

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into by and between the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Pinellas Authority"), and the HOUSING FINANCE AUTHORITY OF POLK COUNTY, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Polk 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 to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the respective Boards of County Commissioners have created the Pinellas Authority and the Polk Authority and each is duly existing under applicable law; and

WHEREAS, the Pinellas Authority has authorized the initiation of official action for the issuance of its Single Family Mortgage Revenue Bonds (the "Pinellas Bonds") for the purpose of making funds available for the origination of mortgage loans within its hereinafter defined Area of Operation; 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 Pinellas Authority and Boards of County Commissioners or the Housing Finance Authorities of other counties within the State of Florida, including Polk County (collectively, the "Subsidiaries"), each of the Subsidiaries will delegate its authority to issue bonds for the purpose of providing funds to originate mortgage loans within the territorial boundaries of its respective county to the Pinellas Authority (the territorial boundaries of Pinellas County and the territorial boundaries of the Subsidiaries, collectively, the "Area of Operation"); and

WHEREAS, by combining the allocation amounts of the Pinellas Authority and the Subsidiaries, the Pinellas Authority will be able to make available mortgage loans at rates below the rates otherwise possible if it or any of the Subsidiaries undertook a separate issue; and

WHEREAS, the issuance of the Pinellas Bonds by the Pinellas 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, Chapter 159, Part IV, Florida Statutes, particularly Section 159.608, Florida Statutes, authorizes the Pinellas Authority and the Polk 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 Pinellas Authority to exercise those powers which are common to them for the purpose of issuing one or more series of the Pinellas 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; Expenses. The Polk Authority hereby grants authority to the Pinellas Authority to issue its Single Family Mortgage Revenue Bonds in calendar year 2006 for qualified single family housing developments described in the resolutions authorizing the Pinellas Bonds, and any such Pinellas Bonds issued for such qualifying housing developments in Polk County are hereby deemed to be in full substitution for an equivalent principal amount of the bonds of the Polk Authority for calendar year 2006. All revenues generated by the Pinellas Bonds issued pursuant to this Agreement and by the use of the proceeds thereof, will be administered by the Pinellas Authority or its agents and all payments due from such revenues shall be paid by the Pinellas Authority or its agents without further action by Polk County or the Polk Authority. Notwithstanding the above, nothing in this Agreement shall preclude the Polk Authority from issuing its own Single Family Mortgage Revenue Bonds or from entering into interlocal agreements with housing finance authorities of other counties similar to this Agreement.

The expenses incurred by the Polk Authority and/or the County Attorney for Polk County and/or counsel for the Polk Authority with respect to the single family mortgage revenue bond program specified in this Agreement, shall be the sole obligation of the Polk Authority and will not be payable directly from the proceeds of the Pinellas Bonds, but may be paid by either the Pinellas Authority or the Polk Authority from the program fee to be paid to the Polk Authority. Notwithstanding anything herein to the contrary, the program fee payable to the Polk Authority from proceeds of the Pinellas Bonds shall equal \$1.00 per \$1,000 principal amount of Pinellas Bonds initially allocated for use in Polk County to the extent such principal amount of Pinellas Bonds were issued with new volume cap allocable to Polk County.

Section 2. Administration. The Pinellas Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Polk Authority retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within Polk County. The Pinellas

Authority and its agents shall provide the Polk Authority with such reports as may be necessary to account for funds generated by this Agreement.

The Pinellas Authority shall have full authority and responsibility to negotiate, validate, market, sell, issue and deliver its Pinellas Bonds in such amount as the Pinellas Authority shall in its sole judgment determine to finance qualifying single family housing developments in Polk County and to take such other action as may be necessary or convenient to accomplish such purpose, such Pinellas Bonds to be issued in one or more series as determined by the Pinellas Authority. Except for lendable proceeds reserved for the origination of mortgage loans in targeted areas of Polk County to be identified in the Lender's Guide relating to the Pinellas Bonds, all lendable proceeds of Pinellas Bonds attributable to the mortgage loan demand in Polk County shall be reserved for use in originating mortgage loans in Polk County for an initial period of 120 days after the date on which such series of Pinellas Bonds is issued, or such other period as required by law at the time of issuance, whichever is later. All lendable proceeds reserved for the origination of mortgage loans in targeted areas shall be so reserved for a period of one year from the Application Start Date, as such term is defined in the Trust Indenture pursuant to which the Pinellas Bonds are being issued.

Section 3. Program Parameters. The Polk Authority hereby authorizes the Pinellas Authority to establish the maximum housing prices and maximum adjusted family income for eligible borrowers in Polk County based on the maximum amount permitted by federal law. The Polk Authority hereby consents and agrees to the establishment by the Pinellas Authority of all other program parameters including, but not limited to, selection of allocations among participating lenders as may be required, necessary or convenient for any bonds issued by the Pinellas Authority pursuant to this Agreement.

Section 4. Term. This Agreement relating to the Pinellas Authority's Bonds to be issued in calendar year 2006 will remain in full force and effect from the date of its execution until the maturity date of such Pinellas Bonds; 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 Pinellas Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Pinellas Bonds are still in the possession of the Pinellas 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 Pinellas Bonds pursuant to this Agreement.

Section 5. Indemnity. The Pinellas Authority agrees to hold the Polk Authority and Polk County harmless, to the extent permitted by law, from any and all liability for repayment of principal of and interest or penalty on the Pinellas Bonds or in connection with the approval by the Polk Authority of the program parameters as required by Section 3 of this Agreement, or

in connection with the approval rendered by Polk County pursuant to Sections 159.603 and 159.604, Florida Statutes. The Pinellas Authority agrees to pay out of the funds derived from the Pinellas Bonds or from any other source available to the Pinellas Authority for any audits to be performed on the Program and for any fees or expenses that are expended to assist the underwriters of the Pinellas Bonds or any other broker, dealer or municipal securities dealer in complying with the provisions of Rule 15c2-12 of the Securities and Exchange Commission. The Pinellas Authority agrees that any offering circular or official statement approved for and used in marketing the Pinellas Bonds and the Pinellas Bonds will include a statement that Bondholders may not look to the Polk Authority or Polk County for payment of the Pinellas Bonds and interest or premium thereon, and that any approvals rendered by the Polk Authority and/or Polk County shall not be construed as a recommendation of either of them to prospective investors to purchase the Pinellas Bonds.

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.

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

HOUSING FINANCE AUTHORITY OF
PINELLAS COUNTY, FLORIDA

(SEAL)

By _____
Chairman

ATTEST:

By _____
Executive Director/Assistant Secretary

STATE OF FLORIDA]

] SS.

COUNTY OF PINELLAS]

The foregoing instrument was acknowledged before me this ____ day of _____, 2006, by _____ and _____, the Chairman and Executive Director/Assistant Secretary of the Housing Finance Authority of Pinellas County, Florida, on behalf of the Authority. They are personally known to me or who have produced _____ as identification and who did/did not take an oath.

(print name)

Notary Public

My Commission expires:

