

**LETTER OF AGREEMENT
BETWEEN
SCHOOL BOARD OF CLAY COUNTY, FLORIDA
AND
FORD & ASSOCIATES, INC.**

This Letter of Agreement (the "Agreement") is entered into as of this ___th day of *June, 2009*, by and between The School Board of Clay County, Florida (the "Board") and Ford & Associates, Inc. (the "Financial Advisor"), to formalize the relationship between the Board and the Financial Advisor.

WHEREAS, the Board contemplates issuing Certificates of Participation, bonds, notes and/or other debt instruments, and

WHEREAS, the Board recognized its need of assistance, advice, and services from a financial advisor in connection with such funding, and

WHEREAS, the Financial Advisor has demonstrated its experience in the issuance and sale of debt issues including bonds, notes, refundings and various types of debt financing (including, but not limited to, general obligation bonds, sales tax revenue bonds, racetrack revenue bonds, lease revenue bonds, certificates of participation, and other lease financing vehicles), and is desirous of providing financial advisory services to meet the needs of the Board.

Now, **THEREFORE, BE IT AGREED:**

1. The Board retains the Financial Advisor to provide certain assistance, advice and services in the issuance of its bonds, notes or other debt instruments until such financings are completed, and such services will include but shall not be limited to the following:
 - Analyze financial and economic factors, which would determine if the Board should proceed with the issuance of the certificates, bonds, notes or other debt instruments.
 - Develop a financing plan in concert with the Board's staff which would include recommendations as to the timing and the structure of the financings under consideration.
 - Advise as to various financing methods and refunding structures available to the Board.
 - Analyze the sensitivity of different interest rates and financing plans on the Board's annual debt service and on the overall debt structure of the Board.
 - Advise as to the advantages and disadvantages of public versus negotiated sale.
 - If a negotiated sale is planned, develop a Request for Proposal (RFP) for underwriter services and assist in the selection of investment banking firm(s). Make recommendations as to the number of investment bankers to be selected.
 - Assist in the selection of bond counsel through a RFP process or by obtaining fee quotations.
 - Attend any and all scheduled and non-scheduled meetings.
 - Address the Board and/or the Staff from time to time as requested

- Assist in developing RFPs or other materials to obtain the:
 - Services and costs of a paying agent/registrar,
 - Services and costs of a portfolio investment manager,
 - Costs of printing the offering materials, debt instruments and other major printing requirements.
- Assist in the evaluation of proposals, bids or quotations,
- Assist in negotiations of services and costs, as required and,
- Assist in the selection of municipal bond insurers and other credit enhancement providers.
- Assist in the selection of an Arbitrage Rebate Consultant, if necessary.
- Assist in the assignment of roles and responsibilities of investment bankers (if appropriate); bond counsel; trustee; registrar; paying agent; insurers; credit support providers; consultants; printers and other team members to facilitate the financing and to insure all team members understand their responsibilities.
- Develop a timetable for the Board's financing program and update as necessary.
- Work with legal counsel in the development of a coordinated approach for the overall requirements of the financing program to achieve a maximum of financing flexibility at a minimum interest rate cost to the Board.
- Assist in the preparation of and review the resolution(s) and all other documents related to the financing program which will include:
 - Preliminary Official Statements,
 - Notice of Sale and Bid Form, if appropriate,
 - Final Official Statement,
 - Any marketing materials relevant to the financing, and,
 - Assistance with the distribution of official statements, and any and all marketing materials relevant to the financing.
- Prepare presentations and/or packages to be submitted to major rating agencies or insurance companies.
- Attend rating presentations, and assist with and participate in such presentations as necessary and appropriate.
- Provide expert testimony.

- Initiate and conduct an information program designed to stimulate interest of underwriters and investors.
- Advertise Notice of Sale in appropriate trade journals.
- Analyze the costs and potential benefits of municipal bond insurance and advise as to whether or not the issue should be insured, and if insured, prepare presentation to insurance agencies, attend presentations, and participate in presentations as necessary and appropriate.
- Assist in setting forth the terms and conditions under which the debt issue is to be purchased including: maturity schedules; covenants; redemption provisions; flow of funds; issuance expenses; costs; discount/premium and, interest rates.
- Keep the Board and staff continually informed of relevant developments in the credit markets.
- Advise on the condition of the bond market at time of sale, including volume and timing considerations, competing offerings, and general economic considerations.
- Provide advice as to acceptance or rejection of the bids to purchase the bonds received at public sale, or the bond purchase agreement received from the investment banker through a negotiated sale.
- Assist, coordinate and supervise closing details including transcripts, bond printing, CUSIP numbers, delivery, transfer of funds, etc., to bring the financing to a prompt and successful conclusion.
- Provide debt service schedules to Staff to help ensure that the exact amounts of annual debt service requirements are budgeted each fiscal year.
- Provide consultation regarding the investment of bond proceeds to maximize investment earnings allowable under current arbitrage regulations and in accordance with Indenture requirements.
- Assist in subscribing for U.S. SLGS as appropriate during the refinancing of existing debt.
- Assist in developing, designing and producing promotional materials in connection with bond referenda.
- Assist in developing and implementing plan for generating community support for bond referenda.
- Evaluate millage impact on various financing alternatives.
- Advise and assist the Board on allocations of bonds in negotiated underwriting and allocation of compensation on institutional sales.
- Perform such tasks relating to capital formation or planning as are requested by the School Board and which are within the professional competence of the Financial Advisor.

- Prepare and present workshops on financial matters, including formation of financial options and alternatives analysis on financial matters.
 - With regard to third party transactions (i.e., lease transactions issued by a third party on behalf of the School Board) in which the resulting debt/lease payments are the responsibility of the School Board, the services of Ford & Associates, Inc. shall be the same as those provided when the School Board acts directly as the issuer.
 - Jerry W. Ford shall be the primary contact to the Board. The Board shall maintain the right to approve any changes in personnel who provide financial advisory services to the Board.
2. The fee for providing Financial Advisory services for the issuance of certificates, bonds, and other long-term debt instruments shall be:

\$.95/\$1,000	for the first	\$25,000,000
\$.80/\$1,000	for the amount over	\$25,000,000
\$.60/\$1,000	for the amount over	\$60,000,000

These fees are subject to a minimum fee of \$20,000 per bond issue, plus out-of-pocket expenses not-to-exceed \$3,500.00.

For short-term debt, (i.e., TANs, RANs, etc.) a fee of \$6,500 per issue plus expenses not to exceed \$1,500.00. From time-to-time, Ford & Associates, Inc. may assist the Board with the investment of Bond Proceeds and/or other construction monies. In such instances, Ford & Associates, Inc. shall charge a fee not to exceed 5 basis points per annum on the par amount of the investment, or such lesser fee as may be dictated by U.S. Treasury regulations in effect or proposed at the time such investment is bid.

It is understood by both parties that certain amendments, modifications or extensions of this Agreement may be necessary or desirable in accordance with conditions and circumstances. The provisions of this Agreement may not be amended, supplemented, waived, or changed orally, but only in writing making specific reference to this Agreement signed by both parties.

The terms of this contract shall commence on *June __, 2009* with the execution hereof and shall remain in force for a period of three years from such date. Upon mutual agreement between the parties, the contract may be extended for additional one-year periods upon approval of the Board up to a maximum of five years. However, should either of the parties to the Agreement elect to terminate the Agreement, said Agreement may be terminated, for cause or for convenience, by the electing party's provision of sixty (60) days written notice prior to any anniversary of the Agreement. The Agreement may also be immediately terminated by written notice of the School Board upon failure to reach agreement with Ford & Associates, Inc. relative to fees for financial advisory services, at any time the Agreement is in effect, or due to changes of Ford & Associates, Inc. personnel providing services to the School Board under the contract.

1. Entire Understanding. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations (if any) made by and between the parties.

2. Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including faxed communication) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, faxed, or mailed by Registered or Certified Mail (postage prepaid), Return Receipt Requested, addressed to:

School Board Representative

Dr. George Copeland
Assistant Superintendent for Business Affairs
Clay County Schools
900 Walnut Street
Green Cove Springs, Florida 32043
(904) 284-6525

Financial Advisor

Mr. Jerry W. Ford
President
Ford & Associates, Inc.
109 South MacDill Avenue
Tampa, Florida 33609-3128
Fax: (813) 874-6624

or to such other addresses as any party may designate by notice complying with the terms of this section.

Each such notice shall be deemed delivered:

- (a) on the date delivered if by personal delivery,
- (b) on the date faxed if by fax, and
- (c) on the date upon which the Return Receipt is signed or delivery is refused, or the notice is designated by the postal authorities as not delivered, as the case may be, if mailed.

3. Governing Laws and Venue. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to principles of conflicts of laws. Venue for any action arising in regard to this Agreement shall be in Clay County, Florida.

IN WITNESS to the acceptance of this Agreement, the Board and the Financial Advisor have caused these presents to be executed by their duly authorized officers and representatives as of the day and year above written.

FORD & ASSOCIATES, INC.

**SCHOOL BOARD OF
CLAY COUNTY, FLORIDA**

BY _____ Date _____

BY _____ Date _____

Title _____

Title _____

ATTEST _____

ATTEST _____