

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 10/03/2013

Contract/Lease Control #: C14-2075-CAO

Bid #: N/A

Contract/Lease Type: AGREEMENT

Award To/Lessee: ESCAMBIA CO HOUSING FINANCE AUTHORITY

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 10/03/2013

Term: INDEFINITE

Description of Contract/Lease: INTERLOCAL AGREEMENT TEFRA

Department: CAO

Department Monitor: PADGETT

Monitor's Telephone #: 850-6517151

Monitor's FAX # or E-mail: epadgett@co.okaloosa.fl.us

Date Closed: _____

cc: Finance Department Contracts & Grants Office

CONTRACT & LEASE INTERNAL COORDINATION SHEET

Contract/Lease Number: C14-2075-CAO Tracking Number: 724-13

Contractor/Lessee Name: Escambia County Housing Finance Authority Grant Funded: YES ___ NO

Purpose: Resolution & Interlocal Agreement

Date/Term: Indefinite 1. GREATER THAN \$50,000

Amount: \$150,000.00 2. GREATER THAN \$25,000

Department: County Administrator 3. \$25,000 OR LESS

Dept. Monitor Name: E. Padgett / K. Rossi

Document has been reviewed and includes any attachments or exhibits.

Purchasing Review

Procurement requirements are met:

[Signature] Date: 9/6/13

Purchasing Director or designee

Risk Management Review

Approved as written:

[Signature] Date: 9/20/13

Risk Manager or designee

County Attorney Review

Approved as written:

[Signature] Date: 10/3/13

County Attorney

Following Okaloosa County approval:

Contracts & Grants

Document has been received:

_____ Date: _____

Contracts & Grants Manager

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 17th day of September, 2013, by and between the **ESCAMBIA 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 "Escambia Authority"), and **OKALOOSA COUNTY, FLORIDA**, a political subdivision of the State of Florida (hereinafter referred to as the "Participating County");

WITNESSETH:

WHEREAS, Part IV of Chapter 159, Florida Statutes (the "Act"), authorizes the creation of housing finance authorities within the State of Florida (the "State") 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 Escambia Authority by Resolution No. 2013-02 duly adopted on May 14, 2013 (the "Enabling Resolution"), as amended and supplemented, authorized a plan of finance (the "Plan"), as permitted by Section 5f.103-2(f)(3) of the Regulations under the Internal Revenue Code of 1986, as amended (the "Code"), for the operation of a TBA Program (herein defined) and issuance of not exceeding \$150,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Bonds" or the "Escambia Bonds"), in multiple series (collectively, the "Program"); and

WHEREAS, the Escambia Authority has indicated that, pursuant to the Plan, it expects to issue the Bonds from time to time with such particular Series designation as shall be appropriate in an aggregate principal amount not exceeding \$150,000,000 (which may also include Bonds, if any, for which a carry-forward allocation has been obtained pursuant to Section 146(f) of the Code), exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Code, the amount of new mortgage revenue bonds which may be issued in each year is limited by a private activity volume cap which has been established for such purpose within the State; and

WHEREAS, the limitations upon available portions of the private activity volume cap prevents the separate issuance of qualified mortgage revenue bonds for each county from being feasibly and economically accomplished; and

WHEREAS, the Escambia Authority has authorized a sufficient amount of Escambia Bonds to fund, refund or refinance outstanding obligations, the proceeds of which will be used to finance a portion of the anticipated demand during the proposed Origination Period for single family mortgages ("Mortgage Loans") of both Escambia County and the Participating County, as well as certain other counties which may also participate in joint bond programs; and

WHEREAS, the aggregation of mortgage loan demand and the securing of the related amount of the cumulative State private activity volume cap (the "Allocation Amounts") granted by the State from August 1, 2013, through December 31, 2017 (the "Authorization Period") for the purpose of issuing

qualified mortgage revenue bonds or for the purpose of using other funds to finance qualifying single family residences to be occupied primarily by first-time home buyers will result in a wider allocation of fixed expenses and certain other economies of scale; and

WHEREAS, unless such economies are realized, the issuance of mortgage revenue bonds for such purpose would be less economical, resulting in higher mortgage costs to mortgagors; and

WHEREAS, Sections 159.603 and 159.604, Florida Statutes, authorizes the Participating County to approve the issuance of mortgage revenue bonds through the Escambia Authority to alleviate the shortage of affordable housing within the Participating County, which approval has been granted by a resolution of the Board of County Commissioners of the Participating County adopted on September 17, 2013 (the "County Resolution"); and

WHEREAS, because the restrictions attendant to qualified mortgage revenue bonds under the Code limit the availability of mortgage funds for many eligible persons (within the meaning of the Act), the Escambia Authority may also issue taxable mortgage revenue bonds to increase the amount available for Mortgage Loans and to reduce or ameliorate such restrictions upon eligible persons; and

WHEREAS, the Escambia Authority has heretofore approved a Single Family Mortgage Loan Program (the "TBA Program") pursuant to which Mortgage Loans are originated pursuant to a Program Invitation and Parameters dated as of July 1, 2012, as amended and supplemented, and a Master Mortgage Origination Agreement dated as of July 1, 2012, as amended and supplemented, and in order to enhance the efficiency of the TBA Program, the Authority authorized the interim purchase by the Authority (directly by the Authority or pursuant to a warehousing arrangement) of Mortgage-Backed Securities backed by Mortgage Loans originated under the TBA Program, and further authorized the subsequent sale thereof by the Authority into the TBA market, and, following the issuance of a series of Bonds, the purchase by the trustee under the trust indenture securing such series of Bonds of any then available Mortgage-Backed Securities; and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring upon the Escambia Authority the power to exercise or contract by agreement with the Escambia Authority those powers which are common to it and the other parties hereto and to include the Participating County within the Escambia Authority's area of operation pursuant to Florida Statutes, Section 159.603(1) for the purpose of continual operation of the TBA Program and for the purpose of issuing mortgage revenue bonds in one or more series from time to time, as qualified mortgage revenue bonds based on the Allocation Amounts, as taxable mortgage revenue bonds or from other available monies which require no bond volume allocation, to (i) make available funds to finance (or, to the extent permitted by law and the Code, refinance) qualifying single family housing developments located within the Participating County in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof.

NOW THEREFORE, the parties agree as follows:

Section 1. Allocation Amount; Substitution of Bonds The Participating County hereby authorizes the Escambia Authority to issue, reissue, remarket or refund Single Family Mortgage Revenue Bonds in multiple series from time to time based on the available Allocation Amounts through

the Authorization Period, or based upon the need for Mortgage Loans funded in whole or in part from available monies or taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, re-issued, remarketed or refunded for such purposes in the Participating County are hereby deemed to be in full substitution for an equivalent principal amount of the Participating County's bonds that could have been issued for such purpose. The Participating County hereby authorizes the Escambia Authority to utilize the Participating County's Allocation Amounts on behalf of the Participating County as part of its Plan for the purpose of financing the Program, including, among other things, financing of qualifying single family mortgages in the Participating County, and the Escambia Authority is hereby designated as the bond issuing authority for the Participating County during the Authorization Period with respect to all Allocation Amounts. The proceeds of the Escambia Bonds shall be allocated and applied to the funding or refinancing of obligations, the proceeds of which will be used for the funding of Mortgage Loans within the various Participating Counties and for reserves and the payment of costs of issuing the Escambia Bonds, all in accordance with final Program documents approved by the Escambia Authority. All revenues generated by bonds issued pursuant to this Agreement and by the use of the proceeds thereof, will be administered by the Escambia Authority, or its agents, and all payments due from such revenues shall be paid by the Escambia Authority, or its agents, without further action by the Participating County.

Section 2. Administration The Escambia Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Participating County retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within the Participating County, including, but not limited to, reasonably available mortgagor or profile data. The Escambia Authority and its agents shall provide the Participating County with such reports as may be necessary to account for funds generated by this Agreement.

The Escambia Authority shall have full authority and responsibility to negotiate, define, validate, market, sell, issue, re-issue, deliver, refund or remarket its Escambia Bonds in amounts based upon mortgage loan demand and maximum available Allocation Amounts, to the extent permitted by law to finance the Program for single family housing developments in the Participating County and to take such other action as may be necessary or convenient to accomplish such purpose, including operation of the TBA Program. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amounts for the Escambia Bonds in the Participating County and other Participating Counties located within the same bond volume allocation region under Section 159.804, Florida Statutes, shall be allocated ratably between the Participating County and such other Participating Counties within such region based upon lender demand through June 15 of each year in which Allocations Amounts are obtained.

The issuance and administration costs and expenses related to the Escambia Bonds issued to finance the Program and administration of such Program shall be paid from proceeds of the Escambia Bonds and revenues generated from the Program or other sources available to the Escambia Authority.

Section 3. Program Parameters; Fees and Expenses

(A) Upon request of the Escambia Authority, the Participating County shall, to the extent permitted by law, (i) approve, establish, and update, from time to time as necessary, upon the request of the Escambia Authority, such Program parameters including, but not limited to, maximum housing price and maximum adjusted family income for eligible borrowers, as may be required for any bonds issued by the Escambia Authority pursuant to this Agreement and (ii) approve the allocation of Mortgage Loan moneys for each lending institution offering to originate Mortgage Loans within the Participating County. Unless otherwise notified in writing by the Participating County, the Escambia Authority may from time to time approve and establish such maximum price and family income amounts at the maximum levels provided pursuant to the Code or the Act without further action of the Participating County.

(B) The fees and expenses of the Participating County shall be paid from the proceeds of the Program in the manner and to the extent mutually agreed upon by the officials of the Participating County and the Escambia Authority at or prior to issuance of the Escambia Bonds.

Section 4. Term This Agreement will remain in full force and effect from the date of its execution until such time as it is terminated by any party upon ten (10) days written notice to the other party hereto. Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated by the Participating County during the Authorization Period, or by any party during any period that the Escambia Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Escambia Bonds (or investments acquired through such proceeds or any proceeds from the operation of the TBA Program) are still in the possession of the Escambia Authority, or its agents, pending distribution, unless either (i) the parties to this Agreement mutually agree in writing to the terms of such termination or (ii) such termination, by its terms, only applies prospectively to (a) the authorization to issue Escambia Bonds for which no Allocation Amount has been obtained or used by the Escambia Authority and for which no purchase contract has been entered into, and (b) the authorization to operate the TBA Program. 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 and the operation of the TBA Program.

Section 5. Indemnity To the full extent permitted by law, the Escambia Authority agrees to hold the Participating County harmless from any and all liability for repayment of principal of and interest or penalty on the Escambia Bonds issued pursuant to this Agreement, and the members, officials, employees and agents of the Participating County harmless from any and all liability in connection with the approval rendered pursuant to Sections 159.603 and 159.604, Florida Statutes. The Escambia Authority agrees that any offering, circular or official statement approved by and used in marketing the Escambia Bonds will include a statement to the effect that Bond owners may not look to the Participating County or its respective members, officials, employees and agents for payment of the Escambia Bonds and interest or premium thereon.

{SIGNATURE PAGES FOLLOW}

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 and year first written above.

(SEAL)

ATTEST:



**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: _____
Its: Chairman

A handwritten signature in blue ink, consisting of a stylized first name and a large, circular flourish, positioned above a horizontal line.

By: _____
Its: Secretary

A handwritten signature in blue ink, appearing to be "K. O. Mc...", positioned above a horizontal line.

[Signature Page to Interlocal Agreement]

OKALOOSA COUNTY, FLORIDA

By: *Don R. Amundson*
Its: Chairman



(SEAL)

ATTEST:

By: *Dany J. Stanford*
Its: Clerk



[Signature Page to Interlocal Agreement]

The undersigned Clerk of the Circuit Court of Okaloosa County, Florida, does hereby certify that the foregoing is a true and complete original of the Interlocal Agreement executed by the Chairman and Clerk as of the 24th day September, 2013.

OKALOOSA COUNTY, FLORIDA

By: Jessica Ward
Clerk
Board of County Commissioners

(SEAL)



RESOLUTION NO. 13- 137

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF OKALOOSA COUNTY, FLORIDA, AUTHORIZING THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY TO OPERATE WITHIN THE BOUNDARIES OF OKALOOSA COUNTY, FLORIDA, AND APPROVING A PLAN TO FINANCE SINGLE FAMILY MORTGAGE LOANS ON BEHALF OF OKALOOSA COUNTY, FLORIDA; AUTHORIZING THE BOARD OF COUNTY COMMISSIONERS TO ENTER INTO AGREEMENTS WITH THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY AND TO EXECUTE AND DELIVER CERTAIN DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH; APPROVING A FORM OF INTERLOCAL AGREEMENT; APPROVING THE ISSUANCE BY THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY OF NOT EXCEEDING \$150,000,000 SINGLE FAMILY MORTGAGE REVENUE BONDS, PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING THAT SUCH BONDS CONSTITUTE LIMITED, SPECIAL OBLIGATIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 159, Part IV, Florida Statutes, (the "Act") authorized counties to create housing finance authorities to exercise powers of the Act within their boundaries or outside their boundaries with the consent of the governing body of the territory outside their area of operation; and

WHEREAS, the Board of County Commissioners of Escambia County, Florida, (the "Escambia Board") on May 29, 1980, enacted Ordinance No. 80-12 and on March 20, 2003, the Escambia Board enacted Ordinance 2003-8 (collectively, the "Ordinance"), creating the Escambia County Housing Finance Authority (the "Authority") and authorized the Authority to exercise all powers under the Act subject to approval by the Escambia Board as a condition precedent to the effectiveness of the certain actions of the Authority; and

WHEREAS, there is no housing finance authority currently operating in Okaloosa County, Florida ("Okaloosa County"); and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Okaloosa County, Florida, (the "Okaloosa Board") has found a shortage of affordable housing and capital for investment therein and a need for a housing finance authority to function in Okaloosa County; and

WHEREAS, it is not practicable at this time under existing Florida and Federal laws and regulations for a single local agency to issue its mortgage revenue bonds for the purpose of implementing a single family housing program, although the shortage of such single family housing and capital available for investment therein is continuing in Okaloosa County; and

WHEREAS, the Authority by Resolution No. 2013-02 duly adopted on May 14, 2013, as amended and supplemented (the "Enabling Resolution"), authorized a plan of finance (the "Plan"), as permitted by Section 5f.103-2(f)(3) of the Regulations under the Internal Revenue Code of 1986, as amended (the "Code"), for the operation of a TBA Program (herein defined) or by the issuance from time to time of not exceeding \$150,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Bonds" or the "Escambia Bonds") in multiple series (the "Program"); and

WHEREAS, because the restrictions attendant to qualified mortgage revenue bonds under the Code limits the availability of mortgage funds for many eligible persons (within the meaning of the Act), the Authority may also issue taxable mortgage revenue bonds to increase the amount available for mortgage loans and to reduce or ameliorate such restrictions upon eligible persons; and

WHEREAS, the Program heretofore approved by the Authority includes a program pursuant to which mortgage loans are originated pursuant to a Program Invitation and Parameters dated as of July 1, 2012, as amended and supplemented, and a Master Mortgage Origination Agreement dated as of July 1, 2012, as amended and supplemented (the "TBA Program"), and in order to enhance the efficiency of the TBA Program, the Authority authorized the interim purchase by the Authority (directly by the Authority or pursuant to a warehousing arrangement) of mortgage-backed securities backed by mortgage loans originated under the TBA Program, and further authorized the subsequent sale thereof by the Authority into the TBA market, and, following the issuance of a series of Bonds, the purchase by the trustee under the trust indenture securing such series of Bonds of any then available mortgage-backed securities; and

WHEREAS, the Authority has indicated that, pursuant to the Plan, it expects to issue the Bonds from time to time with such particular Series designations as shall be appropriate in an aggregate principal amount not exceeding \$150,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, the Okaloosa Board desires to authorize certain actions as necessary in connection with participation in the Plan and the Program and the issuance, sale, authentication and delivery of the Bonds by entering into an Interlocal Agreement dated as of September 17, 2013 (the "Interlocal Agreement"); and

WHEREAS, Section 147(f) of the Code requires public approval of certain private activity bonds and the Plan therefor by an applicable elected representative or governmental unit following a public hearing and the Okaloosa Board constitutes an applicable elected representative or governmental unit; and

WHEREAS, pursuant to Section 147(f) of the Code a public hearing was scheduled before the Okaloosa Board on behalf of the Okaloosa Board, the Escambia Board and the Authority for September 17, 2013, at 9:00 a.m. or as soon thereafter as practicable, and notice of such hearing was given in the form required by the Code by publication more than fourteen (14) days prior to such hearing; and

WHEREAS, the Okaloosa Board, has on September 17, 2013, held the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of the Bonds; and

WHEREAS, the Okaloosa Board diligently and conscientiously considered all comments and concerns expressed by such individuals; and

WHEREAS, the Okaloosa Board desires to express its approval of the action to be taken pursuant to the Enabling Resolution and the Act, and as required by Section 147(f) of the Code;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF OKALOOSA COUNTY, FLORIDA:

Section 1. Because of the continuing shortage of affordable single family housing and capital for investment therein in Okaloosa County and the continuing impediments to a bond issue to alleviate such shortages as to single family housing, it is hereby determined that the Okaloosa Board consents to the Authority exercising its powers (i) to issue the Bonds, (ii) to implement the Plan to provide capital from sources of funds available to the Authority, including but not limited to a portion of the proceeds of the Bonds and proceeds of obligations refunded by the Bonds, and (iii) to establish the Program to finance mortgage loans for single family housing within the statutory boundaries of Okaloosa County; provided, that the Authority and Okaloosa County first enter into a written agreement setting forth the powers, duties and limitations of the Authority as they pertain to the use of said Bond proceeds within Okaloosa County and payment of the issuance costs for such Bonds.

Section 2. In furtherance of the purposes set forth in Section 1 hereof the Chairman or Vice-Chairman and Clerk or Deputy Clerk of the Okaloosa Board are hereby authorized to execute such consents, intergovernmental agreements, applications, instruments or other documents as shall be required to implement participation by the Okaloosa Board of such Program and to provide for payment of Okaloosa County's proportionate share of the costs thereof, including but not limited to the costs of issuance of such Bonds, all as shall be approved by counsel to Okaloosa County.

Section 3. The Interlocal Agreement, in substantially the form attached hereto as Exhibit "A", and made a part hereof, between Okaloosa County and the Authority is hereby approved. The officers of Okaloosa County are hereby authorized to enter into such Interlocal Agreement on behalf of Okaloosa County with such changes not inconsistent herewith as the officers executing same may approve, such execution and delivery to be conclusive evidence of such approval. The appropriate officers of Okaloosa County are hereby further authorized to execute and deliver such other documents and instruments as may be necessary to implement such Plan and the Program, including, without limitation, application for up to the maximum available private activity bond volume allocations pursuant to the Act and the Plan, for the purposes set forth in the Interlocal Agreement.

Section 4. The Okaloosa Board hereby approves, within the meaning of Section 147(f) of the Code, the Authority's Plan and the issuance by the Authority in multiple series

from time to time of not exceeding \$150,000,000 Single Family Mortgage Revenue Bonds, initially designated as "(Multi-County Program)," with such particular Series designation as shall be appropriate, for funding the Authority's Program and such other action to be taken pursuant to the Enabling Resolution or the Act.

Section 5. The principal of and premium, if any, and interest on the Bonds and all payments required under the proposed financing agreements, including the Interlocal Agreement, shall be payable solely by the Authority from the proceeds derived by the Authority under the proposed financing agreements, and Okaloosa County shall never be required to (i) levy ad valorem taxes on any property within its territorial limits to pay the principal of and premium, if any, and interest on the Bonds or to make any other payments provided for under the proposed financing agreements, or (ii) pay the same from any funds of Okaloosa County whatsoever. Adoption of this Resolution does not authorize or commit the expenditure of any funds of Okaloosa County to pay the costs of issuance of such Bonds. The Bonds are limited, special obligations and will not constitute a debt of the State of Florida, Okaloosa County, Escambia County, or other participating Counties or the Authority or other participating Housing Finance Authorities, but will be payable solely from payments made from the revenues generated from the Program.

Section 6. All resolutions or parts thereof of the Okaloosa Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 7. This Resolution shall take effect immediately upon its adoption.

Duly adopted in the regular session this 17th day of September, 2013.

OKALOOSA COUNTY, FLORIDA

(SEAL)

By: *Don R. Arnold*
Its: Chairman



ATTEST:

By: *Sally J. Stafford*
Its: Clerk,



Exhibit "A"

FORM OF INTERLOCAL AGREEMENT

[Follows]