL AGREEMENT

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THIS AGREEMENT made and entered into by and between the Housing Finance Authority of Clay County, Florida, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Clay Authority"), and Nassau County, Florida, a political subdivision organized and existing under the laws of the State of Florida (hereinafter referred to as "Nassau County").

W I T N E S S E T H:

WHEREAS, Part IV of Chapter 159 of the Florida Statutes authorizes the creation of Housing Finance Authorities within the State of Florida for the purpose of issuing revenue bonds to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, this Board of County Commissioners of Nassau County conducted a Public Hearing on the Bonds on the 13th day of February, 1995 at the Yulee County Building, 70 Pages Dairy Road West, Yulee, Florida 32097, for the purpose of considering the issuance of the Bonds by the Clay Authority in the aggregate principal amount not to exceed \$30,300,000, in conformance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, said Public Hearing disclosing no reason why the Bonds should not be issued; and

WHEREAS, the Clay Authority has authorized the initiation of official action for the issuance of its Single Family Mortgage Revenue Bonds (the "Clay Bonds"); and

WHEREAS, pursuant to Section 143 of the Internal Revenue Code of 1986, as amended, the amount of private activity bonds, including qualified mortgage bonds, which may be issued by governmental units in any calendar year is limited, and is available for allocation to issuers within the State in accordance with Chapter 159, Part VI, Florida Statutes; and

WHEREAS, pursuant to individual interlocal agreements to be entered into between the Clay Authority and either other counties or the Housing Finance Authorities of other counties within the State of Florida, including Nassau County (collectively, the "Subsidiaries"), each of the Subsidiaries will delegate its authority to issue mortgage revenue bonds to provide funds to originate mortgage loans within the territorial boundaries of its respective county to the Clay Authority (the territorial boundaries of Clay County and the territorial boundaries of the Subsidiaries, collectively, the "Area of Operation"); and

WHEREAS, by combining the allocation amounts of the Clay Authority and the Subsidiaries, the Clay Authority will be able to make available mortgage loans at rates below the rates otherwise possible if any of the Subsidiaries undertook a separate issue; and

WHEREAS, the issuance of the Bonds by the Clay Authority for use in the Area of Operation will result in a wider allocation of fixed expenses and achieve certain other economies of scale that will have the effect of reducing the interest on mortgage loans that otherwise would have to be charged; and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, authorize the Clay Authority and Nassau County to enter into this Interlocal Agreement in order to make the most efficient use of their respective powers, resources and capabilities by authorizing the Clay Authority to exercise those powers which are common to them for the purpose of issuing one or more series of the Bonds to finance qualifying single family mortgage loan programs for the entire Area of Operation.

NOW, THEREFORE, the parties agree as follows:

Section 1. Substitution of Bonds; Expenses. Nassau County hereby grants exclusive authority to the Clay Authority to issue its Single Family Mortgage Revenue Bonds for qualified single family housing developments described in the resolutions authorizing the Bonds, and any such Bonds issued for such qualifying housing developments in Nassau County are hereby deemed to be in full substitution for an equivalent principal amount of Nassau County's Bonds. All revenues generated by bonds issued pursuant to this Agreement, and by the use of the proceeds thereof, will be administered by the Clay Authority or its agents and all payments due from such revenues shall be paid by the Clay Authority or its agents without further action by Nassau County.

The fees and expenses incurred by Nassau County and/or the County Attorney for Nassau County with respect to the single family mortgage revenue bond program specified in this Agreement, shall be paid from the proceeds of any bonds allocable for use in Nassau County and issued pursuant to this Agreement or from program fees contributed by participating lenders. Such fees and expenses payable from proceeds of the Bonds shall not exceed \$1.00 per \$1,000 principal amount of Bonds allocated for use in Nassau County.

Section 2. Administration. The Clay Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Nassau Authority retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within Nassau County. The Clay Authority and its agents shall provide

Nassau County with such reports as may be necessary to account for funds generated by this Agreement. OFFICIAL RECORDS

The Clay Authority shall have full authority and responsibility to negotiate, validate, market, sell, issue and deliver its Bonds in such amount as the Clay Authority shall in its sole judgment determine to finance qualifying single family housing developments in Nassau County and to take such other action as may be necessary or convenient to accomplish such purpose, such bonds to be issued in one or more series as determined by the Clay Authority. All lendable proceeds of Bonds attributable to the mortgage loan demand in Nassau County shall be reserved for use in originating mortgage loans in Nassau County for an initial period of 120 days following the issuance of the Bonds.

Section 3. Program Parameters. Nassau County shall establish the maximum housing prices and maximum adjusted family income for eligible borrowers in Nassau County. Nassau County hereby consents and agrees to the establishment by the Clay Authority of all other program parameters including, but not limited to, selection of allocations among participating lenders as may be required for any bonds issued by the Clay Authority pursuant to this Agreement.

Section 4. Term. This Agreement will remain in full force and effect from the date of its execution until December 31, 1998; provided that any party hereto shall have the right to terminate this Agreement upon 30 days written notice to the other party hereto. Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated by any party during any period that any series of Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Bonds are still in the possession of the Clay Authority or its agents pending distribution, unless the parties to this Agreement mutually agree in writing to the terms of such termination. It is further agreed that in the event of termination the parties to this Agreement will provide continuing cooperation to each other in fulfilling the obligations associated with the issuance of Bonds pursuant to this Agreement.

Section 5. Indemnity. The Clay Authority agrees to hold Nassau County harmless, to the extent permitted by law, from any and all liability for repayment of principal of and interest or penalty on the Bonds or in connection with the approval by Nassau County of the program parameters as required by Section 3 of this Agreement. The Clay Authority agrees that any offering circular or official statement approved by and used in marketing the Bonds will include a statement that Bondholders may not look to Nassau County for payment of the Bonds and interest or premium thereon.

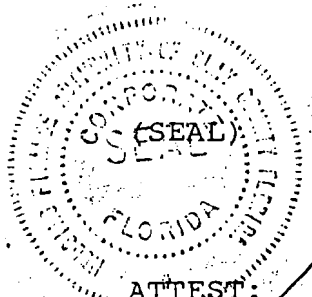
Section 6. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 1st day of MARCH, 1995.

HOUSING FINANCE AUTHORITY OF CLAY COUNTY, FLORIDA

By Evelyn B Cooper
Vice- Chairman

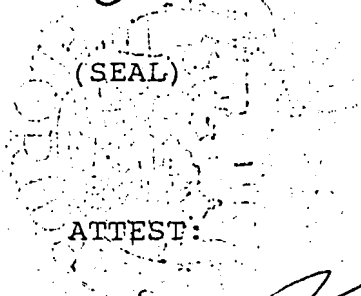


ATTEST:

By [Signature]
Secretary-Treasurer

BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA

By [Signature]
Chairman



ATTEST:

By [Signature]
Clerk

Approved as to form by the Nassau County Attorney

[Signature]
MICHAEL S MULLIN

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STATE OF FLORIDA
COUNTY OF CLAY
] SS.]

The foregoing instrument was acknowledged before me this
17th day of March, 1995, by Evelyn B. Cooper
and James M. Ryan, the Vice-Chairman
and Treasurer of the Housing Finance Authority
of Clay County, Florida, on behalf of the Authority. They are
personally known to me or who have produced
~~as identification and who did not take an oath.~~

[Handwritten Signature]

John Kopelousos
(print name)
Notary Public
My Commission expires:
