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VIA EMAIL AND HAND-DELIVERY

September 4, 2024

Adelita Grijalva, Chair
Rex Scott, Vice Chair
Mr. Steve Christy
Dr. Matt Heinz
Dr. Sylvia M. Lee

PIMA COUNTY BOARD OF SUPERVISORS

County Administration Building
33 North Stone Avenue, Suite 100
Tucson, Arizona 85701

Re: The Industrial Development Authority of the County of Pima – Notice of Intention to Issue Bonds – Single Family Mortgage Revenue Bonds, Series 2025 – In an Aggregate Amount Not to Exceed \$150,000,000

Dear Ms. Chair and Members of the Board:

At its special meeting held on August 27, 2024, The Industrial Development Authority of the County of Pima (the “*Authority*”), granted its approval to a resolution approving the issuance of the Single Family Mortgage Revenue Bonds, Series 2025 by the Authority, in one or more series or subseries (the “*Bonds*”), in an aggregate principal amount not to exceed \$150,000,000 to fund the creation of the Authority’s Single Family Mortgage Revenue Bond Program of 2025. The Authority believes this authorization of Bonds will continue to provide affordable housing in Pima County.

As always, this issuance of the Bonds is subject to the approval of the Pima County Board of Supervisors. The Authority respectfully requests that this matter be placed on the Board of Supervisors’ Regular Meeting Agenda (or Addendum) scheduled for September 17, 2024, for the purpose of having the Board of Supervisors approve the action of the Authority. Enclosed herewith are the following:

1. Resolution of the Board of Supervisors;
2. Intergovernmental Agreement;
3. Standards and Requirements;
4. General Plan; and
5. Program Terms and Rate Notice from the Authority’s prior Series 2024C Single Family Mortgage Revenue Bond issue.

Attached is a copy of the Resolution approved by the Authority. Additionally, pursuant to the requirements of Bond Counsel, on August 27, 2024, the Authority held a public hearing regarding the issuance of the Bonds in order to comply with Federal tax requirements. There were no comments or objections from the public filed regarding the issuance of the above-mentioned Bonds.

As you may recall, to date, the Authority has previously issued five different series of Single Family Mortgage Revenue Bonds totaling \$125,000,000 since August 29, 2023, some jointly with the Industrial Development Authority of the City of Tucson (the "*Tucson Authority*"). The prior authorizations by the Board of Supervisors (two for \$25,000,000 each in 2023 and one for \$100,000,000 in 2024) are expected to be fully used this year (there is one additional issuance of bonds expected in late September 2024). The Series 2023A Bonds were jointly issued with the Tucson Authority in the amount of \$25,000,000 on August 29, 2023. The next Series 2023B Bonds were issued in the amount of \$25,000,000 on November 16, 2023. The first Series 2024A Bonds were jointly issued with the Tucson Authority in the amount of \$25,000,000 on March 6, 2024. The next Series 2024B Bonds were issued in the amount of \$25,000,000 on April 30, 2024. The most recent Series 2024C Bonds were issued in the amount of \$25,000,000 on July 23, 2024. The proceeds of each of these series of Bonds were rapidly reserved by lenders (given the required set-asides under the Act) with first time homebuyers and have been fully originated with first position mortgage loans in Pima County, except the Series 2024C Bonds which are close to completion. A final series (Series 2024D, expected to be \$25,000,000 or less) under the 2024 authorization from the Authority and the Board of Supervisors is contemplated sometime prior to the end of September 2024.

This new authorization of the Bonds for 2025 by the Authority to aid in affordable housing again provides for multiple series or subseries of bonds, to be issued in different series and tranches (or amounts), on different dates, and can be used when volume cap is available over the next two years. The proceeds of each new series of Bonds will again be used to provide funds 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 (the "*Program*"), by providing single-family mortgages and down payment assistance. The Authority also approved, and is asking for your approval of, the Intergovernmental Agreement between the Authority and the Tucson Authority (if any joint bonds are to be issued), as well as the General Plan and Standards and Requirements which the Act requires the Board of Supervisors approve. A more detailed description of the Program is contained in the enclosed Program Terms and Rate Notice from prior Series 2024C Bond issue. The Bonds are to be issued, and the Program administered in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*").

Each series or subseries of Bonds in this issue will be underwritten by a bond underwriter, initially Stifel Nicolaus & Company. The Bonds will be issued as fully registered Bonds in denominations of \$5,000 or integral multiples thereof. The Program will be secured by federally guaranteed mortgage-backed instruments, or such other type of security, which will assure an "A" or better rating on the Bonds by Moody's Rating Services. The local lenders involved with the Program are expected to originate 30 year, fixed rate mortgages (the interest rate is not expected to exceed 8.5%) to qualifying borrowers with additional down payment and closing costs.

As always, the Bonds will be special limited obligations of the Authority and will be payable solely from payments made on and secured by a pledge and assignment of and certain funds held under a trust indenture between the Authority and the trustee named therein. Neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, will be pledged to the payment of the Bonds. The Authority has no taxing power.

I will be available prior to the meeting to answer any questions you may have, or I am available to meet with you at your convenience.

Please note that the form of resolution includes an emergency clause, to make the resolution immediately effective if four or five Supervisors vote for it (otherwise, based upon the advice of the Pima County Attorney's Office, it is not effective for at least 30 days due to the referendum and initiative provision of Arizona law).

Thank you for your consideration of this matter.

Sincerely,

SLANIA LAW, PLLC

/s/

Michael A. Slania
Attorney for the Authority

MAS/ub
Enclosures

c: Ms. Melissa Manriquez (with enclosures)
Bobby Yu, Esq., Counsel to the Board
Jan Leshner, Pima County Administrator
Mr. Patrick Cavanaugh, Deputy Director Pima County Economic Development Office

RESOLUTION NO. 2024- _____

A RESOLUTION OF THE BOARD OF SUPERVISORS APPROVING THE PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AND THE SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM OF 2025 OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA (WHICH MAY ALSO INCLUDE THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA); APPROVING STANDARDS AND REQUIREMENTS RELATED THERETO; APPROVING A GENERAL PLAN RELATED THERETO; APPROVING PROGRAM DOCUMENTS RELATED THERETO; AND AUTHORIZING AND APPROVING THE ISSUANCE OF ITS NOT TO EXCEED \$150,000,000 SINGLE FAMILY MORTGAGE REVENUE BONDS, IN ONE OR MORE SERIES OR SUBSERIES; 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 issue bonds, such as the Single Family Mortgage Revenue Bonds, in one or more series or subseries (the “*Bonds*”) and to use the proceeds thereof to finance mortgage loans for owner-occupied single family dwelling units to be occupied by persons of qualifying income and to pay administrative and other costs incurred in connection with the issuance of such Bonds, to pledge all or any part of the revenues, receipts or resources of the Authority from or in connection with such loans or interest therein, and to mortgage, pledge or grant security interests in such loans or other property of the Authority in order to secure the payment of the principal or redemption price of and interest on such Bonds and to exercise such powers in Pima County and any such jurisdictions which have given approval to the use of the proceeds of the Authority’s Bonds within such jurisdiction; and

WHEREAS, the Authority will be issuing the Bonds, either individually or jointly with The Industrial Development Authority of the City of Tucson, Arizona (the “*Tucson Authority*”), which is also a nonprofit corporation designated as a political subdivision of the State of Arizona; and

WHEREAS, the Authority has, by resolution adopted on August 27, 2024 (the “*Authority Resolution*”), requested Pima County to approve the Intergovernmental Agreement (described below), the Standards and Requirements (described below) and the General Plan (described below) relating to the 2025 Program (described below) that have been placed on file with this Board of Supervisors of Pima County (the “*Board*”); and

WHEREAS, the Authority has, by its Authority Resolution, authorized the issuance and sale of the Bonds (which may be jointly with the Tucson Authority) in an aggregate principal amount not to exceed \$150,000,000, subject to approval by the Board, for the purposes set forth above and to further finance and implement the Single Family Mortgage Revenue Bond Program of 2025 (the “*2025 Program*”) of the Authority (and possibly the Tucson Authority) meeting the requirements of the Act; and

WHEREAS, the Authority Resolution authorizes, among other things, the issuance of the Bonds, the execution and delivery of one or more Trust Indenture(s) by and between the Trustee named therein (the “Trustee”), and the Authority (and possibly the Tucson Authority) (the “Indenture”), and various agreements by and among certain Lenders identified therein, as supplemented, and such other documents as required for the issuance of the Bonds; and

WHEREAS, the terms, maturities, provisions for redemption, security, and sources of payment for the Bonds are set forth in each of the Indentures and the form of that series or subseries of Bonds; and

WHEREAS, in accordance with the Act, the proceedings under which the Bonds are to be issued require the approval of the Board of Supervisors of Pima County of the issuance of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended, requires that the chief elected official representing the Board approve the issuance of the Bonds following a public hearing following reasonable public notice, which hearing has been conducted by the Authority; and

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

1. The Intergovernmental Agreement (the “*Intergovernmental Agreement*” between the Authority and the Tucson Authority relating to the 2025 Program (needed if any bonds are to be issued jointly with the Tucson Authority).

2. The Standards and Requirements to be applicable to the purchase of loans in the 2025 Program from the proceeds of the Bonds in accordance with Section 35-706.D. of the Act (the “*Standards and Requirements*”), which were established and authorized by the Authority Resolution; and

3. A General Plan for the Bonds and the portion of the 2025 Program relating to the Bonds in accordance with Section 35-726.A. of the Act (the “*General Plan*”) which was established and authorized by the Authority Resolution; and

4. Copy of the Authority Resolution authorizing the issuance of the Bonds, the execution and delivery of certain documents and the implementation of the 2025 Program relating to the Bonds, as described in such documents; and

WHEREAS, drafts of such documents relating to the implementation of the 2025 Program relating to the Bonds and the issuance of the Bonds (the “*2025 Program Documents*”) have been made available to the Board for review; and

WHEREAS, the Board has been informed that said 2025 Program Documents have been reviewed by competent Bond Counsel, Kutak Rock, LLP, and said Bond Counsel has determined that said documents adequately meet the requirements of the Act and the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, in accordance with Section 35-721.B of the Act, the proceedings of the Authority under which the Bonds are to be issued require the approval of the Board of the issuance of the Bonds; and

WHEREAS, the Board has had presented to it, information regarding the Bonds and information regarding the public hearing held by the Authority concerning the Bonds and is further informed and advised with regard to the Bonds.

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

Section 1. Pursuant to Section 147(f) of the Code and the Act, the Board of Supervisors, as the governing body of the Authority and the applicable elected representative of the Authority as the issuer of the Bonds hereby approves the issuance of the Bonds and the proceedings under which the Bonds are to be issued by the Authority, including specifically the resolution described above, the Indenture, and all other related or appropriate documents as well as the allocation of private activity volume cap by the Authority among bonds or mortgage credit certificates.

Section 2. The Intergovernmental Agreement is hereby approved. The Standards and Requirements are hereby approved pursuant to Section 35-706.D. of the Act. The General Plan is hereby approved pursuant to Section 36-726.A. of the Act. The forms, terms and provisions of the 2025 Program Documents are hereby approved, together with such changes in the 2025 Program Documents as are permitted under the Act and the Authority Resolution and are consistent with such Standards and Requirements and the General Plan.

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 2025 Program relating to the Bonds and the financing thereof, including without limitation, the execution and delivery of and any and all other documents required to be delivered by Pima County in connection with the sale and delivery of the Bonds.

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 17th day of September, 2024.

PIMA COUNTY BOARD OF SUPERVISORS

By: _____
Adelita Grijalva, Chair

ATTEST:

Melissa Manriquez, Clerk

APPROVED AS TO FORM:

KUTAK ROCK, LLP
as Bond Counsel

By: Kathryn P. Peters

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

This Intergovernmental Agreement, dated as of _____ 1, [2024] (the “**Agreement**”), is by and between The Industrial Development Authority of the County of Pima (the “**Pima Authority**”) and The Industrial Development Authority of the City of Tucson, Arizona (the “**Tucson Authority**” and collectively, the “**Authorities**”), each a nonprofit corporation recognized, existing under and designated 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

A. The public purpose of both the Pima Authority and the Tucson Authority includes the encouragement of investment and lending by private enterprise for, and the stimulation of acquisition, construction and rehabilitation of housing for families of low and moderate income.

B. Under their enabling legislation, the Pima Authority and the Tucson Authority have the power, either individually or jointly, to assist in the financing of owner-occupied single family dwelling units secured by deeds of trusts or mortgages.

C. Under their enabling legislation, the Pima Authority and the Tucson Authority have the power, either individually or jointly, to issue single family revenue bonds and mortgage credit certificates for the benefit of persons of low and moderate income, as contemplated by **Arizona Revised Statutes Sections 35-701(7) and 35-706(I)**.

D. The Pima Authority and the Tucson Authority have determined that it is in the best interest of the citizens of Pima County (the “**County**”) and the City of Tucson, Arizona (the “**City**”) to cooperate in the development and implementation of one or more bond programs to take advantage of opportunities designed to alleviate the shortage of affordable single family housing and mortgage credit for housing within the means of persons and families of low and moderate income, which such Authorities find to be in the public interest (the “**Bond Program**”) to benefit the citizens of the County and the City, including through the issuance of such one or more series of their Single Family Mortgage Revenue Bonds that the Authorities determine should be issued jointly (the “**Bonds**”).

E. Consistent with the terms and conditions set forth below, the Authorities desire to enter into this Agreement, in order to pursue the common development and implementation of the Bond Program.

AGREEMENT

NOW, THEREFORE, the Pima Authority and the Tucson Authority hereby agree as follows:

Article I – Specific Covenants

Section 1.01. Definitions. The following words and phrases shall have the following meanings unless otherwise expressed or provided or unless the context clearly requires otherwise.

“Agreement” means this Intergovernmental Agreement.

“Authorities” means collectively the Pima Authority and the Tucson Authority.

“Authority” means either the Pima Authority or the Tucson Authority.

“Authority Staff” means (i) in the case of the Tucson Authority, members of the staff of the Tucson Authority and Christopher W. Ambrosio, Esq., Ambrosio Law LLC, in his capacity as general counsel to the Tucson Authority, and any other staff that the Tucson Authority may designate; and (ii) in the case of the Pima Authority, Slania Law Firm PLLC, in its capacity as general counsel to the Pima Authority, and any other staff that the Pima Authority may designate.

“City” means the City of Tucson, Arizona.

“Co-Team Leaders” means (i) in the case of the Tucson Authority, Ms. Dre Thompson, Chief Executive Officer, or such other officer of the Tucson Authority designated in writing by the Tucson Authority, and (ii) in the case of the Pima Authority, any attorney with Slania Law Firm PLLC.

“County” means Pima County, Arizona.

“Financing Team” means the Authority Staff, attorneys, financial consultants, investment bankers, program administrators, corporate trustees, and other professionals, specialists and consultants necessary to design, implement and administer the Bond Program.

“Indenture” means for each series of Bonds issued jointly by the Authorities, the applicable Trust Indenture by and among the Authorities and the Trustee named therein pursuant to which such Bonds are issued, together with any amendments or supplements thereto. Furthermore, in the event that this Agreement is utilized for any series of Bonds issued by an Authority, the term “Indenture” means the applicable Trust Indenture by and between such Authority and the Trustee named therein pursuant to which such Bonds are issued.

“Pima Authority” means The Industrial Development Authority of the County of Pima.

“Program or Bond Program” has the meaning set forth in the recitals to this Agreement.

“Revenues” means any revenues generated under the Bond Program after payment of (or reimbursement for) all related fees and expenses.

“State” means the State of Arizona.

“Tucson Authority” means The Industrial Development Authority of the City of Tucson, Arizona.

“Volume Cap” means State of Arizona Private Activity Bond Volume Cap, including, without limitation, any available private activity bonding authority contributed by an Authority to the Bond Program.

Section 1.02. Purpose. The purpose of this Agreement is to set forth the terms and conditions pertaining to the common development and administration of the Bond Program for the Term set forth in **Section 1.06** hereof. It is the intent of each Authority that this Agreement constitutes an Intergovernmental Agreement pursuant to **A.R.S. Sections 35-706.A(15) and 35-913.L.**

Section 1.03. Cooperation on Bond Program. The Authorities have previously issued their \$25,000,000 principal amount of Joint Single Family Mortgage Revenue Bonds, Series 2023A, and their \$25,000,000 principal amount of Joint Single Family Mortgage Revenue Bonds, Series 2023B. The Authorities anticipate that they will jointly issue one or more series of additional Bonds in the future. The Authorities have previously entered into (a) a Servicing Agreement with U.S. Bank National Association as Master Servicer, (b) a Program Administration Agreement, as amended, with Housing and Development Services, Inc., dba eHousingPlus, as Program Administrator, and (c) one or more Lender Agreements, as amended, with the Lenders named therein, all to be amended and/or supplemented with instructions from the Authorities or an Authority, as applicable (collectively, the **“Program Agreements”**). The Authorities have previously approved, consented and agreed that each of the Program Agreement will be applicable to any Bonds issued by an Authority as a sole issuer, and the Authorities hereby ratify such approval, consent and agreement in this Agreement.

Section 1.04. Participation.

(a) **Scope of Agreement.** The Pima Authority and the Tucson Authority will participate in the Bond Program as set forth in the applicable Indenture and this **Section 1.04.**

(b) **Bond Program Development and Implementation.**

(i) **Shared Control.** Each Authority will have shared control and responsibility for developing and implementing the Bond Program, including any program features targeted at certain areas within its jurisdiction.

(ii) **Reservation.** The amounts of the Bond Program’s funds that will be reserved for general commitments (including target area loans),

special commitments, if any, or other reservations, if any, will be as set out in the applicable Indenture and the Program Agreements or as otherwise determined by the Co-Team Leaders.

- (iii) Types of Loans. The term and types of loans that the Bond Program will provide, and the terms of any down payment/closing cost grant program, if any, will be as set out in the applicable Indenture and the Program Agreements or as otherwise determined by the Co-Team Leaders.
- (iv) Terms. The terms of the Bond Program for each series of Bonds shall be as set forth in the Program Terms and Rate Notice for such series of Bonds, as approved by the Co-Team Leaders. It is the intent of the Pima Authority and the Tucson Authority that the terms of the Bond Program for each series of Bonds shall be uniform in the City and the County.

(c) Bond Program Participants.

- (i) Financing Team. Each Authority will have shared control and responsibility for selecting and setting the compensation for the Financing Team for the Bond Program. [A schedule of each member of the Financing Team selected as of the date of the execution of this Agreement, other than counsel and members of the Authority Staffs, is attached as **Exhibit A**, and as **Exhibit A** may be modified and amended hereafter for a series of Bonds.]
- (ii) Authority Staff. The Pima Authority and the Tucson Authority will determine the maximum amount of all fees and expenses to be paid to each counsel for the Authority from the Bond Program. Any amount of compensation or reimbursement in excess thereof will be the sole responsibility of the applicable Authority.
- (iii) Duty of Loyalty. Other than Authority Staff and counsel, each member of the Financing Team [as identified in **Exhibit A** and any modifications thereto,] shall agree as a condition of their engagement in connection with the Bond Program that (i) the member owes a duty of loyalty to the Authorities and, in view of such duty, will not take or omit to take any action to the prejudice of one Authority over another; and (ii) the member shall endeavor to keep the Authority Staff of each Authority fully apprised about the status of the Bond Program and promptly reply to requests for information to the Authorities or their designated staff members.

(d) Administration Fees. The Tucson Authority and Pima Authority will share in any annual or semi-annual issuer or administration fees, to be received under the applicable Indenture (collectively, the “**Administration Fees**”), Revenues and any other

value arising from the Bond Program on an equal basis after payment of all Bond Program-related fees, expenses and liabilities (as determined jointly), unless otherwise specified in writing by the Authorities' Co-Team Leaders for a particular series of Bonds. The amount of any Administration Fees will be determined jointly by the Pima Authority and the Tucson Authority. Any additional fees, expenses and/or liabilities in connection with the Bond Program must be agreed to in writing by the Co-Team Leaders and, unless otherwise specified for a particular series of Bonds, will be shared on an equal basis.

(e) Jurisdiction. The Pima Authority and the Tucson Authority agree to exercise their powers granted in Arizona Revised Statutes **Section 35-706.A.12** jointly for the purposes of the City and the County pursuant to the provisions of this Agreement.

Section 1.05. Bond Program Requirements.

(a) Bond Program Documents. The documents for the Bond Program must contain provisions as are reasonably necessary or appropriate to (i) assure that each Authority has timely access to such information as is reasonably necessary to monitor the status of the Bond Program and the balance and disposition of Administration Fees or Revenues, and (ii) to protect each Authority's respective interest, if any, in any Administration Fees or Revenues.

(b) Allocation of Mortgage Loan Funds. The Authorities will have shared control and responsibility for allocating and re-allocating mortgage loan funds among lenders participating in the Bond Program and for any extensions or revisions regarding the mortgage loan origination period, reservation periods, or other timing issues. The Co-Team Leaders will determine any such extensions.

(c) Bond Program Oversight; Communication Protocol.

- (i) The development and implementation of the Bond Program shall be overseen by the Co-Team Leaders. Such parties shall have joint responsibility for obtaining in a timely manner such authorizations, approvals and consents from its governing Board of Directors as may be necessary or appropriate to develop the Bond Program.
- (ii) Except for those matters that may have a material and irreversible effect on the Bond Program, the authority to develop and implement the Bond Program including, without limitation, the daily management of the Financing Team, is hereby delegated to the Co-Team Leaders (unless otherwise reserved by an Authority to itself in which case such Co-Team Leader will inform the other Authority). The Co-Team Leaders will have joint responsibility for making decisions concerning the development and implementation of the Bond Program.

Section 1.06. Term.

(a) Effective Date. This Agreement shall be effective upon date first written above.

(b) Expiration. This Agreement shall expire on upon the redemption of the last of the Bonds issued to finance the Program, unless otherwise terminated earlier by an Authority pursuant to **Section 1.06(c)**.

(c) Termination.

(i) This Agreement may be terminated prior to its expiration pursuant to **Section 1.06(b)** by the Tucson Authority or Pima Authority upon giving written notice **15 days** prior to the date of termination (the "**Termination Date**"); provided that such termination shall not affect outstanding bonds.

(ii) If a notice of termination of this Agreement is given by an Authority pursuant to **Section 1.06(c)(i)**, then the parties agree to comply with the following procedure:

(A) The Co-Team Leaders will prepare or cause to be prepared an accounting of all fees, costs and expenses incurred by or on behalf of any Authority in connection with the development of the Program (the "**Accounting**"), which, together with supporting invoices, receipts and other records, shall be submitted to the Board of Directors of all Authorities no later than the Termination Date.

(B) Within **15 days** of the Termination Date, the Board of Directors of the Pima Authority and the Tucson Authority will tender payment or reimbursement of all amounts for which such Authority is responsible as set forth in the Accounting.

(C) Notwithstanding any provision herein to the contrary, if any of the Co-Team Leaders or the Authorities disagree in good faith as to the amount, allocation or appropriateness of any fee, cost or expense of developing the Bond Program, the payment or reimbursement of such fee, cost or expense will be segregated from the balance of the Accounting and will be addressed in accordance with the procedure provided in **Sections 2.08(A) and 2.08(B)**.

Section 1.07. Representation of the Tucson Authority. The Tucson Authority hereby represents warrants and covenants as follows:

(a) Authorization. The Tucson Authority has full power and authority to enter into this Agreement and the execution, delivery and consummation of this Agreement by the Tucson Authority has been duly authorized.

(b) No Violation of Laws. Neither the execution, delivery nor performance of this Agreement by the Tucson Authority violates or will violate the Tucson Authority's articles or bylaws, the Act, or any resolution of the Tucson Authority.

Section 1.08. Representations of Pima Authority. The Pima Authority hereby represents, warrants and covenants as follows:

(a) Authorization. The Pima Authority has full power and authority to enter into this Agreement and the execution, delivery and consummation of this Agreement by the Pima Authority has been duly authorized.

(b) No Violation of Laws. Neither the execution, delivery nor performance of this Agreement by the Pima Authority violates or will violate the Authority's articles or bylaws, the Act, or any resolution of the Pima Authority.

Article II – General Covenants

Section 2.01. General Provisions. Except to the extent inconsistent with the express language of the foregoing provisions of this Agreement, the following provisions shall govern the interpretation, application, construction and enforcement of this Agreement.

Section 2.02. Notices. Any document, notice, consent or other communication (“**Notice**”) required or permitted under this Agreement shall be in writing and either delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, addressed as follows:

Notices to the Tucson Authority shall be sent to:

The Industrial Development Authority
of the City of Tucson, Arizona
Attention: Dre Thompson, Chief Executive Officer
376 S. Stone Ave.
Tucson, Arizona 85701
Email: dre@tucsonida.org

with a copy to:

Christopher W. Ambrosio
Ambrosio Law LLC
2525 E. Broadway Blvd., Suite 202
Tucson, Arizona 85716
Email: chris@ambrolaw.com

Notices to the Pima Authority shall be sent to:

The Industrial Development Authority
of the County of Pima
c/o Slania Law Firm PLLC
Attention: Michael A. Slania
2980 N. Swan Road #222
Tucson, Arizona 85712
Facsimile: (520) 314-3663
Email: mas@slanialaw.com

A Notice shall be deemed received at the time it is personally served, on the day it is sent by electronic mail or by facsimile transmission, or, if mailed, **5 calendar days** after the Notice is deposited in the United States mail as above provided. Any time period stated in a Notice shall be computed from the time the Notice is deemed received. Either party may change its mailing address or the person to receive Notice by notifying the other party as provided in this paragraph. Notices sent by facsimile transmission shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the Notice sent by facsimile transmission.

Section 2.03. Severability. If any provision of this Agreement is declared void or unenforceable, then such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

Section 2.04. Additional Acts and Documents. Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement.

Section 2.05. Assignment. This Agreement may not be assigned.

Section 2.06. All Prior Agreements Superseded. This Agreement supersedes any prior agreements or understandings between the parties hereto with respect to the subject matter hereof.

Section 2.07. Conflict of Interest. All parties acknowledge that this Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statutes, **Section 38-511.**

Section 2.08. Dispute Resolution.

(A) If a dispute arises under this Agreement that cannot be settled through negotiation, then the dispute shall be resolved (a) first by the parties trying in good faith to settle the dispute by non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association (“AAA”), such mediation session to be held in Tucson, Arizona and to be commenced within **14 days** of the appointment of a mediator by AAA (which appointment shall be made at the earliest date practicable) or (b) if the dispute cannot be settled by mediation, then either (i) by judicial action at the election of either party or (ii) if both parties agree, by arbitration administered by AAA under its Commercial

Arbitration Rules and in accordance with its expedited hearing procedures (such arbitration to be held in Tucson, Arizona before a single arbitrator by AAA), and judgment on the award rendered by the arbitrator may be answered in any court having jurisdiction thereof. The prevailing party shall be entitled to payment or reimbursement of all of its reasonable fees and expenses, including reasonable attorneys' fees and expenses.

(B) In the event of a dispute under this Agreement, the remedies hereunder shall be limited to (a) to the extent of the fees, costs and expenses allocable to such Authority under **Sections 1.04(c)(ii) and 1.04(d)**; and (b) any fees and expenses payable under this **Section 2.08(B)**.

Section 2.09. Counterparts. This Agreement may be executed in any number of counterparts, as such counterparts shall be deemed to constitute one and the same instrument, and each counterpart is deemed an original.

Section 2.10. Governing Law. This Agreement is governed by the laws of the State of Arizona.

[Remainder of Page Left Blank Intentionally]

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

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

By: _____
Diane Quihuis
President

APPROVED AS TO FORM:

Michael Slania, Esq.
Counsel to The Industrial Development Authority
of the County of Pima

[Signature Page of Intergovernmental Agreement]

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: _____
Judith Clinco
President

APPROVED AS TO FORM:

Christopher W. Ambrosio, Esq.
Counsel to The Industrial Development Authority
of the City of Tucson, Arizona

[Signature Page of Intergovernmental Agreement]

[INTERGOVERNMENTAL AGREEMENT

EXHIBIT A

DISTRIBUTION LIST]

DRAFT

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA

AND/OR

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

**\$150,000,000 AGGREGATE PRINCIPAL AMOUNT OF
SINGLE FAMILY MORTGAGE REVENUE BONDS**

IN ONE OR MORE SERIES

STANDARDS AND REQUIREMENTS

Pursuant to Arizona Revised Statutes Section 35-706.D., The Industrial Development Authority of the County of Pima and/or The Industrial Development Authority of the City of Tucson, Arizona (each an "Authority" and collectively the "Authorities") have established the following Standards and Requirements for the financing of mortgage loans with the proceeds of single family mortgage revenue bonds issued in one or more series (the "Bonds") in an aggregate principal amount not to exceed \$150,000,000; a series of Bonds may be issued jointly by the Authorities or by an Authority singly. The Bonds will be issued in furtherance of the Authorities' or an Authority's, as applicable, single family mortgage revenue bond programs (individually and collectively, the "Bond Program") for persons of low and moderate income residing in the Participating Jurisdictions, and so that all or some portion of the Bonds will be "qualified mortgage bonds" as defined in Section 143 of the Internal Revenue Code of 1986, as amended (the "Tax Code"). Any series or subseries of Bonds may be issued as Bonds that will bear interest which is excluded from gross income for federal income tax purposes (the "Tax-Exempt Bonds"). The Bonds are to be issued and the Bond Program administered in accordance with Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"). The proceeds of the Bonds are to be used to finance mortgage loans on residences in "Participating Jurisdictions." As used herein, the term "Participating Jurisdiction" means residences in Pima County, including the City of Tucson, but not within any city or town which exercises its statutory right to prohibit mortgage loans financed with the proceeds of the Bonds within its boundaries (the "Excepted Area").

1. **Eligibility of Mortgage Lenders.** In order to be eligible to originate mortgage loans within the Bond Program, participating mortgage lenders (the "Lenders") must:

- (a) be approved as a mortgagee by both the Federal Housing Administration ("FHA") and the Department of Veterans Affairs ("VA") as required by the Act;
- (b) be approved as sellers and servicers of home mortgages by either Fannie Mae or the Federal Home Loan Mortgage Corporation ("Freddie Mac") or both as required by the Act;
- (c) be organized and existing under the laws of the State, another state or the United States and be qualified to do business in the State as required by the Act; and

(d) agree to such terms and conditions as shall be approved by the Authorities or an Authority, as applicable, and set forth in one or more guides for the origination of mortgage loans in the Bond Program (collectively, the "Instructions").

Mortgage loans originated by the Lenders will be acquired from the Lenders by U.S. Bank National Association, as servicer of the mortgage loans, or any successor servicer of the mortgage loans appointed by the Authorities or an Authority, as applicable (the "Master Servicer"), and serviced by the Master Servicer in accordance with the terms of the Servicing Agreement regarding the mortgage loans among the Authorities or an Authority, as applicable, and the Master Servicer (the "Servicing Agreement") and one or more guides for the servicing of mortgage loans in the Bond Program. Pursuant to the Trust Indenture for a series of Bonds (each, an "Indenture") entered into between the Authorities or an Authority, as applicable, and U.S. Bank Trust Company, National Association (such entity, or other entity designated by the Authorities or an Authority, as applicable, as its trustee, is herein referenced as the "Trustee"), the Trustee will acquire from the Master Servicer mortgage-backed securities ("Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"), Fannie Mae or Freddie Mac and backed by first mortgage loans originated by Lenders and sold to the Master Servicer. The Trustee will acquire second mortgage loans from the Master Servicer, using gross proceeds of the Bonds. The Lenders must originate each mortgage loan in conformity with the current requirements of FHA, VA or the United States Department of Agriculture, Rural Development ("USDA-RD"), or other credit enhancer, as applicable, existing at the time of such origination.

2. Time Period for Disbursements for Mortgage Loans. Generally, Lenders must originate and deliver mortgage loans within the period or periods set forth in the Instructions and the Servicing Agreement, including the related Program Terms and Rate Notices. As and to the extent required by the Tax Code, the Lenders must originate and deliver mortgage loans to be financed with the Tax-Exempt Bonds within not more than 42 months after the date of delivery of the Bonds. Funds equal to the amount required by the Tax Code for a series of Tax-Exempt Bonds to be used for mortgage loans on residences in certain specified target areas ("Target Area Loans") will be made available for origination of mortgage loans for one year, as required by the Tax Code.

3. Character of Residences. The character of the residences to be financed by mortgage loans will be one to four family residences (including manufactured housing, as required by the Act), and units in condominiums or planned unit developments, but excluding mobile homes for mortgage loans financed with the Tax-Exempt Bonds, as required by the Tax Code), and which, to the extent financed by the Tax-Exempt Bonds, are or will be used as the primary residences of the owners thereof and which are not, and are not intended, to be used in whole or in part, in a trade or business or for investment or rental, as required by the Tax Code. The maximum purchase price of any residence to be financed by mortgage loans financed with the Tax-Exempt Bonds will be 90% (110% for residences located in Target Areas) of the average area purchase price for the type of residence being purchased, as required by the Tax Code.

4. Eligibility of Persons of Low and Moderate Income. Participating mortgagors (the "Mortgagors") in the Bond Program:

- (a) must have a family income at the time of origination of the mortgage loan not in excess of the maximum amount to be established from time to time by the Authorities or an Authority, as applicable, which amount, subject to adjustment by the Authorities or an Authority, as applicable, if and to the extent permitted by applicable law, shall not exceed either the amount permitted by the Act or, for mortgage loans financed with the Tax-Exempt Bonds, the amount permitted by the Tax Code;
- (b) as and to the extent required by the Act, must not have received, during the three-year period immediately preceding the date of origination of the mortgage loan, another mortgage loan financed directly or indirectly from the proceeds of bonds issued by the Authorities or an Authority, as applicable, under the Act;
- (c) as and to the extent required by the Tax Code for mortgage loans financed with the Tax-Exempt Bonds, must not have had an ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage loan, except that this requirement does not apply to any mortgage loan that is a Target Area Loan or to any qualified rehabilitation loan or qualified-home improvement loan (both as defined in the Tax Code)
- (d) As and to the extent required by the Tax Code for mortgage loans financed with the Tax-Exempt Bonds, if a Mortgagor is assuming a mortgage loan previously financed in the Bond Program, the assuming mortgagor must meet the tests provided for in paragraph 3 and in paragraphs 4(a), 4(b) and 4(c), and the purchase price for the residence must not be in excess of the applicable maximum purchase price on the date of assumption.

5. Terms and Conditions of the Mortgage Loans. Each mortgage loan:

- (a) shall have a term of not to exceed 30 years with respect to first mortgage loans, and 5 years with respect to second mortgage loans;
- (b) shall provide for approximately level monthly payments of principal and interest for the life of the first mortgage loan;
- (c) shall have an interest rate not in excess of 10.0% per annum with respect to first mortgage loans and an interest rate of 0.0% per annum with respect to second mortgage loans;
- (d) may be assumable, subject to the requirements described in subparagraph 4(c) hereof;
- (e) will be secured by a first lien on the property financed by the first mortgage loan, will satisfy the credit and/or credit enhancement requirements of the Bond Program as set forth in the Instructions and will be secured by a second lien on the property financed by the second mortgage loan; and
- (f) may have an interest buydown, subject to restrictions from the Master Servicer.

6. **Insurance.** The following amounts and types of insurance will be required:

(a) on the first mortgage loan, FHA insurance, a VA guarantee or a USDA-RD guarantee, or such private mortgage guaranty insurance as may be required by Fannie Mae or Freddie Mac or other credit enhancer, as applicable;

(b) on the property subject to the mortgage, such casualty insurance and flood insurance as may be required by FHA, VA, USDA-RD, Fannie Mae or Freddie Mac or other credit enhancer or conventional lender, as applicable;

(c) an American Land Title Association approved mortgage guaranty title insurance policy in an amount at least equal to the outstanding principal amount of the mortgage loan insuring title to the real property subject to the mortgage, subject to customary exceptions; and

(d) any other insurance on mortgage loans and/or property subject to the mortgage required by FHA, VA, USDA-RD, Fannie Mae, Freddie Mac or other credit enhancer, as applicable.

If deemed advisable by the Authorities or an Authority, as applicable, financial guaranty insurance or additional bond insurance may be obtained on all of or a portion of the Bonds.

7. **Statutory Set Asides for Financing of Mortgage Loans.** As and to the extent required by the Act, 30% of the funds available to finance mortgage loans will be set aside for 60 days to finance mortgage loans for persons and families whose income is below the median family income of the State in areas other than slum or blighted areas, as required by the Act. As and to the extent required by the Act, 10% of the funds available to finance mortgage loans will be set aside for three months for the financing of mortgage loans on manufactured housing, as required by the Act.

8. **Representations and Warranties of Mortgage Lenders.** In order to insure compliance with these Standards and Requirements, each Lender shall make representations or warranties to the Authorities or an Authority, as applicable, with regard to such Lender's eligibility to participate, the character of property securing each mortgage loan, the eligibility of each mortgage loan, insurance coverage and such other matters deemed appropriate by the Authorities or an Authority, as applicable, and their respective counsel, which representations and warranties shall be provided for in the Instructions and the Servicing Agreement.

9. **Restrictions as to Interest Rate, Terms of Mortgage Loans and Return Realized by Mortgage Lenders.** The stated interest rate on the mortgage loans shall be determined by the Authorities or an Authority, as applicable, and shall not exceed the maximum rates described in subparagraph 5(c) hereof. Other terms and conditions of the mortgage loans shall be as provided in Paragraphs 4 and 5 hereof.

The Lender may charge (to the extent permitted by applicable law) and retain:

- (a) Initially an origination fee of 1.0% of the unpaid principal amount of the first mortgage loan which may be collected and retained by a Lender to the Mortgagor for services in connection with the origination of a first mortgage loan;
- (b) closing costs for first mortgage loans customarily and usually charged by lenders in originating and processing comparable mortgage loans in Participating Jurisdictions not financed through tax-exempt bond programs; and
- (c) a \$30.00 recording fee for the second mortgage, if applicable; this amount may change upon notice from the Authorities or an Authority, as applicable.

The purchase price for each mortgage loan paid to the Lender by the Master Servicer will provide the Lender compensation of not to exceed 2.25% of the principal amount of the first mortgage loan. The Authorities or an Authority, as applicable, reserve the right to change Lender compensation upon notice to the Lenders.

At this time, no commitment fees shall be required with respect to this first-come, first-served program; this may change upon notice from the Authorities or an Authority, as applicable.

Mortgage loans will be serviced by the Master Servicer. The Master Servicer will receive a reasonable servicing fee, which is expected at this time not to exceed 0.50% per annum of the outstanding principal balance of each of the first mortgage loans and second mortgage loans serviced. The Master Servicer shall pay all application and guaranty fees of GNMA, Fannie Mae and Freddie Mac, if applicable.

10. **Collateral Security.** The Trustee, on behalf of the Authorities or an Authority, as applicable, will disburse Bond proceeds to acquire Certificates and to finance second mortgage loans. The Bonds will be special limited obligations of the Authorities or an Authority, as applicable, payable from and secured by all right, title and interest of the Authorities or an Authority, as applicable, in and to the Servicing Agreements, the Certificates, the second lien mortgage loans, the revenues pledged under the applicable Indenture, the net proceeds of the sale of the Bonds and other moneys on deposit in funds held by the Trustee pursuant to the Indenture. Each mortgage loan will be secured by the residence financed.

11. **Assignment of Mortgage Loans to the Trustee.** Pursuant to the Indenture for a series of Bonds, Certificates will be purchased by the Trustee in order to finance the origination of first mortgage loans by the Lenders. The Trustee shall act on behalf of the Authorities or an Authority, as applicable, as provided in the resolutions authorizing the Bonds and in the applicable Indenture and, as required by the Act, shall be (a) either a bank or trust company qualified to do business in the State and have an officially reported combined capital surplus, undivided profits and reserves of not less than \$30,000,000, and (b) approved to sell mortgages to and to service mortgages for both Fannie Mae and Freddie Mac.

12. **Other Matters.** Standards and requirements not set forth above shall be set forth in the Authorities' general plan for the Bond Program, the Instructions, the Servicing Agreement, the Indenture, the resolutions providing for the issuance of the Bonds, the Authorities' or an

Authority's invitation to the Lenders to participate in the origination of mortgage loans and the Lenders' applications to participate in the origination and sale of mortgage loans as accepted by the Authorities or an Authority, as applicable, all in form and substance to be approved by the Authorities or an Authority, as applicable, and their respective counsel and bond counsel.

The foregoing Standards and Requirements were approved by The Industrial Development Authority of the County of Pima and/or The Industrial Development Authority of the City of Tucson, Arizona on the dates indicated below.

Dated: August 27, 2024.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA

By: _____
Diane Quihuis
President

[Signature Page to Standards and Requirements]

DRAFT

Dated: _____, 2024.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE
CITY OF TUCSON, ARIZONA

By: _____
Judith Clinco
President

[Signature Page to Standards and Requirements]

DRAFT

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA
AND/OR**

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

**\$150,000,000 AGGREGATE PRINCIPAL AMOUNT OF
SINGLE FAMILY MORTGAGE REVENUE BONDS**

IN ONE OR MORE SERIES

GENERAL PLAN

The Industrial Development Authority of the County of Pima and/or The Industrial Development Authority of the City of Tucson, Arizona (each an “Authority” and collectively the “Authorities”) propose to issue their or its, as applicable, single family mortgage revenue bonds in one or more series (the “Bonds”) in an aggregate principal amount not to exceed \$150,000,000; a series of Bonds may be issued jointly by the Authorities or by either Authority singly. As used herein, the term “Participating Jurisdictions” means residences in Pima County, including the City of Tucson, but not within any city or town which exercises its statutory right to prohibit mortgage loans financed with the proceeds of the Bonds within its boundaries (the “Excepted Area”).

The Bonds are to be issued for the purpose of funding the Authorities’ or an Authority’s, as applicable, single family mortgage revenue bond programs (individually and collectively, the “Bond Program”) for persons of low and moderate income residing in the Participating Jurisdictions. The Bonds are to be issued and the Bond Program administered in accordance with Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”), and so that all or some portion of the Bonds will be “qualified mortgage bonds” as defined in Section 143 of the Internal Revenue Code of 1986, as amended (the “Tax Code”). Any series or subseries of Bonds may be issued as Bonds that will bear interest which is excluded from gross income for federal income tax purposes (the “Tax-Exempt Bonds”).

The following paragraphs discuss the specific matters required by Arizona Revised Statutes Section 35-726.A. to be described in the General Plan. Statutory references are to particular provisions of such Section.

1. **The Amount of the Proposed Bonds.** Section 35-726.A.1. The proposed Bonds will be issued in an aggregate principal amount not to exceed \$150,000,000. The final issue size of each series of Bonds will be determined by the Authorities or an Authority, as applicable, based upon the amount of anticipated demand.

2. **The Maximum Term of the Bonds.** Section 35-726.A.2. The term of each series of Bonds shall not exceed 34 years.

3. **The Maximum Interest Rate on the Bonds.** Section 35-726.A.3. The maximum effective interest rate on each series of Bonds (taking into account initial issue premium) is not expected to exceed 12.0% per annum. The Authorities do not intend to proceed with the issuance

of any series or subseries of Bonds issued as Tax-Exempt Bonds unless, in the judgment of the Authorities or an Authority, as applicable, such Bonds can be underwritten, on a basis consistent with prevailing standards of tax-exempt single family housing finance programs, at an interest cost (taking into consideration costs of issuance, underwriter's compensations and additional discounts, if any, on the Bonds) that will permit the first-lien mortgage loans to be originated at an interest rate not in excess of 10.0% per annum.

4. **The Need for the Bond Issue.** Section 35-726.A.4. The Authorities believe that within the Participating Jurisdictions there is a critical shortage of housing within the financial means of persons and families of low and moderate income; that this shortage constitutes a threat to the health, safety and welfare of all residents of the Participating Jurisdictions, contributes to the growth of slum and blighted areas and inhibits the sound economic growth of the Participating Jurisdictions; that this shortage deprives the Participating Jurisdictions of an adequate tax base, results in excessive unemployment and depressed economic conditions and causes the Participating Jurisdictions and the State of Arizona (the "State") to make excessive expenditures for crime prevention and control, public health, welfare and safety and other public services; and that this shortage of housing and mortgage credit cannot be relieved except through the encouragement of investment and lending by private enterprise and the stimulation of housing construction for such persons and families through the use of financing as described herein.

5. **The Terms and Conditions for Originating or Purchasing Mortgage Loans.** Section 35-726.A.5. First mortgage loans will be originated by qualified lenders (the "Lenders") and financed through the purchase of mortgage-backed securities ("Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"), Fannie Mae, the Federal Home Loan Mortgage Corporation ("Freddie Mac") or other credit enhancement and backed by the first mortgage loans in accordance with one or more guides approved by the Authorities or an Authority, as applicable, for origination of such mortgage loans (the "Instructions"). Second mortgage loans will be originated by the Lenders and sold to the Master Servicer (as defined in Paragraph 5(e) below), using proceeds of the Bonds.

(a) In order to qualify for the Bond Program, a Lender must be a bank, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, building and loan association or any other financial institution which is qualified to do business in the State as required by the Act, must be currently approved as a mortgagee by the Federal Housing Administration ("FHA") and the Department of Veterans Affairs ("VA") and as a seller and servicer by either Fannie Mae or Freddie Mac as required by the Act.

(b) Each first mortgage loan must be originated in conformity with the requirements of FHA, the United States Department of Agriculture, Rural Development ("USDA-RD") or VA, or other credit enhancer, as applicable. The mortgage instrument must create a first lien on a residence (a "Mortgage"), subject to permitted encumbrances, and be made substantially in accordance with the standards of FHA, USDA-RD, VA, Fannie Mae, Freddie Mac or other credit enhancement, as applicable.

(c) Each first mortgage loan shall provide for approximately level monthly payments over the life of the mortgage loan of approximately 30 years. Sellers of

residences and mortgagors will not be permitted to provide for interest buy-downs on first mortgage loans.

(d) Generally, Lenders must originate and deliver mortgage loans within a period not to exceed that set forth in the Instructions and the Servicing Agreement, including the related Program Terms and Rate Notices. As and to the extent required by the Tax Code, the Lenders must originate and deliver mortgage loans to be financed with the Tax-Exempt Bonds within not more than 42 months after the date of delivery of the Bonds. As and to the extent required by the Tax Code, up to 20% of the funds from each series of the Tax-Exempt Bonds available to finance Mortgage Loans will be made available for one year to finance Mortgage Loans on target area residences (as defined in the Tax Code) ("Target Area Loans") and after such one year period will be available to finance all Mortgage Loans. As and to the extent required by the Act, 30% of the funds available to finance mortgage loans will be set aside for 60 days to finance mortgage loans for persons and families whose income is below the median family income of the State in areas other than slum or blighted areas, as required by the Act. As and to the extent required by the Act, 10% of the funds available to finance mortgage loans will be set aside for three months for the financing of mortgage loans on manufactured housing, as required by the Act.

(e) Each mortgage loan must be approved by U.S. Bank National Association (such entity, or other entity designated by the Authorities, or by an Authority as applicable, as master servicer, is herein referenced as the "Master Servicer") and by Housing and Development Services, Inc., dba eHousingPlus (such entity, or other entity designated by the Authorities, or by an Authority as applicable, as program administrator, is herein referenced as the "Program Administrator") for compliance with Bond Program requirements.

(f) In connection with each mortgage loan, the Lender is required to make certain warranties or representation with respect to the eligibility of the residence and the mortgagor under the Bond Program requirements, the due recording and terms of the mortgage or deed of trust securing the mortgage loan, the applicability of certain insurance described in Paragraph 8 below and the current status of and title to the mortgage loan and other warranties and representations customarily made in privately funded mortgage banking transactions.

(g) The purchase price for mortgage loans approved by the Master Servicer is described in Paragraph 7(a) below.

(h) The mortgagors under a first mortgage loan must make a down payment of an amount sufficient to comply with existing requirements of VA, USDA-RD, FHA, HUD, Fannie Mae, Freddie Mac or other credit enhancement or conventional lender, as applicable.

6. The Area in Which the Single Family Dwelling Units To Be Financed May Be Located. Section 35-726.A.6. The general location of the dwelling units will be in qualified areas throughout the County of Pima, including the City of Tucson, Arizona, other than within any city

or town which exercises its statutory right to prohibit mortgage loans financed with proceeds of the Bonds within its boundaries and subject to certain reservations and limitations, including reservations for Target Area Loans.

7. The Proposed Fees, Charges and Expenditures To Be Paid for Originators, Services, Trustee, Custodians, Mortgage Administrators and Others. Section 35-726.A.7. The following fees, charges and expenditures are proposed:

(a) **Originators.** The originating mortgage Lender may charge (to the extent permitted by applicable law) and retain:

(i) Initially, an origination fee of 1.0% of the unpaid principal amount of the first mortgage loan which may be collected and retained by a Lender to the Mortgagor for services in connection with the origination of a first mortgage loan.

(ii) Closing costs for first mortgage loans customarily and usually charged by lenders in originating and processing comparable mortgages loans in Participating Jurisdictions not financed through tax-exempt bond programs.

(iii) A \$30.00 recording fee for the second mortgage, if applicable; this amount may change upon notice from the Authorities or an Authority, as applicable.

The purchase price for each mortgage loan paid to the Lender by the Master Servicer (including the fee paid for the release of servicing rights) will provide the Lender compensation not to exceed 2.25% of the principal amount of the first mortgage loan. The Authorities or an Authority, as applicable, reserve the right to change lender compensation upon notice to the Lenders.

At this time, no commitment fees will be payable with respect to this first-come, first-served program; this may change upon notice from the Authorities or an Authority, as applicable.

(b) **Master Servicer.** The Master Servicer is to retain from monthly payments on the mortgage loans a reasonable servicing fee, which is expected at this time not to exceed .50% per annum of the outstanding principal amount of each of the first mortgage loans and second mortgage loans serviced. The Master Servicer shall pay all application and guaranty fees of GNMA, Fannie Mae and Freddie Mac, if applicable.

(c) **Trustee.** The Trustee is to be paid reasonable compensation for all services rendered as Trustee and/or paying agent under the applicable Trust Indenture (the "Indenture") entered into by and between one or more of the Authorities and U.S. Bank Trust Company, National Association (such entity, or other entity designated by the Authorities or an Authority, as applicable, as its trustee, is herein referenced as the "Trustee") as well as reasonable out-of-pocket expenses. Compensation will be paid from Bond proceeds and from moneys available for such purposes under the Indenture, including investment earnings and monthly payments of interest.

(d) **Others.** The following additional fees and charges shall be paid, to the extent required by the Bond Program:

(i) GNMA, Fannie Mae and Freddie Mac will be paid a guaranty fee in consideration for the GNMA, Fannie Mae or Freddie Mac guaranty of the Certificates. Such fees will be paid by the Master Servicer from the servicing fee included in the interest rate on the Mortgage Loans.

(ii) An FHA insurance fee in the amount payable at such times as prescribed by FHA in consideration for FHA insurance of mortgage loans. Such fee will be paid by the borrower.

(iii) A USDA-RD guaranty fee in the amount and payable at such times as prescribed by USDA-RD in consideration for USDA-RD guaranty of Mortgage Loans. Such fee will be paid by the borrower.

(iv) A fee, if any, owed to VA, as prescribed by VA, in exchange for the VA guaranty of Mortgage Loans. Such fee will be paid by the borrower.

(v) A fee for private mortgage guaranty insurance policies required by Fannie Mae or Freddie Mac. Such a fee will be paid by the borrower.

(vi) Any Bond Program coordinator, if one or more is appointed by the Authorities or an Authority, as applicable, is to be paid a reasonable fee for all services rendered as well as reasonable out-of-pocket expenses. Such fee will be paid by the borrower.

(e) **Costs of Issuance.** The costs of issuance for each series of Bonds issued pursuant to the Bond Program are estimated not to exceed 2% of the amount of the series of Bonds. These costs include, among others, fees of bond counsel, counsel to the Authorities or an Authority, as applicable, counsel to the underwriter, Trustee's counsel, printing costs, costs of reproducing documents, filing and recording fees, any expenses incurred by the Authorities or an Authority, as applicable, in relation to the issuance of the Bonds, expenses incurred in connection with qualifying the Bonds for sale under the securities laws of various jurisdictions and of preparing Blue Sky and legal investment memoranda, initial fees and charges of the Trustee acting as such Trustee, as bond registrar and as paying agent, legal fees and charges, professional consultants fees, costs of credit ratings, costs of the demand study if any, fees and charges for execution, transportation and safekeeping of Bonds, costs of advertising the availability of funds, the first year's fees for any reports obtained by the Trustee as to the status of the mortgage loans and the Bond Program and other costs, charges and fees in connection with the Bond Program and any of the foregoing.

(f) **Compensation of Underwriter.** The underwriter's compensation excluding any original issue discount will not exceed 1.0% of the principal amount of the series of Bonds issued.

8. All Insurance Requirements With Respect to Mortgage Loans, Mortgaged Property, Mortgagors, Originators, Servicers and Trustees. Section 35-726.A.8.

The following amounts and types of insurance will be required:

(a) On the first mortgage loan, FHA insurance, a VA guarantee or a USDA-RD guarantee, or such private mortgage guaranty insurance as may be required by Fannie Mae or Freddie Mac or other credit enhancer or conventional lender, as applicable.

(b) On the property subject to the mortgage, such casualty insurance and flood insurance as may be required by FHA, VA, USDA-RD, Fannie Mae or Freddie Mac or other credit enhancer or conventional lender, as applicable.

(c) An American Land Title Association approved mortgage guaranty title insurance policy in an amount at least equal to the outstanding principal amount of the mortgage loan insuring title to the real property subject to the mortgage, subject to customary exceptions.

(d) Any other insurance on mortgage loans and/or property subject to the mortgage required by FHA, VA, USDA-RD, Fannie Mae, Freddie Mac or other credit enhancer or conventional lender, as applicable.

(e) With respect to the Lenders and with respect to the Servicer, errors and omission insurance and fidelity bonds, at their expense, in substance and amounts, if any, as would be required by Fannie Mae, Freddie Mac or other credit enhancement or conventional lender.

(f) With respect to the Trustee, none.

9. The Anticipated Date of Issuance of Bonds. Section 35-726.A.9. It is anticipated that the initial series or subseries of Bonds to be issued will be issued on or before June 30, 2025 and that subsequent series or subseries of Bonds to be issued will be issued before December 31, 2027.

Dated: August 27, 2024.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA

By: _____
Diane Quihuis
President

[Signature Page to General Plan]

Dated: _____, 2024.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE
CITY OF TUCSON, ARIZONA

By: _____
Judith Clinco
President

[Signature Page to General Plan]

PROGRAM TERMS AND RATE NOTICE

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA
SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM
RELATING TO SERIES 2024C BONDS
(LIGHTHOUSE PROGRAM 5.0)**

July 10, 2024

The Industrial Development Authority of the County of Pima (the “*Authority*”) and U.S. Bank, National Association, as servicer (the “*Master Servicer*”), hereby announce the following terms and conditions for all participating Lenders under the Authority’s Single Family Mortgage Revenue Bond Program relating to the Series 2024C Bonds (Lighthouse Program 5.0) (the “*Program*”). Lenders must be approved by the Authority and the Master Servicer. All conforming Mortgage Loans (also referred to herein as “*First Mortgage Loans*”) originated by the participating Lenders will be purchased and serviced by the Master Servicer.

Bond Issue	Series 2024C (the “2024C Bonds”).
Initial Funding	\$25,000,000 is available to all participating Lenders on a first-come, first-served basis, subject to the reserving of funds for a specific period of time as described below.
Program Start Date	Lenders may begin originating Mortgage Loans once the Authority posts the First Mortgage Loan rate to the eHousingPlus reservation system for the Program. It is expected that the Authority will notify the Lenders of the First Mortgage Loan interest rate on July 10, 2024. Lenders may reserve and close First Mortgage Loans on and after July 11, 2024, but Lenders are advised that if the 2024C Bonds do not close, the Master Servicer will not purchase the First Mortgage Loans or provide financing for the Second Mortgage Loans. Thus, for the sake of clarity, neither the Master Servicer nor the Authority commits to purchase the First Mortgage Loans or finance Second Mortgage Loans until the 2024C Bonds are issued. The 2024C Bonds are expected to close on July 23, 2024.
Program Area	The 2024C Bonds proceeds may be used to finance the First Mortgage Loans for the purchase of Residences throughout all of Pima County and the City of Tucson including areas within incorporated cities and towns.
Type and Term of First Mortgage Loan	Fixed interest rate, level pay, 30-year term loans that are FHA-insured, VA-guaranteed, or USDA-RD guaranteed, and eligible for pooling into GNMA Certificates. Conventional mortgage loans are not permitted to be financed from proceeds of the 2024C Bonds (although such loans may be permitted for future series of bonds).

Interest Rates; Forgiveness of Second Mortgage Loans	<p>The First Mortgage Loan interest rate is 6.10% per annum. The Second Mortgage Loan interest rate is 0.00% per annum.</p> <p>The Second Mortgage Loans will be forgiven at the 5-year maturity date. The Second Loans are subject to repayment prior to maturity upon sale of the related residence or the refinancing of the related First Mortgage Loan.</p>
Down Payment Assistance	<p>For each First Mortgage Loan, 4% of the First Mortgage Loan principal amount will be provided to the borrower in the form of a Second Mortgage Loan secured by a second lien deed of trust. The proceeds of the Second Mortgage Loan may be used to fund down payment, closing costs and pre-paid items. Excess Second Mortgage Loan funds may be used for principal reduction of the First Mortgage Loan. Lenders should reference the current Program guidelines posted on the eHousingPlus website regarding the specific rules governing the use of Second Mortgage Loan proceeds.</p>
Target Area Loans	<p>If a First Mortgage Loan is reserved in certain, designated census tracts (see Exhibit A for a listing of such census tracts), those loans will <u>not</u> be subject to a first-time homebuyer requirement, and will be eligible for higher income limits and higher purchase price limits as described below.</p>
Buyer/Seller Discount Points	<p>None allowed.</p>
Loan Reservations	<p>Lenders will be advised of the availability of funds (following issuance of the 2024C Bonds) by referring to the Program Administrator’s web site (https://www.ehousingplus.com/). All Mortgage Loans must be closed and delivered to the Master Servicer within 60 days of reservation. Failure by any Lender to notify the Master Servicer of reservation cancellations in a timely manner could result in the suspension of the Lender from participating in the Program.</p>
Loan Purchase Price	<p>The Master Servicer will purchase the First Mortgage Loan at a total price of 101.25% of the unpaid principal balance, plus accrued interest, and will simultaneously acquire the Second Mortgage Loan for an amount equal to the original principal amount thereof, which is 4% of the initial principal amount of the related First Mortgage Loan.</p>
Mortgage Loan Purchase Standards	<p>The Master Servicer will use its best efforts to meet the following First Mortgage Loan purchase standards: (i) First Mortgage Loans received will be reviewed within 5 business days; (ii) all pending items received will be reviewed within 2 business days; and (iii) all files found eligible for purchase will be funded within 2 business days.</p>
Lender Compensation	<p>Lenders will retain a 1% origination fee for each First Mortgage Loan and receive additional compensation of 1.25% upon sale of the Mortgage Loans to the Master Servicer (out of the 101.25% First Mortgage Loan purchase price paid to the Lender), for a total compensation of 2.25%. Lenders may only charge fees and expenses to the borrower that are reasonable and customary.</p>

State Law Requirements/ Manufactured Housing	State law requires the limited availability of loans for manufactured housing and for Mortgagors with incomes below 100% of the state median income. Under this Program, the Authority and the Program Administrator will monitor overall reservations to assure that (i) 30% of the funds is available for up to 60 days from the issue date of the 2024C Bonds for Mortgagors with incomes below the state median and (ii) 10% of the funds is available to finance the purchase of manufactured homes for up to three months from the issue date of the 2024C Bonds.		
Income Limits	<u>Maximum Family Income</u>	<u>2 or less</u>	<u>3 or more</u>
	Non-Target Area Loans	\$94,200	\$108,330
	Target Area Loans	\$113,040	\$131,880
Income Information	The Mortgagor's annualized Household Income cannot exceed the established Program Income Limits as defined above. Under federal tax law, qualifying income is based on Household Income, which means, for Mortgagors, the annualized gross income of the Mortgagor and any person 18 years of age or older who is expected to live in the home whether or not secondarily liable on the First Mortgage Loan Note. The gross monthly income is the sum of the monthly pay, any additional income from sources including but not limited to overtime, part-time employment, bonuses, dividends, disability, VA compensation, alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, business income and rental income. <u>The definition of Household Income for purposes of the Program is not the same as the methodology used for determining income under FHA, VA or USDA-RD underwriting guidelines.</u>		
Loan Underwriting	Mortgagor's qualifying Household Income must be calculated in accordance with Program underwriting guidelines and FHA, VA or USDA-RD underwriting guidelines, as applicable.		
Acquisition Cost Limits	<u>Type</u>	<u>Non-Targeted Area</u>	<u>Targeted Area</u>
	One-Family Residence	\$510,939	\$624,481
	2-Family Residence	\$654,187	\$799,562
	3-Family Residence	\$790,752	\$966,475
	4-Family Residence	\$982,742	\$1,201,129
Eligible Mortgagors	Except for Mortgagors acquiring homes in Targeted Areas or who are Qualified Veterans, Mortgagors must qualify as First-Time Homebuyers (defined below). The Mortgagors must occupy the property within 60 days of the close of escrow, must occupy the property as their primary residence, and not intend to use the property for investment or income producing purposes. The Mortgagor must not have received a mortgage loan financed, directly or indirectly, from the proceeds of bonds issued by the Authority during the 3 years preceding the origination of the Mortgage Loan.		
First-Time Homebuyer	A Mortgagor qualifies as a "First-Time Homebuyer" if the Mortgagor or the Mortgagor's spouse has not owned a principal residence for 3 years preceding the purchase date of the property.		

Qualified Veteran	A "Qualified Veteran" is a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable (as provided in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veterans exception to the 3-year requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006.
Eligible Properties	Single-family, owner-occupied, residential dwellings, including single family detached housing, PUDs, duplexes (subject to certain restrictions), condominiums, townhouses and manufactured homes. 1, 2, 3 and 4 unit residences are eligible for financing under the Program.
Minimum Homebuyer Contribution	The Mortgagor may be asked to make a minimum contribution in accordance with FHA, VA and USDA-RD guidelines with respect to the particular loan product being used.
Loan Purchase Period/ Final Loan Purchase Date	2024C Bond issue date (expected to be July 23, 2024) through December 15, 2024 (unless extended at the option of the Authority).
Federal Recapture	Mortgagors will be subject to the federal recapture tax under certain conditions if the property is sold within the first 9 years of purchase.
Assumptions/Refinance	FHA, VA and USDA-RD loans originated under this Program are assumable by another qualified Mortgagor as long as such Mortgagor meets the FHA, VA and USDA-RD terms and the Program terms at the time of assumption.
Compliance Review	All Mortgage Loans are to be registered by the Lender at https://www.ehousingplus.com/ . The Lender is charged with making those examinations or investigations necessary to determine that all of the requirements of FHA, VA, and USDA-RD are met. The Lender is further charged with determining that the Mortgage Loan file meets Program requirements as outlined in the Lender Agreement and the Instructions (as defined in the 2023 Bond Addendum to the Lender Agreement). Within 10 days of the Mortgage Loan closing, the Lender will submit a closed Mortgage Loan package for final compliance review to the Master Servicer. The Mortgage Loan must be sold within 30 days of closing to the Master Servicer. The Master Servicer will review the file for compliance with Program guidelines and will communicate any Mortgage Loan exceptions to the Lender within 2 business days.
Current Fees	A Funding Fee of \$400; a Tax Service Fee of \$84; a Compliance/Administration Fee of \$275; and a Penalty Fee of \$100 for files that are chronically deficient.
Temporary Buydowns	Not allowed.
Co-Signers of Note	A co-signer is a person who signs the First Mortgage Loan Note but not the related Deed of Trust; co-signers are permitted in accordance with FHA, VA and USDA-RD guidelines.

EXHIBIT A

DESIGNATED CENSUS TRACTS IN PIMA COUNTY, ARIZONA

Census Tracts

11.00	28.01	41.17
12.00	28.02	41.22
13.02	31.03	43.20
13.03	35.03	44.07
14.00	35.05	45.05
18.01	37.02	45.10
23.00	37.04	45.11
24.00	37.07	45.13
26.02	38.01	45.14
26.03	39.01	52.00
26.04	41.15	9408.00
		9411.00

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AUTHORIZING THE ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES OR SUBSERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF \$150,000,000; APPROVING THE GENERAL PLAN AND THE STANDARDS AND REQUIREMENTS; AND APPROVING OTHER DOCUMENTS AND MATTERS RELATING TO THE BONDS

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

WHEREAS, the Authority is authorized and empowered, among other things, (a) to issue revenue bonds and use the proceeds thereof in accordance with the Act, (b) to contract with and employ others to provide for and to pay compensation for professional services and other services as the Authority deems necessary for the financing of "projects," as defined in the Act, and (c) to pledge its property and revenues to secure the payment of the principal of and premium, if any, and interest on its revenue bonds; and

WHEREAS, the Authority and The Industrial Development Authority of the City of Tucson, Arizona (the "Tucson Authority" and with the Authority, the "Authorities") have each established a bond program to take advantage of other opportunities designed to alleviate the shortage of affordable single family housing and mortgage credit for housing within the means of persons and families of low and moderate income, which the Authority finds to be in the public interest (such program is defined herein individually and collectively as the "Bond Program"); and

WHEREAS, the Authorities have previously issued their The Industrial Development Authority of the County of Pima and The Industrial Development Authority of the City of Tucson, Arizona Joint Single Family Mortgage Revenue Bonds, Series 2023A (the "Series 2023A Bonds") in the principal amount of \$25,000,000 and their The Industrial Development Authority of the County of Pima and The Industrial Development Authority of the City of Tucson, Arizona Joint Single Family Mortgage Revenue Bonds, Series 2024A (the "Series 2024A Bonds") in the principal amount of \$25,000,000; and

WHEREAS, the Authorities have previously entered into an Intergovernmental Agreement to set forth certain agreements between the parties relating to the Bond Program for bonds previously issued jointly, and the Authority wishes to enter into an updated Intergovernmental Agreement with the Tucson Authority to set forth certain agreements between the parties relating to the Bond Program for bonds to be issued jointly; and

WHEREAS, the Authority has previously issued its The Industrial Development Authority of the County of Pima Single Family Mortgage Revenue Bonds, Series 2023B (the "Series 2023B Bonds") in the principal amount of \$25,000,000, its The Industrial Development Authority of the County of Pima Single Family Mortgage Revenue Bonds, Series 2024B (the "Series 2024B Bonds") in the principal amount of \$25,000,000 and its The Industrial Development Authority of

the County of Pima Single Family Mortgage Revenue Bonds, Series 2024C (the “Series 2024C Bonds”) in the principal amount of \$25,000,000; and

WHEREAS, the Authority wishes to issue its Single Family Mortgage Revenue Bonds, in one or more series or subseries, in an aggregate principal amount not in excess of \$150,000,000 (the “Bonds”), any of which series of Bonds may be issued either singly by the Authority or jointly with the Tucson Authority, and any of which series or subseries of Bonds may be issued as tax-exempt or taxable Bonds, for the purpose of financing mortgage loans for owner-occupied single family dwelling units within the Participating Jurisdictions, as defined below, and to carry out the Bond Program; and

WHEREAS, as used herein, the term “Participating Jurisdictions” means with respect to the proceeds of the Bonds, residences throughout Pima County, including the City of Tucson, but not within any city or town which exercises its statutory right to prohibit mortgage loans financed with the proceeds of the Bonds within its boundaries (the “Excepted Area”); and

WHEREAS, pursuant to Act Sections 35-706.D and 35-726.A, the Authority is required to establish standards and requirements (the “Standards and Requirements”) and a general plan (the “General Plan”) with respect to the financing of owner-occupied single-family dwelling units with the proceeds of the bonds issued by the Authority; and

WHEREAS, there has been presented to this meeting the proposed substantially final forms of (1) the form of Standards and Requirements (the “Standards and Requirements”), (2) the form of General Plan (the “General Plan”), and (3) the form of Intergovernmental Agreement (the “Intergovernmental Agreement”); and

WHEREAS, in connection with the issuance of the Series 2023A Bonds, the Series 2023B Bonds, the Series 2024A Bonds, the Series 2024B Bonds and the Series 2024C Bonds, the Authority has previously approved substantially final forms of the following documents: (1) Trust Indenture, (2) Program Terms, (3) Preliminary Official Statement, (4) Bond Purchase Agreement, (5) Continuing Disclosure Undertaking, and (6) Dissemination Agency Agreement, and the Authority wishes to approve the use of each of such documents in connection with the issuance of each series of Bonds in substantially the forms previously approved (each of the foregoing documents, together with the Standards and Requirements, the General Plan and the Intergovernmental Agreement, are collectively referred to as the “Authority Documents”); and

WHEREAS, the Authorities currently have in place a Servicing Agreement with U.S. Bank, National Association (the “Master Servicer”) for the servicing of mortgage loans under single family housing programs of the Authorities (the “Servicing Agreement”), an Amended and Restated Lender Agreement, as amended, with lenders (the “Lenders”) who make mortgage loans under single family housing programs of the Authorities (the “Lender Agreement”), and a Program Administration Agreement, as amended, with Housing and Development Services, Inc., dba eHousingPlus (the “Program Administrator”) for the administration of mortgage loans made under single family housing programs of the Authorities (the “Program Administration Agreement”), and the Authority wishes to utilize such agreements with such parties to carry out the Bond Program, modified as necessary for services provided in connection with the Bond Program, which

agreements, as modified or otherwise put in place in connection with the Bond Program, also constitute Authority Documents within the meaning of the definition thereof; and

WHEREAS, the issuance and sale of the Bonds 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; and

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 Article I of the form of Indenture.

Section 2. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors or agents directed toward the sale and issuance of the Bonds are hereby approved and ratified.

Section 3. Bond Authorization. The Bonds are hereby authorized as revenue bonds to be designated as "Single Family Mortgage Revenue Bonds," with the applicable series designation, issuer designation and indication as to whether the series is being issued singly or jointly, to be issued in one or more series in an aggregate principal amount not to exceed \$150,000,000. Each series of the Bonds shall be in substantially the form set forth in the form of Indenture, and will mature on the dates and in the amounts and will bear interest at the rates set forth in the applicable Indenture. Each series of the Bonds shall be payable and subject to redemption prior to maturity as provided in the applicable Indenture.

Section 4. Private Activity Bond Allocation. Each of the Authorities is authorized to file a request with the Arizona Finance Authority for an allocation for private activity bonding authority for each series of the Bonds issued as tax-exempt bonds through the Authority or the Authorities, as applicable, which for each series of Bonds issued as tax-exempt bonds shall not exceed the expected par amount of the applicable series of Bonds plus the expected premium thereon. By way of example, if the expected par amount of the applicable series of Bonds is \$25,000,000.00, the request for an allocation for private activity bonding authority would not exceed \$27,000,000.00.

Section 5. Special Limited Obligations; Other Bonds. Each series of Bonds shall be payable solely from the receipts and revenues received by, or on behalf of, the Authorities or the Authority, as applicable, pursuant to the applicable Indenture for such series of Bonds. Nothing contained in (a) this Resolution, (b) any of the Authority Documents or (c) any other agreement, certificate, document or instrument executed in connection with the issuance of any series of the Bonds shall be construed as obligating the Authority (except as a special limited obligation to the extent provided in such documents or instruments) or obligating the County, or as incurring a charge upon the general credit of the Authority or of the County, nor shall the breach of any agreement contemplated by (x) this Resolution, (y) any of the Authority Documents or (z) any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Authority or of the County. The Authority has no taxing power.

Prior to the issuance of the Bonds, the Authority has issued, and subsequent to the issuance of any series of the Bonds, the Authority may issue bonds in connection with the financing of other projects (said bonds together with any bonds issued by the Authority between the date hereof and the issuance of the Bonds shall be referred to herein as the "Other Bonds"). Any pledge, mortgage or assignment made in connection with the Other Bonds shall be protected, and any funds pledged or assigned for payment of principal, premium, if any, or interest on the Other Bonds shall *not* be used for the payment of principal, premium, if any, or interest on the Bonds. Conversely, any pledge, mortgage or assignment made in connection with the Bonds shall be protected, and no funds pledged or assigned for the payment of the Bonds shall be used for the payment of principal, premium, if any, or interest on the Other Bonds.

Section 6. Conditions. The Bonds shall not be issued unless and until: (a) the issuance of the Bonds is approved by the Arizona Attorney General in the manner contemplated by Section 35-721.F of the Act; (b) the issuance of the Bonds is approved by the Pima County Board of Supervisors and for the Tucson Authority participation in any Bond issue, the City of Tucson, Arizona Mayor and City Council; (c) all agreements, certificates, documents or instruments requiring the execution or consent of the Authority are in a form and substance acceptable to the Authority's counsel; (d) the Authority receives such opinions, certificates, comfort letters and consent letters in connection with the Bonds as the Authority's counsel or advisors may deem necessary or appropriate, in form and substance satisfactory to the Authority's counsel and advisors; and (e) receipt of the Pima County Board of Supervisors' approval of the Standards and Requirements and the General Plan in the manner contemplated by Sections 35-706 and 35-726 of the Act.

Section 7. Bond Form. The forms, terms and provisions of the Bonds of each series, in the forms contained in the form of Indenture, are hereby approved, with only such changes as are approved by the officers authorized to execute the Bonds (which approval will be conclusively established by their execution thereof). Upon satisfaction of the conditions set forth in Section 6 hereof, the Authority's President or any other officer of the Authority are each hereby authorized to execute the Bonds and each is hereby authorized to deliver them. The signatures of the Authority's President or other officer on the Bonds may be by facsimile.

Section 8. Authority Documents. The forms, terms and provisions of each of the Authority Documents in the forms of such documents (including the exhibits thereto) presented to this meeting, previously presented to the Authority and/or as described in Section 9 hereof, are hereby approved, with such insertions, deletions and changes for each series of Bonds 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 6 hereof, the Authority's President or any other officer of the Authority are each hereby authorized to execute each of the Authority Documents.

Section 9. Servicing Agreement, Lender Agreement, Program Administration Agreement and Related Agreements. The Authority further authorizes any addendum and/or supplement to, and amendment of, the Servicing Agreement, the Lender Agreement, the Program Administration Agreement and any agreements related thereto, and further authorizes any replacement of the existing Servicing Agreement, Lender Agreement and Program Administration Agreement which may be necessary or appropriate to carry out the Bond Program, in such forms

as are approved by the officers authorized to execute the documents (which approval will be conclusively established by their execution thereof).

Section 10. TEFRA Hearing. Any officer or representative of the Authority is hereby authorized, in consultation with Bond Counsel, to schedule and hold a public hearing on the issuance of the Bonds and the financing of the Bond Program in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and to publish a public notice of such hearing in such form as approved by Bond Counsel.

Section 11. General Plan and Standards and Requirements. The Authority hereby approves the forms, terms and provisions of the General Plan and the 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 12. Further Actions. The officers of the Authority, upon satisfaction of the conditions set forth in Section 6 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 issuance, sale and delivery of the Bonds or the origination and sale of mortgage loans and second mortgage loans.

Section 13. Trustee Appointment. U.S. Bank Trust Company, National Association is initially appointed as the Trustee for the Bond Program, subject to any appointment of a successor Trustee by the Authority.

Section 14. Underwriter Appointment. Stifel Nicolaus & Company, Incorporated is initially appointed as the Underwriter for the Bond Program, subject to any appointment of a successor Underwriter by the Authority.

Section 15. Master Servicer Appointment. U.S. Bank National Association is initially appointed as the Master Servicer for the Bond Program, subject to any appointment of a successor Master Servicer by the Authority.

Section 16. Program Administrator Appointment. eHousingPlus is initially appointed as the Program Administrator for the Bond Program, subject to any appointment of a successor Program Administrator by the Authority.

Section 17. Bond Counsel Appointment. Kutak Rock LLP is initially appointed as the bond counsel for the Bond Program, subject to any appointment of a successor bond counsel by the Authority.

Section 18. Open Meeting Laws. It is found and determined that all formal actions of the 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 Authority.

Section 19. Declaration of Intent. The Authority hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of the Bond Program if the Authority determines that it is in the best interests of the Bond Program to carry out such continuous funding, by, from time to time, financing mortgage loans and then issuing Bonds in one or more series within 18 months thereof to reimburse itself for such financing, which reimbursement amount is presently expected to not exceed \$150,000,000, provided that this declaration does not obligate the Authority to issue any such bonds.

Section 20. 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 21. Waiver. Any provisions of the Authority's By-Laws, Procedural Pamphlet, Document Standards 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, Document Standards or resolution or any part thereof.

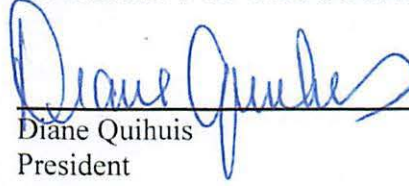
Section 22. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall *not* affect the construction or interpretation of any of its provisions.

Section 23. Effectiveness. This Resolution shall be effective immediately.

Section 24. Notice. Notice of Act 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.

PASSED, ADOPTED AND APPROVED on August 27, 2024.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA



Diane Quihuis
President

Attachments: Standards and Requirements
General Plan
Intergovernmental Agreement