

Attachment D

COOPERATIVE/INTERGOVERNMENTAL AGREEMENT FOR THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA SERIES 2024 SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

This COOPERATIVE/INTERGOVERNMENTAL AGREEMENT, dated and effective as of July 1, 2024 (this “Agreement”), is between THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA (the “Phoenix Authority”), and THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA (the “Maricopa Authority” and, together with the Phoenix Authority, the “Authorities”), each a nonprofit corporation recognized, existing under and designated as a political subdivision of the State of Arizona, pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, of the Arizona Revised Statutes (the “Act”), the CITY OF PHOENIX, ARIZONA, an Arizona municipal corporation (the “City”), and MARICOPA COUNTY, ARIZONA, a body politic and corporate of the State of Arizona (the “County”).

RECITALS

A. The public purpose of the Phoenix Authority and the Maricopa Authority as expressed in the legislative history of the Act, includes, among other things, the encouragement of investment and lending by private enterprise for, and the stimulation of construction and rehabilitation of, housing for low and moderate income families.

B. Under the Act, the Phoenix Authority and the Maricopa Authority have the power, either individually or jointly, to issue single family mortgage revenue bonds and mortgage credit certificates.

C. The Authorities have determined that it is desirable to develop a meaningful home ownership program to serve the needs of low and moderate income families and it is in the best interest of the citizens of the City and Maricopa County to cooperate in the creation and implementation of a joint single family mortgage revenue bond program for the entire Phoenix/Maricopa County area.

D. The Authorities intend to jointly issue mortgage revenue bonds in multiple series and subseries (the “Series 2024 Program Bonds”) to implement the Series 2024 Program (as defined herein) pursuant to a plan of finance approved by each of the Authorities to benefit the citizens of their combined jurisdictions during the mortgage loan origination period to occur in the calendar years 2024, 2025 and 2026.

E. Consistent with the terms and conditions set forth below and as contained in the summary of Series 2024 Program terms, attached hereto as Exhibit A (the “Program Summary”), and pursuant to Sections 11-952, 35-706.G and 35-761 of the Arizona Revised Statutes, the Phoenix Authority, the Maricopa Authority, the City and the County desire to enter into this Agreement, specifying the terms and conditions under which the Authorities agree to jointly create and implement the Series 2024 Program beginning in calendar year 2024.

AGREEMENT

NOW, THEREFORE, the Phoenix Authority, the Maricopa Authority, the City and the County hereby agree as follows:

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

“Administration Fees” means all issuer or administrative fees to be received by the Authorities under the Indenture.

“Agreement” means this Cooperative/Intergovernmental Agreement.

“Authority” means either the Phoenix Authority or the Maricopa Authority, as applicable.

“Authority Staff” means (i) in the case of the Phoenix Authority, Juan Salgado, Chief Executive Officer, and Murray Boess, Chief Financial Officer, and (ii) in the case of the Maricopa Authority, Shelby Scharbach, Executive Director, Julie Arvo MacKenzie, Legal Counsel, Janis Larson, Administrator, and Mary Mistic, Administrator.

“City” means the City of Phoenix, Arizona.

“Co-Team Leaders” means (i) the representative acting on behalf of the Phoenix Authority as may be appointed by the Phoenix Authority from time to time with written notice to the Maricopa Authority, and (ii) the representative acting on behalf of the Maricopa Authority as may be appointed by the Maricopa Authority from time to time with written notice to the Phoenix Authority, both of whom shall jointly manage the Series 2024 Program as provided in Section 4.6 of this Agreement and take such other action as provided in this Agreement, and each of whom shall be initially, (a) in the case of the Phoenix Authority, Murray Boess, and (b) in the case of the Maricopa Authority, Julie Arvo MacKenzie.

“County” means Maricopa County, Arizona.

“Financing Team” means the attorneys, financial advisors, investment bankers, program administrators, corporate trustees, rebate analysts, and other professionals, specialists and consultants necessary to design, implement and administer the Series 2024 Program, as selected jointly by the Phoenix Authority and the Maricopa Authority. The Financing Team does not include Authority Staff.

“General Indenture” means the General Indenture of Trust, dated as of November 1, 2023, among the Authorities and U.S. Bank Trust Company, National Association, as trustee.

“Indenture” means, together, the General Indenture and one or more series indentures pursuant to which one or more series or subseries of the Series 2024 Program Bonds are issued and secured.

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

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

“Program Costs” means all fees, costs, and expenses incurred in connection with the development, implementation and administration of the Series 2024 Program, including the fees and expenses of the Financing Team, that shall be paid as provided in Section 3 of this Agreement.

“Program Summary” shall have the meaning assigned to it in Recital E of this Agreement.

“Residual Assets” means assets held under the Indenture, including cash, securities and outstanding mortgage loans, after full defeasance of the Indenture and payment of all related fees, expenses and arbitrage rebate liability, if any.

“Rule” shall have the meaning assigned to it in Section 4.5.1 of this Agreement.

“Series 2024 Program” means The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa Series 2024 Single Family Mortgage Revenue Bond Program.

“Series 2024 Program Bonds” means single family mortgage revenue bonds issued jointly by the Authorities in multiple series and subseries pursuant to a plan of finance, in an aggregate amount of not to exceed \$400 million, whose proceeds will be available to finance mortgage loans under the Series 2024 Program within the County; provided that Series 2024 Program Bonds may be issued to refund any Series 2024 Program Bonds outstanding under the Indenture that have been issued for the purpose of preserving an allocation of the “state ceiling” (as defined in A.R.S. § 35-901.22) and the proceeds of which have not been used to finance mortgage loans under the Series 2024 Program without regard to this maximum principal amount.

“State” means the State of Arizona.

“Termination Date” shall have the meaning assigned to it under Section 5.2.1 of this Agreement.

“Volume Cap” means any State of Arizona Private Activity Bond Volume Cap contributed by the Phoenix Authority and/or the Maricopa Authority to a series or subseries of Series 2025 Program Bonds under the Series 2024 Program.

2. Purpose. The purpose of this Agreement is to set forth the terms and conditions under which the Authorities will create, implement and administer the Series 2024 Program. It is the intent of each party that this Agreement will constitute a cooperative and intergovernmental agreement pursuant to Sections 11-952, 35-706.G and 35-761 of the Arizona Revised Statutes.

3. Participation.

3.1 Scope of Participation. The Phoenix Authority and the Maricopa Authority will participate in the Series 2024 Program as set forth in this Section 3.

3.2 Shared Control. The Phoenix Authority and the Maricopa Authority will have shared control and responsibility for developing, implementing and managing the Series 2024 Program.

3.3 Program Development.

3.3.1 Program Summary. The Series 2024 Program shall initially be structured as described in the Program Summary. Mutual consent of both the Phoenix Authority and the Maricopa Authority is required for modifications, adjustments or additions to the Program Summary.

3.3.2 Reservations. The amount of the Series 2024 Program’s funds to be reserved and the type of loans for which the Series 2024 Program’s funds will be reserved, if any, will be as specified in the Program Summary. The targeted area reservation amount will comply with federal tax law.

3.3.3 Types of Loans. The type of mortgage loans to be offered by the Series 2024 Program will be as specified in the Program Summary.

3.4 Shared Revenues and Expenses.

3.4.1 Program Costs. Except as set forth in Section 3.5.2 below, the Authorities shall share equally all fees, costs and expenses incurred in connection with the development, implementation and administration of the Series 2024 Program, including the fees and expenses of the Financing Team, and such fees, costs and expenses shall be paid first from the proceeds of or the revenues generated by the Series 2024 Program and second from funds contributed by the Authorities to the extent necessary to pay these fees, costs and expenses; provided that each Authority has the right, but not the obligation, to contribute such other monies or property as it deems necessary or appropriate.

3.4.2 Administration Fees and Residual Assets. Each Authority will share the Administration Fees and the Residual Assets equally.

3.5 Program Participants.

3.5.1 Financing Team. The Authorities will have shared control and responsibility for negotiating the compensation for the Financing Team for the Series 2024 Program. Each selected member of the Financing Team will be required to sign a letter of engagement, addressed to each of the Phoenix Authority and the Maricopa Authority, setting forth the scope of the duties to be performed and the basis for compensation and reimbursement of such member, with copies submitted to each addressee.

3.5.2 Consultants. Each Authority, in its sole discretion, has the right to hire consultants, advisors and attorneys in addition to the members of the jointly selected Financing Team and the respective Authority Staff; provided that the fees, costs and other compensation of any additional consultants, advisors and attorneys will be the sole responsibility of the applicable Authority, unless arrangements for cost sharing have been otherwise agreed to by the other Authority in writing.

3.5.3 Duty of Loyalty. If requested by the Authorities, each member of the Financing Team shall agree as a condition of their engagement in connection with the Series 2024 Program that: (i) the member owes a duty of loyalty to each Authority and, in view of the 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 each Authority and its respective Authority Staff fully apprised about the status of the Series 2024 Program and promptly reply to requests for information from each Authority and its respective Authority Staff.

3.6. Consent. No Authority can legally bind any other Authority without that Authority's express written consent.

4. Program Requirements.

4.1 Program Documents. The documents for the Series 2024 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 Series 2024 Program and the balance and disposition of Administration Fees or Residual Assets, (ii) protect each Authority's respective interest in any Administration Fees or Residual Assets, and (iii) assure that each Authority consents to fully comply and cooperate with respect to compliance with federal tax laws and State laws applicable to the Series 2024 Program.

4.2 Refunding Opportunities.

4.2.1 To the extent permitted by law, the Authorities may agree on the manner that refunding and recycling opportunities relating to the contributed Volume Cap utilized in the Series 2024 Program for the Series 2024 Program Bonds will be allocated between them, regardless of how much Volume Cap, if any, an Authority contributed to a particular series or subseries of the Series 2024 Program Bonds. In the absence of any specific agreement between the Authorities for a particular series or subseries of Series 2024 Program Bonds, the refunding and recycling opportunities with respect to the contributed Volume Cap shall be shared by the Authorities equally.

4.2.2 To the extent permitted by law, the Series 2024 Program documents and any other necessary directions to members of the Financing Team will contain the provisions necessary to effectuate Section 4.2 of this Agreement.

4.3 Allocation of Mortgage Loan Funds. To the extent that the Authorities mutually determine that the Series 2024 Program will not be operated on a first-come, first-served basis among lenders participating in the Series 2024 Program, the Authorities will mutually determine an alternative method for

allocating (and, if applicable, re-allocating) mortgage loan funds among lenders participating in the Series 2024 Program.

4.4. Consent.

4.4.1 Any action taken in connection with the Series 2024 Program will be with the mutual consent of the Phoenix Authority and the Maricopa Authority, unless otherwise identified or described in this Agreement, the Indenture or any of the other documents executed by both the Phoenix Authority and the Maricopa Authority in connection with the Series 2024 Program.

4.4.2 Without limiting the generality of the foregoing Section 4.4.1, the following list of items requires the mutual consent of the Phoenix Authority and the Maricopa Authority:

- Bonds;
- (a) optional redemption of each series or subseries of Series 2024 Program
 - (b) engagement of legal and financial professionals or other consultants, except as engaged pursuant to Section 3.5.2;
 - (c) audits of funds and accounts held under the Indenture or other aspects of the Series 2024 Program;
 - (d) directing legal or administrative proceedings in connection with the enforcement of obligations under the Series 2024 Program of the trustee, servicer, lenders, underwriters, or any other participant of the Series 2024 Program;
 - (e) extensions or other modifications of the origination period;
 - (f) approval of the Series 2024 Program's marketing plan and any material changes or modifications thereto; and
 - (g) form and content of all filings required by the Internal Revenue Code and related regulations or by any other state or federal agency.

4.5 Continuing Disclosure Undertaking.

4.5.1 Each Authority acknowledges and agrees to provide disclosure information for purposes of the Securities and Exchange Commission Rule 15c2-12 (the "Rule").

4.5.2 Approval of each Authority is required of any documentation proposed to be submitted in compliance with the Rule; provided that if any Authority is concerned about the form, substance, accuracy or completeness of any submission, and the concern is not otherwise addressed, then the difficulty will be resolved by a written opinion given by an independent law firm experienced in related disclosure matters.

4.6 Program Oversight; Communication Protocol.

4.6.1 The development, implementation and management of the Series 2024 Program shall be overseen by the Chief Executive Officer of the Phoenix Authority and the Executive Director of the Maricopa Authority. Each of the Chief Executive Officer of the Phoenix Authority and the Executive Director of the Maricopa Authority shall be responsible for obtaining in a timely manner such authorizations, approvals and consents from the Board of Directors of the Phoenix Authority or the Maricopa Authority, respectively, as may be necessary or appropriate to develop, implement and manage the Series 2024 Program.

4.6.2 Except for those matters that the Chief Executive Officer of the Phoenix Authority or the Executive Director of the Maricopa Authority have expressly reserved for their judgment and any matters that may have a material and adverse effect on the Series 2024 Program, the authority to develop, implement and manage the Series 2024 Program in accordance with the Program Summary, including, without limitation, the daily management of the Financing Team, is hereby delegated to the Co-Team Leaders. The Co-Team Leaders will have joint responsibility for making decisions concerning the development of the Series 2024 Program. In the event the Co-Team Leaders are not able to reach consensus with respect to a given issue, the Co-Team Leaders shall take or omit to take such actions with respect to the issue as are necessary to further the implementation of the Series 2024 Program until such a time as the Chief Executive Officer of the Phoenix Authority and the Executive Director of the Maricopa Authority can be consulted for a final determination.

4.6.3 Commencing the date of this Agreement and continuing through the date of issuance of all of the Series 2024 Program Bonds, the Co-Team Leaders will submit reports on the status of the Series 2024 Program to the Board of Directors of the Phoenix Authority or the Maricopa Authority, as applicable, at intervals established by Board of Directors of the Phoenix Authority or the Maricopa Authority, as necessary. Status reports may be in writing and given orally, as directed by the applicable Board of Directors.

4.6.4 The implementation of the Series 2024 Program will be overseen by the Authorities, including but not limited to decisions relating to the number of series or subseries of Series 2024 Program Bonds, the sizing and pricing of each series or subseries of Series 2024 Program Bonds, mortgage loan rates and issuer fees.

4.6.5 All parties will cause routinely available information and reports on the Series 2024 Program and reports available on a commercially reasonable basis to be provided to all other parties as may be reasonably requested from time to time. The costs for providing such reports shall be Program Costs. Special reports may be made available at the sole cost of the requesting party. The determination as to whether information and reports are routinely available, available on a commercially reasonable basis or special reports shall be within the reasonable judgment of the Co-Team Leaders.

5. Term.

5.1 Effective Date. Unless this Agreement is terminated earlier as set forth in the provisions of Section 5.2 below, this Agreement shall be effective upon the execution by all of the parties and shall remain effective (a) with respect to matters relating to the issuance of Series 2024 Program Bonds and origination of the mortgage loans funded thereby, in calendar years 2024, 2025 and 2026, and (b) with respect to all other matters relating to the Series 2024 Program, as long any Series 2024 Program Bonds remain outstanding.

5.2 Termination.

5.2.1 Prior to the issuance of the first series of the Series 2024 Program Bonds, this Agreement may be terminated by either the Phoenix Authority or the Maricopa Authority upon giving 15 days written notice, the notice shall state the date of termination (the "Termination Date").

5.2.2 In the event that all or any portion of the Series 2024 Program Bonds are not issued under the Series 2024 Program as contemplated herein or this Agreement is terminated in accordance with Section 5.2.1, all fees, costs and expenses incurred in connection with the development of the Series 2024 Program, including any fees and expenses payable to members of the Financing Team, will be paid by the Authorities equally or as otherwise may be agreed to by the Authorities.

5.2.3 In the event a notice of termination of this Agreement is given pursuant to Section 5.2.1, 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 each Authority for the development of the Series 2024 Program (the “Accounting”) that, together with supporting invoices, receipts and other records, shall be submitted to the Board of Directors of each Authority no later than the Termination Date.

(b) Within 15 days of the Termination Date, each Authority will tender payment or reimbursement of all amounts the Authority is responsible for paying as set forth in the Accounting.

(c) Notwithstanding any provision herein to the contrary, if either the Co-Team Leaders or any Authority disagrees in good faith as to the amount, allocation or appropriateness of any fee, cost or expense of developing the Series 2024 Program, the payment or reimbursement of the fee, cost or expense will be segregated from the balance of the Accounting and will be addressed in accordance with the procedure provided in Section 8.7.

6. Representations of the Phoenix Authority.

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

6.2 No Violation of Laws. Neither the execution, delivery nor performance of this Agreement by the Phoenix Authority violates or will violate the Phoenix Authority’s articles or bylaws, the Act, or any resolution of the Phoenix Authority.

7. Representations of the Maricopa Authority.

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

7.2 No Violation of Laws. Neither the execution, delivery nor performance of this Agreement by the Maricopa Authority violates or will violate the Maricopa Authority’s articles or bylaws, the Act, or any resolution of the Maricopa Authority.

8. 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.

8.1 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 or email, or deposited in the United States mail, postage prepaid, addressed as follows:

Notices to the Phoenix Authority shall be sent to:

Juan Salgado
Chief Executive Officer
The Industrial Development Authority
of the City of Phoenix, Arizona
2201 East Camelback Road, Suite 405B
Phoenix, Arizona 85016
Email: jsalgado@phoenixida.com

with a copy to:

Murray Boess
Chief Financial Officer
The Industrial Development Authority
of the City of Phoenix, Arizona
2201 East Camelback Road, Suite 405B
Phoenix, Arizona 85016
Email: mboess@phoenixida.com

and

Brigitte Finley Green, Esq.
Squire Patton Boggs (US) LLP
2325 East Camelback Road, Suite 700
Phoenix, Arizona 85014
FAX: (602) 253-8129
Email: brigitte.finleygreen@squirepb.com

Notices to the Maricopa Authority shall be sent to:

Shelby Scharbach
Executive Director
The Industrial Development Authority
of the County of Maricopa
8687 East Via de Ventura, Suite 306
Scottsdale, Arizona 85258
Email: shelby@mcida.com

with a copy to:

Julie Arvo MacKenzie, Esq.
Legal Counsel
The Industrial Development Authority
of the County of Maricopa
8687 East Via de Ventura, Suite 306
Scottsdale, Arizona 85258
Email: julie@mcida.com

and

The Industrial Development Authority
of the County of Maricopa
Attn: Administrator
8687 East Via de Ventura, Suite 306
Scottsdale, Arizona 85258
Email: janis@mcida.com and mary@mcida.com

and

Brigitte Finley Green, Esq.
Squire Patton Boggs (US) LLP
2325 East Camelback Road, Suite 700
Phoenix, Arizona 85014
FAX: (602) 253-8129
Email: brigitte.finleygreen@squirepb.com

A Notice shall be deemed received at the time it is personally served, on the day it is sent by facsimile transmission or email, or, if mailed, five calendar days after the Notice is deposited in the United States mail addressed as above provided. Any time period stated in a Notice shall be computed from the time the Notice is deemed received. A party may change its address or the person to receive Notice by notifying the other parties as provided in this paragraph. Notices sent by facsimile transmission or email 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 or email.

8.2 Severability. If any provision of this Agreement is declared void or unenforceable, the provision shall be deemed severed from this Agreement, and the Agreement shall otherwise remain in full force and effect.

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

8.4 Assignment. This Agreement may not be assigned.

8.5 Conflict of Interest. All parties acknowledge that this Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Agreement under the laws of the State.

8.6 Third Party Beneficiaries. The parties do not intend for any other party to be a beneficiary under this Agreement.

8.7 Dispute Resolution.

8.7.1 In the event that a dispute arises under this Agreement that cannot be settled through negotiation, the dispute shall be resolved (a) first by the parties trying in good faith to settle the dispute by non-binding mediation, the mediation session to be held in Phoenix, Arizona, and to be commenced within 14 days of the appointment of a mediator by the parties, or (b) if the dispute cannot be settled by mediation, then by arbitration pursuant to the Arizona Uniform Arbitration Act (A.R.S. § 12-1501 *et seq.*) the arbitration to be held in Phoenix, Arizona, before a single arbitrator selected by the parties, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. If the parties are unable to agree on a mediator or an arbitrator, they agree to apply to the Superior Court for Maricopa County for the appointment of a mediator or arbitrator. The prevailing party shall be entitled to payment or reimbursement of all of its reasonable fees and expenses, including reasonable attorneys' fees and expenses.

8.7.2 In the event of a dispute under this Agreement, an Authority is entitled to recover only any fees, costs and expenses allocable to the Authority under Section 5.2.3 and any fees and expenses payable under Section 8.7.1.

8.8 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.

8.9 Governing Law. This Agreement is governed by the laws of the State.

9. Role of the City and the County.

9.1 Authorization and Consent. Each of the City and the County acknowledges that the exercise of joint powers as set forth in this Agreement is in furtherance of the best interests of its respective constituencies, and on this basis, each of the City and the County consents and agrees to the exercise of the joint powers of each Authority, to the extent necessary, within its respective jurisdiction in accordance with the terms and conditions set forth above.

9.2 Limit of Liability. Notwithstanding any provision here to the contrary, the parties acknowledge and agree that neither the City nor the County shall have any pecuniary liability with respect to (i) the development of the Series 2024 Program, (ii) the issuance and sale of the Series 2024 Program Bonds, (iii) the administration of the Series 2024 Program, or (iv) any fees and expenses incurred by any of the parties to this Agreement. This provision is a material inducement to each of the City and the County approving and entering into this Agreement.

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

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

By: _____

Name: Juan Salgado

Its: Chief Executive Officer

APPROVED AS TO FORM IN ACCORDANCE
WITH A.R.S. § 11-952.D:

Squire Patton Boggs (US) LLP
Counsel to The Industrial Development
Authority of the City of Phoenix, Arizona

[PHOENIX AUTHORITY SIGNATURE PAGE TO
COOPERATIVE/INTERGOVERNMENTAL AGREEMENT]

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

By: _____

Name: Shelby Scharbach

Its: Executive Director

APPROVED AS TO FORM IN ACCORDANCE
WITH A.R.S. § 11-952.D:

Squire Patton Boggs (US) LLP
Counsel to The Industrial Development
Authority of the County of Maricopa

[MARICOPA AUTHORITY SIGNATURE PAGE TO
COOPERATIVE/INTERGOVERNMENTAL AGREEMENT]

CITY OF PHOENIX, a municipal corporation

JEFF BARTON, City Manager

By: _____

ATTEST:

City Clerk

APPROVED AS TO FORM IN ACCORDANCE
WITH A.R.S. § 11-952.D:

City Attorney

[CITY SIGNATURE PAGE TO
COOPERATIVE/INTERGOVERNMENTAL AGREEMENT]

MARICOPA COUNTY

By: _____

Its: _____

ATTEST:

APPROVED AS TO FORM IN ACCORDANCE
WITH A.R.S. § 11-952.D:

Maricopa County Attorney

[COUNTY SIGNATURE PAGE TO
COOPERATIVE/INTERGOVERNMENTAL AGREEMENT]

EXHIBIT A

PROGRAM SUMMARY

(Attached)

**The Industrial Development Authority of the City of Phoenix, Arizona and
The Industrial Development Authority of the County of Maricopa
\$400 Million Series 2024 Single Family Mortgage Revenue Bond Program (the “Series 2024 Program”)
Program Summary
May 9, 2024**

The IDA Partnership

- The IDAs of the City of Phoenix and Maricopa County (the “IDAs”) have been joint issuers of single family mortgage revenue bonds (“SFMRBs”) since 2000. To date, the IDAs have jointly issued \$855 million in SFMRBs.
- The IDAs also jointly sponsor the non-bond, market priced Home In Five Advantage Program (the “Advantage Program”).
- In 2023, the IDAs began operating a new joint single family mortgage revenue bond program known as the Home In Five Platinum Program (the “Platinum Program”). During 2023 and 2024, the IDAs applied for private activity bond authorization to issue \$200 million of SFMRBs. To date, the IDAs have issued \$130 million of 2023A, 2024A and 2024B SFMRBs under the Platinum Program (the “Series 2023 Program Bonds”).
- To date, the Platinum Program has received \$139,801,000 of rate locks on behalf of 398 qualified homebuyers, enough mortgage loans to fully originate, net of projected loan cancellations, the \$130 million of Series 2023 Program Bonds issued.
- The final \$70 million of Series 2023 Program Bonds (2024C) will be issued in late June 2024 and is expected to be fully originated by July 2024 for the benefit of an additional 200 homebuyers.

To continue the Platinum Program’s success, the IDAs expect to seek additional 2024 private activity bond authorization and use their 2025 and 2026 private activity bond authorization to issue an additional \$400 million of SFMRBs (the “Series 2024 Program Bonds”).

- Current market conditions for the issuance of the Series 2024 Program Bonds are still favorable: (i) there is a still a considerable spread between tax-exempt and market (taxable) bond rates and (ii) an inverted yield curve allows bond proceeds to be invested at a rate of return close or equal to the bond yield as Mortgage Loans are originated. Series 2024 Program Bond loan rates will be roughly 1%-1.25% lower than at market loan rates.

Currently, the IDAs are offering a 6.25% mortgage loan rate with a 4% sized deferred payment 7 year forgivable Second loan as down payment assistance, compared to a 7.22% “at market” loan rate with no assistance as reported that same day by Mortgage News Daily. The IDAs may change the mortgage loan rate periodically to remain at least 1% below the 30-year fixed market loan rate.

- The underlying Mortgage Loans are subject to IRS defined income limits (by family size) and income calculations, purchase price limits and first-time homebuyer requirements.

<i>Income Limit (by Family Size)</i>	<i>Family of 2 or less</i>	<i>Family of 3 or more)</i>	<i>Purchase Price Limit</i>
<i>Non-Targeted Borrowers</i>	<i>\$96,072</i>	<i>\$110,483</i>	<i>\$540,422</i>
<i>Targeted Borrowers</i>	<i>\$112,200</i>	<i>\$130,900</i>	<i>\$660,515</i>

Platinum Program Participants

- **Joint Issuers:** The Industrial Development Authority of the City of Phoenix, Arizona and The Industrial Development Authority of the County of Maricopa
- **Issuers' Counsel:** Squire Patton Boggs (US) LLP
- **Bond Counsel:** Kutak Rock LLP
- **Bond Trustee:** US Bank Trust Company, National Association
- **Financial Advisor:** CSG Advisors Incorporated
- **Bond Underwriter:** Stifel, Nicolaus & Company, Incorporated
- **Bond Underwriter's Counsel:** Greenberg Traurig, LLP
- **Servicer:** Lakeview Loan Servicing, LLC
- **Program Administrator:** Housing and Development Services, Inc., dba eHousingPLUS

General Indenture

- The IDAs are seeking Board authorization to issue up to \$400 million of Series 2024 Program Bonds over the next 3 years pursuant to a "master" General Indenture. The Series 2024 Program Bonds will be issued in estimated series of \$50-\$100 million to allow for the repricing of first Mortgage Loan rates from time to time in order to remain competitive relative to market 30-year fixed mortgage loan rates.
- The IDAs will apply for private activity volume cap for the initial series of Series 2024 Program Bonds which are expected to be issued in August or September 2024. Issuance of Series 2024 Program Bonds during the remainder of calendar year 2024 is subject to availability of volume cap.

Bond and Mortgage Loan Structure

- The General Indenture allows for a significant amount of flexibility with respect to how the Series 2024 Program Bonds are structured, including but not limited to the issuance of fixed rate serials, par term bonds and premium call protected "planned amortization class" ("PAC") term bonds.
- The Series 2024 Program Bonds will qualify for an expected rating of no less than "Aa2" from Moody's.
- The Series 2024 Program Bonds are limited obligations of the IDAs, secured solely by the pledged assets and revenues. There is no recourse or liability to the IDAs.
- The General Indenture also allows for flexibility with respect to the first Mortgage Loans and the form and terms of down payment assistance Second Loans offered.

The initial Series 2024 Program Bonds will offer FHA insured and VA guaranteed Mortgage Loans; future series may include USDA-RD guaranteed and Fannie Mae and/or Freddie Mac eligible Mortgage Loans.

The initial Series 2024 Program Bonds will provide a Second Loan (4% of the first Mortgage Loan amount) with a 0% stated interest rate, for which principal is deferred, due in full upon sale or refinance, but forgiven in full on the 7-year anniversary date. For future series, Second Loan size and terms may be modified at the IDAs' discretion.

- Once the Series 2024 Program Bonds are issued, proceeds will be deposited into qualified investments and used to purchase, over an approximate 6-month period, mortgage backed securities ("MBS"), guaranteed as to timely payment by GNMA, Fannie Mae or Freddie Mac.

IDA Financial Contribution

- Once the Series 2024 Program Bonds are issued, the available sources of funds are applied against the total uses of funds. In the event of a shortfall, an IDA contribution will be required (to fund capitalized interest and costs of issuance and/or a portion of down payment assistance). The IDAs previously committed up to \$7 million each from their own resources (the “IDA Contribution”) for the Series 2023 Program Bonds issued (or to be issued) under the General Indenture and are requesting an additional \$7 million each from their own resources for the upcoming \$400 million Series 2024 Program Bonds.
- Expected sources and uses for the initial series of Series 2024 Program Bonds (2024D) are as follows:

Series 2024D Sources of Funds		Series 2024D Uses of Funds	
Bonds Issued	\$70,000,000	Acquisition of MBS [1]	\$70,700,000
PAC Bond Premium	2,175,940	Down Payment Assistance (4%) [1]	2,800,000
IDA Contribution	4,207,156	Capitalized Interest [2]	2,250,000
		Bond Issuance Costs	633,096
Total Sources of Funds	\$76,383,096	Total Uses of Funds	\$76,383,096

[1] MBS are purchased by the Bond Trustee at a 104.5 price.

[2] This assumes a 0% Bond proceeds reinvestment rate.

- Currently, there are no investment vehicles for Series 2024 Program Bond proceeds offering a guaranteed fixed rate return that satisfies rating agency requirements. Therefore, for Series 2024 Program Bond cash flow purposes, the rating agencies will require a 0% reinvestment rate.
- Series 2024 Program Bond proceeds can be invested in attractive qualified money market funds, and the investment earnings can be retained by the IDAs to recoup much of the IDA Contribution. Current money market returns are in the 5% range.

A portion of the IDA Contribution can be recouped from investment earnings soon after the MBS acquisition period. The remaining “unreimbursed” portion of the IDA Contribution will be recouped over time from ongoing fees paid to the IDAs while the Series 2024 Program Bonds are outstanding as well as surplus cash flow after the Series 2024 Program Bonds are redeemed in full.

“Unreimbursed” Portion of the IDA Contribution/Net Economic Benefit

- For each series of Series 2024 Program Bonds, the Municipal Advisor shall provide the IDAs with the following:
 - the IDA Contribution required;
 - a projection on the reimbursement of the IDA Contribution the IDAs may expect from realized reinvestment earnings after the loan origination period; and
 - a projection on the ongoing IDA Fee from surplus cash flow after the Series 2024 Program Bonds are redeemed in full (in present value terms) in relation to the “unreimbursed” amount of the IDA Contribution (the “Net Economic Benefit”).

Current cash flow projections for a \$70 million series of Series 2024 Program Bonds indicate that the sum of the cash flows to the IDAs generated from the ongoing IDA fee and the surplus after the Series 2024 Program Bonds are redeemed in full, less the unreimbursed portion of the IDA Contribution, are summarized as follows:

- For the Series 2023 Program Bonds issued to date, the IDA ongoing fees and surplus generated after the Series 2023 Program Bonds are redeemed in full are projected to generate a good return to the IDAs.

Economic Benefit Analysis	2023 Series A, 2024 Series A, and 2024 Series B				
	100% PSA	150% PSA	200% PSA	300% PSA	400% PSA
Revenue Source to the IDAs					
Ongoing IDA Fee (0.20%)	\$1,948,786	\$1,636,600	\$1,406,291	\$1,097,132	\$900,858
Surplus after Bonds Redeemed	\$7,151,111	\$6,397,158	\$5,862,745	\$5,202,468	\$4,914,838
Less: IDA Unreimbursed Contribution	(\$4,039,021)	(\$4,039,021)	(\$4,039,021)	(\$4,039,021)	(\$4,039,021)
Net PV Economic Benefit	\$5,060,875	\$3,994,737	\$3,230,015	\$2,260,580	\$1,776,675
As a % of Bonds Issued	3.89%	3.07%	2.48%	1.74%	1.37%

- The Economic Benefit to the IDAs for the initial series of Series 2024 Program Bonds (\$70,000,000 2024D) is projected to be the following:

Economic Benefit Analysis	Initial \$70,000,000 Program Bond Series 2024 D				
	100% PSA	150% PSA	200% PSA	300% PSA	400% PSA
Revenue Source to the IDAs					
Ongoing IDA Fee (0.18%)	\$1,002,391	\$840,613	\$721,183	\$560,211	\$458,768
Surplus after Bonds Redeemed	3,879,353	3,480,385	3,200,747	2,852,518	2,677,890
Less: IDA Unreimbursed Contribution	(1,957,156)	(1,957,156)	(1,957,156)	(1,957,156)	(1,957,156)
Net PV Economic Benefit	\$2,924,587	\$2,363,842	\$1,964,774	\$1,455,573	\$1,179,502
As a % of Bonds Issued	4.18%	3.38%	2.81%	2.08%	1.69%

Home In 5 Platinum Program
- **The Loan Origination Process -**



Lender Network

- The IDAs solicited existing Advantage Program originating lenders and lenders interested in participating in the Platinum Program (“Participating Lenders”) signed a Master Mortgage Purchase Agreement and are currently offering Mortgage Loans under the Platinum Program.

- Participating Lenders must also be approved as correspondent lenders with the designated Servicer, **Lakeview Loan Servicing**, which will purchase all first Mortgage Loans and receive the Second Loans (which are originated in the names of the IDAs) from the Participating Lenders for servicing for the IDAs.
- Participating Lenders must abide by the IDA's Program Guidelines and the Servicer's Lender Guide.

Bond Series Release Date and Loan Applications

Once a series of Series 2024 Program Bonds are priced:

- Participating Lenders will be notified of all key series information, including but not limited to the availability of funds, the applicable income limits and purchase price limits, the first Mortgage Loan rate, the size and terms of the Second Loan and the timeframe (dates) during which loans may be submitted to the Servicer for purchase.
- Participating Lenders may begin accepting borrower applications per the Platinum Program eligibility guidelines.
- Participating Lenders will rate lock (60-day commitments) through the eHousingPlus on-line lender portal.
- Within 45 days of the rate lock, the first Mortgage Loans must have been underwritten by the Participating Lender.
- Within 60 days of rate lock, the first Mortgage Loans close and fund. The Participating Lender will advance the Second Loan assistance for the benefit of the borrower(s) on behalf of the IDAs.

Pre-Purchase Compliance Revenue by eHousingPlus

- After the loan closing, the Participating Lender will submit a file of loan documents to eHousingPlus for its review to ensure that the Mortgage Loan meets the key federal/state rules, specifically:
 - The household income does not exceed the applicable Income Limit
 - The First Time Homebuyer requirement is met (unless exempt)
 - All required affidavits and certifications are accurate and signed
 - Arizona set aside rules for low income and manufactured housing are met, and federal rules for target area requirements are met.

Lender Compensation (2.5% total)

- Participating Lenders are permitted to charge the borrower(s) an Origination Fee of up to 1%. Additionally, Participating Lenders may charge "customary and reasonable" per loan fees (appraisal, title, credit reports, etc.).
- The Servicer will pay Participating Lenders 1.5% as first Mortgage Loans are purchased.

Loan Aggregation and Pooling into Securities/Delivery to the Bond Trustee

- Mortgage Loans will be pooled into MBS and delivered to the Bond Trustee, delivery versus payment, at a purchase price equal to 104.5%.
- Participating Lenders will provide the Servicer with representations and warranties that the first Mortgage Loan is eligible for pooling into MBS.