

* SET: CONNIE BATHUR

INTERLOCAL AGREEMENT

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

WITNESSETH:

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 and refunding bonds to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Brevard Authority has authorized the initiation of official action for the issuance of its Single Family Mortgage Revenue Bonds, various Series (collectively, and as such bonds may hereafter be designated as separate series, the "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 Brevard Authority and the Housing Finance Authorities of other counties (or with other counties in the absence of a housing finance authority) within the State, including Nassau County (collectively, the "Local Authorities"), each of the Local Authorities will delegate its authority to purchase mortgage loans or securities backed by mortgage loans originated within the territorial boundaries of its respective county to the Brevard Authority (the territorial boundaries of Brevard County and the territorial boundaries of such other Local Authorities, collectively, the "Area of Operation"); and

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

WHEREAS, the issuance of the Bonds by the Brevard 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 Brevard Authority and the County to enter into this Interlocal Agreement in order to make the most efficient

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use of their respective powers, resources and capabilities by authorizing the Brevard 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. The County hereby grants authority to the Brevard Authority to issue its Single Family Mortgage Revenue Bonds for qualified single family housing mortgage loans described in the resolutions authorizing the Bonds, over the three year period commencing January 1, 2009 and ending December 31, 2011, and any such Bonds issued for such qualifying housing mortgage loans in the County are hereby deemed to be in full substitution for an equivalent principal amount of the Authority'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 Brevard Authority or its agents and all payments due from such revenues shall be paid by the Brevard Authority or its agents without further action by the County. The Brevard Authority is hereby authorized to request private activity bond allocation on behalf of the County to accomplish such purpose.

SECTION 2. ADMINISTRATION. The Brevard Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the County retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within the County. The Brevard Authority and its agents shall provide the County with such reports as may be necessary to account for funds generated by this Agreement.

The Brevard Authority shall have full authority and responsibility to negotiate, validate, market, sell, issue and deliver its Bonds in such amounts and at such times as the Brevard Authority shall in its sole judgment determine (taking into account lender demand and available allocation of private activity bond issuance authority pursuant to Chapter 159, Part VI, Florida Statutes) to finance qualifying single family housing developments in the 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 Brevard Authority.

SECTION 3. PROGRAM PARAMETERS. The Brevard Authority shall establish the maximum housing prices and maximum adjusted family income for eligible borrowers in the County. The County hereby consents and agrees to the establishment by the Brevard 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 Brevard Authority pursuant to this Agreement; provided, however, that the County hereby reserves the right to determine the amounts or proportion of allocation to be reserved for builder loans, if any. The Brevard Authority shall select allocations among participating lenders in the County based on lender demand in the County, available allocation of private activity bond issuance authority, and the lenders' performance in prior bond programs. The Brevard Authority also reserves the right to offer such allocation to lenders on a first-come, first-served basis.

SECTION 4. TERM. This Agreement will remain in full force and effect from the date of its execution until December 31, 2011; 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 Brevard 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.

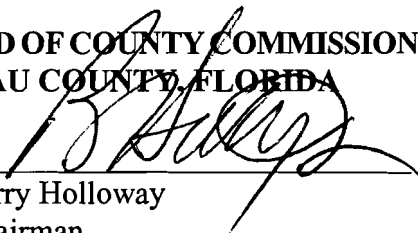
SECTION 5. INDEMNITY. The Brevard Authority agrees to hold the County harmless, to the extent permitted by law and solely from amounts made available under the documents relating to the Bonds, from any and all liability for repayment of principal of and interest or penalty on the Bonds or in connection with the approval by the County of the program parameters as required by Section 3 of this Agreement, or in connection with the approval rendered by the County pursuant to Sections 159.603 and 159.604, Florida Statutes. The Brevard 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 the 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.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 8th day of December, 2008.

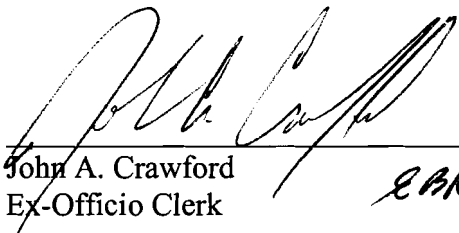
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**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**

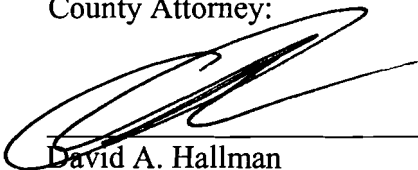
By: 
Barry Holloway
Chairman

ATTEST AS TO CHAIRMAN'S SIGNATURE:

Approved as to form by the Nassau
County Attorney:


John A. Crawford
Ex-Officio Clerk

EAK 12/8/08


David A. Hallman
County Attorney

Signatures continue on the next page

**BREVARD COUNTY HOUSING FINANCE
AUTHORITY**

(SEAL)

Secretary

By: *Eugene F. Hendrich*
Chairman