

**DRAFT**

**AMENDED AND RESTATED  
MASTER MORTGAGE-BACKED SECURITY  
PURCHASE AGREEMENT**

**GEORGE K. BAUM & COMPANY,  
(the “Security Purchaser”)**

**AND**

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF  
PIMA,**

**And**

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF  
TUCSON, ARIZONA**

**(the “Authorities”)**

**AND**

**U.S. BANK NATIONAL ASSOCIATION,  
(the “Custodial Agent”)**

**\$40,000,000 REVOLVING TAXABLE SINGLE FAMILY PROGRAM OF 2012  
PIMA TUCSON HOMEBUYER’S SOLUTION**

**Dated as of February 1, 2015**

**AMENDED AND RESTATED  
MASTER MORTGAGE-BACKED SECURITY PURCHASE AGREEMENT**

This Amended and Restated Master Mortgage-Backed Security Purchase Agreement (the **"Purchase Agreement"**) is made and entered into effective as of **February 1, 2015**, by and between George K. Baum & Company, a Missouri corporation (the **"Security Purchaser"**), The Industrial Development Authority of the County of Pima (the **"Pima Authority"**), The Industrial Development Authority of the City of Tucson, Arizona (the **"Tucson Authority"**) and, collectively with the Pima Authorities, the **"Authorities"** and each individually, an **"Authority"**) and U.S. Bank National Association, in its capacity as Custodial Agent for the Authorities (the **"Custodial Agent"**).

**WHEREAS**, the Pima Authority is a nonprofit corporation designated as a political subdivision of the State of Arizona (the **"State"**) incorporated with the approval of the County of Pima (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 (Sections 35 - 701 through 35 - 761, inclusive) the (**"Act"**); and

**WHEREAS**, the Tucson Authority is a nonprofit corporation designated as a political subdivision of the State incorporated with the approval of the City of Tucson (the **"City"**), pursuant to the provisions of the Constitution of the State and under the Act; and

**WHEREAS**, the Authorities have authorized a program (the **"Program"**) of financing mortgage loans (the **"Mortgage Loans"**) to qualifying borrowers (the **"Borrowers"**); and

**WHEREAS**, under the Program, (a) the Custodial Agent, on behalf of the Authorities, will purchase Mortgage-Backed Securities (as defined herein) from the Master Servicer (as defined herein), which Mortgage-Backed Securities shall be created by a pooling of Mortgage Loans to Borrowers, and will sell the Mortgage-Backed Securities to the Security Purchaser, all as more fully described in this Purchase Agreement, and (b) the Authorities will provide down payment and/or closing assistance to Borrowers under each Mortgage Loan as more fully described herein; and

**WHEREAS**, in order to carry out the Program, (a) the Authorities and certain mortgage lenders (collectively, the **"Lenders"**) have entered into the Program Lender Agreement, dated as of **November 1, 2012**, as supplemented by an Addendum thereto (the **"Prior Program Lender Agreement"**), (b) the Authorities and the Lenders have entered into the Program Lender Agreement, dated as of **February 1, 2015** (the **"Program Lender Agreement"**), (c) the Authorities and U.S. Bank National Association, as master servicer (the **"Master Servicer"**) have entered in a Servicing Agreement, dated as of **November 1, 2012** (the **"Servicing Agreement"**), (d) the Lenders and the Master Servicer have entered into a Participating Lender Agreement (the **"Participating Lender Agreement"**), (e) the Authorities, the Custodial Agent and GKB Mortgage Markets, LLC (in the capacity as the Security Purchaser) entered into a Master GNMA Security Purchase Agreement, effective as of **November 1, 2012**, and as amended and supplemented by the First Amendment to Master GNMA Security Purchase Agreement dated as of March 14, 2014, and the Second Amendment to Master GNMA Security Purchase Agreement dated as of August 1, 2014, and as further supplemented by the written consent of the Security Purchaser on April 17, 2013, at the request of the Authorities, pursuant to the applicable provisions of the agreement, as amended, to an increase in the Maximum Program Amount (now redefined in this Purchase Agreement as the Program Size

Limit) (collectively, the **"Prior Purchase Agreement"**), (f) effective as of **February 1, 2015**, and with the prior written consent of the Authorities and the Custodial Agent, GKB Mortgage Markets, LLC has transferred and assigned the Prior Purchase Agreement to George K. Baum & Company, and George K. Baum & Company thereby has assumed all of GKB Mortgage Markets, LLC's rights, interests and obligations as Security Purchaser under the Prior Purchase Agreement, (g) the Authorities and Security Purchaser have established requirements for the Program, as amended from time to time (the **"Program Guidelines"**), which have been accepted by the Master Servicer, (h) the Authorities and Housing and Development Services, Inc., d/b/a EHousingPlus (the **"Program Administrator"**) have entered into a Program Administration Agreement, dated as of **November 1, 2012**, as amended from time to time (the **"Program Administration Agreement"**) and the Program Administrator has issued the Program Administrator's Guidelines, and (i) this Purchase Agreement. The implementing documents and agreements related thereto as may be referenced in this Purchase Agreement or the Servicing Agreement are being executed and delivered (all of the documents and agreements in this paragraph being collectively herein referred to as the **"Program Documents"**); and

**WHEREAS**, under the Program Documents for the Program, (a) the Lenders shall originate the Mortgage Loans and sell the Mortgage Loans to the Master Servicer under the Program Lender Agreement and Participating Lender Agreement, (b) the Master Servicer shall service the Mortgage Loans and pool the Mortgage Loans into GNMA Securities under the Servicing Agreement, and (c) the Master Servicer shall sell GNMA Securities to Custodial Agent, for the account of the Authorities, under this Purchase Agreement; and

**WHEREAS**, additionally under the Program the Authorities and the Security Purchaser may from time to time agree that Mortgage Loans that (a) have been originated by Lenders pursuant to an Interest Rate Notice and the Program Documents, (b) have been purchased by the Master Servicer, and (c) would otherwise be eligible for pooling into a FNMA Mortgage-Backed Security or a FHLMC Mortgage-Backed Security, may instead be sold by the Master Servicer to FNMA or FHLMC (Freddie Mac) (as applicable) through (i) FNMA's Single-Family whole loan conduit (the **"FNMA Cash Commitment Window"**) or (ii) FHLMC's selling system (the **"FHLMC Cash Commitment Window"**), and together with the FNMA Cash Commitment Window, the **"Cash Commitment Window"**), such Mortgage Loans being referred to as **"Cash Window Loans;"** and

**WHEREAS**, the Authorities, the Custodial Agent and the Security Purchaser intend for this Purchase Agreement to amend, supersede and replace the Prior Purchase Agreement; and

**WHEREAS**, the Authorities, the Custodial Agent and the Security Purchaser have determined to enter into this Purchase Agreement to further implement the Program.

**NOW, THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Security Purchaser, the Authorities and the Custodial Agent agree as follows:

## SECTION 1

### DEFINITIONS AND ASSIGNMENT OF AUTHORITIES' RIGHTS; PURPOSE OF THE AGREEMENT AND OTHER MATTERS

(a) **Definitions.** The following terms and provisions shall have the following meanings whenever used in this Purchase Agreement.

"Account" means the account by that name created under the Fiscal Agent Agreement.

"Act" means Title 35, Chapter 5 of the Arizona Revised Statutes, as amended (Sections 35-701 through 35-761, inclusive)

"Authorities" means The Industrial Development Authority of the County of Pima and The Industrial Development Authority of the City of Tucson, Arizona, both separately being nonprofit corporations designated as political subdivisions of the State of Arizona.

"Authorities Event of Default" shall have the meaning given to such term in Section 10(a) of this Purchase Agreement.

"Authorities Servicing Release Premium" means premium that the Authorities are authorized to deduct from the Mortgage-Backed Securities Purchase Price in consideration for a release of servicing to the Master Servicer by Lenders, calculated in accordance with Section 6 of this Purchase Agreement.

"Borrower" means each party obligated to repay a Mortgage Loan.

"Borrower Assistance" shall have the meaning given to such term in Section 5(c) of this Purchase Agreement.

"Business Day" means any day that is not (a) a Saturday or Sunday, (b) a day on which the Federal Reserve Bank of New York is not open for business, (c) a day on which commercial banks in New York, New York, or Denver, Colorado are not generally open for business or (d) a day designated by the SIMFA that the U.S. financial markets shall not be open for business.

"Calendar Day" means any day of a month regardless of whether such day is a Business Day.

"Cash Commitment Window" shall have the meaning given to such term in the Recitals of this Purchase Agreement.

"Cash Window Loans" shall have the meaning given to such term in the Recitals of this Purchase Agreement.

"City" means the City of Tucson, Arizona.

"County" means the Pima County, Arizona.



“Custodial Agent” means U.S. Bank National Association, in its capacity as Custodial Agent for the Authorities under this Purchase Agreement.

“Excess Amount” shall have the meaning given to such term in Section 4(b)(iv) of this Purchase Agreement.

“Extension Fee” means a fee charged to the Lender to provide an extension of the Lock Period for a Mortgage Loan. The amount of an Extension Fee shall be the amount, expressed as a dollar amount or as a percentage of principal amount of the Mortgage Loan, specified on the Interest Rate Notice at the time that the Mortgage Loan was reserved.

“FHLMC Cash Commitment Window” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“FHLMC Cash Window Delivery” shall have the meaning given to such term in Section 4(a)(ii) of this Purchase Agreement.

“FHLMC Cash Window Loans” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“FHLMC Cash Window Prices” shall have the meaning given to such term in Section 4(a)(i) of this Purchase Agreement.

“FHLMC Forward Purchase Commitment” shall have the meaning given to such term in Section 4(b)(i) of this Purchase Agreement.

“Fiscal Agent” means Community Investment Corporation and its successors.

“Fiscal Agent Agreement” means that certain Fiscal Agent Agreement, dated as of **December 17, 2012**, between the Authorities and Fiscal Agent, as amended from time to time.

“FNMA Cash Commitment Window” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“FNMA Cash Window Delivery” shall have the meaning given to such term in Section 4(a)(ii) of this Purchase Agreement.

“FNMA Cash Window Loans” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“FNMA Cash Window Prices” shall have the meaning given to such term in Section 4(a)(i) of this Purchase Agreement.

“FNMA Forward Purchase Commitment” shall have the meaning given to such term in Section 4(b)(i) of this Purchase Agreement.

“FNMA Mortgage-Backed Security Delivery” shall have the meaning given to such term in Section 4(a)(ii) of this Purchase Agreement.

“FNMA Security” means a security which is issued by the Master Servicer and fully guaranteed as to principal and interest by the Federal National Mortgage Association, under the authority of Title III of the National Housing Act of 1934, as amended, and the Federal National Mortgage Association Charter Act, as amended, and backed by Mortgage Loans.

“FHLMC Security” means a security which is issued by the Master Servicer and fully guaranteed as to principal and interest by the Federal Home Loan Mortgage Corporation, under the authority of Title III of the National Housing Act of 1934, as amended, and the Federal Home Loan Mortgage Corporation Act, as amended, and backed by Mortgage Loans.

“Funded Borrower Assistance” shall have the meaning given to such term in Section 5(d) of this Purchase Agreement.

“GNMA Security” means a security which is issued by the Master Servicer and fully guaranteed as to principal and interest by GNMA under the authority of Title III of the National Housing Act of 1934, as amended, and backed by Mortgage Loans.

“Interest Rate Notice” means the notification delivered from the Security Purchaser on behalf of the Authorities to the Master Servicer and the Lenders which shall set for the following terms for the purchase of Mortgage Loans by the Master Servicer: (a) the applicable Mortgage Loan Interest Rate based on the amount of Borrower Assistance elected by the Borrower; (b) the amount of Borrower Assistance, as a percentage of the principal amount of the Mortgage Loan which may be offered to a Borrower; (c) the Mortgage Loan purchase price, as a percentage of the principal amount of the Mortgage Loan; (d) the term of the Rate Lock and (e) the Extension Fee or Fees which are available to extend the Rate Lock Term. Each Interest Rate Notice shall remain in effect until such time as the Interest Rate Notice is amended, superseded, replaced or withdrawn by the Security Purchaser on behalf of the Authorities or until it expires. Any Interest Rate Notice may be amended, superseded, replaced or withdrawn by the Security Purchaser on behalf of the Authorities at any time.

“Lenders” means the mortgage lenders who are parties to the Program Lender Agreement with the Authorities.

“Lender Servicing Release Premium” means the premium paid to the Lender by the Master Servicer upon purchase of each Mortgage Loan for release of servicing of such Mortgage Loan, as specified in the Program Administrator Guidelines.

“Master Servicer” means U.S. Bank National Association in its role as master servicer under the Servicing Agreement.

“Minimum Account Deposit” shall have the meaning given to such term in Section 5(d) of this Purchase Agreement.

“Monthly Program Report” shall have the meaning given to such term in Section 5(j) of this Purchase Agreement.

“Mortgage-Backed Securities” means any GNMA Security, FNMA Security, or FHLMC Security which is issued by the Master Servicer.

“Mortgage-Backed Securities Interest Rate” means the interest rate at which the Security Purchaser is willing to purchase Mortgage-Backed Securities.

“Mortgage-Backed Securities Price” means the dollar price at which the Security Purchaser is willing to purchase Mortgage-Backed Securities.

“Mortgage-Backed Securities Purchase Dates” means the dates on which the Master Servicer sells Mortgage-Backed Securities to the Custodial Agent and the Custodial Agent sells Mortgage-Backed Securities to the Security Purchaser, in accordance with the Notifications of Delivery and written instructions from the Security Purchaser to the Custodial Agent and the Authorities.

“Mortgage Loan” means each qualifying home mortgage loan entered into by a Borrower as part of the Program which meets the requirements of the Program Documents.

“Mortgage Loan Interest Rate” shall mean the interest rate per annum borne by the Mortgage Loans.

“Mortgage Interest Rate Calculations” means the pricing model that the Security Purchaser uses to determine Mortgage Loan Interest Rates for the Program based on prevailing prices in the “to-be-announced” (TBA) mortgage-backed securities market, all Program costs and expenses, and any Authorities Servicing Release Premium.

“Notification of Delivery” shall have the meaning given to such term in Section 6(g) of the Program Guidelines.

“Participating Lender Agreement” means the agreement between the Master Servicer and the Lenders regarding the servicing of Mortgage Loans.

“Prior Purchase Agreement” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“Program” shall have the meaning given to such term in the Recitals of this Purchase Agreement.

“Program Administration Agreement” means that certain Program Administration Agreement, dated as of **November 1, 2012**, between the Program Administrator and the Authorities.

“Program Administrator” means initially, Housing and Development Services, Inc. d/b/a eHousingPlus, or other entity as is designated from time to time by the Authorities.

“Program Administrator’s Guidelines” means the guidelines published by the Program Administrator relating to the Program.

“Program Documents” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“Program Fee” shall have the meaning given to such term in Section 5(e) of this Purchase Agreement.

“Program Guidelines” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“Program Lender Agreement” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“Program Size Limit” shall have the meaning given to such term in Section 1(f) of this Purchase Agreement.

“Purchase Agreement” means this Security Purchase Agreement among the Security Purchaser, the Authorities and the Custodial Agent as from time to time amended and supplemented.

“Rate Lock” shall an enforceable commitment between the Master Servicer and the Lender under which the Master Servicer agrees to purchase from the Lender Mortgage Loans in a specified principal amount at a specified interest rate.

“Rate Lock Term” means the period from the time when a Lender reserves a Rate Lock for a Mortgage Loan to the time when the Lender sells the Mortgage Loan to the Master Servicer.

“Security Purchaser” means George K. Baum & Company, a Missouri corporation in its role as Security Purchaser under this Purchase Agreement.

“Servicing Agreement” shall have the meaning given to such term in the Recitals to this Purchase Agreement.

“Servicing Fee” means the fee to be paid to the Servicer under the Servicing Agreement.

“State” means the State of Arizona.

(b) **Assignment by the Authorities.** Except as otherwise provided herein, the Authorities hereby assign all of their rights and interests under the Program Documents which are assignable and to which the Authorities are a party to the Security Purchaser, and the Security Purchaser shall be entitled to enforce the rights of the Authorities thereunder without any further act or undertaking by the Authorities. The Authorities retain, however, any rights of indemnification of the Authorities, including but not limited to the rights of the Authorities to receive reimbursement for its attorneys’ fees and costs, and any right of the Authorities to request and receive information concerning the Program.

(c) **Purpose of Purchase Agreement.** This Purchase Agreement shall be a master agreement under which:

(i) The Authorities, acting through the Master Servicer, agree to sell GNMA Securities to the Security Purchaser, and the Security Purchaser, acting through the Custodial Agent, agrees to buy Mortgage-Backed Securities from the Authorities. GNMA Securities shall generally comprise Mortgage Loans associated with the Program, which Mortgage Loans shall be originated by Lenders in accordance with the Program Administrator’s Guidelines and pursuant to the Program Lender Agreement and Participating Lender Agreement, sold by the Lenders to the Master Servicer and pooled by the Master Servicer. The Authorities shall

deliver the Program Guidelines to the Master Servicer and shall direct the Master Servicer to perform its obligations under the Servicing Agreement in accordance with the Program Guidelines. GNMA Securities may be purchased in one or more transactions under the terms and conditions set forth herein and pursuant to the Program Guidelines.

(ii) Additionally, the Authorities may from time to time direct the Master Servicer to sell Cash Window Loans to the applicable Cash Commitment Window under the terms and conditions described in Section 4 of this Purchase Agreement. Cash Window Loans shall generally comprise Mortgage Loans associated with the Program, which Mortgage Loans shall be originated by Lenders in accordance with the Program Guidelines and pursuant to the Program Lender Agreement and Participating Lender Agreement and sold by the Master Service to FNMA or FHLMC in accordance with Section 4 of this Purchase Agreement.

(d) **Authorities' Statement.** The Authorities, the Custodial Agent and the Security Purchaser acknowledge and agree that the Authorities have engaged the Master Servicer to perform certain activities under the terms and conditions of the Servicing Agreement and have engaged the Program Administrator to perform certain activities under the terms and conditions of the Program Administration Agreement. The Security Purchaser is acting as a principal in an arms' length transaction with the Authorities and not as an advisor to the Authorities. The Authorities authorize the Security Purchaser to perform only those services on behalf of the Authorities as are expressly set forth in this Purchase Agreement. The Security Purchaser is not otherwise authorized to act on behalf or as an agent of the Authorities. The Security Purchaser acknowledges and agrees that the Master Servicer shall be solely responsible for its actions under the Servicing Agreement and that the Authorities shall have no liability for any such non-performance except as expressly set forth herein. The Security Purchaser acknowledges and agrees that the Program Administrator shall be solely responsible for its actions under the Program Administration Agreement and that the Authorities shall have no liability for any such non-performance except as expressly set forth herein. The Authorities, if directed by the Security Purchaser, shall enforce the provisions of the Servicing Agreement, the Program Administration Agreement and the other Program Documents, and, if so directed by the Security Purchaser, shall pursue any and all remedies for a breach thereof as directed by the Security Purchaser and at no cost to the Authorities. The Authorities hereby authorize the Security Purchaser to market and promote the Program on behalf of the Authorities at the Security Purchaser's sole expense, including, but not limited to, communicating with realtors, Lenders and potential Lenders, establishing and operating a website for the Program, and coordinating all portions of the Program with the Custodial Agent, the Lenders, realtors, the Master Servicer and the Program Administrator.

(e) **Program Term.** The Program shall commence on the date of execution of the Prior Purchase Agreement for an initial **two-year** term, and then for a renewal term expiring on **December 31, 2016**, and as may be further extended by the parties hereto, and subject to the termination provisions set forth herein. Notwithstanding any expiration, cancellation or termination of this Purchase Agreement, to the extent there are outstanding commitments by the Authorities and the Security Purchaser to buy Mortgage-Backed Securities under the terms and conditions set forth herein, or in the event that the Authorities shall have any right to recover damages under any Program Document, this Purchase Agreement shall continue to govern the terms of such purchase and sale of Mortgage-Backed Securities and shall continue in effect as to such Mortgage-Backed Securities until such purchase and sale is accomplished as described herein and shall also continue until the



Authorities shall have fully pursued their remedies under any Program Document as directed by and for the benefit of the Security Purchaser.

(f) **Program Size.** The maximum aggregate principal amount of Mortgage Loans, as determined by the Security Purchaser, which at any time are (a) reserved but not yet closed by the Lenders through the Program Administrator, (b) closed by the Lenders but not yet purchased by the Master Servicer, (c) closed and purchased by the Master Servicer but not yet (i) pooled into Mortgage-Backed Securities, or (ii) designed as Cash Window Loans but not yet sold to GNMA, FNMA or FHLMC, and (d) Mortgage-Backed Securities that have been issued but not yet purchased by the Security Purchaser as of any date shall not exceed \$40,000,000 (the “**Program Size Limit**”), unless the Security Purchaser agrees in writing to an increase in the Program Size Limit; provided however, that the Authorities shall receive a credit in the calculation of the Program Size Limit to reflect cancelled Mortgage Loans and Mortgage-Backed Securities purchased by the Security Purchaser. The commitment of the Security Purchaser under this Purchase Agreement is a revolving commitment and (x) Mortgage-Backed Securities which have been purchased by the Security Purchaser and (y) Cash Window Loans which have been purchased by GNMA, FNMA or FHLMC, all in accordance with this Purchase Agreement, shall not be included in calculating compliance with the Program Size Limit.

(g) **Purpose of Program Guidelines.** The Program Guidelines contain information about Borrower qualifications, deadlines for Lenders, deadlines for the Master Servicer, pooling guidelines for the Master Servicer, and other important details regarding the Program. The Program Guidelines constitute one of the Program Documents as referenced in the Servicing Agreement executed by the Master Servicer and by such execution have been accepted by the Master Servicer. The Authorities shall deliver the Program Guidelines to the Master Servicer and shall instruct the Master Servicer to fulfill its obligations under the Servicing Agreement pursuant to the Program Guidelines. The Program Guidelines are part of this Purchase Agreement.

(h) **Concerning Lenders and Enforcement of Lender Obligations.** The Authorities shall direct Lenders to follow the Program Administrator’s Guidelines, the Program Lender Agreement and Participating Lender Agreement when originating Mortgage Loans in the program.

The Authorities shall direct the Master Servicer to enforce the obligations of the Lenders under the Participating Lender Agreement and the Program Lender Agreement, including but not limited to the obligation of each Lender to cure any defect or deficiency with respect to each Mortgage Loan and to repurchase any non-conforming Mortgage Loans under the terms and conditions of the Participating Lender Agreement and the Program Lender Agreement. No amendment of any provision of the Servicing Agreement may be made without the prior written consent of the Security Purchaser for so long as this Purchase Agreement shall remain in effect.

(i) **Suspension of Performance.** The Security Purchaser may suspend its participation in the Program described herein upon twenty-four hours prior written notice to the Authorities and the Custodial Agent; provided, however, that such notice (A) shall not affect the obligations of the Security Purchaser, and (B) the Security Purchaser shall continue to perform its obligations under this Purchase Agreement, with respect to, any Mortgage Loans that have received a Rate Lock based on an Interest Rate Notice and are in the Program Administrator’s loan reservation system.



## SECTION 2

### **ESTABLISHMENT OF MORTGAGE INTEREST RATES; ISSUANCE OF INTEREST RATE NOTICES BY SECURITY PURCHASER**

(a) **Establishment of Mortgage Interest Rates and Issuance of Interest Rate Notice.** Unless otherwise directed by the Authorities, the Securities Purchaser may deliver to the Lenders and the Master Servicer, on any Business Day and from time to time on any Business Day, one or more Interest Rate Notices for Mortgage Loans which are to be pooled in a Mortgaged-Backed Security. The Security Purchaser shall deliver a copy of each Interest Rate Notice to the Authorities. Each Interest Rate Notice shall remain in effect and shall be binding upon the Securities Purchaser, the Master Servicer and the Lenders until **7:00 PM Arizona time** on the date issued by the Securities Purchaser or until such earlier time as the Interest Rate Notice is amended, superseded, replaced or withdrawn by the Securities Purchaser in its discretion. Lenders shall use the Interest Rate Notice then in effect in offering Rate Locks to Borrowers for Mortgage Loans pursuant to the Program Administrator's Guidelines and Lender Agreement. The failure of the Securities Purchaser to provide an Interest Rate Notice for any Business Day, or the rescission or withdrawal of any Interest Rate Notice, shall not affect the obligations of the parties to the Program Documents or result in any liability or obligation on the part of the Securities Purchaser. If the Securities Purchaser fails to provide an Interest Rate Notice for any Business Day, Lenders shall not be able to take reservations for Mortgage Loans until the Securities Purchaser delivers an Interest Rate Notice.

(b) **Program Administrator's System Binding.** The Program Administrator's loan reservation system shall be the exclusive source of information for the Security Purchaser, Lenders, and Master Servicer regarding Mortgage Loans and Mortgage Loan Interest Rates. The Security Purchaser shall send Interest Rate Notices and notices of rescission or withdrawal of Interest Rate Notices to the email addresses below, and such delivery shall satisfy the Security Purchaser's obligation to provide Interest Rate Notices to the Lenders and the Master Servicer: Email addresses for Interest Rate Notices: [sheryl.krocek@usbank.com](mailto:sheryl.krocek@usbank.com); [elmer.helbig@usbank.com](mailto:elmer.helbig@usbank.com), [sally.mazzola@usbank.com](mailto:sally.mazzola@usbank.com); [Paloma.miranda@ehousingplus.com](mailto:Paloma.miranda@ehousingplus.com); and [patt@ehousing.cc](mailto:patt@ehousing.cc).

## SECTION 3

### **ORIGINATION AND POOLING OF MORTGAGE LOANS; ENFORCEMENT OF LENDER OBLIGATIONS; PURCHASE OF MORTGAGE-BACKED SECURITIES BY SECURITY PURCHASER ON MORTGAGE-BACKED SECURITIES PURCHASE DATES**

(a) **Master Servicer Shall Pool Mortgage Loans.** As Mortgage Loans are originated by Lenders pursuant to the Program Documents, the Authorities agree to exercise their rights under the Program Documents to cause the Master Servicer to pool the Mortgage Loans into Mortgage-Backed Securities in accordance with the Program Documents, including the Servicing Agreement and the Program Guidelines as expeditiously as possible.

(b) **Security Purchaser Agrees to Purchase Mortgage-Backed Securities.** The Security Purchaser agrees to purchase from the Custodial Agent, and the Custodial Agent agrees to sell to the Security Purchaser, any Mortgage-Backed Securities that are created by the Master Servicer from Mortgage Loans in the program at the times, in the amounts, at the interest rates and under the terms

and conditions set forth in the Servicing Agreement, this Purchase Agreement and the Program Guidelines that are comprised of Mortgage Loans that conform to all of the terms of the Program Documents. The Security Purchaser shall have no obligation to purchase from the Custodial Agent, and the Custodial Agent shall have no obligation to sell to the Security Purchaser, any Mortgage-Backed Securities which do not conform, in the sole judgment of the Security Purchaser, to the terms and requirements of the Servicing Agreement, this Purchase Agreement and the Program Guidelines.

(c) The Security Purchaser and Custodial Agent shall receive a Notification of Delivery from the Master Servicer not later than the **3<sup>rd</sup> Business Day** prior to each Mortgage-Backed Securities Purchase Date. The Security Purchaser shall in turn deliver confirmation to the Custodial Agent not later than the **2<sup>nd</sup> Business Day** prior to each Mortgage-Backed Securities Purchase Date of the type and the original and outstanding principal balances of each Mortgage-Backed Security, CUSIP number and pool number of each Mortgage-Backed Security, the Mortgage-Backed Securities Purchase Date, the Mortgage-Backed Securities Interest Rate, Mortgage-Backed Securities Price, accrued interest and total net proceeds from the sale of each Mortgage-Backed Security by the Custodial Agent to the Security Purchaser.

(d) The Mortgage-Backed Securities shall be delivered by the Master Servicer to the Custodial Agent for redelivery to the Security Purchaser, on a delivery versus payment basis through the Federal Reserve Book Entry System. The Custodial Agent shall provide its Federal Reserve Book Entry delivery instructions to the Master Servicer, and the Security Purchaser shall provide its Federal Reserve Book Entry delivery instructions to the Custodial Agent. Such delivery and payment shall occur on each Mortgage-Backed Securities Purchase Date in accordance with the Program Documents and the Notice of Delivery. The Security Purchaser may, in its sole discretion, determine to extend the Mortgage-Backed Securities Purchase Date under terms and conditions acceptable to the Security Purchaser, including upon payment of an extension fee if requested by Security Purchaser. The Custodial Agent shall follow the directions of the Security Purchaser regarding all matters relating to the purchase and sale of the Mortgage-Backed Securities including but not limited to directions concerning an extension of the Mortgage-Backed Securities Purchase Date. If for any reason in the judgment of the Security Purchaser, the Mortgage-Backed Securities, or the underlying Mortgage Loans, do not conform to the Program Documents, neither the Custodial Agent nor the Security Purchaser shall have any obligation to accept delivery of or pay for the Mortgage-Backed Securities.

(e) Upon the request of the Security Purchaser, the Master Servicer shall advise the Security Purchaser and the Authorities of the outstanding principal amount of Mortgage Loans it has purchased from the Lenders.

#### **SECTION 4**

##### **MORTGAGE LOANS DESIGNATED AS CASH WINDOW LOANS**

(a) **Cash Window Loans.** The Security Purchaser, on behalf of the Authorities, may designate any one or more Mortgage Loans as Cash Window Loans for sale to GNMA, FNMA or FHLMC in the manner provided below. In order to provide for the sale of Cash Window Loans, the Authorities and Security Purchaser agree as follows:

(i) The Security Purchaser may, on behalf of the Authorities, at any time and from time to time direct that the Master Servicer provide prices at which the Cash Window Loans may be sold to the Cash Commitment Windows ("**Cash Window Prices**").

(ii) In the event that the Security Purchaser, on behalf of the Authorities, designates any Mortgage Loans as Cash Window Loans, the Security Purchaser shall provide to the Authorities calculations that include: (1) the net proceeds to the Program of (A) selling Cash Window Loans to the applicable Cash Commitment Window at the applicable Cash Window Prices, and (B) pairing off the hedges that relate to the Cash Window Loans (as determined in the Security Purchaser's sole discretion, absent manifest error), (together, "**Cash Window Delivery**"); and (2) the net proceeds to the Program of (A) pooling the Cash Window Loans into a GNMA, FNMA or FHLMC Mortgage-Backed Security that the Security Purchaser purchases at the Mortgage-Backed Securities Price, and (B) the actual expected buy-up or buy-down payment due to GNMA, FNMA or FHLMC (together, "**GNMA/FNMA/FHLMC Mortgage-Backed Security Delivery**").

(iii) Based on the calculations described in (ii) above, the Authorities shall determine whether to proceed with designating such Mortgage Loans as Cash Window Loans, and if applicable, the Authorities shall direct the Security Purchaser to proceed with either Cash Window Delivery or GNMA/FNMA/FHLMC Mortgage-Backed Security Delivery.

(b) **Sale of Cash Window Loans.** If the Authorities and the Security Purchaser shall agree to proceed with a Cash Window Delivery, the following provisions shall apply:

(i) The Security Purchaser, on behalf of the Authorities, shall direct the Master Servicer to enter into a forward sale commitment with GNMA, FNMA or FHLMC, as applicable, including the number of forward days, pass through rate, and amount designated by the Security Purchaser (the "**Forward Purchase Commitment**"), and the Master Servicer shall provide a copy of the Forward Purchase Commitment to the Authorities and the Security Purchaser. The Security Purchaser, on behalf of the Authorities, shall request that the Master Servicer execute the Forward Purchase Commitment as soon as reasonably possible once in receipt of the request, all in accordance with the designation by the Security Purchaser.

(ii) The Security Purchaser, on behalf of the Authorities, shall direct the Master Servicer to deliver the Cash Window Loans to the applicable Cash Commitment Window into the specified commitment and remit proceeds to the Authorities.

(iii) If the Security Purchaser shall receive a copy of the Forward Purchase Commitment from the Master Servicer or other evidence satisfactory to the Security Purchaser that the Master Servicer has executed the Forward Purchase Commitment, the Security Purchaser shall pair off or otherwise offset the hedges that relate to the Cash Window Loans. The pair off shall either result in (1) a net payment by the Security Purchaser to its hedge counterparty(ies), or (2) a net payment to the Security Purchaser by its hedge counterparty(ies), typically on the related "**good delivery**" settlement date, as reflected in the SIFMA Good Delivery Guidelines, published by the Securities Industry and Financial Markets Association ( a "**TBA Good Delivery Date**").

(iv) The Security Purchaser shall calculate the amount (the "**Excess Amount**") that either the Security Purchaser owes to the Authorities or the Authorities owes to the Security Purchaser. The Excess Amount shall be (1) the amount the Authorities received from the sale of the Cash Window Loans, minus (2) the amount the Authorities would have received if the Cash Window Loans were sold at the Mortgage-Backed Securities Purchase Price, plus (3) the net targeted buy-down due to GNMA, FNMA or FHLMC (as applicable) for the Cash Window Loans pursuant to the applicable Mortgage Interest Rate Calculations. For clarification, in the Mortgage Interest Rate Calculations a buy-up due from GNMA, FNMA or FHLMC (as applicable) to the Authorities is expressed as a negative number and a buy-down due from the Authorities to GNMA, FNMA or FHLMC (as applicable) is expressed as a positive number. If the net of the buy-ups and buy-downs for the Cash Window Loans is a positive number, this amount will be added to the amount due to the Security Purchaser from the Authorities. If it is a negative number, this amount will reduce the amount due to the Security Purchaser from the Authorities. If the Excess Amount is a positive number, the Authorities shall owe the Excess Amount to the Security Purchaser; if the Excess Amount is a negative number, the Security Purchaser shall owe the Excess Amount to the Authorities.

(v) Once the Master Servicer executes the Forward Purchase Commitment, provides evidence to the Authorities and Security Purchaser, and the Security Purchaser takes the steps described in Section 4(b)(iii) above, the obligations between the Authorities and the Security Purchaser relating to the Cash Window Loans which are the subject of the Forward Purchase Commitment shall only be with respect to the Excess Amount. The Security Purchaser shall have no liability or responsibility for a failure of the Master Servicer to perform the obligations set forth herein with regard to the Cash Window Loans. The Excess Amount funds shall be remitted via wire on TBA Good Delivery Date.

## **SECTION 5**

### **CALCULATION OF MORTGAGE LOAN INTEREST RATES AND MORTGAGE-BACKED SECURITIES PURCHASE PRICE; THE PROGRAM FEE; SECURITY PURCHASER COMPENSATION; LIMITATION OF SECURITY PURCHASER LIABILITY; CUSTODIAL AGENT FEE**

(a) **Calculation of Mortgage Loan Interest Rates.** The Security Purchaser shall calculate the Mortgage Loan Interest Rate(s) to be offered for the Program by taking into account prevailing market prices in the TBA mortgage-backed securities market, the amount of Borrower Assistance approved by the Authorities, the Program Fee, the Lender Servicing Release Premium, the applicable Authorities Servicing Release Premium, compensation for the Security Purchaser and other program expenses (if any and as applicable).

(b) **Mortgage-Backed Securities Purchase Price.** Unless otherwise agreed upon by the Authorities and the Security Purchaser, the applicable Mortgage-Backed Securities Purchase Price on any Mortgage-Backed Securities Purchase Date, which the Security Purchaser shall pay to the Custodial Agent, for the account of the Authorities shall be determined by the Mortgage Interest Rate Calculations to which the Mortgage Loans underlying the Mortgage-Backed Security relate. The amount of Borrower Assistance and Lender Servicing Release Premium shall be in the amounts set forth on the applicable Interest Rate Notice. The amount of the Program Fee shall be as set forth in



the applicable Mortgage Interest Rate Calculations. Extension Fees shall be collected separately and not netted against the purchase price of any Mortgage Loan. The amount paid by the Custodial Agent to the Master Servicer for each Mortgage-Backed Security shall equal the foregoing amount, reduced by the amount of the Borrower Assistance and the Program Fee.

(c) **Borrower Assistance.** The amount of Borrower Assistance shall be set forth in the Program Administrator's Guidelines and shall be reflected in each Interest Rate Notice. At the time each Mortgage Loan shall be reserved, the commitment of the Authorities to provide Borrower Assistance in such amount shall be binding on the Authorities and the Authorities shall be obligated to fund the amount of Borrower Assistance at the time each Mortgage Loan shall close. In order to provide funds for Borrower Assistance, the Authorities have entered into the Fiscal Agent Agreement which provides for the establishment of the Account with the Fiscal Agent. Funds on deposit in the Account shall be used by the Fiscal Agent, without further direction from the Authorities, for the purpose of paying Borrower Assistance at the time each Mortgage Loan is closed.

(d) **Account for Borrower Assistance.** The Authorities agrees to maintain funds in the Account pursuant to the terms and conditions set forth below in this subsection (d). The Account shall be created by the Authorities in a form satisfactory to the Security Purchaser on or before the execution of this Purchase Agreement and may not be terminated or revised without the prior written consent of the Security Purchaser. The Authorities shall maintain a minimum of **\$100,000** in the Account, subject to a minimum transfer amount of **\$20,000** by the Authorities.

(e) **Program Fee.** The Program Fee shall be reflected in the Mortgage Interest Rate Calculations and used for each Interest Rate Notice. Unless otherwise agreed to in writing by the Authorities and the Security Purchaser, the Program Fee shall be **0.75%** of the principal amount of Mortgage-Backed Securities purchased by the Security Purchaser. The distribution of the amount of the Program Fee to the Authorities shall occur as agreed upon by the Authorities and the Security Purchaser.

(f) **Security Purchaser Compensation.** The parties acknowledge that the Security Purchaser is obtaining funds for the purchase of Mortgage-Backed Securities from, and is being compensated through the profit made on, the subsequent sale of the Mortgage-Backed Securities to a third-party. The parties further acknowledge that the Mortgage-Backed Securities that the Security Purchaser purchases may be in different amounts than the amount of Mortgage Loans that Lenders reserve. The Security Purchaser shall set the lowest Mortgage Loan Interest Rate that targets compensation for the Security Purchaser at a minimum of **0.75%** of the principal amount of Mortgage-Backed Securities based on prevailing market prices in the TBA mortgage-backed securities market and the Authorities Servicing Release Premium Pricing Schedule of the Master Servicer, unless otherwise agreed to in writing by the Security Purchaser. However, the Authorities acknowledge that the actual compensation that the Security Purchaser earns shall be subject to its successful estimation of the proportion of Mortgage Loans that proceed from Rate Lock to origination compared to the number of rate lock commitments that Lenders initially offer as well as market conditions in effect at the time.

(g) **Nonperformance Under Program Documents.** In the event that the Master Servicer shall fail to perform its obligations to deliver Mortgage-Backed Securities under the terms and conditions set forth in the Servicing Agreement and other Program Documents, or in the event any

other party shall breach the terms of the Program Documents, the Security Purchaser may suffer a financial loss. To the extent such a financial loss is incurred by the Security Purchaser due to a breach by the Master Servicer or any other party to a Program Document, regardless of whether such loss occurs at the time of any nondelivery of the Mortgage-Backed Securities or upon any delayed delivery of the Mortgage-Backed Securities or at any other time which results in a financial loss to the Security Purchaser, including but not limited to losses incurred by the Security Purchaser under any hedging or funding agreement, the Authorities shall be liable to the Security Purchaser for all losses, costs and expenses incurred by the Security Purchaser, including but not limited to losses, costs and expenses incurred by Security Purchaser by reason of the failure to deliver, or delay in delivery, of any Mortgage-Backed Securities on any Mortgage-Backed Securities Purchase Date, as described in this Purchase Agreement; provided, however, that compensation for such losses shall be payable solely through the exercise of remedies against the Master Servicer or party to any other Program Document for breach of the terms of such Program Document.

(h) **Regarding the Custodial Agent.** The Custodial Agent undertakes to perform only such duties as are specifically set forth herein. No provision hereof shall require the Custodial Agent to expend or risk its own funds or otherwise incur financial liability or expense in the performance of its duties hereunder, and it is the intention of the parties that Custodial Agent not incur any liability or expense in performance of its duties hereunder. In the event that the Security Purchaser shall default in its obligations under this Purchase Agreement to accept delivery of and pay for Mortgage-Backed Securities delivered in accordance with this Purchase Agreement and if the Custodial Agent suffers any loss or expense as a result of such default, the Security Purchaser shall assume and pay for all of such costs and expenses and shall hold the Custodial Agent harmless from all such costs and expenses.

(i) **Custodial Agent Fee.** The Custodial Agent shall be entitled to an annual fee of **\$1,500** for all services rendered by the Custodial Agent under this Purchase Agreement or in connection with any Program Document which fee shall be payable in advance by the Security Purchaser. At closing an Acceptance Fee of **\$500** plus the initial annual fee shall be paid by Security Purchaser in addition to the fees and expenses of Custodial Agent's counsel in an amount not in excess of **\$2,000**.

(j) **Monthly Program Reports and Distribution of Funds.** The Security Purchaser shall provide the Authorities with a report not later than the fifth Business Day of each month (the "**Monthly Program Report**") that includes the following information for the previous month: (i) Mortgage Loans that were pooled into Mortgage-Backed Securities for purchase by the Security Purchaser or designated and sold as Cash Window Loans in the previous month (such loans are referred to as "**Pooled Mortgage Loans**" or "**Cash Window Loans**," respectively, and such securities are referred to as "**Purchased Mortgage-Backed Securities**"), (ii) prices for each Pooled Mortgage Loan and Purchased Mortgage-Backed Security, (iii) Program Fee related to each Purchased Mortgage Loan, based on the Mortgage Interest Rate Calculations and Interest Rate Notice to which each Purchased Mortgage Loan was originated, (iv) all other expenses of the Program, including the Security Purchaser's compensation, (v) any deficiencies or excess funds in the Program after accounting for items (ii), (iii) and (iv), and (vi) the net position of the Program based on all previous months' Monthly Reconciliation Reports. Beginning April 1, 2015, and periodically thereafter, the Authorities and the Security Purchaser shall review the net position of the Program and shall agree on a distribution of any excess funds.



(k) **Rights of the Authorities.** The Security Purchaser shall provide to the Authorities, upon request, information concerning the Mortgage Loan Interest Rate and the compensation received by the Security Purchaser under this Purchase Agreement. The Authorities shall have the right, acting jointly, to suspend the Program in the event that the Authorities shall object to Mortgage Loan Interest Rate or the compensation received by the Security Purchaser; provided, however, that the Authorities may not suspend the Program with respect to any Mortgage Loan for which Program moneys have been reserved. In the event that the Authorities shall suspend the Program, the Security Purchaser reserves the right to terminate its obligations under this Purchase Agreement if the Security Purchaser and the Authorities are unable to agree on terms for recommencing the Program.

## **SECTION 6**

### **CALCULATION OF AUTHORITIES SERVICING RELEASE PREMIUM**

(a) The Authorities Servicing Release Premium shall be based upon the Authorities Servicing Release Premium Pricing Schedule of the Master Servicer. The Authorities Servicing Release Premium Pricing Schedule may be revised by the Master Servicer from time to time; provided, however, that once an Interest Rate Notice has been issued by the Security Purchaser, any amendment made to the then effective Authorities Servicing Release Premium Pricing Schedule shall not apply to Mortgage-Backed Securities purchased by the Security Purchaser associated with the Interest Rate Notice. The Security Purchaser shall have the right to request a reconfirmation from the Master Servicer of the terms of the then effective Authorities Servicing Release Premium Pricing Schedule at any time.

(b) The Authorities Servicing Release Premium Pricing Schedule shall be prepared by the Master Servicer as provided in **Schedule A** of the Servicing Agreement.

## **SECTION 7**

### **EXCLUSIVE RIGHTS OF SECURITY PURCHASER REGARDING MORTGAGE-BACKED SECURITIES**

The Security Purchaser shall have the exclusive right to purchase Mortgage-Backed Securities under the terms of this Purchase Agreement. The Authorities and the Master Servicer shall be required to sell all Mortgage-Backed Securities originated under the Program exclusively to the Security Purchaser under this Purchase Agreement unless:

(a) if and for so long as the Security Purchaser fails to purchase any Mortgage-Backed Security required to be purchased by Security Purchaser under this Purchase Agreement and such failure constitutes an Event of Default under this Purchase Agreement which is not remedied in accordance within the grace periods provided for under this Purchase Agreement; or

(b) the Authorities, the Master Servicer and the Security Purchaser otherwise mutually agree in writing that Mortgage-Backed Securities do not need to be purchased by the Security Purchaser.

## **SECTION 8**

### **CONDITIONS PRECEDENT**

(a) Notwithstanding anything herein to the contrary, as a condition precedent to the parties entering into this Purchase Agreement, the parties shall have received all of the following items and documents, each of which shall be satisfactory in form and substance to the parties in its sole discretion:

(i) certified true copies of resolution of the Authorities authorizing the execution, delivery and performance by the Authorities of this Purchase Agreement, the Servicing Agreement, the Program Lender Agreement and each other Program Document to be delivered by the Authorities from time to time in connection with herewith or therewith,

(ii) evidence of the authority of the Master Servicer to execute, deliver and perform the Participating Lender Agreement, the Servicing Agreement and each other Program Document to be delivered by the Master Servicer from time to time in connection with herewith or therewith, and

(iii) such other certificates, agreements and documents, including opinions of counsel to each of the parties to this Purchase Agreement, as may be requested by Security Purchaser in its sole discretion.

(b) In addition and notwithstanding anything herein to the contrary, as a further condition precedent to the purchase and sale of any Mortgage-Backed Securities and the obligation of the Security Purchaser to enter into any purchase hereunder:

(i) No Event of Default under this Purchase Agreement, the Servicing Agreement, the Program Lender Agreement, the Participating Lender Agreement or any other Program Document executed in connection therewith shall have occurred and be continuing;

(ii) All representations and warranties in this Purchase Agreement, the Servicing Agreement, the Program Lender Agreement, the Participating Lender Agreement and any other Program Document executed in connection therewith shall be true and correct in all material respects on the related Purchase Date;

(iii) This Purchase Agreement, the Servicing Agreement, the Program Lender Agreement, the Participating Lender Agreement and any other Program Document executed in connection therewith shall be in full force and effect in the form originally executed without any amendments other than those approved by the Security Purchaser in writing.

## **SECTION 9**

### **REPRESENTATIONS AND WARRANTIES**

(a) The Authorities represents and warrants as follows:

(i) Each of the Authorities is an Arizona nonprofit corporation duly organized and existing under the laws of the State of Arizona and designated by statute as apolitical subdivision of the State of Arizona.

(ii) This Purchase Agreement and all other Program Documents executed by the Authorities have been duly authorized, executed and delivered by the Authorities and, when executed and delivered by the other parties thereto shall constitute the valid and binding obligations of the Authorities enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, or other laws or equitable principles limiting creditors' rights generally.

(iii) To the best of the Authorities' knowledge, no litigation is pending or threatened against the Authorities which would prohibit them from entering into this Agreement or any other Program Document to be executed by the Authorities or consummating the transactions contemplated hereby or thereby.

(b) The Security Purchaser represents warrants and covenants as follows:

(i) The Security Purchaser is duly organized, validly existing, and in good standing under the laws governing its creation and existence and is qualified to do business under the laws of the state of its organization, with full power to own its properties and conduct its business.

(ii) All proceedings legally required to be taken by the Security Purchaser in connection with the authorization and execution of this Purchase Agreement and the consummation of the transactions contemplated hereby and related hereto, and all such approvals, authorizations, consents, licenses or other orders of local, state or federal regulatory agencies, public boards or bodies, if any, as may be legally required to be obtained by the Security Purchaser prior to the date of this Purchase Agreement with respect to all or any of such matters, have been taken or obtained.

(iii) This Purchase Agreement has been duly authorized, executed and delivered by the Security Purchaser and, when duly executed and delivered by the Authorities and the Custodial Agent, shall constitute the legal, valid and binding obligation of the Security Purchaser enforceable in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, or other laws or equitable principles limiting creditors' rights generally.

(iv) The Security Purchaser has full legal authority to engage in the activities covered by this Purchase Agreement, and the execution and delivery of this Purchase Agreement and compliance with its terms, conditions and provisions shall not conflict with or result in a breach of any of the terms, conditions or provisions of the articles of organization or operating agreement of the Security Purchaser or any agreement or instrument to which it is a party or by which it is bound or any law or regulation or any administrative decree or order to which it is subject, or constitute a default thereunder.

(v) To the best of its knowledge, the Security Purchaser is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal, or governmental agency, which default might have consequences that would materially and adversely affect its performance hereunder.

(vi) To the best of the Security Purchaser's knowledge, the Security Purchaser is not a party to or bound by, nor does the Security Purchaser intend to be a party to or be bound by, any agreement or instrument or subject to any charter or any other corporate restriction or any judgment, order, writ, injunction, decree, law, or regulation which may materially and adversely affect the ability of the Security Purchaser to perform its obligations under this Purchase Agreement or which requires the consent of any third person to the execution of this Purchase Agreement or the consummation of the transactions contemplated hereby.

(vii) To the best of its knowledge, no litigation is pending or threatened against the Security Purchaser with respect to this Purchase Agreement or the consummation of the transactions contemplated hereby.

(c) All of the representations and warranties made by the Authorities and the Security Purchaser under this Purchase Agreement or any document or instrument contemplated by this Purchase Agreement shall survive the execution and delivery of this Purchase Agreement and the origination of Mortgage Loans and the delivery of Mortgage-Backed Securities under this Purchase Agreement.

## SECTION 10

### EVENTS OF DEFAULT

(a) Each of the following events shall constitute an event of default (an "**Authorities Event of Default**") hereunder:

(i) An Event of Default occurs under any Program Document;

(ii) Any event occurs or circumstance exists which with the giving of notice, the passing of time or the consent, approval or direction of any third party would give rise to a right to terminate any party under a Program Document or which would otherwise constitute an Event of Default under any Program Document;

(iii) The Master Servicer fails to transfer the Mortgage-Backed Securities to the Security Purchaser or its designee at the time, in the amount, in the manner and as required under the Servicing Agreement and the other Program Documents, regardless of whether such failure is at the time an event of default thereunder;

(iv) The Authorities shall breach any covenant of this Purchase Agreement or any other Program Document or any representation, warranty or certification made or deemed made under this Purchase Agreement or under any other Program Document by the Authorities or any certificate furnished to a party pursuant to the provisions thereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

Except for amount required to be deposited in the Account for the payment of Borrower Assistance as set forth in **Section 4(d)** of this Purchase Agreement, all obligations of the Authorities incurred under this Purchase Agreement shall be special, limited obligations of the Authorities, payable solely from the revenues and other amounts derived from the sale of Mortgage-Backed Securities under the Program and from the enforcement of remedies described in the preceding paragraph. Nothing

contained herein shall be construed as obligating the Authorities to pay any amount from a source other than as provided in the preceding sentence, and neither the County nor the City shall have any obligation hereunder. Nothing in this Purchase Agreement, or in any Program Document, shall obligate the Authorities, the County or the City to purchase any Mortgage Loan from any Lender. In order for a Mortgage Loan to be purchased by the Master Servicer under the Program, the Mortgage Loan must comply with the requirements of the Program Documents. If a Mortgage Loan is rejected by the Master Servicer, or a Mortgage-Backed Security is rejected by the Custodian or the Security Purchaser, the Authorities shall have no responsibility to purchase any such Mortgage Loan or Mortgage-Backed Security.

(b) Each of the following events shall constitute an event of default by the Security Purchaser (a "**Security Purchaser Event of Default**") hereunder:

(i) The Security Purchaser fails to accept delivery and pay for the Mortgage-Backed Securities at the time required under this Purchase Agreement, notwithstanding it is obligated to do so under the terms of this Purchase Agreement;

(ii) Except as otherwise provided in this Purchase Agreement, the Security Purchaser fails to perform, comply with or observe in any material respect any other of its material covenants, agreements and obligations contained in this Purchase Agreement, and such failure is not cured within the time period expressly provided for therein, or, if no such cure period is provided, within five (5) Business Days of the earlier of (x) such party's receipt of written notice of such breach or (y) the date on which such party obtains notice or knowledge of the facts giving rise to such breach;

(iii) Any representation, warranty or certification made or deemed made under this Purchase Agreement by the Security Purchaser or any certificate furnished to a party pursuant to the provisions thereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

## **SECTION 11**

### **REMEDIES**

(a) Upon the occurrence of an Authorities Event of Default, the Security Purchaser, at its option, shall have the right to exercise any or all of the following rights and remedies:

(i) The Security Purchaser shall have the right to direct the Authorities to terminate the Master Servicer or other defaulting party under a Program Document upon written notice to such effect, which termination shall be effective as provided in the Servicing Agreement;

(ii) The Security Purchaser shall have the right to direct the Authorities to establish a Mortgage-Backed Securities Purchase Date as provided in Servicing Agreement;

(iii) The Authorities shall be liable to the Security Purchaser for all of the damages suffered by the Security Purchaser by reason of the occurrence of a Master Servicer Event of Default under the Servicing Agreement, or the occurrence of any other default by a party to a Program Document, including but not limited to any cost, liability or expense incurred or suffered by the Security Purchaser under the terms of any lending agreement or arrangement entered into by Security



Purchaser in connection with the Mortgage-Backed Securities and any forward sale or other agreement concerning an actual or intended disposition or transfer, including but not limited to any forward delivery or similar agreement, by the Security Purchaser of any Security or interest therein to any third party by the Security Purchaser;

(iv) The Security Purchaser may, in its discretion, (a) elect to purchase in a recognized market and in a commercially reasonable manner securities of the same class and amount as the Mortgage-Backed Securities contracted for delivery to the Security Purchaser, at the price or prices set forth on Bloomberg L.P. or Tradeweb on the date and time of such purchase or, (b) elect, in lieu of purchasing such replacement securities at price set forth on Bloomberg L.P. or Tradeweb for any such replacement securities on the date and time that the close out of the related interest rate hedge transaction undertaken by Security Purchaser is closed out.

(v) In each event, the Security Purchaser may also recover, in addition to any other damages, the difference between the price at which hedges were sold and the price at which hedges are covered, with respect to Mortgage-Backed Securities were required to be delivered by Master Servicer but for which no delivery was made by Master Servicer, which recovery shall be with respect to the aggregate notional amount of Mortgage Loans for which an Interest Rate Notice was provided by Security Purchaser and which have not been originated, funded and delivered to Security Purchaser in the form of one or more Mortgage-Backed Securities.

(vi) The Security Purchaser may take whatever other action at law or in equity may reasonably appear necessary or desirable to collect the amounts then due and thereafter to become due from the Master Servicer under this Purchase Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Master Servicer under this Purchase Agreement.

In addition to all the rights and remedies specifically provided herein, the Security Purchaser shall have all other rights and remedies provided by applicable federal, state, foreign, and local laws, whether existing at law, in equity or by statute.

Except as otherwise expressly provided in this Purchase Agreement, the Security Purchaser shall have the right to exercise any of its rights and/or remedies without presentment, demand, protest or further notice of any kind other than as expressly set forth herein, all of which are hereby expressly waived by the Authorities.

The Security Purchaser may enforce its rights and remedies hereunder without prior judicial process or hearing, and the Authorities hereby expressly waive, to the extent permitted by law, any right the Authorities, as applicable, might otherwise have to require the Security Purchaser to enforce its rights by judicial process.

To the extent permitted by applicable law, Authorities waive all claims, damages and demands it may acquire against the Security Purchaser arising out of the exercise by the Security Purchaser of any of its rights hereunder, other than those claims, damages and demands arising from the negligence or misconduct of the Security Purchaser. If any notice of a proposed sale or other disposition of Mortgage-Backed Securities shall be required by law, such notice shall be deemed reasonable and proper if given at least two (2) Business Days before such sale or other disposition.



NOTWITHSTANDING ANYTHING SET FORTH IN THIS PURCHASE AGREEMENT, THE RIGHT OF THE SECURITY PURCHASER TO RECOVER MONEY DAMAGES AGAINST THE AUTHORITIES SHALL BE LIMITED SOLELY TO AMOUNTS REALIZED BY THE EXERCISE OF REMEDIES OF THE AUTHORITIES AGAINST THE MASTER SERVICER UNDER THE SERVICING AGREEMENT OR AGAINST ANY OTHER PARTY IN DEFAULT UNDER A PROGRAM DOCUMENT.

(b) Upon the occurrence of a Security Purchaser Event of Default, the Authorities shall have the right to exercise any or all of the following rights and remedies:

(i) The Authorities may suspend their performance under this Purchase Agreement during and for so long as a Security Purchaser Event of Default shall have occurred and remain in effect and during such suspension;

(ii) By notice in writing to the Security Purchaser, the Authorities may terminate this Purchase Agreement;

(iii) The Security Purchaser shall be liable to the Authorities for all of the damages suffered by the Authorities by reason of the occurrence of the Security Purchaser Event of Default; and

(iv) The Authorities may take whatever other action at law or in equity may reasonably appear necessary or desirable to collect the amounts then due and thereafter to become due from the Security Purchaser under this Purchase Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Security Purchaser under this Purchase Agreement.

In addition to all the rights and remedies specifically provided herein, the Authorities shall have all other rights and remedies provided by applicable federal, state, foreign, and local laws, whether existing at law, in equity or by statute.

Except as otherwise expressly provided in this Purchase Agreement, the Authorities shall have the right to exercise any of their rights and/or remedies without presentment, demand, protest or further notice of any kind other than as expressly set forth herein, all of which are hereby expressly waived by the Authorities.

The Authorities may enforce their rights and remedies hereunder without prior judicial process or hearing, and the Security Purchaser hereby expressly waives, to the extent permitted by law, any right the Security Purchaser, as applicable, might otherwise have to require the Authorities to enforce their rights by judicial process.

Termination of this Purchase Agreement by the Security Purchaser as herein described shall not release the Security Purchaser from any responsibility or liability on the part of the Security Purchaser that arises prior to termination unless the Authorities expressly release the Security Purchaser in writing from such responsibility or liability.

## **SECTION 12**

### **BINDING EFFECT; TRANSFER**

This Purchase Agreement amends, restates, supersedes and replaces the Prior Purchase Agreement. This Purchase Agreement shall be binding upon the Security Purchaser and the Authorities and upon their respective successors and transferees. No party may transfer this Purchase Agreement without the prior written consent of the other parties.

## **SECTION 13**

### **PAYMENT INSTRUCTIONS**

All payments due under this Purchase Agreement are to be made in immediately available funds by means of a bank or Federal funds wire, to the account specified by the payee from time to time pursuant to this Purchase Agreement.

## **SECTION 14**

### **NOTICES**

Any written notice authorized or required by this Purchase Agreement shall be sufficiently given if addressed to the receiving party and hand delivered, sent by overnight courier, or sent by facsimile or electronic mail to the addressee specified in this paragraph or to such other person as the receiving party may from time to time designate in writing to the other party.

Notice to Security Purchaser:

George K. Baum & Company  
Suite 500  
4801 Main Street  
Kansas City, Missouri 64112  
Attention: Dana Bjornson

With a copy to:

George K. Baum & Company  
1400 Wewatta Street  
Suite 800  
Denver, Colorado 80202  
Attention: Elizabeth Barber

Notice to Pima Authority:

The Industrial Development Authority of the  
County of Pima  
c/o: Russo, Russo & Slania, P.C.  
6700 N. Oracle Road, Suite 100  
Tucson, Arizona 85704  
Attention: Michael A. Slania  
F: (520) 529-9040

Notice to Tucson Authority:

The Industrial Development Authority of the City  
of Tucson, Arizona  
335 N. Wilmont Road, Suite 420  
Tucson, Arizona 85711-2362  
F: (520) 624-1728

With a copy to:

Charles W. Lotzar  
Lotzar Law Firm, P.C.  
7150 E. Camelback Road  
Suite 455  
Scottsdale, Arizona 85251  
F: (480) 905-0321

Notice to Custodial Agent:

Keith Henselen, Assistant Vice President  
U.S. Bank, National Association  
Corporate Trust Division LM-AZ-x16P  
101 North First Avenue, Suite 1600  
Phoenix, Arizona 85003  
F: (602) 257-5433

Account Instructions:

U.S. Bank N.A.  
ABA #091000022  
BNF: U S Bank Trust  
Account #180121167365  
Ref: IDAs Pima/Tucson and GKB Escrow  
Attn: **[Will provide]**

Fed Settlement:

U.S. Bank N.A.  
ABA #042000013  
Routing Symbol: 1050/Trust  
Ref: IDAs Pima/Tucson and GKB Escrow  
Attn: **[Will provide]**

Brenda D. Black, Vice President  
U.S. Bank National Association  
Corporate Trust Division LM-AZ-X16P  
101 North First Avenue, Suite 1600  
Phoenix, AZ 85003  
F: (602) 257-5433

Security Purchaser Delivery Instructions

(Fed Settlement):

ABA # 0210-0001-8  
BK OF NYC/GKBAUM  
Contact: Paula Pryor

Security Purchaser Wire Instructions: Bank of America, NA  
Kansas City, MO  
ABA #0260-0959-3  
C/A George K. Baum & Company  
Account No. 355003916338  
Attn: Tasha Romero 816-283-5205

To Borrower Assistance Administration  
Agent: Community Investment Corporation.  
2525 East Broadway Boulevard, Suite 105  
Tucson, Arizona 85716  
F: (520) 908-6045

Any notice given hereunder may be in the form of oral instructions if promptly confirmed in writing.

## **SECTION 15**

### **LIMITATION; AUTHORITIES APPROVAL**

Nothing expressed or implied herein is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, any right, remedy or claim by reason of this Purchase Agreement or any term hereof, and all terms contained herein shall be for the sole and exclusive benefit of the parties hereto, and their successors and permitted transferees.

All obligations of the Authorities incurred hereunder shall be limited obligations of the Authorities, payable solely from the revenues and other amounts derived from the Mortgage-Backed Securities and amounts held by the Custodial Agent and other amounts as expressly provided herein. In the event of any claim or dispute between or among any one or more of the Security Purchaser, the Master Servicer or any Lender, neither the Security Purchaser, the Master Servicer nor the Lenders shall have any claim against the Authorities.

By their execution of this Purchase Agreement, the Authorities hereby approve the terms and provisions of this Purchase Agreement and the participation by the Security Purchaser in the transactions described herein.

## **SECTION 16**

### **GOVERNING LAW**

This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

## **SECTION 17**

### **SEVERABILITY**

If one or more provisions of this Purchase Agreement, or the applicability of any such provisions for any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Purchase Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

## **SECTION 18**

### **AMENDMENTS, CHANGES AND MODIFICATIONS**

This Purchase Agreement may be amended or any of its terms modified only by a written document authorized, executed and delivered by each of the parties hereto.

## **SECTION 19**

### **COUNTERPARTS**

This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The parties agree that this Purchase Agreement, any documents to be delivered pursuant to this Purchase Agreement and any notices hereunder may be transmitted between them by email and/or facsimile. The parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties.

## **SECTION 20**

### **NOTICE OF STATE STATUTE**

The parties further acknowledge the contract cancellation provisions contained in Arizona Revised Statutes Section 38-511, as amended, and by this reference incorporate the provisions of that statute herein, to the extent that they are applicable to contracts of the nature of this Purchase Agreement under the law of the State of Arizona.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authorities and the Security Purchaser have caused this Purchase Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF PIMA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF TUCSON, ARIZONA

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

GEORGE K. BAUM & COMPANY, INC.  
as Security Purchaser

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Custodial Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_