

EXHIBIT B

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 12/16/2004

Contract/Lease Control #: C05-1146-BCCI-73

Bid #: N/A Contract/Lease Type: AGREEMENT(INTERLOCAL)

Award To/Lessee: ESCAMBIA COUNTY HOUSING AUTHORITY

Lessor:

Effective Date: 12/7/2004 \$1,000,000.00

Term: EXPIRES INDEFINITE

Description of Contract/Lease: FAMILY MORTGAGE REVENUE BONDS

Department Manager: ADMINISTRATIVE SERVICES

Department Monitor: J. CURRY

Monitor's Telephone #: 689-5007

Monitor's FAX #: 689-5025

Date Closed:

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 7th day of December, 2004, 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, Chapter 159, Part IV, 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 a resolution duly adopted on May 14, 2002 (the "Enabling Resolution"), as amended and supplemented authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Escambia Bonds") in multiple series from time to time in a principal amount not exceeding \$400,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of 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 prevent the separate issuance of 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 qualifying 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 Amount") granted by the State from time to time through December 31, 2007 (the "Authorization Period") for the purpose of issuing mortgage revenue bonds 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 would be less economical, resulting in higher mortgage costs to qualified mortgagors; and

**CONTRACT: FAMILY MORTGAGE
REVENUE BONDS
CONTRACT NO.: C05-1146-BCCL-73
ESCAMBIA CTY HOUSING FIN AUTHORITY
EXPIRES: INDEFINITE**

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Code limits 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, Sections 159.603 and 159.604, Florida Statutes, authorize 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 December 7, 2004 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds in one or more series from time to time, as mortgage revenue bonds based on the Allocation Amount or as taxable Bonds which require no bond volume allocation, to (i) make available funds to finance qualifying single family housing development 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 (the "Bonds") from time to time based on the available Allocation Amount through the Authorization Period, or based upon the need for Mortgage Loans funded in whole or in part from taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for qualifying single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, reissued, 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 Amount 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, reissue 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 qualifying single family housing developments in the Participating County; and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amount 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 Okaloosa County and such other Participating Counties within such region based upon lender demand.

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.

(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.

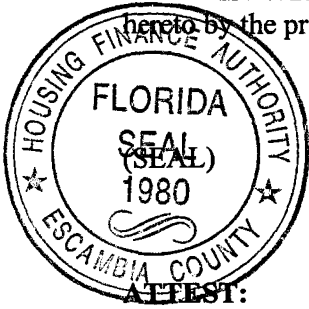
(B) The fees and expenses of the Participating County shall be paid from the proceeds of the Program in the manner and to the extent mutually agreed upon by the officials of the Participating County and the Escambia Authority at or prior to issuance of the Escambia Bonds.

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) 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 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. 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 pursuant to this Agreement.

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.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 7th day of December 2004.



ATTEST:

By: Robert Ward
Robert Ward, Secretary

**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: Elbert Jones, Jr.
Elbert Jones, Jr., Chairman

OKALOOSA COUNTY, FLORIDA

(SEAL)

By: Elaine Tucker
Elaine Tucker, Chairman



ATTEST:

By: Dany J. Stanford
for Its: Clerk



The undersigned Deputy Clerk 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 December 7, 2004.

Date: December 7, 2004

OKALOOSA COUNTY, FLORIDA

By: *Teresa Ward*
Its: Deputy Clerk BCC Records
Board of County Commissioners

(SEAL)



RESOLUTION NO. 04 - 251

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, TO FINANCE QUALIFYING SINGLE FAMILY MORTGAGE LOANS ON BEHALF OF OKALOOSA COUNTY, FLORIDA; AUTHORIZING THE BOARD 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 \$400,000,000 SINGLE FAMILY MORTGAGE REVENUE BONDS (MULTI-COUNTY PROGRAM) IN MULTIPLE SERIES 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 for investment therein is continuing in Okaloosa County; and

WHEREAS, the Authority by a resolution duly adopted on May 14, 2002 (the "Enabling Resolution"), as amended and supplemented authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Escambia Bonds" or the "Bonds") in multiple series from time to time in a principal amount not exceeding \$400,000,000, exclusive of any amounts required for refunding purposes; and

Return to:
Fran Jones
Escambia County HFA
25 West Cedar Street #530
Pensacola, FL 32502
(850) 432-7077

Instr # 2342600 BK: 2718 PG:4266,Page 1 of 7
Recorded 08/25/2006 at 11:46 AM,
RECORDING: \$33.00 RECORDING ARTICLE V: \$28.00

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

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 6th day of June, 2006, 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:

Ernie Lee Magaha
CLERK OF THE CIRCUIT COURT
ESCAMBIA COUNTY FLORIDA
INST# 2006086282 08/25/2006 at 10:46 AM
OFF REC BK: 5978 PG: 1116 - 1122 Doc Type: AGM
RECORDING: \$61.00

WHEREAS, Chapter 159, Part IV, 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 a resolution duly adopted on April 11, 2006 (the "Enabling Resolution"), as amended and supplemented authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Escambia Bonds") in multiple series from time to time in a principal amount not exceeding \$400,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of 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 prevent the separate issuance of 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 qualifying 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 Amount") granted by the State from time to time through June 1, 2009 (the "Authorization Period") for the purpose of issuing mortgage revenue bonds 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 would be less economical, resulting in higher mortgage costs to qualified mortgagors; and

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Code limits 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, Sections 159.603 and 159.604, Florida Statutes, authorize 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 June 6, 2006 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds in one or more series from time to time, as mortgage revenue bonds based on the Allocation Amount or as taxable Bonds which require no bond volume allocation, to (i) make available funds to finance qualifying single family housing development 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 (the "Bonds") from time to time based on the available Allocation Amount through the Authorization Period, or based upon the need for Mortgage Loans funded

in whole or in part from taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for qualifying single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, reissued, 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 Amount 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, reissue 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 qualifying single family housing developments in the Participating County; and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amount 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 Okaloosa County and such other Participating Counties within such region based upon lender demand.

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.

(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) 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 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. 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 pursuant to this Agreement.

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.

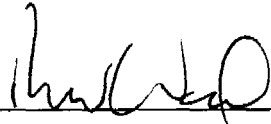
IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 6th day of June, 2006.

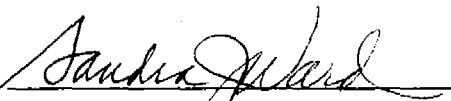
ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY

(SEAL)



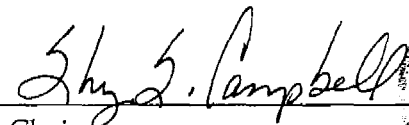

ATTEST:

By: 
Robert Ward, Chairman

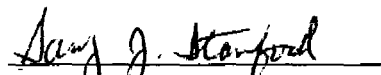
By: 
Sandra J. Ward, Secretary

OKALOOSA COUNTY, FLORIDA

(SEAL)

By: 
Chairman 

ATTEST:

By: 
Its: Clerk



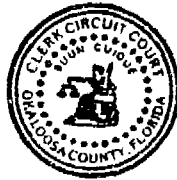
The undersigned Deputy Clerk of Okaloosa County, Florida, does hereby certify that the foregoing is a true and complete original of the Interlocal Agreement executed by the Chairman and Clerk as of June 6, 2006.

Date: June 6, 2006

OKALOOSA COUNTY, FLORIDA

By: *Teresa Ward*
Its: Clerk to the BCC

Board of County Commissioners



(SEAL)

WHEREAS, the Okaloosa Board desires to authorize certain actions as necessary in connection with participation in the Program and the issuance, sale, authentication and delivery of the Bonds by entering into an Interlocal Agreement, dated as of December 7, 2004 (the "Interlocal Agreement"); and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as 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 December 7, 2004, at 6:00 p.m. or soon thereafter 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 December 7, 2004, 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 to issue the Bonds and to implement a 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, to establish a program to finance Mortgage Loans for single family housing within the statutory boundaries of Okaloosa County ("Mortgage Loans"); 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 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 Agreements 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 Interlocal Agreements, including, without limitation, application for up to the maximum available private activity bond volume allocations pursuant to the Act, 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 from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds Multi-County Program, in multiple series for funding the Authority's program for Mortgage Loans, and such other action to be taken pursuant to the Enabling Resolution or Chapter 159, Part IV, Florida Statutes.

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 7th day of December, 2004.

OKALOOSA COUNTY, FLORIDA



By: *Blaine Tucker*
Its: Chairman
Board of County Commissioners

(SEAL)

ATTEST:

By: *Dany J. Stanford*
Its: Clerk,
Board of County Commissioners



INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 7th day of October, 2003, 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, Chapter 159, Part IV, 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 duly adopted on June 13, 2000 and May 14, 2002 (collectively, the "Enabling Resolution"), as amended and supplemented, particularly as supplemented by a resolution dated as of May 13, 2003 (the "Authorizing Resolution"), authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, Series 2004A (Multi-County Program) (the "Escambia Bonds") in a principal amount not exceeding \$150,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of qualified mortgage 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 prevent the separate issuance of 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 qualifying 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 Amount") granted by the State through 2004 (the "Authorization Period") for the purpose of issuing qualified mortgage bonds 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 qualified mortgage bonds would be less economical, resulting in higher mortgage costs to qualified mortgagors; and

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Code limits 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, Sections 159.603 and 159.604, Florida Statutes, authorize the Participating County to approve the issuance of qualified 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 October 7, 2003 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds in one or more series from time to time, as qualified mortgage bonds based on the Allocation Amount or as taxable Bonds which require no bond volume allocation, to (i) make available funds to finance qualifying single family housing development located within the Participating County in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof (collectively, the "Program").

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 (the "Bonds") from time to time based on the available Allocation Amount through the Authorization Period, or based upon the need for Mortgage Loans funded in whole or in part from taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for qualifying single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, reissued, 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 Amount 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 mortgage 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, reissue 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 qualifying single family housing developments in the Participating County; and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amount 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 Okaloosa County and such other Participating Counties within such region based upon lender demand. All lendable proceeds of the Escambia Bonds attributable to the mortgage loan demand in Okaloosa County shall be reserved for use in originating Mortgage Loans in the Participating County for an initial period of one hundred and twenty (120) days or until July 1, 2004 whichever is later.

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.

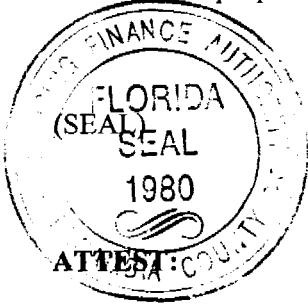
(A) Upon request of the Escambia Authority, the Participating County shall, to the extent permitted by law, (i) approve, establish, and update, from time to time as necessary, upon the request of the Escambia Authority, such Program parameters including, but not limited to, maximum housing price and 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) 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 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. 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 pursuant to this Agreement.

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.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 12 day of October, 2003.



**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: [Signature]
James D. Cronley, Chairman

By: [Signature]
Robert Ward, Secretary

OKALOOSA COUNTY, FLORIDA

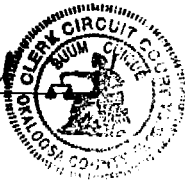
(SEAL)

By: [Signature]
for Paula Riggs Chairman



ATTEST:

By: [Signature]
for Its: Clerk



The undersigned Vice Chairman 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 October 7, 2003.

Date: October 7, 2003

OKALOOSA COUNTY, FLORIDA

By: *Tham Tuoh*
Its: *Vice Chairman*
Board of County Commissioners

(SEAL)



28.50

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 10th day of September, 2002, 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");

W I T N E S S E T H:

WHEREAS, Chapter 159, Part IV, 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 duly adopted on June 13, 2000 (the "Enabling Resolution"), authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, Series 2003A (Multi-County Program) (the "Escambia Bonds") in a principal amount not exceeding \$150,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of qualified mortgage 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 prevent the separate issuance of 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 qualifying 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 Amount") granted by the State through 2003 (the "Authorization Period") for the purpose of issuing qualified mortgage bonds 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 qualified mortgage bonds would be less economical, resulting in higher mortgage costs to qualified mortgagors; and

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Code limits 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, Sections 159.603 and 159.604, Florida Statutes, authorize the Participating County to approve the issuance of qualified 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 10, 2002 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds in one or more series from time to time, as qualified mortgage bonds based on the Allocation Amount or as taxable Bonds which require no bond volume allocation, to (i) make available funds to finance qualifying single family housing development located within the Participating County in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof (collectively, the "Program").

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 (the "Bonds") from time to time based on the available Allocation Amount through the Authorization Period, or based upon the need for Mortgage Loans funded in whole or in part from taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for qualifying single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, reissued, 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 Amount 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

** OFFICIAL RECORDS **
BK 2389 PG 693

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, reissue 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 qualifying single family housing developments in the Participating County; and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amount 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 Okaloosa County and such other Participating Counties within such region based upon lender demand. All lendable proceeds of the Escambia Bonds attributable to the mortgage loan demand in Okaloosa County shall be reserved for use in originating Mortgage Loans in the Participating County for an initial period of one hundred and twenty (120) days or until July 1, 2003 whichever is later.

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.

(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

OFFICIAL RECORDS ##
BK 2389 PG 694

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.

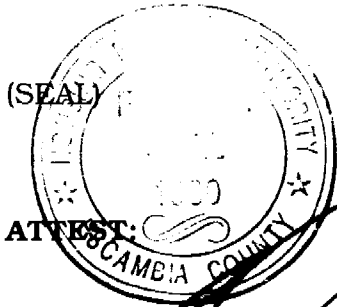
(B) The fees and expenses of the Participating County shall be paid from the proceeds of the program in the manner and to the extent mutually agreed upon by the officials of the Participating County and the Escambia Authority at or prior to issuance of the Escambia Bonds.

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) 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 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. 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 pursuant to this Agreement.

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.

** OFFICIAL RECORDS **
BK 2389 PG 695

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 10th day of September, 2002.



ATTEST:

By: [Signature]
Its: Elbert Jones, Jr., Secretary

**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: [Signature]
Its: Sandra J. Ward, Chairman

**** OFFICIAL RECORDS **
BK 2389 PG 696**

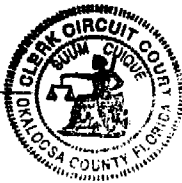
OKALOOSA COUNTY, FLORIDA

(SEAL)

By: [Signature]
Its: Chairman

ATTEST:

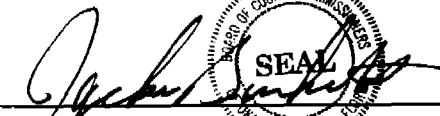
By: [Signature]
Its: Clerk




The undersigned Jackie Burkett 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 as of September 10, 2002.

Date: September 10, 2002

OKALOOSA COUNTY, FLORIDA

By: 
Its: Chairman
Board of County Commissioners



(SEAL)

**** OFFICIAL RECORDS ****
BK 2389 PG 697

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 12th day of September, 2000, 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 of the 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 duly adopted on June 13, 2000 (the "Enabling Resolution"), authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, Series 2001 (Multi-County Program) (the "Escambia Bonds") in a principal amount not exceeding \$100,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of qualified mortgage 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 prevent the separate issuance of 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 qualifying single family mortgages ("Mortgage Loans") of both Escambia County and Okaloosa 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 Amount") granted by the State through 2001 (the "Authorization Period") for the purpose of issuing qualified bonds 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 qualified mortgage bonds would be less economical, resulting in higher mortgage costs to qualified mortgagors; and

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Internal Revenue 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, Sections 159.603 and 159.604, Florida Statutes, authorize Okaloosa County to approve the issuance of 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 12, 2000 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds in one or more series from time to time, as qualified mortgage bonds based on the Allocation Amount or as taxable Bonds which require no bond volume allocation, to (i) make available funds to finance qualifying single family housing development located within the Participating County in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof (collectively, the "Program").

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 (the "Bonds") from time to time based on the available Allocation Amount through the Authorization Period, or based upon the need for Mortgage Loans funded in whole or in part from taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for qualifying single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, reissued, 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 Amount on behalf of the Participating County as part of its plan of finance 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, reissue deliver, refund or remarket its Bonds in amounts based upon mortgage loan demand and maximum available Allocation Amounts, to the extent permitted by law to finance the Program for qualifying single family housing developments in the Participating County; and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amount for the Escambia Bonds in Okaloosa County and other Participating Counties located within the same bond volume allocation region under Section 159.804, Florida Statutes, shall be allocated ratably between Okaloosa County and such other Participating Counties within such region based upon lender demand. All lendable proceeds of the Escambia Bonds attributable to the mortgage loan demand in Okaloosa County shall be reserved for use in originating Mortgage Loans in Okaloosa County for an initial period of one hundred and twenty (120) days or until July 1, 2001 whichever is later.

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

Section 3 Program Parameters

(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

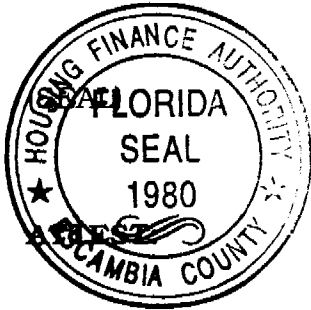
provided pursuant to the Code or the Act without further action of the Participating County.

(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) 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 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. 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 pursuant to this Agreement.

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.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 12th day of September, 2000.



**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: [Signature]
Its: Chairman

By: [Signature]
Its: Secretary

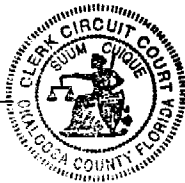
OKALOOSA COUNTY, FLORIDA

By: [Signature]
Its: Chairman



ATTEST:

By: [Signature]
Its: Clerk



(SEAL)

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 12th day of September, 2000, 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");

W I T N E S S E T H:

WHEREAS, Part IV of Chapter 159 of the 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 duly adopted on June 13, 2000 (the "Enabling Resolution"), authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, Series 2001 (Multi-County Program) (the "Escambia Bonds") in a principal amount not exceeding \$100,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of qualified mortgage 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 prevent the separate issuance of 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 qualifying single family mortgages ("Mortgage Loans") of both Escambia County and Okaloosa 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 Amount") granted by the State through 2001 (the "Authorization Period") for the purpose of issuing qualified bonds 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 qualified mortgage bonds would be less economical, resulting in higher mortgage costs to qualified mortgagors; and

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Internal Revenue 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, Sections 159.603 and 159.604, Florida Statutes, authorize Okaloosa County to approve the issuance of 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 12, 2000 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds in one or more series from time to time, as qualified mortgage bonds based on the Allocation Amount or as taxable Bonds which require no bond volume allocation, to (i) make available funds to finance qualifying single family housing development located within the Participating County in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof (collectively, the "Program").

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 (the "Bonds") from time to time based on the available Allocation Amount through the Authorization Period, or based upon the need for Mortgage Loans funded in whole or in part from taxable Bonds which require no bond volume allocation, for the purpose of financing the Program and making funds available for qualifying single family housing developments in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued, reissued, 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 Amount on behalf of the Participating County as part of its plan of finance 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, reissue deliver, refund or remarket its Bonds in amounts based upon mortgage loan demand and maximum available Allocation Amounts, to the extent permitted by law to finance the Program for qualifying single family housing developments in the Participating County; and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such County. It is agreed that the initial regional Allocation Amount for the Escambia Bonds in Okaloosa County and other Participating Counties located within the same bond volume allocation region under Section 159.804, Florida Statutes, shall be allocated ratably between Okaloosa County and such other Participating Counties within such region based upon lender demand. All lendable proceeds of the Escambia Bonds attributable to the mortgage loan demand in Okaloosa County shall be reserved for use in originating Mortgage Loans in Okaloosa County for an initial period of one hundred and twenty (120) days or until July 1, 2001 whichever is later.

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

Section 3 Program Parameters

(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

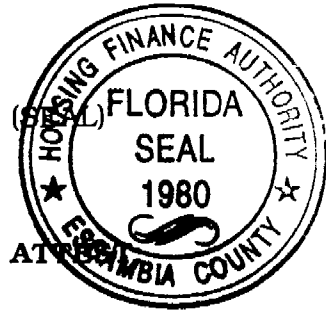
provided pursuant to the Code or the Act without further action of the Participating County.

(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) 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 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. 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 pursuant to this Agreement.

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.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 12th day of September, 2000.



By: [Signature]
Its: Secretary

**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

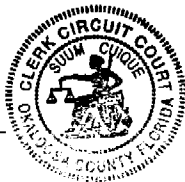
By: [Signature]
Its: Chairman

OKALOOSA COUNTY, FLORIDA

By: [Signature]
Its: Chairman

ATTEST:

By: [Signature]
Its: Clerk



(SEAL)

Exhibit "A"

**FORM OF
INTERLOCAL AGREEMENT**

THIS AGREEMENT made and entered into this 6th day of August, 199 , 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");

W I T N E S S E T H:

WHEREAS, Part IV of Chapter 159 of the Florida Statutes authorizes the creation of housing finance authorities within the State of Florida (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 has resolved to issue not exceeding \$60,000,000 Single Family Mortgage Revenue Bonds, Series 1997 (Multi-County Program) (the "1997 Escambia Bonds"); and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of Mortgage Subsidy 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 volume cap prevent the separate issuance of bonds for each county from being feasibly and economically accomplished; and

WHEREAS, the Escambia Authority has authorized a sufficient amount of 1997 Escambia Bonds to fund the anticipated demand during the proposed Origination Period for qualifying single family mortgages of both Escambia County and Okaloosa County, as well as certain other counties which may also participate in a joint bond program; and

WHEREAS, the aggregation of mortgage loan demand and the securing of the related amount of the State volume cap (the "Allocation Amount") granted by the State through 1997 (the "Authorization Period") for the purpose of issuing bonds to finance qualifying single family development (the "Bonds") 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 Subsidy Bonds would be less economical resulting in higher mortgage costs to qualified mortgagors; and

WHEREAS, Sections 159.603 and 159.604, Florida Statutes, authorize Okaloosa County to approve the issuance of 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 August 6, 1996 (the "County Resolution"); and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise 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 issuing bonds based on the Allocation Amount to (1) make available funds to finance qualifying single family housing development located within the Participating County in accordance herewith, (2) establish the reserves therefor, and (3) pay the costs of issuance thereof (collectively, the "Program").

NOW THEREFORE, the parties agree as follows:

Section 1. Allocation Amount; Substitution of Bonds. The Participating County hereby authorizes the Escambia Authority to issue Single Family Mortgage Revenue Bonds from time to time based on the Allocation Amount for the purpose of financing the program and making funds available for qualifying single family housing developments in the Participating County. Any 1997 Escambia Bonds issued 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 which could have been issued for such purpose. The Participating County hereby authorizes the Escambia Authority to utilize the Participating County's Allocation Amount on behalf of the Participating County for the purpose of financing the Program, including, among other things, funding 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 such Allocation Amounts. The proceeds of the Bonds shall be allocated and applied to the funding of mortgage loans within the various Participating Counties and for reserves and the payment of costs of issuing the 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 and deliver its Bonds in the maximum Allocation Amount, based upon mortgage loan demand, permitted by law to finance qualifying single family housing developments in the Participating County and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full allocation amount available for such County. It is agreed that the Allocation Amount for the Bonds in Okaloosa County and other Participating Counties located within the same bond volume allocation

region under Section 159.804, Florida Statutes, shall be allocated ratably between Okaloosa County and such other Participating Counties within such region based upon lender demand. All lendable proceeds of the Bonds attributable to the mortgage loan demand in Okaloosa County shall be reserved for use in originating mortgage loans in Okaloosa County for an initial period of 120 days.

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

Section 3. Program Parameters. (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 Participant 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 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 1997 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 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 Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Bonds are still in the possession of the Escambia Authority 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 for which no Allocation Amount has been obtained 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 bonds pursuant to this Agreement.

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 Bonds, and the members and officials 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 1997 Escambia Bonds will include a statement to the effect that Bondowners may not look to the Participating County for payment of the Bonds and interest or premium thereon.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 6th day of August, 1996.

ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY

(SEAL)

ATTEST:

By: _____
Chairman

Secretary

OKALOOSA COUNTY, FLORIDA

By: *Dennis D. DeWitt*
Chairman, Board of County
Commissioners

ATTEST:

Robert D. McGuire
Robert D. McGuire
Deputy Clerk



IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 6th day of August, 1996.

**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

(SEAL)

ATTEST:

By: Andrea Ward
Chairman

Samuel B. Cobb
Secretary

OKALOOSA COUNTY, FLORIDA

By: _____
Chairman

ATTEST:

Clerk

(SEAL)

The undersigned Fairrol Boley, Deputy Clerk, of Okaloosa County, Florida, do hereby certify that the foregoing is a true and complete copy of the Interlocal Agreement executed by the Okaloosa Co Board of Commissioners and Escambia County Housing as of August 6, 1996.
Finance Authority

Date: September 16, 1996

(SEAL)



Fairrol Boley
Its: Deputy Clerk