

RESOLUTION NO. 2007-218

A RESOLUTION APPROVING THE ISSUANCE BY THE HOUSING FINANCE AUTHORITY OF CLAY COUNTY, FLORIDA, OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS TO PROVIDE FUNDS TO FINANCE THE PURCHASE OF SINGLE FAMILY RESIDENCES IN ST. JOHNS COUNTY, FLORIDA, AND VARIOUS OTHER COUNTIES WITHIN THE STATE OF FLORIDA; APPROVING THE OPERATION OF SAID HOUSING FINANCE AUTHORITY OF CLAY COUNTY IN THE TERRITORIAL BOUNDARIES OF ST. JOHNS COUNTY IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of Clay County, Florida (the "Clay Authority"), pursuant to Chapter 159, Part IV, Florida Statutes (the "Act"), is authorized to issue revenue bonds for the purposes of assisting in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Act also permits the Clay Authority to enter into interlocal agreements with other local housing finance authorities for purposes of expanding the Clay Authority's area of operation to include that of other housing finance authority's areas of operation, including St. Johns County, Florida (the "County"); and

WHEREAS, as stated in the hereinafter described SJHFA Resolution, the Clay Authority has indicated its intent to issue its single family mortgage revenue bonds (the "Bonds") for the purpose of financing the origination of affordable single family housing and for purposes of refunding certain amounts and thus preserving private activity bond allocation; and

WHEREAS, as stated in the SJHFA Resolution, the Clay Authority has requested the Housing Finance Authority of St. Johns County, Florida (the "St. Johns Authority") to join in the issuance of the Bonds by means of execution of an interlocal agreement; and

WHEREAS, at the request of the Clay Authority, the St. Johns Authority adopted its Resolution No. 2007-2 on June 27, 2007 (the "SJHFA Resolution"), a copy of which is attached hereto as Exhibit A, authorizing the execution and delivery of an interlocal agreement with the Clay Authority, substantially in the form attached to the SJHFA Resolution, in connection with the Clay Authority's issuance of the Bonds; and

WHEREAS, the St. Johns Authority conducted a public hearing on the July 18, 2007, on the proposed issuance of the Bonds by the Clay Authority, pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and no views were expressed by anyone attending the hearing, as shown in the hearing officer's report attached hereto as Exhibit B; and

WHEREAS, the St. Johns Authority has requested the Board of County Commissioners of the County (the "Board") approve the issuance of the Bonds by the Clay Authority, as

required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and approve the operation of the Clay Authority within the territorial limits of the County with respect to the issuance of the Bonds, as required by the Act, including Section 159.603(1), Florida Statutes, as amended;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA:

Section 1. The Board hereby approves the issuance of the Bonds by the Clay Authority.

Section 2. The Board hereby approves the operation of the Clay Authority within the territorial boundaries of St. Johns County with respect to the issuance of the Bonds.

Section 3. This Resolution shall take effect immediately upon its adoption.

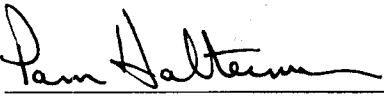
PASSED, APPROVED AND ADOPTED this twenty-fourth day of July, 2007.

BOARD OF COUNTY COMMISSIONERS  
OF ST. JOHNS COUNTY, FLORIDA

By:   
Chairman

(SEAL)

ATTEST:

  
Deputy Clerk

RENDITION DATE 7/26/07

**EXHIBIT A**  
**SJHFA Resolution**

RESOLUTION NO. 2007-2

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT WITH THE HOUSING FINANCE AUTHORITY OF CLAY COUNTY, FLORIDA, IN CONNECTION WITH THE CLAY AUTHORITY'S ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of St. Johns County, Florida (the "Authority") is, pursuant to Chapter 159, Part IV, Florida Statutes (the "Act"), authorized to issue revenue bonds for the purposes of assisting in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Act also permits the Authority to enter into interlocal agreements with other local housing finance authorities for purposes of expanding the Authority's area of operation or expanding such other authority's area of operation to include that of St. Johns County; and

WHEREAS, the Housing Finance Authority of Clay County, Florida (the "Clay Authority"), has indicated its intent to issue its single family mortgage revenue bonds (the "2007 Bonds") for the purpose of financing the origination of affordable single family housing and for purposes of refunding certain amounts and thus preserving private activity bond allocation; and

WHEREAS, the Clay Authority has requested the Authority to (a) join in the issuance of the 2007 Bonds by means of execution of an Interlocal Agreement, in substantially the form attached hereto as Exhibit A, (b) conduct a public hearing with respect to the 2007 Bonds, as required by 147(f) of the Internal Revenue Code of 1986, as amended, and (c) request the Board of County Commissioners of St. Johns County (the "County") to approve the issuance of the Bonds by the Clay Authority, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and approve the operation of the Clay Authority within the territorial limits of the County with respect to the issuance of the Bonds, as required by the Act, including Section 159.603(1), Florida Statutes, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY, FLORIDA, as follows:

SECTION 1. The Authority hereby authorizes the Chairman, Vice-Chairman, Secretary or Assistant Secretary of the Authority to execute and deliver an Interlocal Agreement between the Authority and the Clay Authority, in substantially the form set forth in Exhibit A attached hereto (the "Interlocal Agreement"), with such modifications thereto as approved by such party executing the same, approval to be evidenced by the execution thereof, for purposes of expanding the area of operation of the Clay Authority under the Act.

SECTION 2. The Authority hereby directs and authorizes the Director of the Authority to conduct a public hearing with respect to the 2007 Bonds and requests the Board of County Commissioners of the County to approve the issuance of the Bonds by the Clay Authority and approve the operation of the Clay Authority within the territorial limits of the County with respect to the issuance of the Bonds.

SECTION 3. All prior resolutions, motions and any other action of the Authority inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

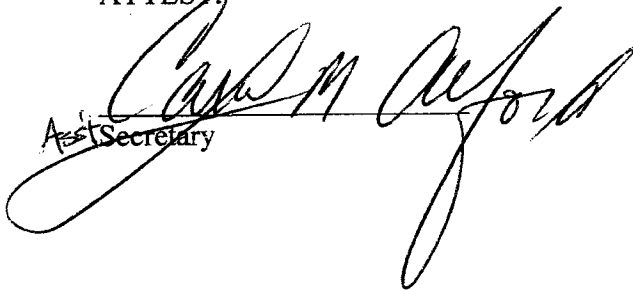
SECTION 4. All members of the Authority are hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Interlocal Agreement as a prerequisite or precondition to the issuance of the 2007 Bonds and any representation made therein shall be deemed to be made on behalf of the Authority.

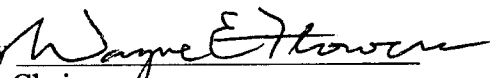
SECTION 5. This resolution shall become effective immediately upon its adoption.

ADOPTED this twenty-seventh day of June, 2007.

HOUSING FINANCE AUTHORITY OF  
ST. JOHNS COUNTY, FLORIDA

ATTEST:

  
Asst Secretary

By   
Chairman

## INTERLOCAL AGREEMENT

THIS INTERLOCAL 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 the HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY, FLORIDA, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "St. Johns 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 to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Clay Authority has authorized the initiation of official action for the issuance in calendar year 2007 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 of Florida 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 the Housing Finance Authorities of other counties within the State of Florida, including St. Johns County (collectively, the "Subsidiaries"), each of the Subsidiaries will delegate its authority to purchase mortgage loans originated 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 Clay 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 the St. Johns Authority to enter into this 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 Clay 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. The St. Johns Authority hereby grants exclusive authority to the Clay Authority to issue its Single Family Mortgage Revenue Bonds in calendar year 2007

for qualified single family housing developments described in the resolutions authorizing the Clay Bonds, and any such Clay Bonds issued for such qualifying housing developments in St. Johns County are hereby deemed to be in full substitution for an equivalent principal amount of the St. Johns 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 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 St. Johns County or the St. Johns Authority.

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 St. Johns Authority retains and reserves its right to require reasonable reporting on programs designed for and operated within St. Johns County. The Clay Authority and its agents shall provide the St. Johns Authority with such reports as may be necessary to account for funds generated by this Agreement.

The Clay Authority shall have full authority and responsibility to negotiate, validate, market, sell, issue and deliver its Clay Bonds in such amount as the Clay Authority shall in its sole judgment determine to finance qualifying single family housing developments in St. Johns 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 Clay Bonds attributable to the mortgage loan demand in St. Johns County shall be reserved for use in originating mortgage loans in St. Johns County for an initial period of 120 days. Thereafter, lendable proceeds of all Clay Bonds may be used within the area of operation of the program of the Clay Authority, composed of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and St. Johns Counties.

The Clay Authority hereby agrees to use its best efforts to promote the origination of mortgage loans for housing within St. Johns County.

Section 3. Program Parameters. In connection with the Clay Bond proceeds, the maximum housing prices and maximum adjusted family income for eligible borrowers in St. Johns County shall not exceed the maximum amounts previously approved by the St. Johns Authority and the Board of County Commissioners of St. Johns County for similar programs. The St. Johns Authority 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 the first to occur of December 31, 20\_\_\_\_, or the date which no Clay Bonds remain outstanding; 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 Clay Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Clay 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 Clay Bonds pursuant to this Agreement.

Section 5. Indemnity. The Clay Authority agrees to hold the St. Johns Authority and St. Johns County harmless, to the extent permitted by law, from any and all liability for repayment of principal of and interest or penalty on the Clay Bonds or in connection with the approval by the St. Johns Authority of the program parameters as required by Section 3 of this Agreement, or in connection with the approval

rendered by St. Johns County pursuant to Sections 159.603 and 159.604, Florida Statutes. The Clay Authority agrees that the Clay Bonds and any offering circular or official statement approved by and used in marketing the Clay Bonds will include a statement that Bondholders may not look to the St. Johns Authority or to St. Johns County for payment of the Clay 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 \_\_\_\_ day of \_\_\_\_\_ 2007.

HOUSING FINANCE AUTHORITY OF  
CLAY COUNTY, FLORIDA

By: \_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_  
Secretary-Treasurer

HOUSING FINANCE AUTHORITY OF  
ST. JOHNS COUNTY, FLORIDA

By: \_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_  
Secretary

STATE OF FLORIDA  
COUNTY OF CLAY

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_ 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.

\_\_\_\_\_  
(print name)  
Notary Public  
My Commission expires: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_ of the Housing Finance Authority of St. Johns 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.

\_\_\_\_\_  
(print name)  
Notary Public  
My Commission expires: \_\_\_\_\_

**EXHIBIT B**

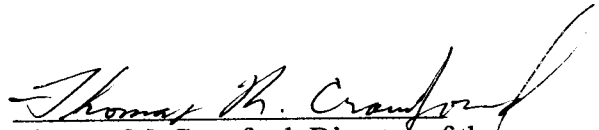
**Hearing Officer's Report**

## Report of Hearing Officer

The undersigned Director of the Housing Finance Authority of St. Johns County, Florida (the "Authority"), as Hearing Officer, convened on Wednesday, July 18, 2007, in the offices of said Director located at 102 ML King Ave., St. Augustine, Florida, a public hearing of the Authority on the proposed issuance by the Housing Finance Authority of Clay County, Florida, of single family mortgage revenue bonds pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. Proceeds of such bond issue will provide below market interest rate mortgage financing to be used to finance the purchase of single family residences to be occupied primarily by first-time home buyers of moderate, middle or lesser income within Clay County, St. Johns County and various other counties in the State of Florida.

The hearing began at 10:00 a.m. It was noted that a proof of publication from the *St. Augustine Record*, relating to a notice of this hearing being published in the July 3, 2007 edition, is on file in the Authority's records. No persons expressed a desire to speak at the hearing, and at 10:20a.m. the hearing was concluded.

Dated: July 18, 2007.

  
Thomas M. Crawford, Director of the  
Housing Finance Authority of St. Johns  
County, Florida