

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 03/15/2011 [X] Consent [] Regular
[] Public Hearing

Department:

Submitted By: COUNTY ATTORNEY

Submitted For: Housing Finance Authority of Palm Beach County, Florida

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt a resolution approving an Interlocal Agreement to be entered into by and between the Housing Finance Authority of Palm Beach County, Florida (the "Authority") and the Housing Finance Authority of Lee County, Florida (the "Lee Authority") in the form attached hereto for furtherance of the purposes hereof (the "Interlocal Agreement") as required by Part IV, Chapter 159, Florida Statutes (the "Act").

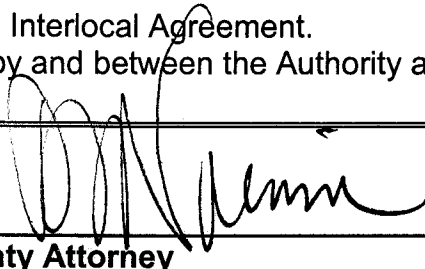
Summary: Pursuant to its authority under Section 163.01, Florida Statutes and the Act, the Authority may enter into interlocal agreements with other governmental bodies to make the most efficient use of their respective powers, resources and capabilities in the exercise of those powers common to them. The Authority plans to enter into the Interlocal Agreement with the Lee Authority to authorize the Lee Authority to finance qualifying single family mortgage loans within Palm Beach County, Florida (the "County") which will be financed from the proceeds of the \$20,770,000 Housing Finance Authority of Lee County, Florida Single Family Housing Revenue Bonds (GSE Program – Multi-County), 2009 Series A (the "Lee Bonds") issued by the Lee Authority. The Lee Authority has issued \$20.7 million of bonds that may not be fully utilized in Lee County by November, 2011. The Lee Authority has reached out to other counties to allow participating lending institutions to originate 30-year fixed rate FHAVA loans at 4.3% to first time homebuyers. Pursuant to the Act, the governing body of the County must provide approval for the use of proceeds of the Lee Bonds pursuant to the Interlocal Agreement for the financing of single family mortgage loans within the County. Countywide (PFK)

Background and Justification: The adoption of this resolution by the Board of County Commissioners would constitute the approval required by the Act.

Attachments:

1. Resolution authorizing Interlocal Agreement.
2. Interlocal Agreement by and between the Authority and the Lee Authority.

Recommended by: _____



County Attorney

3/3/11

Date

Approved by: _____

N/A

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	20 <u>11</u>	20 <u>12</u>	20 _____	20 _____	20 _____
Capital Expenditures	<u>0</u>	<u>0</u>	_____	_____	_____
Operating Costs	<u>0</u>	<u>0</u>	_____	_____	_____
External Revenues	<u>0</u>	<u>0</u>	_____	_____	_____
Program Income (County)	<u>0</u>	<u>0</u>	_____	_____	_____
In-Kind Match (County)	<u>0</u>	<u>0</u>	_____	_____	_____
NET FISCAL IMPACT	<u>0</u>	<u>0</u>	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No X
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: All costs to be borne by Housing Finance Authority. No fiscal impact to Palm Beach County.

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

_____ *OFMB* 3/8/11
 _____ *Contract Dev. and Control* 3/8/11
2/28/11 *3/1/11* *3/1/11* *3/1/11* *3/1/11* *3/1/11* *3/1/11* *3/1/11*

B. Legal Sufficiency:

_____ 2/25/11
 Assistant County Attorney

C. Other Department Review:

_____ Department Director

REVISED 9/03
ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

\\pbcs1\CATT\Common\WPDATA\ENGIN\PF\BONDS\HOUSEFIN\hfa2011\BoCC Agenda Item Summary - Lee PBC HFA interlocal.DOCX

RESOLUTION NO. 2011 - ____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AUTHORIZING THE HOUSING FINANCE AUTHORITY OF LEE COUNTY TO OPERATE WITHIN THE BOUNDARIES OF PALM BEACH COUNTY; AUTHORIZING THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY TO ENTER INTO AGREEMENTS WITH THE HOUSING FINANCE AUTHORITY OF LEE COUNTY REGARDING SUCH AUTHORITY'S SINGLE FAMILY HOUSING REVENUE BONDS (GSE PROGRAM – MULTI-COUNTY), 2009 SERIES A TO PROVIDE FUNDS TO FINANCE QUALIFYING SINGLE FAMILY MORTGAGE LOANS IN VARIOUS COUNTIES WITHIN THE STATE OF FLORIDA, INCLUDING PALM BEACH COUNTY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 159, Part IV, Florida Statutes, as amended (the "Act") authorizes counties to create housing financing 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, pursuant to the Act, the Board of County Commissioners of Palm Beach County, Florida has found there exists a shortage of affordable housing and capital for investment therein and a need for a housing finance authority to function in Palm Beach County and did accordingly create the Housing Finance Authority of Palm Beach County, Florida (the "Palm Beach Authority"); and

WHEREAS, the Housing Finance Authority of Lee County (the "Lee Authority") has issued its Single Family Housing Revenue Bonds (GSE Program – Multi-County), 2009 Series A (the "Lee Bonds") to provide financing of qualified owner-occupied single family residences to alleviate the shortage of housing in various counties within the State of Florida, including Palm Beach County, and other participating counties in Florida (collectively, the "Counties") by acquiring certain loans or securities backed by mortgage loans originated by lending institutions to finance the purchase of single family, owner occupied houses for low, moderate or middle income persons or families in the Counties;

WHEREAS, the Palm Beach Authority conducted a public hearing, notice of which hearing was published on February 13, 2011, in the *Palm Beach Post* (a copy of which notice is attached as Exhibit "A" and incorporated herein) on February 28, 2011, for the purpose of considering participation in the Lee Bonds issued by the Lee Authority in the aggregate principal amount of \$20,770,000 in conformance with the requirements of Section 147(f) of the Internal Revenue

Code of 1986, as amended. Said public hearing disclosed no reason why the Palm Beach Authority should not participate in the Lee Authority's program; and

WHEREAS, the Palm Beach Authority has adopted a Resolution (the "Authority Resolution") in the form attached hereto as Exhibit "B" and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

SECTION 1. The Board of County Commissioners of Palm Beach County consents to the Lee Authority exercising its powers to issue the Lee Bonds and to implement a program from a portion of the proceeds of the Lee Bonds to finance single family housing within the statutory boundaries of Palm Beach County; provided that the Lee Authority and the Palm Beach Authority first enter into a written agreement setting forth the powers, duties and limitations of the Palm Beach Authority as they pertain to the use of said bond proceeds within Palm Beach County.

SECTION 2. In furtherance of the purposes set forth in Section 1 hereof the Chairman or Vice-Chairman and Secretary of the Palm Beach Authority are hereby authorized to execute such consents, intergovernmental agreements or other documents as shall be required to implement such single family housing program, all as shall be approved by counsel to the Palm Beach Authority.

SECTION 3. The Interlocal Agreement, in substantially the form attached as Exhibit "B", between the Palm Beach Authority and the Lee Authority, is hereby approved. The officers of the Palm Beach Authority are, upon due authorization and approval by that body, hereby authorized to enter into the Interlocal Agreement on behalf of Palm Beach County.

SECTION 4. The Board hereby approves, within the meaning of Section 147(f) of the Code, the issuance by the Lee Authority of \$20,770,000 Single Family Housing Revenue Bonds (GSE Program – Multi-County), 2009 Series A (as such may be re-designated from time to time), and such other action pursuant to the Authority Resolution.

SECTION 5. All ordinances and resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, superseded and repealed.

SECTION 6. Adoption of this Resolution shall not authorize or commit the expenditure of any funds of Palm Beach County or the Palm Beach Authority to pay the costs of issuance of such bonds.

SECTION 7. The approval of the bonds contemplated by this Resolution shall not be deemed to abrogate any land development regulations of Palm Beach County, including, but not limited to Palm Beach County's Growth Management Plan and all concurrency requirements contained therein, with respect to the acquisition or construction of housing pursuant to mortgage programs under this bond program.

SECTION 8. The Bonds shall not constitute a debt, or a pledge of faith and credit of the Palm Beach Authority, Palm Beach County, the State of Florida or any political subdivision thereof, and neither the Palm Beach Authority, Palm Beach County, the State of Florida nor any political subdivision thereof shall be liable thereon. No member of the Board of County Commissioners of Palm Beach County or any officer thereof shall be liable personally on the Bonds by reason of their issuance.

SECTION 9. This Resolution shall be effective immediately upon its adoption.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Commissioner Karen T. Marcus, Chair	-
Commissioner Shelley Vana, Vice Chair	-
Commissioner Paulette Burdick	-
Commissioner Steven L. Abrams	-
Commissioner Burt Aaronson	-
Commissioner Jess R. Santamaria	-
Commissioner Priscilla A. Taylor	-

The Chair thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2011.

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK, CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: 
County Attorney

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EXHIBIT A
NOTICE OF PUBLIC HEARING

THE PALM BEACH POST
Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

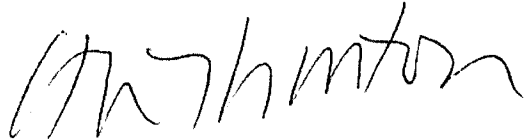
PROOF OF PUBLICATION


STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared **Ellen Sanita**, who on oath says that she is **Call Center Revenue Manager** of The Palm Beach Post, a daily and Sunday newspaper, published at West Palm Beach in Palm Beach County, Florida; that the attached copy of advertising for **Notice** in the matter **Public Hearing** was published in said newspaper in the issues of **February 13, 2011**. Affiant further says that the said The Post is a newspaper published at West Palm Beach, in said Palm Beach County, Florida, and that the said newspaper has heretofore been continuously published in said Palm Beach County, Florida, daily and Sunday and has been entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she/he has neither paid nor promised any person, firm or corporation any discount rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper. Also published in Martin, St. Lucie and Indian River Counties.



Sworn to and subscribed before 14th day of February, A.D. 2011.
Who is personally known to me.



NOTARY PUBLIC-STATE OF FLORIDA
 Karen M. McLinton
Commission # DD832672
Expires: NOV. 15, 2012
BONDED THRU ATLANTIC BONDING CO., INC.

NO. 5840929
NOTICE OF PUBLIC HEARING
For the purpose of Section 147(b) of the Internal Revenue Code of 1986, as amended, a public hearing will be held on behalf of the Housing Finance Authority of Palm Beach County, Florida with respect to the Single Family Housing Revenue Bonds (GSE Program - Multi-County), 2009 Series A in the amount of \$20,770,000 issued by the Housing Finance Authority of Lee County, Florida.
Notice is hereby given that on February 28, 2010, at 9:00 A.M. or as soon thereafter as possible, the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), will conduct a public hearing at the office of:
The Housing Finance Authority of Palm Beach County, Florida
100 Australian Avenue, 4th Floor
Suite 410, Conference Room 4-243
West Palm Beach, Florida 33406
The proceeds of such bonds will be used to finance and provide capital for investment toward the purchase of mortgage loans to qualified homebuyers of low, moderate or middle income for the construction, purchase or rehabilitation of owner-occupied single family residences located within participating Florida counties, including Palm Beach County.
The bonds will not constitute a debt of the State of Florida, Palm Beach County or any participating counties or Housing Finance Authorities, but will be payable solely from the housing program.
At the time and place fixed for said public hearing all who appear will be given an opportunity to express their views for or against the proposal regarding said bonds. Written statements may be submitted to Housing Finance Authority of Palm Beach County, 100 Australian Avenue, Suite 401, West Palm Beach, Florida, 33406, Attn: David M. Brandt, Executive Director. Persons are advised that, if they need a record of the proceedings, and for such purposes, 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 parties are invited to present their comments at the time and place set forth above.
In accordance with the Americans with Disabilities Act, persons with disabilities needing special assistance accommodations to participate in this proceeding should contact David M. Brandt, no later than five (5) days prior to the hearing at telephone number (561) 233 3652 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers at (800) 955-8771 (TDD) or (800) 955-8700 (VOICE) for assistance.
HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
PUB: The Palm Beach Post
February 13, 2011

EXHIBIT B

**RESOLUTION OF THE HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY, FLORIDA**

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA APPROVING A JOINT PROGRAM WITH THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA FOR THE ISSUANCE BY SUCH HOUSING FINANCE AUTHORITY OF SINGLE FAMILY MORTGAGE REVENUE BONDS TO FINANCE QUALIFYING SINGLE FAMILY MORTGAGE LOAN PROGRAMS IN LEE COUNTY, PALM BEACH COUNTY AND CERTAIN OTHER FLORIDA COUNTIES; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

WHEREAS, Part IV, Chapter 159, Florida Statutes, authorizes the creation of Housing Finance Authorities within the State of Florida with the purpose of issuing revenue bonds and refunding bonds to assist in alleviating a shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, Sections 159.603 and 159.604, Florida Statutes, authorize the board of county commissioners of a county (the "Governing Body"), to approve the operation of the housing finance authority of another county within the territorial boundaries of its county, and the issuance by a housing finance authority of revenue bonds to alleviate the shortage of affordable housing and capital available for investment therein within the county); and

WHEREAS, the Housing Finance Authority of Lee County, Florida (the "Lee Authority") has by resolution previously authorized the issuance of its Single Family Housing Revenue Bonds (GSE Program – Multi-County), 2009 Series A (collectively, and as hereafter redesignated from time to time as separate series, the "Bonds"); and

WHEREAS, the Lee Authority has bond issuance authority under such resolution which is anticipated to be sufficient to finance qualifying single family mortgage loan programs for Palm Beach County; and

WHEREAS, the Housing Finance Authority of Palm Beach County, Florida (the "Palm Beach Authority") has expressed an interest in pursuing a joint program for the issuance of a sufficient principal amount of the Bonds to finance qualifying single family mortgage loan programs for Lee County, Palm Beach County and certain other Florida counties; and

WHEREAS, combining the authority to issue single family mortgage revenue bonds of the Lee Authority and the Palm Beach Authority will permit mortgage loans to be made available at rates below the rates otherwise possible if the Palm Beach Authority attempted a separate issue; and

WHEREAS, such a program would benefit Palm Beach County, Florida (the "County") and aid in alleviating a shortage of affordable housing and capital available for investment therein within the County;

WHEREAS, the Palm Beach Authority desires to delegate to its executive director the authority to hold a public hearing regarding the Bonds pursuant to legally required public notice, a copy of the form of such notice of which is attached as Exhibit A, which hearing shall be conducted in such a manner as to provide a reasonable opportunity for persons with differing views to be heard, on both the issuance of the Bonds and the participation of the Palm Beach County Authority through the Interlocal Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA THAT:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the provisions of the Florida Housing Finance Authority law, Part IV, Chapter 159, Florida Statutes (the "Act"), and Section 163.01(5), Florida Statutes, and other applicable law.

SECTION 2. FINDINGS. The Palm Beach Authority has found and determined and hereby declares that:

(a) In order to realize the economies of scale afforded by aggregating the separate single family mortgage revenue bond programs of the Lee Authority and the Palm Beach Authority, it is in the best interest of the Palm Beach Authority to authorize the issuance of the Bonds by the Lee Authority to finance single family mortgage loan programs for the County, which qualifies under the Act.

(b) In order to implement such a program, it is in the best interest of the Palm Beach Authority to enter into an Interlocal Agreement with the Lee Authority.

SECTION 3. AUTHORIZATION OF FORM OF INTERLOCAL AGREEMENT. The execution and delivery of the Interlocal Agreement, authorizing the issuance of the Bonds by the Lee Authority to finance qualifying single family mortgage loan programs in the County, a proposed form of which is attached hereto as Exhibit B (the "Interlocal Agreement") is hereby authorized. The form of the Interlocal Agreement attached hereto as Exhibit A is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such form by the officers of the Lee Authority and the Palm Beach Authority executing same, such execution and delivery to be conclusive evidence of such approval.

SECTION 4. AUTHORIZATION TO EXECUTE. The Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Palm Beach Authority are hereby authorized and empowered to execute and deliver the Interlocal Agreement, subject to such changes, modifications, additions, deletions and substitutions as such officers executing the same shall approve, such execution to be conclusive evidence of such approval and to affix thereto or impress thereon the seal of the Palm Beach Authority.

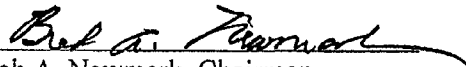
SECTION 5. AUTHORIZATION TO HOLD PUBLIC HEARING. The Executive Director is hereby authorized and directed to hold a lawfully noticed public hearing with respect to the Bonds as described above.

SECTION 6. EFFECTIVE DATE. The approvals and authorizations provided in Sections 3 and 4 of this Resolution are expressly contingent upon, and this Resolution shall become effective upon, the adoption by the Governing Body of the County of a resolution approving and authorizing the Lee Authority to operate within the territorial boundaries of the County with respect to its Single Family Housing Revenue Bonds.

APPROVED AND ADOPTED by the Housing Finance Authority of Palm Beach County, Florida this 11th day of February, 2011.

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

(SEAL)

By: 
Bob A. Newmark, Chairman

ATTEST:

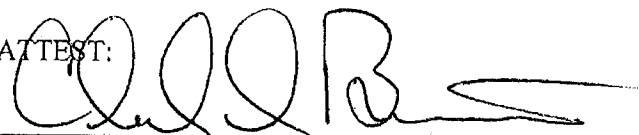

Clark D. Bennett, Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

For the purpose of Section 147(b) of the Internal Revenue Code of 1986, as amended, a public hearing will be held on behalf of the Housing Finance Authority of Palm Beach County, Florida with respect to the Single Family Housing Revenue Bonds (GSE Program – Multi-County), 2009 Series A in the amount of \$20,770,000 issued by the Housing Finance Authority of Lee County, Florida.

Notice is hereby given that on February 28, 2010, at 9:00 A.M., or as soon thereafter as possible, the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), will conduct a public hearing at the office of:

**The Housing Finance Authority of Palm Beach County, Florida
100 Australian Avenue, 4th Floor
Suite 410, Conference Room 4-243
West Palm Beach, Florida 33406**

The proceeds of such bonds will be used to finance and provide capital for investment to fund the purchase of mortgage loans to qualified homebuyers of low, moderate or middle income for the construction, purchase or rehabilitation of owner-occupied single family residences located within participating Florida counties, including Palm Beach County.

The bonds will not constitute a debt of the State of Florida, Palm Beach County or any participating counties or Housing Finance Authorities, but will be payable solely from the housing program.

At the time and place fixed for said public hearing all who appear will be given an opportunity to express their views for or against the proposal regarding said bonds. Written statements may be submitted to: Housing Finance Authority of Palm Beach County, 100 Australian Avenue, Suite 401, West Palm Beach, Florida, 33406, Attn: David M. Brandt, Executive Director. Persons are advised that, if they need a record of the proceedings, and for such purposes, 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 parties are invited to present their comments at the time and place set forth above.

In accordance with the Americans with Disabilities Act, persons with disabilities needing special assistance accommodations to participate in this proceeding should contact David M. Brandt, no later than five (5) days prior to the hearing at telephone number (561) 233-3652 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers at (800) 955-8771 (TDD) or (800) 955-8700 (VOICE) for assistance.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

PUB: Palm Beach Post
February 13, 2011

EXHIBIT B

FORM OF INTERLOCAL AGREEMENT

This instrument prepared by:
Mark T. Mustian, Esq.
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, FL 32308

2/3/11
320-53

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into by and between the Housing Finance Authority of Lee County, Florida, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Lee Authority"), and the Housing Finance Authority of Palm Beach County, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Palm Beach Authority").

WITNESSETH:

WHEREAS, Part IV of Chapter 159 of the Florida Statutes authorizes the creation of Housing Finance Authorities within the State of Florida for the purpose of issuing revenue bonds and refunding bonds to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Lee Authority has issued its Single Family Housing Revenue Bonds (GSE Program – Multi-County), 2009 Series A (collectively, and as such bonds may hereafter be designated as separate series, the "Bonds"); and

WHEREAS, pursuant to Section 143 of the Internal Revenue Code of 1986, as amended, the amount of private activity bonds, including qualified mortgage bonds, which may be issued by governmental units in any calendar year is limited, and is available for allocation to issuers within the State in accordance with Chapter 159, Part VI, Florida Statutes; and

WHEREAS, pursuant to individual interlocal agreements to be entered into between the Lee Authority and the Housing Finance Authorities of other counties (or with other counties in the absence of a housing finance authority) within the State, including the Palm Beach Authority (collectively, the "Counties"), each of the Counties will delegate its authority to purchase mortgage loans originated within the territorial boundaries of its respective county to the Lee Authority (the territorial boundaries of Lee County and the territorial boundaries of such other counties, collectively, the "Area of Operation"); and

WHEREAS, by combining the allocation amounts of the Lee Authority and the Counties, the Lee Authority will be able to make available mortgage loans at rates below the rates otherwise attainable if any of the Counties undertook a separate issue; and

WHEREAS, the issuance of the Bonds by the Lee Authority for use in the Area of Operation will result in a wider allocation of fixed expenses and achieve certain other economies of scale that will have the effect of reducing the interest on mortgage loans that otherwise would have to be charged; and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, authorize the Lee Authority and the Palm Beach Authority to enter into this Interlocal Agreement in order to make the most efficient use of their respective powers, resources and capabilities by authorizing the Lee Authority to exercise those powers which are common to them for the purpose of issuing one or more series of the Bonds to finance qualifying single family mortgage loan programs for the entire Area of Operation.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. SUBSTITUTION OF BONDS. The Palm Beach Authority hereby grants authority to the Lee Authority to issue its Single Family Housing Revenue Bonds for qualified single family housing mortgage loans described in the resolutions authorizing the Bonds, and any such Bonds issued for such qualified single family housing mortgage loans in Palm Beach County are hereby deemed to be in full substitution for an equivalent principal amount of the Lee Authority's Bonds. All revenues generated by Bonds issued pursuant to this Agreement and by the use of the proceeds thereof, will be administered by the Lee Authority or its agents and all payments due from such revenues shall be paid by the Lee Authority or its agents without further action by Palm Beach County, Florida or the Palm Beach Authority.

SECTION 2. ADMINISTRATION. The Lee Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Palm Beach Authority retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within Palm Beach County. The Lee Authority and its agents shall provide the Palm Beach Authority with such reports as may be necessary to account for funds generated by this Agreement.

The Lee Authority shall have full authority and responsibility to negotiate, validate, market, sell, issue and deliver its Bonds in such amount as the Lee Authority shall in its sole judgment determine (taking into account lender demand and available allocation of private activity bond issuance authority pursuant to Chapter 159, Part VI, Florida Statutes) to finance qualifying single family housing developments in Palm Beach County and to take such other action as may be necessary or convenient to accomplish such purpose, such Bonds to be issued in one or more series as determined by the Lee Authority.

SECTION 3. PROGRAM PARAMETERS. The Palm Beach Authority shall determine the methodology for establishing and shall establish initial maximum housing prices and initial maximum adjusted family income for eligible borrowers in Palm Beach County in accordance with Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), and in each subsequent year, the Lee Authority shall adjust maximum housing prices and

maximum adjusted family income for eligible borrowers in Palm Beach County using the methodology determined by the Palm Beach Authority in accordance with the Code. The Palm Beach Authority hereby consents and agrees to the establishment by the Lee Authority of all other program parameters including, but not limited to, selection of allocations among participating lenders as may be required for any Bonds issued by the Lee Authority pursuant to this Agreement. The Lee Authority may select allocations among participating lenders in Palm Beach County based on lender demand in Palm Beach County, available allocation of private activity bond issuance authority, and the lenders' performance in prior bond programs.

SECTION 4. TERM. This Agreement will remain in full force and effect from the date of its execution until December 31, 2013; provided that any party hereto shall have the right to terminate this Agreement upon 30 days' written notice to the other party hereto. Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated by any party during any period that any series of 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 Lee Authority or its agents pending distribution, unless the parties to this Agreement mutually agree in writing to the terms of such termination. 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. The Lee Authority agrees to hold the Palm Beach Authority and Palm Beach County harmless, to the extent permitted by law and solely from amounts made available under the documents relating to the Bonds, from any and all liability for repayment of principal of and interest or penalty on the Bonds or in connection with the approval by the Palm Beach Authority of the program parameters as required by Section 3 of this Agreement, or in connection with the approval rendered by Palm Beach County pursuant to Sections 159.603 and 159.604, Florida Statutes.


SECTION 6. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(REMAINDER OF PAGE INTENTIONALLY BLANK)

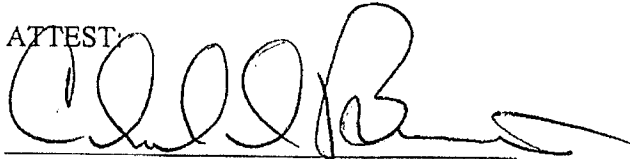
IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 11th day of February, 2011.

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

(SEAL)

By: 
Bob A. Newmark, Chairman

ATTEST:



Clark D. Bennett, Secretary

**HOUSING FINANCE AUTHORITY OF
LEE COUNTY, FLORIDA**

(SEAL)

By: _____
E. WALTER BARLETTA, Chairman

ATTEST:

Secretary