

INTERLOCAL AGREEMENT

This **AGREEMENT** made and entered into by and between the Housing Finance Authority of Hillsborough County, Florida, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Hillsborough Authority"), and the Jacksonville Housing Finance Authority, a public body corporate and politic of the State of Florida (hereinafter referred to as the "Jacksonville Authority").

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 and refunding bonds, making loans directly to persons and families and issuing mortgage credit certificates to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Hillsborough 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 in connection therewith facilitating the loaning of funds to qualified persons and issuing mortgage credit certificates (the "Certificates") in the place of said 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 and mortgage credit certificates, 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 Hillsborough Authority and the Housing Finance Authorities in other counties (or with other counties in the absence of a housing finance authority) within the State, including Duval County (collectively, the "Counties"), each of the Counties 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 Hillsborough Authority (the territorial boundaries of Hillsborough County and the territorial boundaries of such other counties, collectively, the "Area of Operation"); and

WHEREAS, by combining the efforts of the Hillsborough Authority and the Counties, the Hillsborough Authority will be able to make available mortgage loans at rates below the rates otherwise attainable if any of the Counties undertook a separate program;

WHEREAS, the facilitation of mortgage loans by the Hillsborough Authority 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 Hillsborough Authority and the Jacksonville Authority to enter into this Interlocal Agreement in order to make the most efficient use of their respective powers, resources and capabilities by

authorizing the Hillsborough Authority to exercise those powers which are common to them for the purpose of issuing one or more series of the Bonds, making loans directly to persons and families and/or issuing mortgage credit certificates with respect to qualifying single family mortgage loan programs in the entire Area of Operation.

NOW THEREFORE, the parties agree as follows:

SECTION 1. SUBSTITUTION OF BONDS. The Jacksonville Authority hereby grants authority to the Hillsborough 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 October 1, 2018 and ending September 30, 2021 and any such Bonds issued for such qualifying housing mortgage loans in Duval County are hereby deemed to be in full substitution for an equivalent principal amount of the Jacksonville 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 Hillsborough Authority or its agents and all payments due from such revenues shall be paid by the Hillsborough Authority or its agents without further action by the Jacksonville Authority.

SECTION 2. PURCHASE OF LOANS OR MORTGAGE-BACKED SECURITIES. The Hillsborough Authority's program contemplates the possible purchase by the Hillsborough Authority of mortgage loans or mortgage-backed securities originated under the program. The Jacksonville Authority agrees that it shall provide funds to the Hillsborough Authority sufficient to purchase any such mortgage loans originated in Duval County or the portion of any mortgage-backed securities relating to mortgage loans originated in Duval County upon notice from the Hillsborough Authority. The maximum amount of funds the Jacksonville Authority has allocated for this purpose is \$1,500,000. Upon the purchase of any such mortgage loans or mortgage-backed securities, the mortgage loans or mortgage-backed securities shall be assigned and/or transferred from the Hillsborough Authority to the Jacksonville Authority unless otherwise directed by the Jacksonville Authority.

SECTION 3. SECOND MORTGAGES. The Hillsborough Authority's program also contemplates the provision to each borrower of a second mortgage loan to assist with down-payment and other costs. The Jacksonville Authority agrees to purchase any second mortgage loan originated under the program with respect to residences in Duval County, provided that (i) prior to the purchase of such second mortgage loan by the Hillsborough Authority, the Jacksonville Authority shall have the opportunity to review and approve the documentation for the second mortgage loan, and (ii) the Jacksonville Authority designates from time to time a maximum amount for second mortgage loans under the program. The Hillsborough Authority agrees to cause any second mortgage loans originated within Duval County to be serviced pursuant to the Hillsborough Authority's servicing agreement for the program.

SECTION 4. MORTGAGE CREDIT CERTIFICATES. The Jacksonville Authority agrees to secure, with existing private activity bond allocation available to the Jacksonville Authority, mortgage credit certificate authority in an amount of not less than \$10,000,000, and shall take such steps and enter into such agreements necessary to enable loans made under the program in Duval County to receive such credits in lieu of tax-exempt bond financing.

SECTION 5. ADMINISTRATION. The Hillsborough Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Jacksonville Authority retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within Duval County. The Hillsborough Authority and its agents shall provide the Jacksonville Authority with such reports as may be necessary to account for funds generated by this Agreement.

The Hillsborough 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 Hillsborough 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 developments in Duval County and to implement the program, and shall take such other action as may be necessary or convenient to accomplish such purpose. Such Bonds may be issued in one or more series as determined by the Hillsborough Authority.

SECTION 6. PROGRAM PARAMETERS. The Jacksonville Authority shall establish the maximum housing prices and maximum adjusted family income for eligible borrowers in Duval County. The Jacksonville Authority hereby consents and agrees to the establishment by the Hillsborough Authority of all other program parameters.

SECTION 7. TERM. This Agreement will remain in full force and effect from the date of its execution until September 30, 2021; 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 or loans or mortgage-backed securities intended for purchase by the Jacksonville Authority are still in the possession of the Hillsborough 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 fulfilling the obligations associated with the program described in this Agreement.

SECTION 8. INDEMNITY. The Hillsborough Authority agrees to hold the Jacksonville Authority 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 Jacksonville Authority of the program parameters as required by Section 6 of this Agreement, or in connection with the approval rendered by the Jacksonville Authority pursuant to Sections 159.603 and 159.604, Florida Statutes. The Hillsborough 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 Jacksonville Authority for payment of the Bonds and interest or premium thereon.

SECTION 9. 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 _____, 2018.

**HOUSING FINANCE AUTHORITY OF
HILLSBOROUGH COUNTY, FLORIDA**

(SEAL)

By: _____
Chairman

ATTEST:

Assistant Secretary

(SEAL)

**JACKSONVILLE HOUSING FINANCE
AUTHORITY**

By: _____
Chair

Secretary