

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 02/04/2016

Contract/Lease Control #: C16-2366-BCC

Bid #: NA

Contract/Lease Type: CONTRACT

Award To/Lessee: TOWN OF SHALIMAR

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 12/01/2007

Term: INDEFINITE

Description of Contract/Lease: INTERLOCAL AGREEMENT – CAPTAIN'S QUARTERS

Department: BCC

Department Monitor: HOFSTAD

Monitor's Telephone #: 850-651-7515

Monitor's FAX # or E-mail: JHOFSTAD@CO.OKALOOSA.FL.US

Closed: \_\_\_\_\_

cc: Finance Department Contracts & Grants Office

\*\* BCC approval on July 7, 2015. T. Ward, BCC Records.

AMENDMENT TO INTERLOCAL AGREEMENT

\*\*

THIS AMENDMENT TO INTERLOCAL AGREEMENT (this "Amendment") is made and entered into as of July 1, 2015 by and between the TOWN OF SHALIMAR, a municipal corporation of the State of Florida (hereinafter referred to as the "Issuer") and OKALOOSA COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter referred to as the "Local Agency").

WITNESSETH:

WHEREAS, the parties hereto previously entered into that certain Interlocal Agreement dated as of December 1, 2007 (the "Interlocal Agreement"); and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings assigned in the Interlocal Agreement; and

WHEREAS, the Interlocal Agreement provided, among other things, the Local Agency's authorization for the Issuer to issue the Bonds for purposes of lending the proceeds thereof to the Local Participant to finance the Local Project; and

WHEREAS, the Issuer issued such Bonds on December 27, 2007 and loaned the proceeds thereof to the Local Participant pursuant to that certain Loan Agreement dated as of December 1, 2007 (the "Loan Agreement"), all as contemplated by the Interlocal Agreement; and

WHEREAS, since that time, the Local Project has been completed and the Issuer and Local Participant have performed their respective obligations under the Loan Agreement and Bonds without default; and

WHEREAS, the Issuer and Local Participant are considering the issuance of revenue bonds (the "Refunding Bonds"), the proceeds of which would be used to refund the Bonds and therefore the costs associated with the Local Project in order to obtain substantial cost savings, and to finance the cost of rehabilitating some or all of the multifamily residential rental facilities comprising the Local Project; and

WHEREAS, the parties hereto wish to execute this Amendment to the Interlocal Agreement in order to (i) set forth the Local Agency's authorization for issuance of Refunding Bonds by the Issuer, (ii) provide that the terms and conditions set forth in the Interlocal Agreement shall likewise apply to issuance of Refunding Bonds, and (iii) amend the Plan of Finance related to the Local Project set forth in Exhibit "A" of the Interlocal Agreement to provide for extending the maturity of the Bonds without written approval of the Local Agency.

NOW, THEREFORE, the parties agree as follows:

Section 1. Authority for Issuance of Refunding Bonds.

The Local Agency hereby authorizes the Issuer to issue the Refunding Bonds in order to (i) provide for the refunding of the Bonds and the costs associated with the Local Project, and (ii) to finance the rehabilitation of some or all of the multifamily residential rental facilities comprising the Local Project. The Issuer shall assume full responsibility for ensuring that any such issuance complies with the requirements of the Code.

Section 2. Amendment of Interlocal Agreement.

(A) The Interlocal Agreement is hereby amended to include a new Section 8 as follows:

"Section 8. Refunding Bonds. The Issuer shall have the authority to issue refunding revenue bonds from time to time for purposes of refunding the costs associated with the Local Project in order to achieve cost savings. The Issuer shall assume full responsibility for ensuring that any such refunding complies with the requirements of the Code. The term "Bonds" as used hereunder shall include any refunding bonds issued to refund the costs associated with the Local Project.

(B) Exhibit "A" of the Interlocal Agreement is hereby amended and restated in its entirety by Exhibit "A" attached hereto.

Section 3. Ratification and Confirmation of Interlocal Agreement.

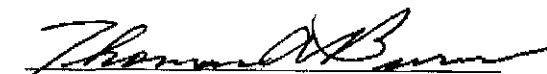
The Interlocal Agreement, as amended hereunder, is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused their names to be affixed hereto by the property officers thereof as of the 1st day of July, 2015.

THE TOWN OF SHALIMAR, FLORIDA

  
\_\_\_\_\_  
Mayor

ATTEST:

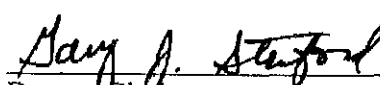
  
\_\_\_\_\_  
Town Manager

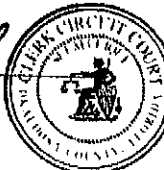
(TOWN SEAL)

OKALOOSA COUNTY, FLORIDA

  
\_\_\_\_\_  
Nathan D. Boyles  
Chair

ATTEST:

  
\_\_\_\_\_  
Deputy Clerk



(COUNTY SEAL)

## EXHIBIT "A"

Exhibit "A" of the Interlocal Agreement is amended and restated in its entirety as follows, with additional text indicated by underline and deleted text indicated by strikethrough:

### PLAN OF FINANCE

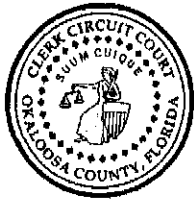
The Plan of Finance as it relates to the Local Project will involve the acquisition and rehabilitation of the various facilities comprising the Local Project. The Local Project was originally acquired by Emerald Coast Housing Corporation, a corporation not-for-profit organized and existing under the laws of the State of Florida ("Emerald") through the issuance of its revenue bonds on behalf of the Local Agency (the "Emerald Bonds"). The Local Agency will exercise its option to purchase the Local Project and thereafter sell the Local Project to the Local Participant pursuant to the provisions of that certain Trust Indenture, dated as of October 19, 1995, between Emerald and Bank of Oklahoma, N.A., successors to South Trust Bank (the "Indenture"). Local Participant will agree:

~~I. — Not to extend the maturity of the Bonds without the written approval of the Local Agency; and~~

II. I. To indemnify and hold harmless the Local Agency pursuant to written agreement acceptable to the Local Agency; and

III. II. To pay Issuer, any other municipality within the County, and Local Agency property taxes on the properties comprising the Local Project in the form of a payment in lieu of taxes for a period of time continuing as long as the Local Participant, its successors and assigns owns the Project.

Copy of original  
from Recording.



JD Peacock II  
 Clerk of Courts  
 101 E. James Lee Blvd  
 Crestview, FL 32536  
 (850)689-5000 ext 3360

**\*856908\***






Transaction  
 #: **856908**  
 Receipt #: **1226737**  
 Cashier Date: **12/27/2007**  
**10:46:18 AM**  
 (KSCHOOLCRAFT)

Print Date:  
 8/10/2015 11:26:35 AM

Customer Information	Transaction Information	Payment Summary
(4029) CHESSER & BARR 1201 N EGLIN PKWY SHALIMAR, FL 32579	Date Received: 12/27/2007 FWB EXT. Source Code: OVER THE COUNTER FWB EXT. Q Code: OVER THE COUNTER FWB EXT. Return Code: OVER THE COUNTER Trans Type: Recording Agent Ref Num:	Total Fees \$85194.10 Total Payments \$85194.10

2 Payments	
CHECK 10225	\$85143.10
ESCROW	\$51.00

9 Recorded Items		
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Recording Fee - Art V	21	\$84.00
Indexing @ 1st 4 Names Free, Addt'l=\$1 ea.	3	\$0.00
Recording @ 1st=\$6 Addt'l=\$4.50 ea.	21	\$96.00
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Recording Fee - Art V	8	\$32.00
Deed Doc Stamps @ \$0.70 per \$100	12036250	\$84254.10
Indexing @ 1st 4 Names Free, Addt'l=\$1 ea.	3	\$0.00
Recording @ 1st=\$6 Addt'l=\$4.50 ea.	8	\$37.50
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Indexing @ 1st 4 Names Free, Addt'l=\$1 ea.	2	\$0.00
Recording @ 1st=\$6 Addt'l=\$4.50 ea.	1	\$6.00
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Recording Fee - Art V	31	\$124.00
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Recording @ 1st=\$6 Addt'l=\$4.50 ea.	8	\$37.50
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**0 Search Items**

**0 Miscellaneous Items**

①  
180.00

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Recorded 12/27/2007 at 10:45 AM,  
RECORDING: \$96.00 RECORDING ARTICLE V: \$84.00

DEPUTY CLERK K SCHOOLCRAFT  
DON W. HOWARD, CLERK OF COURTS, OKALOOSA COUNTY, FL

TOWN OF SHALIMAR, FLORIDA  
MULTI-JURISDICTIONAL MULTI-FAMILY HOUSING REVENUE BONDS  
(ECH II - CAPTAINS QUARTERS, LLC PROJECT), SERIES 2007

INTERLOCAL AGREEMENT

Dated as of December 1, 2007

between

TOWN OF SHALIMAR, FLORIDA

and

OKALOOSA COUNTY, FLORIDA



TABLE OF CONTENTS

Section 1. Issuer Designated Bond Issuing Agency ..... 2  
Section 2. Administration ..... 2  
Section 3. Approvals; Local Agency Fees ..... 2  
Section 4. Term ..... 3  
Section 5. Indemnity ..... 3  
Section 6. Findings With Respect to Local Project ..... 4  
Section 7. Covenant to Pay Ad Valorem Taxes 4

EXHIBIT "A"

PLAN OF FINANCE

SCHEDULE I

THE LOCAL PROJECT

SCHEDULE II

FORM OF NOTICE OF PUBLIC HEARING

EXHIBIT "B"

COVENANT TO PAY PROPERTY TAXES

TABLE OF CONTENTS

Section 1. Issuer Designated Bond Issuing Agency ..... 2  
Section 2. Administration ..... 2  
Section 3. Approvals; Local Agency Fees..... 2  
Section 4. Term ..... 3  
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FORM OF NOTICE OF PUBLIC HEARING

EXHIBIT "B"

COVENANT TO PAY PROPERTY TAXES

## INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (this "Agreement") made and entered into as of the 1<sup>st</sup> day of December, 2007, by and between the TOWN OF SHALIMAR, a municipal corporation of the State of Florida (hereinafter referred to as the "Issuer"), and OKALOOSA COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter referred to as the "Local Agency");

WITNESSETH;

WHEREAS, Chapter 159, Florida Statutes, authorizes the issuance of bonds for the purpose of developing and maintaining public services for use by governmental, private and non-profit service providers (the "Participants"); and

WHEREAS, Chapter 163, Part I, Florida Statutes, authorizes the Issuer and the Local Agency to cooperate with other public agencies of the State of Florida in the exercise of their common powers, including, among other things, their powers to borrow money and finance or refinance capital projects for Participants within the jurisdiction of the Local Agency and to enter into Interlocal Agreements with public agencies of the State of Florida such as the Local Agency; and

WHEREAS, the Issuer has determined that offering an additional method of financing for Participants through its financing program offers the benefits of economies of scale and efficiency of standardized terms particularly tailored to the subject financings, thereby lowering the cost of financing for Participants within the state; and

WHEREAS, ECH II – Captains Quarters, LLC, a Florida not-for-profit limited liability company (the "Local Participant"), has expressed its desire to undertake a plan of finance, as further described on Exhibit "A" attached hereto (the "Program") involving the acquisition and rehabilitation of certain capital projects as described on Schedule I attached hereto (the "Local Project") within the jurisdiction of the Local Agency; and

WHEREAS, the Local Agency is otherwise authorized under Chapter 159, Florida Statutes, and other applicable provisions of law, and that certain Resolution of the Issuer duly adopted on September 25, 2007 (the "Resolution") to issue its own bonds to finance such Local Project for the Local Participant; and

WHEREAS, the Issuer has resolved to issue not exceeding \$12,500,000 of its Town of Shalimar, Florida Multi-Family Housing Revenue Bonds (ECH II – Captains Quarters, LLC Project), Series 2007 (the "Bonds") the proceeds of which will be applied to provide the financing requested by the Local Participant for the Project; and

WHEREAS, the issuance of revenue bonds through the Issuer to provide financing for the Local Project will enable the Local Participant to participate in

economies of scale and efficiencies of standardized terms thereby reducing the costs incurred in providing public services within such area; and

WHEREAS, Section 163.01, Florida Statutes, authorizes this Agreement by conferring the authority to exercise or contract by agreement for the Issuer to exercise those powers which are common to it and the Local Agency for the purpose of issuing bonds to (1) make available funds to finance the Local Project located within the Local Agency in accordance herewith, (2) establish the reserves therefor, and (3) pay the costs of issuance thereof.

NOW, THEREFORE, the parties agree as follows:

Section 1. Issuer Designated Bond Issuing Agency.

The Local Agency hereby authorizes the Issuer to issue and apply sufficient proceeds of the Bonds from time to time for the purpose of financing and making funds available to the Local Participant for the Local Project. The Issuer is hereby designated as the bond issuing agency for the Local Agency with respect to such Local Project. All revenues generated by Bonds issued pursuant to this Agreement and by the use of the proceeds thereof will be administered by the Issuer or its agents, and all payments due from such revenues shall be paid to or by the Issuer or its agents without further action by the Local Agency.

Section 2. Administration

The Issuer hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Local Agency retains and reserves its right and obligation to require reasonable reporting on programs designated for and operated within the area of operation of the Local Agency. The Issuer and its agents shall provide the Local Agency with such reports as may be necessary to account for funds generated by this Agreement upon written request.

The Issuer shall have full authority and responsibility to negotiate, define, validate (if deemed necessary in the opinion of bond counsel for the Local Participant), market, sell, issue and deliver the Bonds, in one or more series from time to time, based, to the extent applicable, upon the amounts required for the financing of the Local Project and to take such other action as may be necessary or convenient to accomplish such purpose.

The issuance and administration costs and expenses related to the Bonds issued to finance the Local Project and administration of such Local Project shall be paid from proceeds of the Bonds and the revenues generated by the Local Project.

Section 3. Approvals; Local Agency Fees

(a) Section 147 of the Internal Revenue Code of 1986, as amended (the "Code"), requires public approval of certain revenue bonds by the governmental unit in

whose jurisdiction the project financed with such bonds is located, following a public hearing. The Issuer, for itself and on behalf of the Board of County Commissioners of the Local Agency, having conducted the public hearing concerning the plan of finance for the Local Project and the issuance of the Bonds by the Issuer and having diligently and conscientiously considered all comments and concerns expressed by any individuals appearing at the public hearing and those received in writing, hereby approves the issuance of the Bonds by the Issuer to finance the Program as it relates to the Local Project. In connection therewith, the Board of County Commissioners of the Local Agency hereby ratifies the Notice of Public Hearing (the "Notice") published prior to the holding of the public hearing in substantially the form attached hereto as Schedule II.

(b) The fees and expenses of the Local Agency shall be paid by the Local Participant in this manner mutually agreed upon by the officials of the Local Agency and the Issuer at or prior to issuance of the Bonds. The Participant shall pay legal fees and third party verification fees applicable to the Project.

(c) The Plan of Finance for the Bonds attached hereto as Exhibit "A" is approved, and the Local Participant hereby expresses its agreement thereto.

#### 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 Local Agency or by any party during any period that the Bonds issued pursuant to the terms hereof remain outstanding (or a purchase contract for such Bonds is in effect) or during any period in which the proceeds of such Bonds are still in the possession of the Issuer, the Local Participant or its agents pending distribution, unless either (1) the parties to this Agreement mutually agree in writing to the terms of such termination or (2) such termination, by its terms, only applies prospectively to the authorization to issue Bonds and for which no purchase contract has been entered into. 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 such Bonds pursuant to this Agreement.

#### Section 5. Indemnity

To the full extent permitted by law the Local Participant agrees to hold the Local Agency harmless from any and all liability or repayment of principal of and interest or penalty on the Bonds and the members and officials of the Local Agency harmless from any and all liability in connection with the approval rendered pursuant to applicable federal and Florida laws. The Local Participant agrees that any offering, circular or official statement approved by and used in marketing the Bonds will include a statement to the effect that Bond owners may not look to the Local Agency for payment of any portion of the Bonds or interest or premium thereon.

Section 6. Findings With Respect to Local Project

(a) The Local Project and the financing thereof are appropriate to the needs and circumstances of the Local Agency's community and the location of the Local Project therein will make a significant contribution to the economic growth of the area of operation of the Local Agency, will maintain opportunities for gainful employment, and will serve a public purpose by providing housing to persons of low and moderate income, thereby improving employment and economic conditions in the geographical boundaries of the Local Agency.

(b) The appropriate local agencies are able to cope satisfactorily with the impact of the Local Project and the Local Agency has or can provide all of the necessary public facilities, utilities and services that will be necessary for the construction, operation, repair and maintenance of the Local Project or that may be necessary as a result of any increase in population or other circumstances resulting from the construction or acquisition of the Local Project.

Section 7. Covenant to Pay Property Taxes.

The execution and recording of a Covenant by the Local Participant to pay property taxes or make payments equivalent to such taxes, in substantially the form of the Covenant attached hereto as Exhibit B, with such changes thereto as the Chairman of the Local Agency shall approve, shall be a condition precedent to the effective date of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 1st day of December, 2007.

THE TOWN OF SHALIMAR, FLORIDA

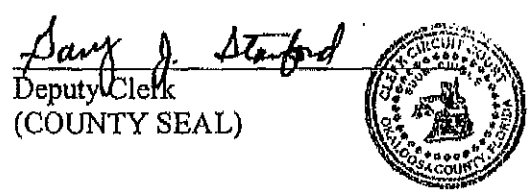
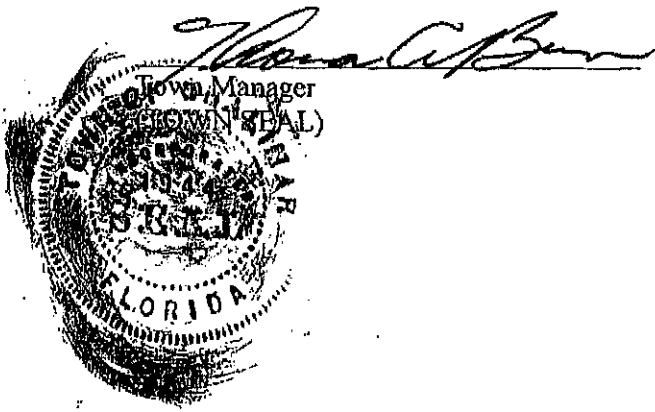
Mayor

OKALOOSA COUNTY, FLORIDA

Chairman

ATTEST:

ATTEST:



CERTIFICATE

The undersigned Clerk of Circuit Court in and for Okaloosa County, Florida, ex-officio clerk to the Board of County Commissioners of Okaloosa County, Florida, does hereby certify that the foregoing is a true and complete copy of the Interlocal Agreement executed by the Chairman and Clerk of the Circuit Court of Okaloosa County, Florida on December, 2007.

Date: December 20, 2007.

(SEAL)

CLERK OF THE CIRCUIT COURT

By: *Debra C. Alford*  
Deputy Clerk

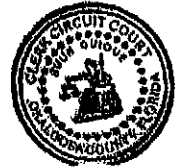


EXHIBIT "A"  
PLAN OF FINANCE

The Plan of Finance as it relates to the Local Project will involve the acquisition and rehabilitation of the various facilities comprising the Local Project. The Local Project was originally acquired by Emerald Coast Housing Corporation, a corporation not-for-profit organized and existing under the laws of the State of Florida ("Emerald") through the issuance of its revenue bonds on behalf of the Local Agency (the "Emerald Bonds"). The Local Agency will exercise its option to purchase the Local Project and thereafter sell the Local Project to the Local Participant pursuant to the provisions of that certain Trust Indenture, dated as of October 19, 1995, between Emerald and Bank of Oklahoma, N.A., successor to South Trust Bank (the "Indenture"). Local Participant will agree:

- I. Not to extend the maturity of the Bonds without the written approval of the Local Agency; and
- II. To indemnify and hold harmless the Local Agency pursuant to written agreement acceptable to the Local Agency.
- III. To pay Issuer, any other municipality within the County, and Local Agency property taxes on the properties comprising the Local Project in the form of a payment in lieu of taxes for a period of time continuing as long as the Local Participant, its successors and assigns own the Local Project.



SCHEDULE I  
THE LOCAL PROJECT

The Local Project consists of the financing of the acquisition and renovation of the following multi-family residential rental facility, together with the support facilities therefor as follows:

<u>Property and Address</u>	<u>Number of Units</u>	
Captains Quarters	19 Chestnut Avenue, Fort Walton Beach	80
Cape Drive	20 Cape Drive, Fort Walton Beach	12
Glenwood	201 Troy Street, Fort Walton Beach	22
Landview	511 Landview Avenue, Fort Walton Beach	4
Lowery Village	401 Lowery Drive, Fort Walton Beach	16
Monta Villa	517 Circle Drive, Fort Walton Beach	12
Niceville	203 Kelly Avenue, Niceville	20
Oakleaf	1402 Beverly Street, Fort Walton Beach	16
Shangra Woods	940 Ashley Lane, Fort Walton Beach	48
Soft Breeze	103 Water Street, Fort Walton Beach	16
Sugarloaf	958 Denton Boulevard, Fort Walton Beach	7
Third Street	206 Third Street, Fort Walton Beach	18
Union Village	515 Union Street, Fort Walton Beach	16
Viking	401 Rogers Street, Fort Walton Beach	10
Walton Isle	362 Bluefish Drive, Fort Walton Beach	8
Wesvue	951 McFarlan, Fort Walton Beach	50

SCHEDULE II  
NOTICE OF PUBLIC HEARING

For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended, notice is hereby given that the Mayor of the Town of Shalimar or his designated representative will conduct a public hearing on September 25, 2007, at 5:40 P.M. in the Town Hall Meeting Room, Town Hall, #2 Cherokee Road, Shalimar, Florida 32579, to consider the proposal by the Town of Shalimar, Florida, to issue one or more series of revenue bonds generally designated "Town of Shalimar, Multi-Jurisdictional Multi-Family Housing Revenue Bonds (ECH II – Captains Quarters, LLC Project)" (the "Bonds")

The proceeds of such Bonds will be loaned to ECH II – Captains Quarters, LLC, a Florida not-for-profit limited liability company (the "Local Participant") and will be applied to undertake a plan of finance involving (i) acquisition and rehabilitation of the 355 unit multi-family residential rental facilities (the "Facilities") (16 properties as described below), in Okaloosa County, Florida; (ii) financing the establishment of a debt service reserve fund; and (iii) financing the payment of certain costs of issuing the Bonds (hereinafter, collectively, the "Project") as follows:

<u>Property and Address</u>	<u>Number of Units</u>	
Captains Quarters	19 Chestnut Avenue, Fort Walton Beach	80
Cape Drive	20 Cape Drive, Fort Walton Beach	12
Glenwood	201 Troy Street, Fort Walton Beach	22
Landview	511 Landview Avenue, Fort Walton Beach	4
Lowery Village	401 Lowery Drive, Fort Walton Beach	16
Monta Villa	517 Circle Drive, Fort Walton Beach	12
Niceville	203 Kelly Avenue, Niceville	20
Oakleaf	1402 Beverly Street, Fort Walton Beach	16
Shangra Woods	940 Ashley Lane, Fort Walton Beach	48
Soft Breeze	103 Water Street, Fort Walton Beach	16
Sugarloaf	958 Denton Boulevard, Fort Walton Beach	7
Third Street	206 Third Street, Fort Walton Beach	18
Union Village	515 Union Street, Fort Walton Beach	16
Viking	401 Rogers Street, Fort Walton Beach	10
Walton Isle	362 Bluefish Drive, Fort Walton Beach	8
Wesvue	951 McFarlan, Fort Walton Beach	50

It is expected that the amount of Bonds to be issued which are attributable to the financing of the Project will be not in excess of \$12,500,000.

The initial owner of the above-referenced properties will be the Local Participant. The Bonds, when issued, will be special, limited obligations of the Town of Shalimar, Florida, the issuer of such Bonds, and will not be obligations of either the Town of Shalimar or of Okaloosa County, Florida. The principal of and interest on such Bonds shall be payable solely out of the revenues derived from loan agreements between the Town of Shalimar, Florida, and the Local Participant. The Bonds and interest thereon shall never constitute the debt or indebtedness of the State of Florida or any political subdivision or municipality thereof within the meaning of any provision or limitation of the statutes or Constitution of the State of Florida.

At the time and place fixed for said public hearing all that appear will be given an opportunity to express their views for or against the proposal to approve said Bonds. All persons are advised that, if they decide to appeal any decision made at this meeting, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

All interested persons are invited to present their comments at the time and place set forth above.

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

Title: Mayor  
Town of Shalimar, Florida

EXHIBIT "B"

COVENANT TO PAY PROPERTY TAXES

WHEREAS, ECH II - CAPTAINS QUARTERS, LLC, a Florida limited liability company (the "Borrower"), expects to acquire, on or about December 26, 2007, the facilities described in Exhibit A attached hereto (the "Facilities"), through the issuance of those certain \$11,000,000 Town of Shalimar, Florida, Multi-Jurisdictional Multi-Family Housing Revenue Bonds (ECH II - CAPTAINS QUARTERS, LLC Project), Series 2007 (the "Bonds"); and

WHEREAS, the Town of Shalimar, Florida (the "Issuer") is interested in protecting the tax base of the Town of Shalimar (the "Town"), any other municipality within the County, and of Okaloosa County, Florida (the "County");

NOW, THEREFORE, in consideration of the benefits flowing to the Borrower as a result of the issuance of the Bonds, which consideration is acknowledged herein by the Borrower to be adequate and sufficient, the Borrower does hereby agree and covenant with the Town and the County as follows:

1. The Borrower agrees and covenants to pay all ad valorem property taxes owed to the Town, any other municipality within the County, and the County as a result of its ownership of the Project located on that certain real property described in Exhibit "A" attached hereto and incorporated herein. And in addition, if by statute or any other Town or County ordinance or regulation or otherwise the Borrower is or becomes exempt from paying said ad valorem taxes, the Borrower shall nevertheless pay over to the various taxing agencies referred to above to which the Borrower would otherwise owe ad valorem taxes payments in lieu of taxes which equal the amounts that would otherwise be due for ad valorem property taxes in the absence of such exemption.
2. The County may enforce payment of amounts to be paid pursuant to the foregoing covenant on the same basis and priority as a failure to pay ad valorem taxes.

3. This covenant shall run with the land and shall be binding upon the successors and assigns of the Borrower, and shall be enforceable by the County, its agents and designated assigns.

This \_\_\_ day of December, 2007.

ECH II - CAPTAINS QUARTERS, LLC, by its  
sole member, EMERALD COAST HOUSING II, INC.

(SEAL) By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary

STATE OF FLORIDA )  
COUNTY OF OKALOOSA )

I, \_\_\_\_\_, a Notary Public in and for the said County in the State aforesaid, do hereby certify that \_\_\_\_\_ personally known to me to be the same person whose title is President of Emerald Coast Housing II, Inc., subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, and delivered the said instrument as the free and voluntary act of said Corporation and as his voluntary act, for the uses and purposes therein set forth and took an oath.

Given under my hand and notarial seal this \_\_\_ day of December, 2007.

(SEAL) \_\_\_\_\_  
Notary Public

My Commission Ends: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Personally Known \_\_\_ or  
Produced Identification \_\_\_\_\_  
Type of Identification  
Produced \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

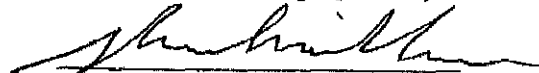
My Commission Expires:  
\_\_\_\_\_

EXHIBIT A

<u>Property and Address</u>	<u>Number of Units</u>
Captains Quarters 19 Chestnut Avenue, Fort Walton Beach	80
Cape Drive 20 Cape Drive, Fort Walton Beach	12
Glenwood 201 Troy Street, Fort Walton Beach	22
Landview 511 Landview Avenue, Fort Walton Beach	4
Lowery Village 401 Lowery Drive, Fort Walton Beach	16
Monta Villa 517 Circle Drive, Fort Walton Beach	12
Niceville 203 Kelly Avenue, Niceville	20
Oakleaf 1402 Beverly Street, Fort Walton Beach	16
Shangra Woods 940 Ashley Lane, Fort Walton Beach	48
Soft Breeze 103 Water Street, Fort Walton Beach	16
Sugarloaf 958 Denton Boulevard, Fort Walton Beach	7
Third Street 206 Third Street, Fort Walton Beach	18
Union Village 515 Union Street, Fort Walton Beach	16
Viking 401 Rogers Street, Fort Walton Beach	10
Walton Isle 362 Bluefish Drive, Fort Walton Beach	8
Wesvue 951 McFarlan, Fort Walton Beach	50

Legal descriptions are contained in the following six (6) pages:

This document was prepared by:



Richard B. Miller, Esq.  
Georgia Bar No. 508175  
Sell & Melton, L.L.P.  
P.O. Box 229  
Macon, Georgia 31202-0229  
(478) 464-5342  
119150002.D69doc

**Parcel 1:**

Lots 1, 2, 3 and 4, Block 26, Cinco Bayou, according to the plat thereof as recorded in Plat Book 1, Page 27A, of the Public Records of Okaloosa County, Florida.

and

**Parcel 2:**

Lots 15, 16, 17 and 18, Block 2, Oakland Addition to Fort Walton Beach, Florida, according to the plat thereof as recorded in Plat Book 2, Page 114, of the Public Records of Okaloosa County, Florida.

and

**Parcel 3:**

Commencing at the Northwest corner of Lot 1, Block 4, Pryors Subdivision, as recorded in Plat Book 2, Page 10, Okaloosa County, Florida, proceed East along South Right of Way of Waters Street 105 feet to the Point of Beginning; thence continue East 132.5 feet, thence South  $11^{\circ}52'$  East 159.08 feet, thence South  $72^{\circ}40'$  West 143.75 feet, thence North  $08^{\circ}01.6'$  West 200.47 feet to the Point of Beginning.

and

Parcel 4-A:

Commencing at the Southwest corner of the Southeast 1/4 of the Southwest 1/4 of Section 1, Township 1 South, Range 23 West, Okaloosa County, Florida, run East (reference bearing) along the South boundary thereof 771.00 feet to the Point of Beginning; thence continue East along said South boundary 172.20 feet to a point on the Westerly Right-of-Way line of Howell Road (said Right-of-Way line being on a curve concave to the East and having a radius of 765.00 feet); thence along said Right-of-Way line in a Northeasterly direction through a central angle of 12°17'10" an arc distance of 164.04 feet (chord = 163.73' chord bearing = N 6°00'34" E) to its intersection with the Southerly Right-of-Way line of Kelly Road (said Right-of-Way line being on a curve concave to the Northeast and having a radius of 629.37 feet); thence along said Southerly Right-of-Way line in a Northwesterly direction through a central angle of 18°51'05" an arc distance of 207.07 feet (chord = 206.14 feet; chord bearing = N 65°33'45" W); thence departing said Right-of-Way line run S 00°28'50" E 41.05 feet; thence S 81°38'17" E 5.26 feet; thence S 08°21'43" W 22.69 feet; thence N 81°38'17" W 5.52 feet; thence S 00°28'50" E 184.66 feet to the Point of Beginning.

Less and Except: Commencing at the Southwest corner of the Southeast 1/4 of the Southwest 1/4 of Section 1, Township 1 South, Range 23 West, Okaloosa County, Florida, run N 90°00'00" East along the South line of said Section 1, a distance of 771.00 feet to the Point of Beginning; thence continue N 90°00'00" East along said South line of Section 1, a distance of 172.20 feet to a point on the Westerly Right-of-Way line of Howell Road; thence Northeasterly along said Right-of-Way, and along a curve, concave to the East, having a radius of 765.00 feet and a central angle of 00°24'34" for an arc distance of 5.47 feet (chord bearing North 00°04'16" East, chord distance 5.47 feet) to a point which is 0.50 feet North of the existing retaining wall; thence along a line which is parallel to and 0.50 feet North of said wall for the following courses; North 85°03'29" West a distance of 37.97 feet; North 86°54'45" West a distance of 33.21 feet; South 88°14'37" West a distance of 43.83 feet; South 81°55'50" West a distance of 57.98 feet; thence leaving the line parallel to the wall run South 00°28'50" East a distance of 1.05 feet to the Point of Beginning. Bearings based on N 90°00'00" East along the South line of aforesaid Section 1.

and

Parcel 5:

Lot 105, Block 3, Santa Rosa Island, according to the plat thereof as recorded in Plat Book 2, Page 84-B, of the Public Records of Okaloosa County, Florida.

and

Parcel 6:

Lots 11, 12, 13, 14, 15 and 16, Block 5, Partin-Brooks Subdivision, according to the plat thereof recorded in Plat Book 2, Page 108, of the Public Records of Okaloosa County, Florida.

and

Parcel 7A:

The South 80.0 feet of the East one-half of the following described property: Commence at the Southwest corner of the Northwest 1/4 of the Southeast 1/4 of Section 4, Township 1 South, Range 24 West; thence run North 87°57' East 396 feet; thence angle left and run North 3°30' West for 33 feet to a Point of Beginning at the Northeast corner of a street intersection; thence continue North 3°30' West along the East boundary of the street a distance of 150 feet; thence angle right and run North 87°57' East 260 feet; thence angle right and run South 2°20' for a distance of 150 feet to a street boundary; thence angle right and run South 87°57' West along the street



boundary, a distance of 260 feet to the Point of Beginning. And also being known as Lots 58, 59 and 60 in the West half of Southern Heights, an unrecorded subdivision in Okaloosa County, as surveyed by C.B. Hurst, Sr., February, 1957. Less the West 75.0 feet thereof.

and

Parcel 7-B

The North 70 feet of the East 1/2 of the following described property, together with and subject to a 25 foot ingress and egress easement being the West 25 feet of the East 105 feet of the following described parcel: Commence at the Southwest corner of Northwest 1/4 of the Southeast 1/4 of Section 4, Township 2 South, Range 24 West; thence run North 87°57' East 396 feet; thence angle left and run North 3°30' West for 33 feet to a Point of Beginning at the Northeast corner of a street intersection; thence continue North 3°31' West along the East boundary of the street a distance of 150 feet; thence angle right and run North 87°57' East 260 feet; thence angle right and run South 2°20' for a distance of 150 feet to a street boundary; thence angle right and run South 87 degrees 57' West along the street boundary a distance of 260 feet to the Point of Beginning. And also being known as Lots 58, 59 and 60 in the West 1/2 of Southern Heights, an unrecorded subdivision in Okaloosa County, as surveyed by C.B. Hurst, Sr., February, 1957. Less the West 75.0 feet thereof.

and

Parcel 8:

Lots 5 and 6, Block 2, Partin-Brooks Subdivision, according to the plat thereof recorded in Plat Book 2, Page 108, of the Public Records of Okaloosa County, Florida.

and

Parcel 9-A:

Lots 288, 289, 348 and 349, and the North 10 feet of Lots 347 and 290, and 20 feet of vacated alley, Ocean City Subdivision, according to the plat thereof as recorded in Plat Book 2, Page 28, of the Public Records of Okaloosa County, Florida.

and

Parcel 9-B:

Lots 285, 286 and 287, and a strip of land 10 feet wide lying West of and adjacent to said lots, and Lots 350, 351 and 352, and a strip of land 10 feet wide lying East of and adjacent to said lots. Said land being a part of Ocean City Subdivision in the Southeast 1/4 of Section 13, Township 2 South, Range 24 West, Fort Walton Beach, Okaloosa County, Florida, recorded in Plat Book 2, Page 28A, of said county.

and

Parcel 10:

Lot 26, Shangra Woods First Addition, according to the plat filed thereof in Plat Book 9, Page 17, of the Public Records of Okaloosa County, Florida.

and

Parcel 11:

The West 105 feet of Lots 1, 2 and 3, Block 4, Pryors Subdivision, according to the plat thereof as recorded in Plat Book 2, Page 10, of the Public Records of Okaloosa County, Florida, more particularly described as follows: Begin at an iron rod at the Northwest corner of Lot 1, Block 4, Pryors Subdivision, as recorded in Plat Book 2, Page 10, Okaloosa County, Florida; thence N 90°00'00" E (reference bearing) along the North line of said Lot 1,

and along the Southerly Right of Way line of Water Street (60' R/W) a distance of 105.00 feet to an iron rod, L&S #2337; thence S 07°52'13" E a distance of 201.59 feet to an iron rod, L&S #3243, on the South line of Lot 3, Block 4; thence S 72°31'54" W along the said South line of Lot 3 a distance of 105.00 feet to an iron rod, L&S #3420, at the Southwest corner of said Lot 3; thence Northerly along the East R/W line of Circle Drive (60' R/W) and the West line of Lots 1, 2 and 3, Block 4, being a curve concave Easterly, having a radius of 840.00 feet and a central angle of 15°58'36" for an arc distance of 234.23 feet (chord bearing N 07°59'18" W, chord distance 233.47 feet) to the Point of Beginning. All lying in Section 10, Township 2 South, Range 24 West, Okaloosa County, Florida.

and

**Parcel 12:**

Lots 36 and 37, Shangra Woods First Addition, according to the plat filed thereof in Plat Book 9, Page 17, of the Public Records of Okaloosa County, Florida.

and

**Parcel 13:**

Lot 2, Block 3, Oakland Addition to Fort Walton Beach, Florida, as recorded in Plat Book 2, Page 114, of the Public Records of Okaloosa County, Florida.

and

**Parcel 14:**

The West 10.5 feet of Lot 9 and the East 69.25 feet of Lot 8, Landview Estates, according to the plat thereof as recorded in Plat Book 6, Page 39, of the Public Records of Okaloosa County, Florida.

and

**Parcel 15:**

Lots 206 and 207, Ocean City, according to the plat recorded in Plat Book 2, Page 28A, of the Public Records of Okaloosa County, Florida, and the East 1/2 of alley running North and South adjacent to Lots 206 and 207 having been closed, vacated and abandoned by the City of Fort Walton Beach under Ordinance No. 100.38, adopted February 9, 1965, and recorded in Official Records Book 1643, Page 130, of the Public Records of Okaloosa County, Florida.

and

**Parcel 16-A:**

The East 83.0 feet of: Commencing at a G.L.O. marker at the Northwest corner of the Northwest Quarter of Section 34, Township 1 South, Range 24 West; run South along section line a distance of 2,062.74 feet to the Southwest corner of the North half of the Southwest Quarter of the Northwest Quarter of said Section 34; thence angle left 87°15' for 1,287.0 feet; thence angle left 88° for distance of 213.1 feet to the Point of Beginning. Continue on same line for a distance of 140.0 feet; thence angle left 90° more or less and run West for a distance of 315.0 feet; thence angle left 90° more or less and run South a distance of 140.0 feet; thence angle left 90° more or less and run East a distance of 315.0 feet to the Point of Beginning. All being situate, and lying in the North half of the Southwest Quarter of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, Okaloosa County, Florida.

and

**Parcel 16-B:**

The East 75.0 feet of the West 232.0 feet of: Commencing at a G.L.O. marker at the Northwest corner of the

Northwest Quarter of Section 34, Township 1 South, Range 24 West, run South along section line a distance of 2,062.74 feet to the Southwest corner of the North half of the Southwest Quarter of the Northwest Quarter of said Section 34; thence angle left 87°15' for 1,287.0 feet; thence angle left 88° for a distance of 213.1 feet to the Point of Beginning; continue on same line for a distance of 140.0 feet; thence angle left 90° more or less and run West for a distance of 315.0 feet; thence angle left 90° more or less and run South a distance of 140.0 feet; thence angle left 90° more or less and run East a distance of 315.0 feet to the Point of Beginning. All being situate and lying in the North half of the Southwest Quarter of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, Okaloosa County, Florida.

and

Parcel 16-C:

The East 75.0 feet of the West 157.0 feet of: Commencing at a G.L.O. marker at the Northwest corner of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, run South along section line a distance of 2,062.74 feet to the Southwest corner of the North half of the Southwest Quarter of the Northwest Quarter of said Section 34; thence angle left 87° 15' for 1,287.0 feet; thence angle left 88° for a distance of 213.1 feet to the Point of Beginning; continue on same line for a distance of 140.0 feet; thence angle left 90° more or less and run West for a distance of 315.0 feet; thence angle left 90° more or less and run South a distance of 140.0 feet; thence angle left 90° more or less and run East a distance of 315.0 feet to the Point of Beginning. All being situate and lying in the North half of the Southwest Quarter of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, County of Okaloosa, State of Florida.

and

Parcel 16-D:

The West 82.0 feet of: Commencing at the G.L.O. marker at the Northwest corner of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, run South along section line a distance of 2,062.74 feet to the Southwest corner of the North half of the Southwest Quarter of the Northwest Quarter of said Section 34; thence angle left 87°15' for 1,287.00 feet; thence angle left 88° for a distance of 213.1 feet to the Point of Beginning; continue on same line for a distance of 140.0 feet; thence angle left 90° more or less and run West for a distance of 315.0 feet; thence angle left 90° more or less and run South for a distance of 140.0 feet; thence angle left 90° more or less and run East a distance of 315.0 feet to the Point of Beginning. All being situate and lying in the North half of the Southwest Quarter of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, County of Okaloosa, State of Florida.

and

Parcel 16-B:

A 30 foot easement for ingress, egress and utilities as described hereon: The South 30.0 feet of the East 233.0 feet of: Commencing at a G.L.O. marker at the Northwest corner of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, run South along section line a distance of 2,062.74 feet to the Southwest corner of the North half of the Southwest Quarter of the Northwest Quarter of said Section 34; thence angle left 87°15' for 1,287.0 feet; thence angle left 88° for a distance of 213.1 feet to the Point of Beginning; continue on same line for a distance of 140.0 feet; thence angle left 90° more or less and run West a distance of 315.0 feet; thence angle left 90° more or less and run South a distance of 140.0 feet; thence angle left 90° more or less and run East a distance of 315.0 feet to the Point of Beginning. All being situate and lying in the North half of the Southwest Quarter of the Northwest Quarter of Section 34, Township 1 South, Range 24 West, Okaloosa County, Florida

and

Parcel 17-A:

The South 80.0 feet of the West one-half of the following described parcel, together with and subject to a 25.0 foot

ingress, egress easement being the West 25.0 feet of the East 105.0 feet of the following described parcel:  
Commence at the Southwest corner of the NW 1/4 of SE 1/4 of Section 4, Township 2 South, Range 24 West;  
thence run North 87°57' East 396 feet; thence angle left and run North 3°30' West for 33 feet to a Point of  
Beginning at the NE corner of a street intersection; thence continue North 3°30' West along the East boundary of  
the street a distance of 150 feet; thence angle right and run North 87°57' East 260 feet; thence angle right and run  
South 2°20' for a distance of 150 feet to a street boundary; thence angle right and run South 87°57' West along the  
street boundary a distance of 260 feet to the Point of Beginning. Also being known as Lots 58, 59 and 60 in the  
West half of Southern Heights, an unrecorded subdivision in Okaloosa County as surveyed by C.B. Hurst, Sr.,  
dated February 1957. Less the West 75.00 feet thereof.

and

Parcel 17-B:

The North 70.0 feet of the West one-half of the following described parcel, together with and subject to a 25.0 foot  
ingress, egress easement being the West 25.0 feet of the East 105.0 feet of the following described parcel:  
Commence at the SW corner of the NW 1/4 of SE 1/4 of Section 4, Township 2 South, Range 24 West; thence run  
North 87°57' East 396 feet; thence angle left and run North 3°30' West for 33 feet to a Point of Beginning at the  
NE corner of a street intersection; thence continue North 3°30' West along the East boundary of the street a  
distance of 150 feet; thence angle right and run North 87°57' East 260'; thence angle right and run South 2°20' for a  
distance of 150 feet to a street boundary; thence angle right and run South 87°57' West along the street boundary a  
distance of 260 feet to the Point of Beginning. And also being known as Lots 58, 59 and 60 in the West half of  
Southern Heights, an unrecorded subdivision in Okaloosa County as surveyed by C.B. Hurst, Sr., February, 1957.  
Less the West 75.0 feet thereof.

and

Parcel 18:

Commence at a Government Land Office Monument at the Southwest corner of the Northwest 1/4 of Section 34,  
Township 1 South, Range 24 West; thence South 89°07' East a distance of 33.0 feet to the Easterly Right of Way  
of a county road; thence North 01°59' West along said Easterly Right of Way (and parallel to the West line of  
Section 34) a distance of 219.18 feet to a point on the Northerly Right of Way of Union Street (66' R/W) (also  
known as Bradley Street); thence due East along said Northerly Right of Way a distance of 538.12 feet to the Point  
of Beginning; thence continue due East along said Right of Way a distance of 172.0 feet; thence due North a  
distance of 140.0 feet; thence due West a distance of 172.0 feet; thence due South a distance of 140.0 feet to the  
Point of Beginning. Bearings based on bearing of North 01°59' West along the West line of Section 34, Township  
1 South, Range 24 West. All lying and being in Section 34, Township 1 South, Range 24 West, Okaloosa County,  
Florida.

RESOLUTION NO. 2015-05

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SHALIMAR, FLORIDA (THE "ISSUER"), PROVIDING (I) FOR THE FINANCING, REFINANCING AND/OR REIMBURSEMENT OF COSTS ASSOCIATED WITH THE ACQUISITION AND REHABILITATION OF CERTAIN MULTI-FAMILY RESIDENTIAL RENTAL FACILITIES IN OKALOOSA COUNTY THROUGH ISSUANCE OF THE NOT TO EXCEED \$13,000,000 THE TOWN OF SHALIMAR, FLORIDA MULTI-JURISDICTIONAL MULTI-FAMILY HOUSING REVENUE REFUNDING BONDS (ECH II - CAPTAINS QUARTERS, LLC PROJECT) IN ONE OR MORE SERIES (THE "BONDS"); (II) FOR THE FINANCING OF THE ESTABLISHMENT OF A DEBT SERVICE RESERVE FUND; (III) FOR THE FINANCING OF THE PAYMENT OF CERTAIN COSTS OF ISSUING THE BONDS; (IV) THAT SUCH BONDS SHALL NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE TOWN OF SHALIMAR OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES HEREIN PROVIDED; (V) FOR THE APPROVAL AND AUTHORIZATION OF THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT AND SECURITY AGREEMENT; (VI) FOR THE APPOINTMENT OF THE INITIAL TRUSTEE AND CO-TRUSTEE; (VII) FOR THE APPROVAL AND AUTHORIZATION OF THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING; AND (VIII) FOR AN EFFECTIVE DATE.

WHEREAS, the Issuer has received a request from ECH II - Captains Quarters, LLC, a Florida not-for-profit limited liability company (the "Borrower"), to refinance The Town of Shalimar, Florida, Multi-Jurisdictional Multi-Family Housing Revenue Bonds (ECH II - Captains Quarters, LLC Project), Series 2007A and The Town of Shalimar, Florida Multi-Jurisdictional Multi-Family Housing Revenue Bonds (ECH II - Captain's Quarters, LLC Project), Subordinated Series 2007B (collectively, the "Refunded Bonds") through issuance of the Bonds; and

WHEREAS, the proceeds of such Bonds are to be applied to (i) refund all or a portion of the Refunded Bonds, the proceeds of which were used to finance a portion of the cost to acquire

and rehabilitate certain aging apartment communities to provide and preserve safe, sanitary and affordable housing for families of low and moderate income and to lessen the burden of local government relating to the rental housing needs of Okaloosa County, Florida (the "County"), consisting of three hundred fifty-five (355) units of multi-family residential rental facilities located within the sixteen (16) properties described in Exhibit "A" attached and herein incorporated, all located within the County (the "Project Facilities") and which provide affordable housing for persons working and doing business in the Issuer; (ii) finance the cost to rehabilitate some or all of the Project Facilities, (iii) finance the establishment of a debt service reserve fund; and (iv) finance the payment of certain costs of issuing the Bonds (hereinafter, collectively, the "Project").

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF SHALIMAR:

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution of the Town of Shalimar, Florida (the "Issuer" or "Town") is adopted pursuant to Fla. Stat. Ann. § 159.27(12), as amended (the "Act"), and other applicable provisions of law and Ordinance No. 2008-03 (the "Ordinance") duly adopted by the governing body of the Issuer. The Issuer, a public body corporate and politic, and an incorporated municipality in the State of Florida (the "State"), is hereby acting through its Council (the "Council"), which is vested with the general legislative powers of the Issuer.

**SECTION 2. DEFINITIONS.** Unless the context otherwise requires, the terms defined in this Resolution shall have the meanings specified herein. Words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing persons shall include corporations and other entities or associations.

**SECTION 3. FINDINGS.** The Issuer has found and determined and does hereby declare that:

A. The Issuer is a public body corporate and politic, an incorporated municipality and a political subdivision of the State, duly created and existing, under and by virtue of Chapter 67-1320, Laws of Florida, as amended, and is duly authorized and empowered thereby and by the Act and the Ordinance to refinance the acquisition, construction, reconstruction, improvement, rehabilitation, renovation, expansion and enlargement, or additions to, furnishing and equipping of any capital project, including land, rights in land, buildings and other structures, machinery, equipment, appurtenances and facilities incidental thereto, and other improvements necessary or convenient therefor, and to obtain funds to finance the cost thereof by the issuance of its revenue bonds, and to issue its revenue refunding bonds for the purpose of refunding any outstanding revenue bonds issued under the Act and the Ordinance to finance the cost thereof, for the purposes of providing safe, decent and sanitary housing of residents, and preserving affordable rental housing, among others, enhancing other economic activity in the State by providing affordable workforce housing essential to attracting manufacturing development, business enterprise management and other activities conducive to economic promotion, the economic development of the Issuer, Okaloosa County (the "County") and the State, increasing purchasing power and opportunities for gainful employment, improving the prosperity and welfare of the State and its inhabitants, improving living conditions, and otherwise providing for and contributing to the health, safety and welfare of the people of the State.

B. The Issuer, as required by the Act, has initially determined that the interest on The Town of Shalimar, Florida Multi-Jurisdictional Multi-Family Housing Revenue Refunding Bonds (ECH II - Captains Quarters, LLC Project), Series 2015A-1 Bonds (the "Series 2015A-1 Bonds") will be excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), based in part on a certificate to be obtained from the Borrower; and the Series 2015A-1 Bonds will not be issued unless the Issuer has received a satisfactory opinion of bond counsel to the effect (among other things) that the interest on such Series 2015A-1 Bonds will be excludable from gross income for federal income tax purposes at the time of the delivery of the Series 2015A-1 Bonds.

C. The Borrower has shown that the Project will serve paramount and predominantly public purposes by providing affordable, safe and decent housing for the elderly, and persons of low and moderate income, improving living conditions, alleviating unemployment in the Town and the County, fostering the economic growth and development and the industrial and business development of the Issuer, the County and the State, having the incidental effect of adding to the tax base, and serving other predominantly public purposes as set forth in the Act. It is desirable and will further the public purposes of the Act, and it will most effectively serve the purposes of the Act, for the Issuer to issue and sell the Bonds under the Indenture hereinafter described, as revenue refunding bonds, for the purpose of financing the cost of the Project, all as provided in the Indenture and the Agreement hereinafter described, which contain such provisions as are necessary or convenient to effectuate the purposes of the Act. The Project is appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of the Town by providing affordable workforce housing to persons employed or occupied in business and economic activities within the Town; shall provide or preserve gainful employment; shall protect the environment; or shall serve a public purpose by advancing the economic prosperity, the public health, or the general welfare of the State and its people as stated in Section 159.26, Florida Statutes, as amended.

D. The Town and other local agencies have been able to cope satisfactorily with the impact of the Project and have been and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that have been or will be necessary for the operation, repair and maintenance of the Project and on account of any increases in population or other circumstances resulting therefrom.

E. Adequate provision has been made in the documents referenced herein for a loan by the Issuer to the Borrower to finance the costs of the Project, for the operation, repair and maintenance of the Facilities at the expense of the Borrower and for the repayment by the Borrower of the loan in installments sufficient to pay the principal of and the interest on the Bonds and all costs and expenses relating thereto in the amounts and at the times required.



F. The Borrower is financially responsible based on the criteria established by the Act, the Borrower is fully capable and willing to fulfill its obligations under the Loan Agreement (the "Loan Agreement"), hereinafter more particularly described, and any other agreements to be made in connection with the issuance of the Bonds and the use of the Bond proceeds for financing the costs of the Project, including the obligation to pay loan payments or other payments in an amount sufficient in the aggregate to pay all of the interest, principal and redemption premiums, if any, on the Bonds in the amount and at the times required, the obligation to operate, repair and maintain the Project at its own expense, and to serve the purposes of the Act and other such responsibilities as may be imposed under such agreements. The payments to be made by the Borrower to the Issuer and the other security provided by the Loan Agreement, the Security Agreement and the Indenture, as those terms are hereinafter utilized, are adequate within the meaning of the Act for the security of the Bonds. Nothing herein shall be deemed to constitute an endorsement or recommendation for the suitability of the Bonds for investment by any person, nor does the Town in any manner recommend the purchase of the Bonds by any investor.

G. The Issuer is not obligated to pay the Bonds except from the proceeds derived from the repayment of the loan to the Borrower, or from the other security pledged therefor, and neither the faith and credit nor the taxing power of the Issuer, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds.

H. The Issuer and the Borrower will concurrently with the issuance of the Bonds execute the documentation required for the financing of the Project as contemplated hereby.

I. A negotiated sale of the Bonds is required and necessary and is in the best interest of the Issuer for the following reasons: the Bonds will be special and limited obligations of the Issuer payable out of moneys derived by the Issuer from the Borrower's operation of the Project or as otherwise provided herein and will be secured by funds of the Borrower; the Borrower will

be required to pay all costs of the Issuer in connection with the Project and the refinancing, operation and administration of the Project which are not paid out of the Bond proceeds or otherwise and to operate and maintain the Project at its own expense; the cost of issuance of the Bonds, which must be borne directly or indirectly by the Borrower would most likely be greater if the Bonds are sold at public sale by competitive bids than if the Bonds are sold at negotiated sale, and there is no basis, considering prevailing market conditions, for any expectation that the terms and conditions of a sale of the Bonds at public sale by competitive bids would be any more favorable than at negotiated sale; because prevailing market conditions are uncertain, it is desirable to sell the Bonds at a predetermined price; and industrial development revenue bonds having the characteristics of the Bonds are typically sold at negotiated sale under prevailing market conditions.

J. Stifel, Nicolaus & Company, Incorporated (the "Purchaser") has submitted a proposal to purchase the Bonds pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") among the Purchaser, the Borrower and the Issuer, and it is in the best interest of the Issuer to accept the offer of the Purchaser to purchase not to exceed \$13,000,000 in the aggregate principal amount of the Bonds at a privately negotiated sale.

K. The Purchaser has provided the Issuer with a disclosure statement containing the information required by Section 218.385(4), Florida Statutes. Said disclosure is hereby accepted and the Issuer does not require any further disclosure from the Purchaser at this time. Continuing disclosure by the Borrower will be required after the Bonds are issued.

L. All conditions precedent to the issuance of the Bonds have been satisfied or will be satisfied prior to the delivery of the Bonds, and the proposal to finance the Project will otherwise comply with all of the provisions of the Act.

M. The purpose of the Act will be most effectively served by financing of the cost of the Project in the manner provided in the Indenture and the Loan Agreement.

**SECTION 4. PROJECT AUTHORIZED.** The cost of the Project in the manner provided in the Indenture and the Loan Agreement is hereby authorized.

**SECTION 5. AUTHORIZATION OF BONDS.** The issuance of such Bonds under the authority of the Act and the Ordinance is hereby authorized, and the provisions for the payment of the Bonds is set forth in the Indenture (including any supplements thereto, the "Indenture") by and between the Issuer and BOKF, N.A., a national banking association with a corporate trust office in Tulsa, Oklahoma (the "Trustee"), the form of which Bonds is included in the Indenture and is on file in the Clerk's office as Exhibit "B" and incorporated herein by reference.

The Bonds shall be dated such date, shall bear interest at such rates, shall be payable or shall mature on such date or dates, shall be issued in such denominations, shall be subject to optional and mandatory redemption at such time or times, and upon such terms and conditions, shall be payable at the place or places and in the manner, shall be executed, authenticated and delivered, shall otherwise be in such form, and subject to such terms and conditions, all as provided in the Indenture.

The Bonds and the premium, if any, and the interest thereon shall not be deemed to constitute a general debt, liability or obligation of the Issuer or of the State or of any political subdivision thereof, or a pledge of the faith and credit of the Issuer or of the State or of any political subdivision thereof, but shall be payable solely from the revenues provided therefor, and the Issuer is not obligated to pay the Bonds or the interest thereon except from the revenue and proceeds pledged therefor and neither the faith and credit nor the taxing power of the Issuer, the State or any political subdivision thereof is pledged to the payment of the principal premium, if any, or the interest on the Bonds. Notwithstanding any provision to the contrary contained herein, if by December 20, 2015, the Bonds have not been sold, or a binding contract for such sale has not been entered into for such sale, the Issuer may at any time thereafter, without notice to the Borrower by resolution terminate the authorization for the issuance of the Bonds contained herein, whereupon the Issuer shall have no further obligation in connection with the Bonds or the

issuance thereof, and the Borrower shall immediately pay to the Issuer an amount to reimburse the Issuer for all costs, fees and expenses incurred by it, including attorneys' fees and any expenses, liabilities or costs for services incurred by the Issuer in connection with this Resolution or the hereinafter mentioned Interlocal Agreement.

**SECTION 6. AUTHORIZATION OF EXECUTION AND DELIVERY OF INDENTURE; APPOINTMENT OF TRUSTEE.** In order to secure the payment of the principal of, premium, if any, and the interest on the Bonds herein authorized, according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions in said Bonds, the execution and delivery of the Indenture, is hereby authorized. The form of the Indenture is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such form of Indenture by either of the officers of the Issuer executing the same, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. BOKF, N.A., a national banking association with a corporate trust office in Tulsa, Oklahoma, or any other trust company or commercial bank qualified to serve as trustee under the Indenture as may be designated by or on behalf of the Purchaser and approved by or on behalf of the Borrower and the Issuer (such designation and such approvals to be evidenced conclusively by the execution of the Bond Purchase Agreement by the Purchaser, the Borrower and the Issuer) (in such capacity, the "Trustee"), is hereby designated as the initial Trustee.

**SECTION 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF LOAN AGREEMENT.** As authorized by and in conformity with the Act, it is desirable and in the public interest that the Issuer execute the Loan Agreement hereto, a proposed form of which is on file in the Clerk's office as Exhibit "C" and incorporated herein by reference, and the execution and delivery of the Loan Agreement are hereby authorized, and the assignment of certain rights of the Issuer under the Loan Agreement by the Issuer to the Trustee are hereby authorized. The form of the Loan Agreement is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in the

form of the Loan Agreement by either of the officers of the Issuer executing the same or by the Borrower, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of any such approval.

**SECTION 8. APPROVAL OF SECURITY AGREEMENT.** To provide collateral security for the payment of the Bonds, the Issuer has directed that the Borrower mortgage the Project and the Project site and grant a security interest in the Project pursuant to the Mortgage and Security Agreement from the Borrower, as mortgagor, to the Issuer, as mortgagee, a proposed form of which is on file in the Clerk's office as Exhibit "D" and incorporated herein by reference (the "Security Agreement"). The form of the Security Agreement is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved in such form by either of the officers of the Issuer executing the Security Agreement hereinafter described, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval.

**SECTION 9. ASSIGNMENT OF AGREEMENT.** Certain rights of the Issuer under the Agreement shall be assigned by the Issuer to the Trustee under the terms of the Indenture.

**SECTION 10. AWARD OF SALE; EXECUTION OF BOND PURCHASE AGREEMENT.** (A) Due to the willingness of the Underwriter to purchase the Bonds at interest rates favorable to the Issuer, the present volatility of the market for tax-exempt public obligations such as the Series 2015A-1 Bonds and the critical importance of timing of the sale of the Bonds, the Issuer hereby approves the negotiated sale of the Bonds to the Underwriter and delegates to the Mayor the authority to accept the offer of the Underwriter to purchase the Bonds and to execute and deliver, on behalf of the Issuer, the Bond Purchase Agreement, a proposed form of which is on file in the Town Clerk's office as Exhibit "E" and incorporated herein by reference, which form is hereby approved; provided, however, that the Mayor shall not have the authority to execute and deliver the Bond Purchase Agreement unless the Mayor shall have received from the Underwriter such information as the Mayor shall deem necessary, upon the advice of Bond

Counsel and Issuer's Counsel, which demonstrates to the Mayor that (A) the aggregate principal amount of the Bonds is not in excess of \$13,000,000, (B) the final maturity of the Bonds is not later than December 31, 2045, (C) the underwriting discount is not greater than 2.50% of the original principal amount of the Bonds, and (D) the true interest cost rate on the Bonds is not greater than 6.00%.

(B) All actions of the Mayor taken pursuant to the authority of this resolution shall be evidenced by the execution and delivery of the Bond Purchase Agreement, which shall be filed with the Town Clerk. The execution and delivery of the Bond Purchase Agreement shall constitute complete evidence of the actions of the Mayor and shall constitute the action of the Issuer. Subject to satisfaction of the conditions in this Section 10, the Mayor is hereby authorized and directed to execute and deliver, and the Town Clerk is hereby authorized to attest under seal, the Bond Purchase Agreement. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Bond Purchase Agreement by the Issuer, including any changes to the form thereof currently on file in the Town Clerk's office as Exhibit "E," and shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

**SECTION 11. AUTHORIZATION OF EXECUTION OF OTHER DOCUMENTS, INSTRUMENTS, CONTRACTS AND CERTIFICATES.** The officers, employees and agents of the Issuer and the Issuer are hereby authorized and directed to execute such documents, instruments and contracts, whether or not expressly contemplated hereby, and to do all acts and things required by the provisions of this Resolution and by the provisions of the Bonds, the Indenture, the Loan Agreement, the Security Agreement, an Interlocal Agreement with Okaloosa County, Florida, providing for the issuance of the Bonds (as amended, the "Interlocal Agreement"), and the Bond Purchase Agreement authorized herein, as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution, or as may be requested by bond counsel, the Purchaser, the

Borrower, or the Trustee. The Mayor and the Corporation Secretary are hereby designated as the primary officers of the Issuer charged with the responsibility of issuing the Bonds, and the Mayor is hereby authorized to delegate to any other person any of the duties or authorizations of the Mayor or the Corporation Secretary hereunder.

**SECTION 12. NO PERSONAL LIABILITY.** No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Bonds, the Loan Agreement, the Indenture, the Security Agreement, the Bond Purchase Agreement, the Interlocal Agreement or any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member, officer, employee or agent of the Issuer in his individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Bonds, the Loan Agreement, the Indenture, the Security Agreement, or the Bond Purchase Agreement, the Interlocal Agreement or any certificate or other instrument to be executed in connection with the issuance of the Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**SECTION 13. NO THIRD PARTY BENEFICIARIES.** Except as otherwise expressly provided herein or in the bonds, the Loan Agreement, the Indenture, the Security Agreement, the Interlocal Agreement or the Bond Purchase Agreement, nothing in this Resolution, or in the Bonds, the Agreement, the Indenture, the Security Agreement, the Interlocal Agreement or the Bond Purchase Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, corporation or other organization, other than the Issuer, the Borrower, the Trustee, and the Purchaser (and subsequent owners from time to time of the Bonds) any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, the Loan Agreement, the Indenture, the Security Agreement, the Interlocal Agreement or the Bond Purchase Agreement, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer, the

Borrower, the Trustee, and the Purchaser (and subsequent owners from time to time of the Bonds).

**SECTION 14. PREREQUISITES PERFORMED.** All acts, conditions and things relating to the passage of this Resolution, to the issuance, sale and delivery of the Bonds, to the execution and delivery of the Loan Agreement, the Indenture, the Bond Purchase Agreement, and the Security Agreement, required by the Constitution or other laws of the State, to happen, exist and be performed precedent to the passage hereof, and precedent to the issuance, sale and delivery of the Bonds, to the execution, delivery and effectiveness of the Interlocal Agreement, to the execution and delivery of the Loan Agreement, the Indenture, the Bond Purchase Agreement, and the Security Agreement, have either happened, exist and have been performed as so required or will have happened, will exist and will have been performed prior to such execution and delivery.

**SECTION 15. COMPLIANCE WITH CHAPTER 218, PART III, FLA. STATS.** The Issuer hereby approves and authorizes the completion, execution and filing with the Division of Bond Finance, Department of General Services of the State of Florida, at the expense of the Borrower, of advance notice of the impending sale of the Bonds, of Bond Information Form BF 2003 and of a copy of Internal Revenue Service Form 8038, and any other acts as may be necessary to comply with Chapter 218, Part III, Florida Statutes, as amended.

**SECTION 16. THIS RESOLUTION CONSTITUTES A CONTRACT.** The Issuer covenants and agrees that this Resolution shall constitute a contract between the Issuer and the Purchaser, and all subsequent owners from time to time of the Bonds, and that all covenants and agreements set forth herein and in the Bonds, the Loan Agreement, the Indenture, the Security Agreement, and the Bond Purchase Agreement, to be performed by the Issuer shall be for the equal and ratable benefit and security of the Purchaser and all subsequent owners from time to time of the Bonds, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds.



The Borrower having requested the adoption hereof, and having requested the Issuer to enter into the Interlocal Agreement, the Borrower shall, to the maximum extent permitted by law, be bound and obligated by the provisions hereof and of the Interlocal Agreement and shall do all things, and be subject to all obligations, described or set forth regarding the Borrower, in the Interlocal Agreement and this Resolution.

**SECTION 17. GENERAL AUTHORITY.** From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as may be necessary to carry out and comply with the further actions and execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Bonds and the execution and delivery of the Indenture, Loan Agreement and Bond Purchase Agreement and to document compliance with the provision of Section 103 of the Internal Revenue Code of 1986, as amended, it being the intent herein to clothe said officials with broad and plenary powers in the premises.

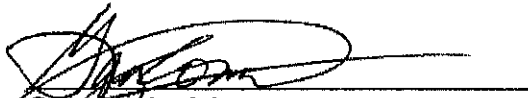
The Mayor, Town Manager and Town Clerk of the Issuer, and Special Counsel Bryant Miller Olive P.A., are hereby authorized and directed to prepare and furnish to the purchaser or purchasers, when the Bonds are issued, certified copies of all the proceedings and records of the Issuer relating to the Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

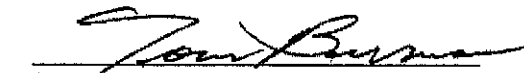
**SECTION 18. SEVERABILITY OF INVALID PROVISIONS.** In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution, and this

Resolution shall be construed and enforced as if such illegal or invalid provision had not been contained herein. This Resolution is adopted and the Indenture and the Loan Agreement shall be executed and the Bonds shall be issued, with the intent that the laws of the State of Florida shall govern their construction, except as shall otherwise be expressly provided by the terms thereof.

**SECTION 19. REPEALING CLAUSE.** All resolutions or parts thereof in conflict herewith are hereby repealed.

**SECTION 20. EFFECTIVE DATE.** This resolution shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

  
\_\_\_\_\_  
Gary Combs, Mayor

  
\_\_\_\_\_  
Tom Burns, Town Manager

The form and legal sufficiency of the  
Foregoing has been reviewed and approved  
By counsel to the Town of Shalimar

  
\_\_\_\_\_  
Counsel for Town of Shalimar

Exhibit "A"

PROJECT FACILITIES DESCRIPTION

The Project Facilities consist of the sixteen (16) properties described below, located in Okaloosa County, Florida. .

Name	Address	# Units	Occupancy	(Acres)
Cape Drive	20-26 Cape Dr.	12	100.0%	1.29
Captains Headquarters	19 Chestnut Ave.	80	92.5%	1.88
Glenwood	201 Troy Street & 50 Kelly Ave.	22	100.0%	.71
Landview	511 Landview Dr.	4	75.0%	.18
Lowery Village	401-405 Lowery Dr.	16	93.8%	.32
Monta Villa	517 - 523 Circle Dr.	12	91.7%	.53
Niceville	203 Kelly & 700 Howell Rd.	20	100.0%	.99
Oak Leaf	1402 - 1408 Beverly St.	16	93.8%	1.01
Shangra Woods	940 - 949 Ashley	48	93.8%	1.15
Soft Breeze	103 Water St.	16	98.0%	.57
Sugar Loaf	958 Denton Blvd.	7	88.9%	.45
Third St.	206 3 <sup>rd</sup> St.	18	100.0%	.34
Union Village	515 - 517 Union St.	16	100.0%	.55
Viking	401 Rogers St.	10	100.0%	.34
Walton Isle	362 Bluefish Dr.	8	100.0%	.28
Wesvue Apartments	951 McFarlan & 953 McFarlan Ave.	50	98.0%	1.31
	TOTALS	355	95.5%	11.90