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BOB SCHWARTZ  
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***VIA E-Z MESSENGER***

**April 24, 2013**

**PIMA COUNTY BOARD OF SUPERVISORS**

**Ms. Robin Brigode, Clerk  
County Administration Building  
130 West Congress Street, 5<sup>th</sup> Floor  
Tucson, Arizona 85701**

**Re: The Joint Revolving Taxable Single Family Mortgage Loan Program of  
2012 of The Industrial Development Authority of the County of Pima and  
The Industrial Development Authority of the City of Tucson, Arizona**

**Dear Ms. Brigode:**

I have enclosed the letter describing the Program, the Amending Resolution of the Board of Supervisors, the First Amendment to the Standards and Requirements, The Industrial Development Authority of the County of Pima's Amending Resolution and the First Amendment to the Intergovernmental Agreement for the above-captioned Program. Please return two copies of the executed Resolution of the Board of Supervisors once it has been approved and executed.

It is my understanding that you will place this matter on the Board of Supervisors' May 7, 2013 Meeting Agenda.

Should you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

**Sincerely,**

**RUSSO, RUSSO & SLANIA, P.C.**

**/s/**

**Michael A. Slania  
Attorney for the Authority**

**MAS/alc  
Enclosures**

**RUSSO, RUSSO & SLANIA, P.C.**

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***VIA E-Z MESSENGER***

April 24, 2013

Mr. Ramón Valadez, Chair

Ms. Sharon Bronson

Mr. Raymond Carroll

Mr. Richard Elias

Ms. Ally Miller

**PIMA COUNTY BOARD OF SUPERVISORS**

County Administration Building

130 West Congress Street, 11<sup>th</sup> Floor

Tucson, Arizona 85701

Re: The Joint Revolving Taxable Single Family Mortgage Loan Program of 2012 of  
The Industrial Development Authority of the County of Pima and The Industrial  
Development Authority of the City of Tucson, Arizona

Dear Mr. Chair and Members of the Board:

Subject to your approval, The Industrial Development Authority of the County of Pima (the "*Pima Authority*") has granted its final approval to a resolution authorizing the amendment of certain terms of the Joint Revolving Taxable Single Family Mortgage Loan Program of 2012 (the "*Program*"), created by the Pima Authority and The Industrial Development Authority of the City of Tucson, Arizona (the "*Tucson Authority*"), including an increase in the aggregate principal amount to an amount not to exceed \$15,000,000, at a special meeting held on April 12, 2013.

The Pima Authority respectfully requests that this matter be placed on the Board of Supervisors' Meeting Agenda scheduled for May 7, 2013, for the purpose of having the Board of Supervisors approve the action of the Pima Authority. Enclosed herewith are drafts of the following:

1. Resolution of the Board of Supervisors;
2. First Amendment to the Standards and Requirements;
3. Pima Authority's Resolution; and
4. First Amendment to the Intergovernmental Agreement.

The Program is used to finance the acquisition of single-family dwelling units by low and moderate-income persons and families in Pima County, including the City of Tucson, Arizona. The Program has been successful and so demand has increased, with a result that the amount of mortgage loans to be financed on a revolving basis needs to be increased. In addition, the revisions contained in the First Amendment to the Standards and Requirements and the First Amendment to the Intergovernmental Agreement will make suggested updates to the Program.

The Lenders involved with the Program originate 30 year, fixed rate mortgages on owner-occupied single family dwelling units to qualifying borrowers who are of low and moderate income (as defined in the relevant Arizona statute and HUD regulations). The Pima Authority and the Tucson Authority provide monies to finance down payment and closing costs on such loans through an above-market interest rate. The mortgage loans, once made and certificated, will be sold through GKB Mortgage Markets, LLC to the regular mortgage markets. The Master Servicer and Custodial Agent is U.S. Bank National Association.

The Program is a special limited obligation of the Pima Authority and the Tucson Authority and will be payable solely from payments made on the mortgages. Neither the faith and credit, nor the taxing power of the Pima Authority, the Tucson Authority, the State of Arizona or Pima County or any other political subdivision thereof, will be pledged to the payment of the Program. The Pima Authority and the Tucson Authority have no taxing power.

I will be available prior to the meeting to answer any questions you may have and to meet with you at your convenience. Thank you for your consideration of this matter.

Sincerely,

RUSSO, RUSSO & SLANIA, P.C.

/s/

Michael A. Slania  
Attorney for the Authority

MAS/alc  
Enclosures

c: Ms. Robin Brigode (w/ enclosures)  
Regina Nassen, Esq., Counsel to the Board  
Mr. Charles Huckelberry, Pima County Administrator  
Mr. Hank Atha, Deputy Pima County Administrator

**DRAFT**

**RESOLUTION NO. 2013 - \_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS APPROVING THE PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AND AMENDMENTS TO THE JOINT REVOLVING TAXABLE SINGLE FAMILY MORTGAGE LOAN PROGRAM OF 2012 OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA; APPROVING THE FIRST AMENDMENT TO THE STANDARDS AND REQUIREMENTS RELATED THERETO; APPROVING AMENDMENTS TO THE PROGRAM DOCUMENTS; APPROVING THE FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT; AND DECLARING AN EMERGENCY**

WHEREAS, The Industrial Development Authority of the County of Pima (the "*Authority*") is a nonprofit corporation designated as a political subdivision of the State of Arizona, organized and existing pursuant to The Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "*Act*"); and

WHEREAS, the Authority is authorized to finance mortgage loans for owner-occupied single family dwelling units to be occupied by persons of low and moderate income and to exercise such powers in Pima County, but excluding the City of Tucson; and

WHEREAS, the Authority has created a program to finance mortgages, jointly with The Industrial Development Authority of the City of Tucson, Arizona (the "*Tucson Authority*" and together with the Authority, the "*Authorities*"), pursuant to the terms of an Intergovernmental Agreement, by and between the Authority and the Tucson Authority entitled the Joint Revolving Taxable Single Family Mortgage Program of 2012 (the "*2012 Program*") in an aggregate principal amount not to exceed \$10,000,000 for the purpose of financing mortgage loans to low and moderate income person meeting the requirements of the Act; and

WHEREAS, the Authority Resolution creating the 2012 Program also authorized, among other things, the execution and delivery of certain Program documents, including a Lender Agreement, a Security Purchase Agreement, the Servicing Agreement and such other documents as required; and

WHEREAS, the 2012 Program has been extremely well received by the marketplace and the loan volume is bumping up against the \$10,000,000 maximum amount and rather than suspend the operation of the 2012 Program and potentially turn away or delay certain loans, the Authorities have elected to seek an increase in the maximum amount to \$15,000,000; and

WHEREAS, the Authority has, by resolution adopted on April 12, 2013 (the "*Authority Resolution*"), requested Pima County to approve the increase in the maximum amount of the mortgage loans on a revolving basis to \$15,000,000, the First Amendment to the Standards and Requirements and the form of the First Amendment to the Intergovernmental Agreement relating to the 2012 Program that have been placed on file with this Board of Supervisors of Pima County (the "*Board*"); and

WHEREAS, there have been presented to this meeting and filed with the Clerk a form of the following:

1. The First Amendment to the Standards and Requirements to be applicable to the purchase of mortgage loans in the 2012 Program in accordance with Section 35-706.D. of the Act (the "*Standards and Requirements*"), which were established and authorized by the Authority Resolution; and

2. A copy of the Authority Resolution; and

3. A draft of the First Amendment to the Intergovernmental Agreement (collectively, the "*2012 Program Amendment Documents*").

WHEREAS, in accordance with Section 35-706.A and 35-706.D of the Act, the First Amendment to the Standards and Requirements and the First Amendment to the Intergovernmental Agreement require the approval of the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, AS FOLLOWS:

*Section 1.* Pursuant to the Act, the Board of Supervisors, as the governing body of the Authority hereby approves the increase in the maximum amount of the mortgage loans on a revolving basis for the 2012 Program to be \$15,000,000, including specifically the resolution described above, the 2012 Program Amendment Documents, and all other related or appropriate documents.

*Section 2.* The First Amendment to the Standards and Requirements are hereby approved pursuant to Section 35-706.D. of the Act. The First Amendment to the Intergovernmental Agreement is hereby approved pursuant to Section 35-761 of the Act. The 2012 Program Amendment Documents are hereby approved, together with such changes in the other documents relating to the 2012 Program as are permitted under the Act and the Authority Resolution and are consistent with such Standards and Requirements, as amended.

*Section 3.* The officers of Pima County and the Board are hereby authorized and directed to take all actions necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and to take all actions necessary in conformity with the Act to implement the 2012 Program, as amended, including without limitation, the execution and delivery of and any and all other documents required to be delivered by Pima County in connection therewith.

*Section 4.* This Resolution shall be in full force and effect from and after its passage as provided by law, and any provisions of any previous resolutions in conflict with the provisions herein are hereby superseded.

*Section 5.* It is necessary for the preservation of the peace, health and safety of the residents of Pima County, that this resolution become immediately effective upon its passage and adoption, and, accordingly, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County, Arizona this  
\_\_\_\_ day of \_\_\_\_\_, 2013.

PIMA COUNTY BOARD OF SUPERVISORS

By: \_\_\_\_\_  
Ramón Valadez, Chair

ATTEST:

\_\_\_\_\_  
Robin Brigode, Clerk

**FIRST AMENDMENT TO THE  
STANDARDS AND REQUIREMENTS  
RELATED TO  
THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF TUCSON, ARIZONA  
AND  
THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF PIMA  
JOINT REVOLVING TAXABLE  
SINGLE FAMILY MORTGAGE PROGRAM OF 2012**

This First Amendment to the Standards & Requirement (the "**Amendment**") dated as of **May 1, 2013** by and between The Industrial Development Authority of the City of Tucson, Arizona (the "**Tucson Authority**") and The Industrial Development Authority of the County of Pima (the "**Pima Authority**"; which when working together with the Tucson Authority are, collectively, the "**Authorities**") loans in furtherance of the **\$10,000,000** The Industrial Development Authority of the City of Tucson, Arizona and The Industrial Development Authority of the County of Pima Joint Revolving Taxable Single Family Mortgage Program of **2012** (the "**2012 Program**"), and the **2012** Program shall be administered in accordance with **Title 35, Chapter 5, Arizona Revised Statutes**, as amended (the "**Act**").

**RECITALS**

**WHEREAS**, the Tucson Authority and the Pima Authority have determined that it is in the best interest of the citizens of the City and the County to cooperate in the development and implementation of their **\$10,000,000** The Industrial Development Authority of the City of Tucson, Arizona and The Industrial Development Authority of the County of Pima Joint Revolving Single Family Program of **2012** (the "**2012 Program**") for the purpose of creating **30-year** fixed rate loans with **4%** down payment assistance ("**DPA**") for the benefit of persons of low and moderate income as contemplated by **Arizona Revised Statutes Sections 35-701(7) and 35-706(I)**, without the need to issue new Bonds or MCCs;

**WHEREAS**, in connection with the formation of the 2012 Program the Tucson Authority and the Pima Authority previously issued certain Standards & Requirements (the "**Standards & Requirements**") pursuant to **Arizona Revised Statutes Section 35-706.D**;

**WHEREAS**, the 2012 Program has been extremely well received by the marketplace and the loan volume is bumping up against the **\$10,000,000** Maximum Program amount and rather than suspend the operation of the 2012 Program and potentially turn away or delay certain loans, the Authorities have elected to seek an increase in the Maximum Program Amount to **\$15,000,000**;

**WHEREAS**, the Tucson Authority and Pima Authority desire to amend the Standards & Requirements to increase the Maximum Program Amount to **\$15,000,000** and to allow for certain modifications designed to allow for increased efficiency and loan volume; and

**WHEREAS**, the parties desire to reduce their understandings to writing.

**NOW, THEREFORE**, in consideration of the foregoing, and on the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby do amend the Standards & Requirements as follows:

1. All references in the Standards & Requirements to "\$10,000,000" are hereby deemed to be replaced "\$15,000,000", with the intended effect of increasing the Maximum Program Amount to \$15,000,000.
2. For the purpose of adding flexibility to the Borrowers and Participating Lenders, the penultimate sentence of **Paragraph 1** dealing with loan products is hereby replaced in whole with the following language:

"The Participating Lenders must originate each mortgage loan in conformity with the current requirements of conventional loans, Fannie Mac, Freddie Mac, FHA, VA or the United States Department of Agriculture, Rural Development ("USDA-RD"), or HUD Section 184, as applicable, existing at the time of such origination."

3. For the purpose of correcting a clerical error **Paragraph 5 (c)** dealing with mortgage terms is hereby replaced in whole with the following language:

"shall have 4.00% of down payment assistance ("DPA"), the Mortgagors will also incur a mortgage interest rate; which is above the prevailing market rate of interest for mortgage loans without DPA, but in no event with the interest rate in excess of 10.0% per annum;

4. For the purpose of providing Borrowers with flexibility in the manner that DPA is utilized **Paragraph 5 (e)** dealing with use of DPA is hereby replaced in whole with the following language:

"will allow the DPA funds to address the Origination Fee or Discount Fee and closing cost and down payment obligations; and"

5. For the purpose of providing Participating Lenders flexibility in form that Lender compensation is recorded, without increasing the amount of Lender compensation available or payable **Paragraph 8 (a)** dealing with apportion of Lender compensation is hereby replaced in whole with the following language:

"an origination fee or a discount fee, but in any event not to exceed 1.0% of the unpaid principal amount of the first mortgage loan which may be collected and retained by a Participating Lender to the Mortgagor for services in connection with the origination of a first mortgage loan;"



6. Except as expressly amended herein, all other provisions of the Standards & Requirements shall remain in full force and effect.
7. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original amendment binding on all the parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.
8. The initial capitalized terms not defined in this Amendment shall have the meanings assigned to such terms in the Standards & Requirements.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE(S)]**

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first written above.

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF TUCSON,  
ARIZONA**, an Arizona nonprofit corporation

By: \_\_\_\_\_  
Marilyn Robinson, President

APPROVED AS TO FORM:

\_\_\_\_\_  
Charles W. Lotzar  
Lotzar Law Firm, P.C.,  
Counsel to The Industrial Development Authority  
of the City of Tucson, Arizona

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE COUNTY OF PIMA,**  
an Arizona nonprofit corporation

By: \_\_\_\_\_  
Virginia L. Yrun, President

APPROVED AS TO FORM:

\_\_\_\_\_  
Russo, Russo & Slania, P.C.,  
Counsel to The Industrial Development Authority  
of the County of Pima

[Signature Page of First Amendment to the Standards & Requirements]

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AUTHORIZING (I) AN INCREASE IN THE MAXIMUM PROGRAM AMOUNT FOR \$10,000,000 JOINT REVOLVING TAXABLE SINGLE FAMILY PROGRAM OF 2012; (II) THE EXECUTION AND DELIVERY OF CERTAIN AMENDED PROGRAM DOCUMENTS; AND (III) THE DELEGATION TO CERTAIN OFFICERS OF THE POWER TO TAKE ALL SUCH ACTIONS AS ARE NECESSARY OR APPROPRIATE TO ACCOMPLISH THE FOREGOING.**

WHEREAS, The Industrial Development Authority of the County of Pima (the "Pima Authority"), is a nonprofit corporation designated as a political subdivision of the State incorporated with the approval of the Board of Supervisors of Pima County, Arizona (the "County"), pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5 of the Arizona Revised Statutes, as amended (Section 35-701 through 35-761, inclusive) the ("Act"); and

WHEREAS, The Industrial Development Authority of the City of Tucson, Arizona (the "Tucson Authority") is a nonprofit corporation designated as a political subdivision of the State of Arizona (the "State") incorporated with the approval of the Mayor and Council of the City of Tucson, Arizona (the "City"), pursuant to the provisions of the Constitution of the State and the Act; and the Pima Authority and the Tucson Authority are individually and collectively referred to herein as (the "Authorities"); and

WHEREAS, the Authorities have established programs to take advantage of opportunities designed to alleviate the shortage of single family housing and mortgage credit for housing within the means of persons and families of low and moderate income; and

WHEREAS, in 2012 the Authorities established a mortgage loan financing and down payment assistance program through a \$10,000,000 The Industrial Development Authority of the City of Tucson, Arizona and The Industrial Development Authority of the County of Pima Joint Revolving Taxable Single Family Mortgage Program of 2012 (the "2012 Program") in cooperation with which 2012 Program shall be undertaken with the jurisdictional boundaries of the County; and

WHEREAS, the 2012 Program does not involve the issuance of mortgage revenue bonds by the Tucson Authority or the Pima Authority as funds for the origination of qualifying mortgage loans under the 2012 Program shall be provided by means of the sale of the GNMA Certificates to the Securities Purchaser and the application of certain other funds not involving the general funds of the Tucson Authority or the Pima Authority, as more fully described herein; and

WHEREAS, the 2012 Program involves, all as defined in the original Resolution, (1) certain Participating Lender Agreements, (2) Lender Agreements, (3) the Servicing Agreement, (4) the Securities Purchase Agreement, (5) the MBS Purchase Guide Authorities, (6) the Program Administration Agreement, (7) the Standards and Requirements, (8) the

Intergovernmental Agreement, and (9) various ancillary agreements and other documents as required for the 2012 Program (each of the foregoing are collectively referred to as the "2012 Program Documents"); and

WHEREAS, the 2012 Program has been extremely well received by the marketplace and the loan volume is bumping up against the \$10,000,000 Maximum Program Amount and rather than suspend the operation of the 2012 Program and potentially turn away or delay certain loans, the Authorities have elected to seek an increase in the Maximum Program Amount to \$15,000,000; and

WHEREAS, the establishment of the 2012 Program appears to be in furtherance of the purposes of the Act and in the public interests of Pima County, Arizona and the State of Arizona;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the County of Pima that:

Section 1. Definitions. In addition to the words and terms elsewhere defined in this Resolution, the capitalized words and terms used herein shall have the meaning given in the original Resolution.

Section 2. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Pima Authority and its directors, officers, counsel, advisors or agents directed toward increasing the Maximum Program Amount to \$15,000,000 for the 2012 Program are hereby approved and ratified.

Section 3. Conditions. The amendments to the 2012 Program shall not be effective unless and until: (a) all the agreements, certificates, documents or instruments requiring the execution or consent of the Pima Authority are in a form and substance acceptable to the Pima Authority's counsel, including that the 2012 Program is solely for the benefit of persons of low and moderate income as contemplated by Arizona Revised Statutes Sections 35-701(7) and 35-706(I); (b) the Pima Authority receives such opinions, certificates, comfort letters and consent letters in connection with the 2012 Program as the Pima Authority's counsel or advisors may deem necessary or appropriate, in form and substance satisfactory to the Pima Authority's counsel and advisors; and (c) receipt of the City's and County's approval of the (i) First Amendment to Standards and Requirements in the manner contemplated by Arizona Revised Statutes Sections 35-706.D, and (ii) First Amendment to Intergovernmental Agreement in the manner contemplated by Arizona Revised Statutes Sections 35-706.A and 11-952.02.

Section 4. 2012 Program Documents. The terms and provisions of any of the amendments to the 2012 Program Documents in the forms of such documents (including the exhibits thereto) presented to this meeting, are hereby approved, with such insertions, deletions and changes as are approved by the officers authorized to execute the documents (which approval will be conclusively established by their execution thereof). Upon satisfaction of the conditions set forth in Section 3 hereof, the Pima Authority's President or any other officer of the Pima Authority are each hereby authorized to execute each of such amendments to the 2012 Program Documents.

Section 5. Intergovernmental Agreement. The Pima Authority is hereby authorized to enter into the First Amendment to Intergovernmental Agreement with the Tucson Authority, with regard to joint actions between the Pima Authority and the Tucson Authority to jointly administer the 2012 Program and to combine jurisdictions.

Section 6. Standards and Requirements. The Pima Authority hereby approves the terms and provisions of the First Amendment to Standards and Requirements in the forms of such documents presented to this meeting, with such insertions, deletions and changes as are approved by the officers authorized to execute the documents (which approval will be conclusively established by their execution thereof).

Section 7. Further Actions. The officers of the Pima Authority, upon satisfaction of the conditions set forth in Section 3 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and thereby, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the 2012 Program. Furthermore, any officer of the Pima Authority is hereby authorized to execute such agreements, documents, certificates and other documentation relating to the 2012 Program.

Section 8. Open Meeting Laws. It is found and determined that all formal actions of the Pima Authority and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Pima Authority.

Section 9. Severability. If any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 10. Waiver. Any provisions of the Pima Authority's Amended and Restated By-Laws, Procedural Pamphlet or prior resolutions inconsistent herewith are waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any such By-Laws, Procedural Pamphlet or resolution or any part thereof.

Section 11. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall *not* affect the construction or interpretation of any of its provisions.

Section 12. Effectiveness. This Resolution shall be effective immediately.

Section 13. Notice. Notice of A.R.S. Section 38-511 is hereby given. The provisions of that statute by this reference are incorporated herein to the extent of applicability to matters contained herein under the laws of the State of Arizona.

Section 14. No Personal Liability; Limited Obligations. Pima County and the Members of its Board of Supervisors as the Members of the Governing Body of the Pima Authority shall not have any personal liability related to the 2012 Program. The Pima Authority's directors,

officers, and agents shall not be subject to any personal liability or accountability by reason of the transaction described herein. The obligations of the Pima Authority are limited as specified in the 2012 Program Documents.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

ADOPTED AND APPROVED as of April 12, 2013.

THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF PIMA

By: \_\_\_\_\_  
Virginia L. Yrun, President

Attachments: Form of First Amendment to Standards and Requirements  
Form of First Amendment to Intergovernmental Agreement

**FIRST AMENDMENT TO THE  
INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF TUCSON, ARIZONA  
AND  
THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF PIMA**

This First Amendment to Intergovernmental Agreement, dated as of **May 1, 2013** (the "**Agreement**"), is by and between The Industrial Development Authority of the City of Tucson, Arizona (the "**Tucson Authority**") and The Industrial Development Authority of the County of Pima (the "**Pima Authority**"), each a nonprofit corporation recognized, existing under and designated separately as a political subdivision of the State of Arizona (the "**State**"), pursuant to the Industrial Development Financing Act, **Title 35, Chapter 5**, of the Arizona Revised Statutes (the "**IDA Act**").

**RECITALS**

**WHEREAS**, the Tucson Authority and the Pima Authority have determined that it is in the best interest of the citizens of the City and the County to cooperate in the development and implementation of their **\$10,000,000** The Industrial Development Authority of the City of Tucson, Arizona and The Industrial Development Authority of the County of Pima Joint Revolving Single Family Program of **2012** (the "**2012 Program**") for the purpose of creating **30-year** fixed rate loans with **4%** down payment assistance ("**DPA**") for the benefit of persons of low and moderate income as contemplated by **Arizona Revised Statutes Sections 35-701(7) and 35-706(I)**, without the need to issue new Bonds or MCCs;

**WHEREAS**, the Tucson Authority and the Pima Authority entered into an Intergovernmental Agreement, dated as of **November 1, 2012** (the "**Agreement**");

**WHEREAS**, the 2012 Program has been extremely well received by the marketplace and the loan volume is bumping up against the **\$10,000,000** Maximum Program amount and rather than suspend the operation of the 2012 Program and potentially turn away or delay certain loans, the Authorities have elected to seek an increase in the Maximum Program Amount to **\$15,000,000**;

**WHEREAS**, the Tucson IDA and Pima IDA desire to amend the Agreement to increase the Maximum Program Amount to **\$15,000,000**; and

**WHEREAS**, the parties desire to reduce their understandings to writing.

**NOW, THEREFORE**, in consideration of the foregoing, and on the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby do amend the Agreement as follows:



1. All references in the Agreement to “\$10,000,000” are hereby deemed to be replaced “\$15,000,000”, with the intended effect of increasing the Maximum Program Amount to \$15,000,000.
2. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.
3. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original amendment binding on all the parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.
4. The initial capitalized terms not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE(S)]**

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first written above.

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF TUCSON,  
ARIZONA**, an Arizona nonprofit corporation

By: \_\_\_\_\_  
Marilyn Robinson, President

APPROVED AS TO FORM:

\_\_\_\_\_  
Charles W. Lotzar  
Lotzar Law Firm, P.C.,  
Counsel to The Industrial Development Authority  
of the City of Tucson, Arizona

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE COUNTY OF PIMA,**  
an Arizona nonprofit corporation

By: \_\_\_\_\_  
Virginia L. Yrun, President

APPROVED AS TO FORM:

\_\_\_\_\_  
Russo, Russo & Slania, P.C.,  
Counsel to The Industrial Development Authority  
of the County of Pima

[Signature Page of First Amendment to Intergovernmental Agreement]