

AGREEMENT/CONTRACT NO. _____

**NASSAU COUNTY
STATE HOUSING INITIATIVES PROGRAM (SHIP)
GRANT AGREEMENT WITH
HOUSING ASSISTANCE CORPORATION OF NASSAU COUNTY, INC.
AGREEMENT 2 OF 2**

THIS AGREEMENT, made and entered into in duplicate this 28th day of August, 2006, by and between the Board of County Commissioners of Nassau County, Florida, acting in its capacity as the governing body of the Nassau County SHIP Program, hereinafter referred to as the COUNTY and HOUSING ASSISTANCE CORPORATION OF NASSAU COUNTY, INC. a 501(c)(3)Not For Profit Corporation, incorporated under the laws of the State of Florida for the development and management of Affordable Housing for Low-Income, Very Low-Income and Moderate-Income persons, hereinafter referred to as "Housing Assistance Corporation." This Agreement covers SHIP Fiscal Year 2006-2007.

WITNESSETH

WHEREAS, the County has been awarded the State Housing Initiatives Partnership (SHIP) Program funds pursuant to Section 420, Florida Statutes (1997), which provides for the implementation of developments designed to address the affordable housing needs of very-low, low, and moderate income persons; and,

WHEREAS, Nassau County by ordinance has adopted a Local Housing Assistance Plan (LHAP) in accord with Chapter 67-37, Florida Administrative Code, which contains a special needs housing program to encourage the provision of housing for persons who have special housing needs residing in Nassau County; and,

WHEREAS, Nassau County desires to enter this Agreement with Housing Assistance Corporation, to assist in the construction of a Senior (Affordable) Housing Development located in Nassau County for seniors 62 years of age and older, and living independently. Seniors are a special needs group within the meaning of the SHIP laws and rules; and,

NOW THEREFORE, in consideration of the premises and the mutual covenants and undertakings set forth herein, the parties do hereby agree as follows:

The Housing Assistance Corporation has been awarded \$96,741. Funding is based on the senior housing complex making apartments available to SHIP eligible applicants of County, as defined in §420.0004(3) (9) (10) & (14) of the Florida Statutes.

A. RECIPIENT

The Housing Assistance Corporation of Nassau County, Inc. is a 501(c)(3) Not-for-Profit corporation, with a separate board of directors. The corporation was founded specifically to be the catalyst for the development of "affordable housing," rental and for-sale housing (family units and senior housing), in and around Nassau County. This effort will give emphasis to its corporate Mission Statement, which is "to provide safe, sanitary, affordable housing to families in the communities we serve."

The Housing Assistance Corporation, a not-for-profit corporation under the laws of the State of Florida, is in good standing under the laws of the State of Florida, with full corporate authority under its articles of incorporation and bylaws to execute this Agreement and the undersigned representatives of the Housing Assistance Corporation are authorized to sign this binding Agreement.

The Housing Assistance Corporation has been awarded a Predevelopment Loan from the Florida Housing Finance Corporation (approved June 10, 2005), in the amount of \$301,455 to cover "soft costs" during the development of this Senior Housing Development.

B. SCOPE AND SCHEDULE OF SERVICES

The Housing Assistance Corporation is preparing to construct an apartment complex containing 24, one & two bedroom dwelling units for seniors 62 years of age and older who are low and very low income as defined in Florida Statutes, Section 420.004(9) & (14) and residing in Nassau County, Florida. The portion of the work to be performed with this grant, expressed as milestones used in General Construction, is as follows:

Foundation per approved Plans and Specification, including, but not limited to, soil testing, soil treatment, fill, soil compaction, reinforcement, embedded items, labor and all materials;

Underground plumbing per approved Plans and Specifications, including, but not limited to, all materials and labor;

Slab Poured per approved Plans and Specifications, including, but not limited to, all materials and labor;

The County agrees to disburse the grant funds in the amount of \$96,741 upon completion of this above work on the site and the inspection and approval of the above work by the County.

C. FUNDING AND PAYMENT PROCEDURES

1. The County agrees to disburse grant funds to the Housing Assistance Corporation for the specified development during the period of this Agreement in the maximum amount of \$96,741, in funding from the State Florida, from the Fiscal Year 2006-2007 SHIP distributions. Anything herein to the contrary notwithstanding any and all obligations of the County to make any and all payments to the Housing Assistance Corporation are expressly conditioned upon receipt of and authorization to expend SHIP Funds from the State of Florida and upon specific annual appropriation therefore, by the Board of County Commissioners. The Housing Assistance Corporation acknowledges that in the budget for each fiscal year of the County during which the term of this Agreement is in effect a limited amount of funds are appropriated which are available to make payments arising under this Agreement. Any other provisions of the Agreement to the contrary notwithstanding, and pursuant to the provision of Section 129.07, Florida Statutes, the maximum payment that the County is obligated to make under the Agreement from the budget of any fiscal year shall not exceed the appropriation for said fiscal year. Pursuant to the Special Needs Strategy of the Nassau Local Housing Assistance Plan, the SHIP funds for this development shall be in the form of a grant and there will be no recapture of the grant.
2. The Grant funds may only be used for:
 - a. Those hard costs (capital improvements) which are typically or customarily treated as construction costs by institutional lenders; or
 - b. Infrastructure expenses typically paid by the developer, such as sewer, water, stormwater and roads;
3. Payments will be made by the County to the Housing Assistance Corporation in accordance with the following procedures:
 - a. The invoice and accompanying support documentation shall be sent to the following agent for the County:

Northeast Florida Regional Council (NEFRC)
Administrator for Nassau County SHIP Program
6850 Belfort Oaks Place
Jacksonville, Florida 32216
 - b. The County will reimburse the Housing Assistance Corporation under this Agreement based on the completion of the Services as outlined under Section B, Scope and Schedule of Services, and as inspected and approved by the County. The payment request shall certify that the amount requested shall not have been submitted to or

reimbursed by the County under any other contract or by any other agency and shall be signed by an authorized representative of the Housing Assistance Corporation.

- c. The Housing Assistance Corporation must submit the request for payment and supporting documentation to the County no later than 45 days after this Agreement ends or is terminated for expenses incurred during the term of this Agreement. If the Housing Assistance Corporation fails to do so, all rights to payment are forfeited, and the County will not honor any request submitted after the aforesaid time period. Any payment due the Housing Assistance Corporation under the terms of this Agreement may be withheld until all reports due and necessary adjustments thereto, have been approved by the County.
 - d. The Housing Assistance Corporation will allow forty five (45) days from the date of the County's receipt of acceptable payment requests for the County to process payments. All payments shall be made in accordance with the Florida Prompt Payment Act.
4. Any unused or residual funds remaining at the termination of this Agreement shall be retained by the County:

D. RESTRICTIONS ON USE OF SHIP FUNDS

1. The construction of the Senior Housing Development, which is constructed with SHIP Program funds under this Agreement, must be occupied by seniors 62 years of age and older. The occupants must be either very-low or low-income persons, as defined in §420.004(9) & (14), Florida Statutes.
2. As a requirement for the use of SHIP funds for construction of the Senior Housing Development, the Housing Assistance Corporation must provide the minimum set aside of units for Eligible Persons, as defined in §420.0004(3)(9)&(14) of the Florida Statutes for at least fifteen years or the term of assistance, whichever period is longer.
3. To the extent the Housing Assistance Corporation receives assistance from SHIP and other Federal, State or local programs; it shall be required to comply with any requirements specified by the other program in addition to SHIP Program requirements. In the event both Programs have restrictions on the same issue, the more restrictive regulations shall take precedence. If one program is silent on an issue, the Program with a regulation on the issue shall apply.
4. SHIP funds may not be used as a pledge of the debt service on bonds or as rent subsidies. SHIP funds may not be used to pay interest on

borrowing, bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith.

5. SHIP funds may not be used for office expenses, salaries or other overhead expenses.
6. SHIP funds may not be used to pay for losses arising from uncollectible accounts or other claims and related costs.
7. SHIP funds may not be used to pay costs or fines resulting from violations or failure to comply with federal, state, and local laws and regulations.
8. SHIP funds may not be used to pay contributions to a contingency reserve or any similar provisions for unforeseen events.

E. REPORTING REQUIREMENTS

1. The Nassau County SHIP Administrator shall monitor annually for fifteen years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements.
2. The Housing Assistance Corporation shall document and monitor the annual anticipated gross income of the Eligible Persons who occupy the Senior Housing Development during the term of this Agreement and for a period of fifteen years thereafter, whichever is longer (the compliance period), and upon entry of said Eligible Persons into the apartment complex and on at least an annual basis thereafter for the duration of the compliance period. The Housing Assistance Corporation shall provide four (4) written annual reports regarding the annual anticipated gross income of the Eligible Persons who occupy the apartment complex during the term of this Agreement and for the compliance period to the SHIP Administrator on the anniversary date of this Agreement, every year during the compliance period.

F. INSURANCE REQUIREMENTS

The Housing Assistance Corporation shall maintain at all times and provide proof to Nassau County and the SHIP Administrator of general liability insurance of at least \$1,000,000, naming Nassau County as an additional insured. The Housing Assistance Corporation shall also require its construction contractor(s) to maintain and provide proof of general liability insurance to Nassau County of at least \$1,000,000, naming Nassau County as an additional insured, prior to undertaking any construction, maintenance, service or repair. At all times, the Housing Assistance Corporation and its construction contractor(s) shall maintain and provide proof to Nassau County SHIP Administrator of workers' compensation insurance providing coverage to their employees and agents as required by law.

G. AGREEMENT DURATION, EXTENSION AND TERMINATION

1. This Agreement shall be effective for a period from March 13, 2006 through fifteen (15) years from the effective date of this agreement unless extended or terminated sooner in accordance with this Section.
2. This Agreement may be extended upon the mutual agreement of all parties. Said extension shall be effective upon signature by all parties of an amendment to this Agreement.
3. If the Nassau County SHIP Administrator determines that the requirements of this Agreement have not been met, the County may take one or more of the actions authorized in Paragraphs G (4) and G (5) of this Section. In each instance, the action taken will be designed to, first, prevent a continuance of the deficiency (lack of progress, non-conformance, non-compliance, lack of continuing capacity); second, mitigate any adverse effects or consequences of the deficiency to the extent possible under the circumstances; and third, prevent a recurrence of the same or similar deficiencies.
4. If the County determines that the requirements of this Agreement have not been met, they may take one or more of the following actions, as appropriate to the circumstance.
 - a. Request the Housing Assistance Corporation to submit additional information:
 - i. Concerning the administrative, planning, budgeting, management, and evaluation functions to determine any reason for lack of progress;
 - ii. Explaining any actions being taken to correct or remove the causes for delay;
 - iii. Documenting the activities undertaken were in conformance with this Agreement or in compliance with applicable laws or regulations;
 - iv. Demonstrating that the Housing Assistance Corporation has a continuing capacity to carry out the approved development in a timely manner; or
 - v. As may be appropriate.
 - b. Request the Housing Assistance Corporation to submit revised progress schedules for completing required activities.
 - c. Issue a letter of warning that advises the Housing Assistance Corporation of the deficiency and puts the organization on notice that further sanctions, including those listed in Sections G (5) and G

(6) of this Agreement will be taken if the deficiency is not corrected or is repeated.

5. If the Nassau County SHIP Administrator determines that the Housing Assistance Corporation has materially failed to complete the scope of work described in Section B within 24 months of the effective date of this Agreement, it may take one or more of the following actions as appropriate to the circumstances:
 - a. Terminate the Agreement in accordance with Section G (6);
 - b. Withhold further agreements with the Housing Assistance Corporation; or
 - c. Take other remedies that may be legally available.
6. If the Nassau County SHIP Administrator determines that it is necessary to suspend or terminate this Agreement, in accordance with Section G (5) it may do so by giving written notice thereof to the Housing Assistance Corporation of Nassau County, Inc. of such suspension or termination and specifying the effective date thereof, at least thirty (30) days prior to the effective date of such suspension or termination. Upon such suspension or termination, the Housing Assistance Corporation shall be entitled to payment of such amount as is reasonable determined by the County for work satisfactorily performed prior to the suspension or termination expenses.

H. ACCOUNTABILITY

1. The Housing Assistance Corporation agrees to maintain such property, personnel, financial, and other records and accounts as are necessary to properly account for all funds expended in performance of this Agreement and to allow for the audit of SHIP funds by the County, State Department of Community Affairs, Florida Housing Finance Corporation (FHFC), State Comptroller and/or their designee, if and when required. Funds provided by the County for the SHIP Special Needs Housing Program shall be accounted for in a separate fund with a set of accounts that are independent of other programs accounts. The Housing Assistance Corporation shall comply with the policies, guidelines, and requirements of the Office of Management and Budget (OMB) Circulars A-110 incorporated by reference into this Agreement, as they relate to the receipt and use of SHIP funds.
2. All records and accounts related to this Agreement shall be retained and be subject to inspection, review or audit by the County, and State for a period of five years following the date of submission of the County's

Annual Report to the State in which the development under this Agreement is reported. Such review shall be during the regular working hours of the Housing Assistance Corporation, following reasonable notice. Upon request, the Housing Assistance Corporation shall transfer copies of these records and accounts to the custody of the County in order to ensure their accountability for such a period.

I. AUDIT

1. The Housing Assistance Corporation agrees to have an annual audit of financial statements performed in accordance with the Government Auditing Standards developed by the Comptroller of the United States. Such audits shall comply with OMB Circular A-133, incorporated by reference herein. The audit shall be performed annually for the Housing Assistance Corporation entire organization, shall cover the fiscal year, and shall include specific review of the SHIP Program. It shall be performed by auditors who meet the independence standards specified in OMB Circular A-133.
2. The Housing Assistance Corporation shall ensure the audit work papers and reports are retained for a minimum of five years from the date of the audit report, unless notified in writing by the County to extend the retention period. The Housing Assistance Corporation shall also ensure that audit work papers are made available upon request to the County, or its designee.
3. Five copies of the audit report shall be submitted to the County's SHIP Administrator within 45 days after the completion of the audit, but in no case should the audit be completed and the report submitted later than 120 day after the end of the Housing Assistance Corporation fiscal year. If a management letter or any other report(s) or correspondence relating to audit findings or recommendations is issued in connection with the audit, copies shall accompany the audit report.

J. CONFLICT OF INTEREST

No person who is an employee, agent, consultant, officer, or elected officer or appointed official of the County, or the Housing Assistance Corporation who exercises any functions or responsibilities with respect to activities assisted with SHIP funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a SHIP assisted activity, or have a financial interest in any contract, subcontract or agreement with respect thereto, or the proceeds hereunder, either for themselves or those with whom they have family or business ties, as defined in Chapter 112, Part III, Florida Statutes, during their tenure.

K. LOBBYING

1. The Housing Assistance Corporation shall not use funds under this Agreement to directly or indirectly support, defeat or influence the outcome of any Federal, State, or local election, referendum, initiative, or similar procedure, or use SHIP funds for the introduction, enactment, or modification of any pending Federal, State, or local legislation.
2. The Housing Assistance Corporation of Nassau County, Inc. certifies that no State appropriated funds have been paid, or will be paid, by or on behalf of the Housing Assistance Corporation, to any person for influencing or attempting to influence an officer or employee of the Florida Legislature, or an employee of a Member of the Legislature in connection with the awarding of any State or local contract, the making of any State or local grant, the making of any State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State contract, grant, loan, or cooperative agreement.
3. The Housing Assistance Corporation certifies that if any funds other than State funds have been paid or will be paid to any persons for influencing or attempting to influence an officer or employee of any agency, a Member of the Florida State Legislature, an officer or employee of the Legislature, or any employee of a Member of the Legislature in connection with this Agreement, the Housing Assistance Corporation shall complete and submit to the County Standard form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

L. INDEPENDENT CONTRACTOR

In the performance of this Agreement, the Housing Assistance Corporation will be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venture, or associate of the County. The Housing Assistance Corporation shall be solely responsible for the means, method, techniques, sequences, and procedures utilized in the full performance of this Agreement. Neither the Housing Assistance Corporation nor any of its employees, officers, agents or other individual directed to act on behalf of the Housing Assistance Corporation for any act related to this Agreement shall represent, act, and purport to act, or be deemed to be the agent, representative, employee or servant of the County.

M. INDEMNIFICATION

1. The Housing Assistance Corporation of Nassau County, Inc. shall be required to indemnify, protect, defend, and hold the County and its

respective officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees including attorneys fees or other expenses or liabilities of every kind and character arising out of or directly or indirectly relating to any and all claims, liens, demands, obligations, or actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof. Without limiting the generality of the foregoing, any and all such claims, etc., including, but not limited to, personal injury, death, damage to property (including destruction), defects in materials or workmanship, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation or decree of any court, shall be included in the indemnity hereunder. The Housing Assistance Corporation further agrees to investigate, handle, respond to, provide defense (including payment of attorneys fees up to and including any appeal) for and defend any such claim at its sole expense and agrees to bear all other costs and expenses related thereto, even if the (claims, etc.) are groundless, false, or fraudulent. The Housing Assistance Corporation agrees that its indemnification of the County shall extend to any and all work performed by the Housing Assistance Corporation, its contractor(s), employees, agents, servants, or assigns.

2. This obligation shall in no way be limited in any nature whatsoever by any limitation on the amount and/or type of the Housing Assistance Corporation insurance coverage. This indemnification provision shall survive the termination of the Agreement between the County and the Housing Assistance Corporation.
3. In any and all claims against the County, or any of its respective agents or employees by any employee of the Housing Assistance Corporation, and contractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Housing Assistance Corporation or any contractor under workmen's compensation acts, disability benefit acts, or employee benefit acts.

N. SOVEREIGN IMMUNITY

The parties agree that nothing in this Agreement shall be interpreted as a waiver of the County's sovereign immunity under Section 768.28, Florida Statutes.

O. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL RULES, REGULATIONS AND LAWS

The Housing Assistance Corporation shall comply with all applicable laws, orders and regulations of the Federal, State and local governments as they pertain to this Agreement. These include, but are not limited to, provisions of Section 420, Florida Statutes, the County's Local Housing Assistance Plan, as amended, as well as other applicable State and Federal laws and regulations.

P. NON-DISCRIMINATION

Neither, the County or the Housing Assistance Corporation, its staff or agents, shall discriminate on the basis of race, creed, religion, color, age, sex, familial status, marital status, national origin, or handicap in the selection of recipients of contracts or assistance under the State Housing Initiatives Partnership (SHIP) Program.

Q. SHIP FUNDING RECOGNITION

The Housing Assistance Corporation shall include in all advertisements, newsletters, and/or promotions that refer specifically to the development assisted hereunder, a statement that reads: Funding for this development is provided in part by the Nassau County Board of County Commissioners through the Nassau County State Housing Initiatives Partnership (SHIP) Program.

R. FINANCIAL OBLIGATION OF THE COUNTY

This Agreement is not a general obligation of the County, nor does it constitute a pledge of the full faith and credit of the County, but shall be a commitment only as to the Nassau County State Housing Initiatives Partnership funds. In the event there are insufficient moneys available in the State of Florida Housing Assistance Trust Fund to meet the commitments of the County created under this Agreement, the County will have no further commitments under this Agreement and shall not be considered in breach thereof.

S. COMPLIANCE WITH CHAPTER 119, PUBLIC RECORDS

The Housing Assistance Corporation agrees to comply with the provisions of Chapter 119, Florida Statutes, as from time to time amended with respect to the SHIP Grant and all documents, transactions and writings of every kind or description arising from or in connection therewith.

T. ASSIGNMENT

The Housing Assistance Corporation shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any interest in this Agreement without

the prior consent of the Nassau County Board of County Commissioners in writing. The Housing Assistance Corporation may not enter into any subgrants.

U. CHANGES/AMENDMENTS

Any changes or amendments to this Agreement shall be incorporated by written amendments to this Agreement and shall be executed with the same formalities as this Agreement.

V. DISPUTES

Any dispute arising under this Contract shall be addressed by the representatives of the County and the Housing Assistance Corporation as set forth herein. Disputes shall be set forth in writing to the Nassau County SHIP Administrator with a copy to the County Administrator and provided by overnight mail, UPS, FedEx, or certified mail, with a response provided in the same manner prior to any meetings of representatives. The initial meeting shall be with the Nassau County SHIP Administrator or their designee and a representative of the Housing Assistance Corporation. If the dispute is not settled at that level, the County Attorney shall be notified in writing by the Nassau County SHIP Administrator or his/her designee, and the County Attorney and the County Administrator and the Nassau County SHIP Administrator or their designee(s) shall meet with the Housing Assistance Corporation representative(s). Said meeting shall occur within sixty (60) days of the notification by the County Administrator. If there is no satisfactory resolution, the claims disputes, or other matters in question between the parties to this Agreement arising out of or related to this agreement or breach thereof, if not disposed of by agreement as set forth herein, shall be submitted to mediation in accordance with mediation rules as established by the Florida Supreme Court. Mediators shall be chosen by the County and the cost of Mediation shall be borne equally by the parties. If either party initiates a Court proceeding, or the Court orders, or the parties agree to, mediation, the cost of mediation shall be borne equally by the parties. The Housing Assistance Corporation shall not stop work during the pendency of mediation or dispute resolution. No litigation shall be initiated unless and until the procedures set forth herein are followed.

W. SEVERABILITY

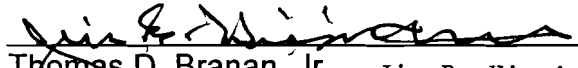
If any term or provision of this Agreement is deemed to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

X. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties hereto pertaining to the Scope of Services and all other attachments hereunder. All negotiations and oral agreements are included herein.

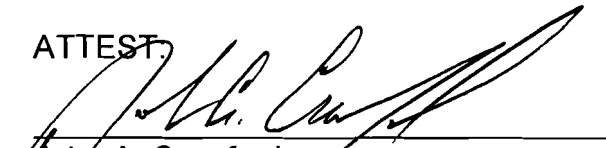
IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above-written.

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**

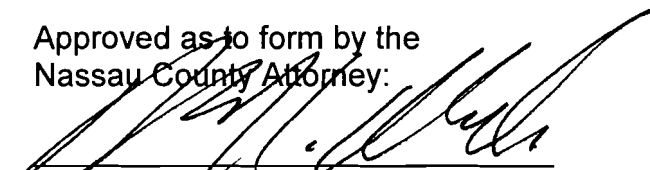

Thomas D. Branan, Jr. Jim B. Higginbotham
Its: Chairman Vice Chairman

Approved August 14, 2006

ATTEST:


John A. Crawford
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney:


Michael S. Mullin

**HOUSING ASSISTANCE CORPORATION
OF NASSAU COUNTY, INC.**

BY:


Joseph S. Winston, Chairman

ATTEST:


Harold R. Perry, President/Secretary [SEAL]