
TOWN OF SHALIMAR, FLORIDA
MULTI-JRISDICTIONAL MULTI-FAMILY HOUSING REVENUE BONDS
(ECHC – SANTA ROSA, LLC PROJECT), SERIES 2018

INTERLOCAL AGREEMENT

Dated as of December 1, 2017

between

TOWN OF SHALIMAR, FLORIDA

and

SANTA ROSA COUNTY, FLORIDA

This instrument was prepared by:
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INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (this “Agreement”) made and entered into as of the 1st day of December, 2017, by and between the TOWN OF SHALIMAR, FLORIDA, a municipal corporation of the state of Florida (hereinafter referred to as the “Issuer”), and SANTA ROSA COUNTY, FLORIDA, a political subdivision of the State of Florida (hereinafter referred to as the “Local Agency”);

WITNESSETH:

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

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

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

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

WHEREAS, the Local Agency is otherwise authorized under Chapter 159, Florida Statutes, and other applicable provisions of law, and that certain Resolution of the Issuer duly adopted on May 9, 2017 (the “Resolution”) to issue its own bonds to finance such Local Project for the Local Project for the Local Participant; and

WHEREAS, the Issuer has resolved to issue not to exceed \$9,500,000 of its Town of Shalimar, Florida Multi-Family Housing Revenue Bonds (ECHC – Santa Rosa, LLC Project), Series 2018 (the “Santa Rosa Bonds”) the proceeds of which will be applied to provide the financing requested by the Local Participant for the Project; and

WHEREAS, the issuance of revenue bonds through the Issuer to provide financing for the Local Project will enable the Local Participant to participate in economics of scale and efficiencies of standardized terms thereby reducing the costs incurred in providing public services within such area; and

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

NOW, THEREFORE, the parties agree as follows:

Section 1. Issuer Designated Bond Issuing Agency. The Local Agency hereby authorizes the Issuer to issue and apply sufficient proceeds of the Santa Rosa Bonds from time to time for the purpose of financing and making funds available to the Local Participant for the Local Project. The Issuer is hereby designated as the bond issuing agency for the Local Agency with respect to such Local Project. All revenues generated by Santa Rosa Bonds issued pursuant to this Agreement and by the use of the proceeds thereof will be administered by the Issuer or its agents, and all payments due from such revenues shall be paid to or by the Issuer or its agents without further action by the Local Agency.

Section 2. Administration. The Issuer hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Local Agency retains and reserves its right and obligation to require reasonable reporting on programs designated for and operated within the area of operation of the Local Agency. The Issuer and its agents shall provide the Local Agency with such reports as many be necessary to account for funds generated by this Agreement upon written request.

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

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

Section 3. Approvals; Local Agency Fees.

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

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

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

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

Section 4. Term. This Agreement will remain in full force and effect from the date of its execution until such time as it is terminated by any party upon ten (10) days written notice to the other party hereto. Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated by the Local Agency or by any party during any period that the Santa Rosa Bonds issued pursuant to the terms hereof remain outstanding (or a purchase contract for such Santa Rosa Bonds is in effect) or during any period in which the proceeds of such Santa Rosa Bonds are still in the possession of the Issuer, the Local Participant or its agents pending distribution, unless either (1) the parties to this Agreement mutually agree in writing to the terms of such termination or (2) such termination, by its terms, only applies prospectively to the authorization to issue Santa Rosa Bonds and for which no purchase contract has been entered into. It is further agreed that in the event of termination the parties to this Agreement will provide continuing cooperation to each other in fulfilling the obligations associated with the issuance of such Santa Rosa Bonds pursuant to this Agreement.

Section 5. Indemnity. To the full extent permitted by law the Local Participant agrees to hold the Local Agency harmless from any and all liability or repayment of principal of and interest or penalty on the Santa Rosa Bonds and the members and officials of the Local Agency harmless from any and all liability in connection with the approval rendered pursuant to applicable federal and Florida laws. The Local Participant agrees that any offering circular or official statement approved by and used in marketing the Santa Rosa Bonds will include a

statement to the effect that Santa Rosa Bond owners may not look to the Local Agency for payment of any portion of the Santa Rosa Bonds or interest or premium thereon.

Section 6. Findings With Respect to Local Project.

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

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

Section 7. Covenant to Pay Property Taxes. The execution and recording of a Covenant by the Local Participant to pay property taxes or make payments equivalent to such taxes, in substantially the form of the Covenant attached hereto as Exhibit "B," with such changes thereto as the Chairman of the Local Agency shall approve shall be a condition precedent to the effective date of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 1st day of December, 2017.

THE TOWN OF SHALIMAR, FLORIDA

SANTA ROSA COUNTY, FLORIDA

Mayor

Chairman

ATTEST:

ATTEST:

Town Manager
(TOWN SEAL)

Deputy Clerk
(COUNTY SEAL)

CERTIFICATE

THE UNDERSIGNED Clerk of Circuit Court in and for Santa Rosa County, Florida, ex-officio clerk to the Board of County Commissioners of Santa Rosa County, Florida, does hereby certify that the foregoing is a true and complete copy of the Interlocal Agreement executed by the Chairman and Clerk of the Circuit Court of Santa Rosa County, Florida on December __, 2017.

Date: December ____, 2017.

CLERK OF THE CIRCUIT COURT

By: _____
Deputy Clerk

EXHIBIT "A"
PLAN OF FINANCE

The Plan of Finance as it related to the Local Project will involve the acquisition and rehabilitation of the various facilities comprising the Local Project. The Local Project was originally acquired by Blackwater Housing Corporation, a corporation not-for-profit organized and existing under the laws of the State of Florida, through the issuance of its revenue bonds on behalf of the Local Agency. Local Participant will agree:

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

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

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

SCHEDULE I
THE LOCAL PROJECT

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

Name	Address	# Units
Boardwalk	5431-5437 Byrom Street	64
Brauhouse	5866-5896 Dogwood Drive	16
Park Avenue	6593 Park Avenue	12
Park Place	6548-6586 Park Avenue	50
Park Place East	6598 NW Park Avenue	32
Pineywood	5907-5955 Pineywood Place	56
Quinn Bayou	6855-6877 Quinn Street	31
Sugarwood	4956-4996 Lambert Lane	20
Thacker I	6407-6415 Highway 87 N	5
Thacker II	6126-6138 Pine Blossom Road	<u>12</u>
Total		298

SCHEDULE II

NOTICE TO THE PUBLIC

For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended, notice is hereby given that there will be a public hearing on December 14, 2017, at a meeting of the Santa Rosa Board of County Commissioners commencing at 9:00 a.m., in the Commissioners' Board Room, 6495 Caroline Street, Milton, Florida 32570, to consider the proposal by the Town of Shalimar, Florida, to issue one or more series of revenue bonds generally designated "Town of Shalimar, Multi-Jurisdictional Multi-Family Housing Revenue Bonds (EHC - Santa Rosa, LLC Projects)" (the "Santa Rosa Bonds").

The proceeds of such Santa Rosa Bonds will be loaned to EHC - Santa Rosa, LLC, a Florida limited liability company (the "Borrower") and will be applied to undertake a plan of finance involving (i) the refinancing of all or a portion of those certain outstanding Blackwater Housing Corporation, Housing Revenue Bonds (Blackwater Project), Series 1995 Bonds (the "Blackwater Prior Bonds"); the financing of the acquisition of 298 units of multi-family residential rental facilities (the "Santa Rosa Project Facilities") (ten (10) properties as described below), in Santa Rosa County, Florida; (iii) the financing of the rehabilitation of the Santa Rosa Project Facilities; (iv) the financing of the establishment of various reserve funds; and (v) the financing of the payment of certain costs of issuing the Santa Rosa Bonds (hereinafter, collectively, the "Santa Rosa Projects") as follows:

Name	Address	# Units
Boardwalk	5431-5437 Byrom Street	64
Brauhouse	5866-5896 Dogwood Drive	16
Park Avenue	6593 Park Avenue	12
Park Place	6548-6586 Park Avenue	50
Park Place East	6598 NW Park Avenue	32
Pineywood	5907-5955 Pineywood Place	56
Quinn Bayou	6855-6877 Quinn Street	31
Sugarwood	4956-4996 Lambert Lane	20
Thacker I	6407-6415 Highway 87 N	5
Thacker II	6126-6138 Pine Blossom Road	<u>12</u>
Total		298

The initial manager of the Santa Rosa Projects will be Progressive Management of America, Inc. It is expected that the amount of Santa Rosa Bonds to be issued which are attributable to the financing of the Santa Rosa Projects will be not in excess of \$9,500,000.

The initial owner of the above-referenced properties will be the Borrower. The Santa Rosa Bonds, when issued, will be special, limited obligations of the Town of Shalimar, Florida payable solely out of the revenues, income and receipts pledged to the payment thereof and derived from financing agreements with the Borrower, and neither the Town of Shalimar nor Santa Rosa County, Florida will be obligated to pay the principal of, premium or interest on the Santa Rosa Bonds except from the payments received from the Borrower. The Santa Rosa Bonds and interest thereon shall never constitute the debt or indebtedness of the State of Florida or any

political subdivision or municipality thereof within the meaning of any provision or limitation of the statutes or Constitution of the State of Florida.

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

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

By: _____

Title: Mayor
Town of Shalimar, Florida

EXHIBIT "B"

SANTA ROSA COUNTY,
STATE OF FLORIDA

COVENANT TO PAY AD PROPERTY TAXES

WHEREAS, *ECHC - Santa Rosa, LLC*, a Florida not-for-profit limited liability company, expects to acquire and rehabilitate by on or about December, 2018, the multi-family apartment communities in Santa Rosa County, Florida, consisting of 298 units of multi-family residential rental facilities located within the ten (10) Project Facilities described in Exhibit "A," through the issuance of those certain \$9,500,000 The Town of Shalimar, Multi-Jurisdictional Multi-Family Housing Revenue Bonds (ECHC - Santa Rosa, LLC Project), Series 2018A-1 and the Taxable Series 2018 A-2 (hereinafter, the "Bonds"); and

WHEREAS, the Town of Shalimar, Florida (the "Authority") is interested in protecting the tax base in the Town of Shalimar (the "Town"), the County of Santa Rosa (the "County") and/or the State of Florida (the "State");

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

1. The Borrower agrees and covenants to pay all ad valorem property taxes owed to the Town, the County, and/or the State as a result of its ownership of the Project located on that certain real property described in Exhibit "A" attached hereto and incorporated herein, notwithstanding the fact that the Borrower is a nonprofit Section 501(c)(3) corporation entity. And if by statute or any other Town, County or State law, ordinance or regulation the Borrower is or becomes exempt from paying said ad valorem taxes, the Borrower shall nevertheless pay over to the various taxing agencies referred to above payments in lieu of taxes which equal the amounts that would otherwise be due for ad valorem taxes in the absence of such exemption.

2. This covenant shall run with the land and shall be binding upon the successors and assigns of the Borrower, as well as upon any purchaser from the Borrower and/or any purchaser from its affiliates.

This ____ day of January, 2018.

ECHC - Santa Rosa, LLC

By: Emerald Coast Housing Corporation, it sole Member

By: _____
President

Unofficial Witness

STATE OF FLORIDA)
COUNTY OF _____)

I, _____, A Notary Public in and for the said County in the State aforesaid, do hereby certify that _____, personally known to me to be the same person whose name is listed as the President of *ECHC - Santa Rosa, LLC* subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, and delivered the said instrument as the free and voluntary act of said association and as his own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and Notarial seal, this ____ day of January, 2018.

NOTARY PUBLIC

My Commission Expires:
