

**MASTER MORTGAGE-BACKED SECURITY  
PURCHASE AGREEMENT**

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

**AND**

**CITY AND COUNTY OF DENVER,  
as Sponsor**

**AND**

**US BANK NATIONAL ASSOCIATION,  
as Custodial Agent for the Sponsor**

**Dated as of \_\_\_\_\_, 2019**

## MASTER MORTGAGE-BACKED SECURITY PURCHASE AGREEMENT

This Master Mortgage-Backed Security Purchase Agreement (the “**Purchase Agreement**”) is made and entered into effective as of \_\_\_\_\_, 2019, by and between George K. Baum & Company, a Missouri corporation, having its principal office located at 4801 Main Street, Suite 500, Kansas City, Missouri 64112 (the “**Security Purchaser**”), the City and County of Denver, a Colorado Home Rule City duly organized and existing under the laws of the State of Colorado (the “**Sponsor**”), and US Bank National Association, in its capacity as Custodial Agent for the Sponsor (the “**Custodial Agent**”).

**WHEREAS**, the Sponsor has authorized a program (the “**Direct Purchase Program**”) of financing mortgage loans (the “**Mortgage Loans**”) to qualifying borrowers (the “**Borrowers**”); and

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

**WHEREAS**, in order to carry out the Direct Purchase Program, (a) the Sponsor and certain mortgage lenders (collectively, the “**Lenders**”) have entered into a Program Lender Agreement (the “**Program Lender Agreement**”), (b) the Sponsor and U.S. Bank National Association, as master servicer (the “**Master Servicer**”) have entered in a Servicing Agreement, dated as of \_\_\_\_\_, (the “**Servicing Agreement**”), (c) the Lenders and the Master Servicer have entered into a Participating Lender Agreement (the “**Participating Lender Agreement**”), (d) the Sponsor, the Custodial Agent and the Security Purchaser have entered into this Purchase Agreement, (e) the Sponsor and Housing and Development Services, Inc., d/b/a EHousingPlus (the “**Program Administrator**”) have entered into a Program Administration Agreement, dated as of February 1, 2013, as amended by the First Amendment to the Program Administration Agreement, dated as of January 1, 2019 (the “**Program Administration Agreement**”) and the Program Administrator has issued the Program Administrator’s Guidelines, and (f) the implementing documents and agreements related thereto as may be referenced in this Purchase Agreement or the Servicing Agreement are being executed and delivered (all of the documents and agreements in this paragraph being collectively herein referred to as the “**Program Documents**”); and

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

**WHEREAS**, under the Direct Purchase Program, as an alternative to the approach described in the preceding recital, the Sponsor and the Security Purchaser may from time to time agree that

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

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

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

## **SECTION 1**

### **DEFINITIONS AND ASSIGNMENT OF SPONSOR'S RIGHTS; PURPOSE OF THE AGREEMENT AND OTHER MATTERS**

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

"Actual Buy-up/Buy-down Payment" means the actual payment, expressed as a percentage of the Mortgage Loan amount, due by (in the case of a "Buy-up Fee") or due to (in the case of a "Buy-down Fee") FHLMC, as determined pursuant to the relevant pricing grid by the Master Servicer at the time that a FHLMC Security is issued.

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

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

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

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

"Cash Commitment Window" means the FHLMC Cash Commitment Window and the FNMA Cash Commitment Window.

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

“Custodial Agent” means US Bank National Association, in its capacity as Custodial Agent for the Security Purchaser under this Purchase Agreement.

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

“Estimated Buy-up/Buy-down Fee” means the estimated amount, expressed as a percentage of the Mortgage Loan amount, by which the FNMA or FHLMC fee is either increased (a “Buy-up Fee”) or decreased (a “Buy-down Fee”), as reflected in the applicable Mortgage Interest Rate Calculations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Notification of Delivery” means the written notification from the Master Servicer to the Sponsor, the Security Purchaser, and the Custodian of the Mortgage-Backed Securities for each Mortgage-Backed Securities Purchase Date.

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

“Pay Ups” means 75% of the estimated excess value for each Mortgage Loan Interest Rate, as determined in the sole discretion of the Security Purchaser from time to time, that the Security Purchaser believes it can generate when the Mortgage Loan is sold by the Security Purchaser either in the form of a Mortgage-backed Security or to the Cash Commitment Window.

“Program Administration Agreement” means that certain Program Administration Agreement, dated as of February 1, 2013, as amended by the First Amendment to the Program Administration Agreement, dated as of January 1, 2019, between the Program Administrator and the Sponsor.

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

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

“Program Documents” means, collectively, (a) the Program Lender Agreement, (b) the Servicing Agreement, (c) the Participating Lender Agreement, (d) this Purchase Agreement, (e) the Program Administration Agreement and the Program Administrator’s Guidelines, and (f) the implementing documents and agreements related thereto as may be referenced in this Purchase Agreement or the Servicing Agreement.

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

“Program Lender Agreement” means that certain Program Lender Agreement between the Sponsor and the Participating Lenders concerning the origination of Mortgage Loans.

“Program Monitor” means CSG Advisors Incorporated, or any successor thereto named by the Sponsor.

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

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

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

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

“Servicing Agreement” means the Servicing Agreement between the Master Servicer and the Sponsor.

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

“Sponsor” means the City and County of Denver, Colorado.

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

(b) **Assignment by the Sponsor.** The Sponsor does hereby assign all of its rights and interests under the Program Documents to which the Sponsor is a party to the Security Purchaser, and the Security Purchaser shall be entitled to enforce the rights of the Sponsor thereunder without any further act or undertaking by the Sponsor. The Sponsor retains, however, any rights of indemnification of the Sponsor, including but not limited to the rights of the Sponsor to receive reimbursement for its attorneys’ fees and costs.

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

(i) The Sponsor, acting through the Master Servicer, agrees to sell Mortgage-Backed Securities to the Security Purchaser, and the Security Purchaser, acting through the Custodial Agent, agrees to buy Mortgage-Backed Securities from the Sponsor. Mortgage-Backed Securities shall generally comprise Mortgage Loans associated with the Sponsor’s Direct Purchase Program, which Mortgage Loans shall be originated by Lenders in accordance with

the Program Administrator's Guidelines and pursuant to the Program Lender Agreement and Participating Lender Agreement, sold by the Lenders to the Master Servicer and pooled by the Master Servicer. Mortgage-Backed Securities may be purchased in one or more transactions under the terms and conditions set forth herein.

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

(d) **Sponsor Statement.** The Sponsor, the Custodial Agent and the Security Purchaser acknowledge and agree that the Sponsor has engaged the Master Servicer to perform certain activities under the terms and conditions of the Servicing Agreement and has engaged the Program Administrator to perform certain activities under the terms and conditions of the Program Administration Agreement. The Security Purchaser is acting as a principal in an arms' length transaction with the Sponsor and not as an agent or advisor to the Sponsor. The Security Purchaser acknowledges and agrees that the Master Servicer shall be solely responsible for its actions under the Servicing Agreement and that the Sponsor shall have no liability for any such non-performance except as expressly set forth herein. The Security Purchaser acknowledges and agrees that the Program Administrator shall be solely responsible for its actions under the Program Administration Agreement and that the Sponsor shall have no liability for any such non-performance except as expressly set forth herein. The Sponsor, if directed by the Security Purchaser, shall enforce the provisions of the Servicing Agreement, the Program Administration Agreement and the other Program Documents, and, if so directed by the Security Purchaser, shall pursue any and all remedies for a breach thereof as directed by the Security Purchaser and at no cost to the Sponsor. The Sponsor shall not have a financial obligation to directly fund the purchase or sale of the Mortgage-Backed Securities.

(e) **Direct Purchase Program and Purchase Agreement Term; Termination.** The Direct Purchase Program and this Purchase Agreement shall commence on the date of execution of this Purchase Agreement for an initial four-year term (the "Initial Term"), and shall automatically extend for an additional four-year term (such extension, together with the Initial Term, the "Term") unless either party provides written notice of its intent not to extend within thirty (30) Calendar Day's of the expiration of the Initial Term. Each of the Sponsor and the Security Purchaser may terminate this Purchase Agreement and its participation in the Direct Purchase Program by providing thirty (30) Calendar Days' notice to the other parties hereto. Notwithstanding the expiration of the Term of this Purchase Agreement or any termination of this Purchase Agreement, to the extent there are outstanding commitments by the Sponsor and the Security Purchaser to buy Mortgage-Backed Securities under the terms and conditions set forth herein, or in the event that the Sponsor shall have any right to recover damages under any Program Document, this Purchase Agreement shall continue to govern the terms of such purchase and sale of Mortgage-Backed Securities and shall continue in effect as to such Mortgage-Backed Securities until such purchase and sale is accomplished as



described herein and shall also continue until the Sponsor shall have fully pursued its remedies under any Program Document as directed by and for the benefit of the Security Purchaser.

(f) **Program Size.** The maximum aggregate principal amount of Mortgage Loans, as determined by the Security Purchaser, which at any time are (a) reserved but not yet closed by the Lenders through the Program Administrator, (b) closed by the Lenders but not yet purchased by the Master Servicer, (c) closed and purchased by the Master Servicer but not yet (i) pooled into Mortgage-Backed Securities, or (ii) designed as Cash Window Loans but not yet sold to FNMA or FHLMC, and (d) Mortgage-Backed Securities that have been issued but not yet purchased by the Security Purchaser as of any date shall not exceed \$100,000,000 (the “**Program Size Limit**”), unless the Security Purchaser agrees in writing to an increase in the Program Size Limit; provided however, that the Sponsor shall receive a credit in the calculation of the Program Size Limit to reflect cancelled Mortgage Loans and Mortgage-Backed Securities purchased by the Security Purchaser. The commitment of the Security Purchaser under this Purchase Agreement is a revolving commitment and (i) Mortgage-Backed Securities which have been purchased by the Security Purchaser, and (ii) Cash Window Loans which have been purchased by FNMA or FHLMC, all in accordance with this Purchase Agreement, shall not be included in calculating compliance with the Program Size Limit.

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

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

## SECTION 2

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

(a) **Establishment of Mortgage Interest Rates.** The Security Purchaser shall prepare and forward the Mortgage Interest Rate Calculations to the Sponsor by email on any Business Day by 8:30 AM Central time. Based on the Mortgage Interest Rate Calculations, the Sponsor shall select the Mortgage Interest Rate(s) to be offered each day for the Direct Purchase Program. If the Sponsor so chooses, in lieu of selecting the Mortgage Interest Rate(s) each day, the Sponsor may choose and direct to give the Security Purchaser parameters to use when selecting Mortgage Interest Rate(s). The Mortgage Interest Rate Calculations will state the price (“Security Purchaser Price”) at which the Security Purchaser will purchase each loan reserved at any given rate (it being understood the actual Mortgage-Backed Securities Price will be a weighted average of all Security Purchaser Prices in any given FNMA Security, FHLMC Security or GNMA Security).

(b) **Issuance of Interest Rate Notice.** Upon approval from the Sponsor, the Security Purchaser may deliver to the Program Administrator and the Program Monitor, for posting by the Program Administrator on its loan reservation system, and to the Master Servicer, on any Business Day and from time to time on any Business Day, one or more Interest Rate Notices for Mortgage Loans which are to be pooled in a Mortgage-Backed Security. Each Interest Rate Notice shall remain in effect and shall be binding upon the Security Purchaser, the Master Servicer and the Lenders until 7:00 PM Central time on the date issued by the Security Purchaser or until such earlier time as the Interest Rate Notice is amended, superseded, replaced or withdrawn by the Security Purchaser in its discretion. Lenders shall use the Interest Rate Notice then in effect in offering Rate Locks to Borrowers for Mortgage Loans pursuant to the Program Administrator's Guidelines and Program Lender Agreement. The failure of the Security Purchaser to provide an Interest Rate Notice for any Business Day, or the rescission or withdrawal of any Interest Rate Notice, shall not affect the obligations of the parties to the Program Documents or result in any liability or obligation on the part of the Security Purchaser. On any Business Day, if the Program Administrator notifies the Sponsor that the Program Administrator's system will be open for new Rate Locks, but the Program Administrator will not allow the publishing of a new Interest Rate Notice, the Sponsor may request that the Security Purchaser allow new Rate Locks using the Interest Rate Notice from the previous Business Day. It will be at the sole discretion of the Security Purchaser whether to allow new Rate Locks using the Interest Rate Notice from the previous Business Day to or to allow no Rate Locks. If the Security Purchaser decides not to allow new Rate Locks, it will notify the Sponsor of such decision.

(c) **Program Administrator's System Binding.** The Program Administrator's loan reservation system shall be the exclusive source of information for the Security Purchaser, Lenders, Program Monitor, and Master Servicer regarding Mortgage Loans and Mortgage Loan Interest Rates. The Security Purchaser shall send Interest Rate Notices and notices of rescission or withdrawal of Interest Rate Notices to the email addresses below, and such delivery shall satisfy the Security Purchaser's obligation to provide Interest Rate Notices to the Program Administrator and the Master Servicer.

Email addresses for Interest Rate Notices: To be provided

### SECTION 3

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

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

(b) **Security Purchaser Agrees to Purchase Mortgage-Backed Securities.** The Security Purchaser agrees to purchase from the Custodial Agent, and the Custodial Agent agrees to sell to the Security Purchaser, any Mortgage-Backed Securities that are created by the Master Servicer from Mortgage Loans in the program at the times, in the amounts, at the interest rates and under the terms and conditions set forth in the Servicing Agreement and this Purchase Agreement, that are comprised of Mortgage Loans that conform to all of the terms of the Program Documents. The Security Purchaser shall have no obligation to purchase from the Custodial Agent, and the Custodial Agent shall have no obligation to sell to the Security Purchaser, any Mortgage-Backed Securities which do not conform, in the sole judgment of the Security Purchaser, to the terms and requirements of the Servicing Agreement and this Purchase Agreement.

(c) The Security Purchaser, Custodial Agent, and Program Monitor shall receive a Notification of Delivery from the Master Servicer not later than the second (2<sup>nd</sup>) Business Day prior to each Mortgage-Backed Securities Purchase Date. The Security Purchaser shall in turn deliver confirmation to the Custodial Agent and Program Monitor not later than the earliest of (i) three (3) Business Days after the Notification of Delivery is provided, or (ii) the first (1<sup>st</sup>) Business Day prior to each Mortgage-Backed Securities Purchase Date of the type and the original and outstanding principal balances of each Mortgage-Backed Security, CUSIP number and pool number of each Mortgage-Backed Security, the Mortgage-Backed Securities Purchase Date, the Mortgage-Backed Securities Interest Rate, Mortgage-Backed Securities Price, accrued interest and total net proceeds from the sale of each Mortgage-Backed Security by the Custodial Agent to the Security Purchaser.

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

(e) Upon the request of the Security Purchaser and in conformance with Section 5(j) , the Master Servicer shall advise the Security Purchaser, the Program Monitor, and the Sponsor of the outstanding principal amount of Mortgage Loans it has purchased from the Lenders.

#### **SECTION 4**

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

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

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

(ii) In the event that the Security Purchaser, on behalf of the Sponsor, designates any Mortgage Loans as Cash Window Loans, the Security Purchaser shall provide to the Sponsor calculations that include: (1) the net proceeds to the Direct Purchase Program of selling Cash Window Loans to the applicable Cash Commitment Window at the applicable Cash Window Prices (“Cash Window Delivery”); and (2) the net proceeds to the Direct Purchase Program of (A) pooling the Cash Window Loans into a FNMA or FHLMC Mortgage-Backed Security that the Security Purchaser purchases at the Mortgage-Backed Securities Price, and (B) the actual expected buy-up or buy-down payment due to FNMA or FHLMC (together, “FNMA/FHLMC Mortgage-Backed Security Delivery”).

(iii) The Sponsor authorizes the Security Purchaser, on behalf of the Sponsor, to determine whether to proceed with designating such Mortgage Loans as Cash Window Loans, and if applicable, to proceed with either Cash Window Delivery or FNMA/FHLMC Mortgage-Backed Security Delivery.

(b) **Sale of Cash Window Loans.** If the Security Purchaser proceeds with a Cash Window Delivery, the following provisions shall apply:

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

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

(iii) The Security Purchaser shall calculate the amount (the “Excess Amount”) that either the Security Purchaser owes to the Sponsor or the Sponsor owes to the Security Purchaser. The Excess Amount shall be (1) the amount the Sponsor received from the sale of the Cash Window Loans, minus (2) the amount the Sponsor would have received if the Cash Window Loans were sold at the Mortgage-Backed Securities Purchase Price, plus (3) the net Estimated Buy-up/Buy-down Fee due to FNMA or FHLMC (as applicable) for the Cash Window Loans

pursuant to the applicable Mortgage Interest Rate Calculations. For clarification, in the Mortgage Interest Rate Calculations a “Buy-up Fee” due from FNMA or FHLMC (as applicable) to the Sponsor is expressed as a negative number and a “Buy-down Fee” due from the Sponsor to FNMA or FHLMC (as applicable) is expressed as a positive number. If the net of the Estimated Buy-up/Buy-down Fee for the Cash Window Loans is a positive number, this amount will be added to the amount due to the Security Purchaser from the Sponsor. If it is a negative number, this amount will reduce the amount due to the Security Purchaser from the Sponsor. If the Excess Amount is a positive number, the Sponsor shall owe the Excess Amount to the Security Purchaser; if the Excess Amount is a negative number, the Security Purchaser shall owe the Excess Amount to the Sponsor. The Security Purchaser shall provide notice to Sponsor and Program Monitor when Excess Amounts are due from or due to Sponsor. Any Excess Amounts payable by the Sponsor to the Purchaser shall only be payable from funds received from the Master Servicer in connection with the selling of the Cash Window Loans.

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

## SECTION 5

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

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

(b) **Mortgage-Backed Securities Purchase Price.** Unless otherwise agreed upon by the Sponsor and the Security Purchaser, the applicable Mortgage-Backed Securities Purchase Price on any Mortgage-Backed Securities Purchase Date, which the Security Purchaser shall pay to the Custodial Agent, for the account of the Sponsor shall be determined by the Mortgage Interest Rate Calculations to which the Mortgage Loans underlying the Mortgage-Backed Security relate. Extension Fees shall be collected separately and not netted against the purchase price of any Mortgage Loan.

(c) **Borrower Assistance.** The amount of Borrower Assistance shall be set forth in the Program Administrator's Guidelines and shall be reflected in each Interest Rate Notice. At the time each Mortgage Loan shall be reserved, the commitment of the Sponsor to provide Borrower Assistance in such amount shall be binding on the Sponsor and the Sponsor shall be obligated to fund the amount of Borrower Assistance at the time each Mortgage Loan shall close. Lenders shall advance Borrower Assistance on behalf of the Sponsor in accordance with applicable federal agency regulatory and statutory requirements.

(d) **Actual Buy-Up/Buy-Down Payments.** The parties to this Purchase Agreement understand and agree that the Master Servicer shall be responsible for the receipt/payment of any and all amounts due from or to FNMA or FHLMC (as applicable) in connection with each settlement of a sale of a FNMA Security or a FHLMC Security to the applicable Cash Commitment Window hereunder, including but not limited to adverse market delivery charges (as determined by FNMA or FHLMC) and Actual Buy-up/Buy-down Payments.

(e) **Program Fee.** The Program Fee shall be reflected in the Mortgage Interest Rate Calculations, approved by the Sponsor, and used for each Interest Rate Notice.

(f) **Security Purchaser Compensation.** The parties acknowledge that the Security Purchaser is obtaining funds for the purchase of Mortgage-Backed Securities from, and is being compensated through the profit made on, the subsequent sale of the Mortgage-Backed Securities to a third-party. The parties further acknowledge that the Mortgage-Backed Securities that the Security Purchaser purchases may be in different amounts than the amount of Mortgage Loans that Lenders reserve. The Security Purchaser Price shall be based on prevailing market prices in the TBA mortgage-backed securities market less 0.125%. However, the Sponsor acknowledges that the actual compensation that the Security Purchaser earns shall be subject to its successful estimation of the proportion of Mortgage Loans that proceed from Rate Lock to origination compared to the number of rate lock commitments that Lenders initially offer as well as market conditions in effect at the time.

(g) **Nonperformance Under Program Documents.** In the event that the Master Servicer shall fail to perform its obligations to deliver Mortgage-Backed Securities under the terms and conditions set forth in the Servicing Agreement and other Program Documents, or in the event any other party shall breach the terms of the Program Documents, the Security Purchaser may suffer a financial loss. To the extent such a financial loss is incurred by the Security Purchaser due to a breach by the Master Servicer or any other party to a Program Document, regardless of whether such loss occurs at the time of any nondelivery of the Mortgage-Backed Securities or upon any delayed delivery of the Mortgage-Backed Securities or at any other time which results in a financial loss to the Security Purchaser, including but not limited to losses incurred by the Security Purchaser under any hedging or funding agreement, the Sponsor shall be liable to the Security Purchaser for all losses, costs and expenses incurred by the Security Purchaser, including but not limited to losses, costs and expenses incurred by Security Purchaser by reason of the failure to deliver, or delay in delivery, of any Mortgage-Backed Securities on any Mortgage-Backed Securities Purchase Date, as described in this Purchase Agreement; provided, however, that compensation for such losses shall be payable solely through the exercise of remedies against the Master Servicer or party to any other Program Document for breach of the terms of such Program Document. This subsection (g) is subject to the provisions of the Custody Agreement dated \_\_\_\_\_ by and between the Sponsor and the Custodial Agent (the "Custody Agreement"). If there is any conflict between the obligations of the

Sponsor and the Custodial Agent under the terms of this Purchase Agreement and the Custody Agreement, the terms of the Custody Agreement shall prevail.

(h) **Regarding the Custodial Agent.** The Custodial Agent undertakes to perform only such duties as are specifically set forth herein, which duties are non-discretionary and non-fiduciary in nature. All funds received by the Custodial Agent pursuant to this Purchase Agreement shall be deposited in the Custody Account established pursuant to the Custody Agreement. No provision hereof shall require the Custodial Agent to expend or risk its own funds or otherwise incur financial liability or expense in the performance of its duties hereunder, and it is the intention of the parties that Custodial Agent not incur any liability or expense in performance of its duties hereunder. In the event that the Security Purchaser shall default in its obligations under this Purchase Agreement to accept delivery of and pay for Mortgage-Backed Securities delivered in accordance with this Purchase Agreement and if the Custodial Agent suffers any loss or expense as a result of such default, the Security Purchaser shall assume and pay for all of such costs and expenses and shall hold the Custodial Agent and Sponsor harmless from all such costs and expenses. To the extent permitted by law and subject to annual appropriation therefor, the Sponsor shall indemnify and hold the Custodial Agent harmless for all Losses (as defined in the Custody Agreement) suffered by the Custodial Agent with respect to its actions under this Purchase Agreement.

(i) **Custodial Agent Fee.** The Sponsor agrees to pay the Custodial Agent's fees as set forth in the Custody Agreement with respect to all services rendered by the Custodial Agent under this Purchase Agreement or in connection with any Program Document.

(j) **Monthly or More Frequent Program Reports and Distribution of Funds.** The Security Purchaser shall provide the Sponsor and Program Monitor with a report not later than the tenth (10<sup>th</sup>) Business Day of each month (the "**Monthly Program Report**") that includes the following information for the previous month:

- Within one business day of each MBS or cash window settlement date, the Purchaser will provide to the Sponsor and the Program Monitor a report detailing each reserved first mortgage loan that is included in the settlement along with the reservation date, the Sponsor's purchase price from the Master Servicer and the Sponsor's sale price to the Purchaser. The report will also include weighted average pool price calculations for each pool purchased by the Purchaser.
- Monthly- Provide the City with various accounting and pipeline reconciliation reports, as well as other reports deemed necessary for the City to effectively manage the program. The specific reporting will include, at a minimum, monthly reports detailing the status of the pipeline, lock volume by lender, loan fall out information, the amount of mortgage loans expected for delivery as MBS, expected MBS settlements, settlement history, and pipeline/borrower demographics. Appendix I of the Security Purchaser's response to Sponsor's RFQ will satisfy this section (j) monthly reporting requirement.
- By the fifth business day of each month, the Purchaser shall provide to the Sponsor and the Program Monitor a report indicating the following: Loans reserved that month, reservation volume by lender, cancellation information, the status of each

loan currently in the pipeline, MBS settlement history and pipeline/borrower demographics.

- Any additional report or program information as reasonably requested by Sponsor to be provided in a reasonable timeframe but no later than one month after request.
- The Sponsor was given two options by the Purchaser for the sharing of excess program revenue and has decided that it is in the Sponsor's best interest for Pay Ups to be included in the Mortgage Interest Rate Calculations. The Sponsor may, at any time, request that the Purchaser no longer include Pay Ups on the Mortgage Interest Rate Calculations but instead share revenue as contemplated below. Both parties acknowledge that the modification to the revenue sharing agreement is subject to the approval of the Purchaser and the details of such transition will be determined by the Purchaser and disclosed to the Sponsor and Program Monitor at such time when the Purchaser accepts the Sponsor's request.
- If the Purchaser accepts the Sponsor's request to modify how program revenue is shared, in addition to no longer including Pay Ups on the Mortgage Interest Rate Calculations, the Purchaser shall provide the Sponsor with a report not later than the fifth Business Day of each month (the "Monthly Reconciliation Report") that includes the following information for the previous month: (i) total proceeds from the sale of Mortgage-Backed Securities by the Purchaser or sale of Cash Window Loans by the Master Servicer in the previous month (such securities are referred to as "Purchased Mortgage-Backed Securities"), (ii) total proceeds from the Purchaser's purchase of Purchased Mortgage-Backed Securities from the Sponsor, or from the Master Servicer's purchase of Cash Window Loans from Lenders, (iii) Purchaser Compensation related to each Purchased Mortgage-Backed Security or Cash Window Loan, based on the Mortgage Interest Rate Calculations and Interest Rate Notice to which each Mortgage Loan was originated, (iv) all other expenses or revenue of the Program, including extension fees received and costs incurred as a result of adjusting hedges associated with the Program, (v) any deficiencies or excess funds in the Program after accounting for items (i), (ii), (iii) and (iv) of this paragraph, and (vi) the net position of the Program based on all previous months' Monthly Reconciliation Reports. Any excess funds after an agreed upon reserve amount shall be distributed 75% to the Sponsor and 25% to the Purchaser with such distributions occurring on a quarterly basis. Only loans where Pay Ups were not included on the relative Mortgage Interest Rate Calculations will be included in these reports and eligible for revenue sharing.

## **SECTION 6**

### **CALCULATION OF SPONSOR SERVICING RELEASE PREMIUM**

(a) The Sponsor Servicing Release Premium shall be based upon the Sponsor Servicing Release Premium Pricing Schedule of the Master Servicer. The Initial Sponsor Servicing Release Premium Pricing Schedule shall be as set forth in Exhibit A to this Purchase Agreement. The



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

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

## **SECTION 7**

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

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

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

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

## **SECTION 8**

### **CONDITIONS PRECEDENT**

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

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

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

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

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

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

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

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

## **SECTION 9**

### **REPRESENTATIONS AND WARRANTIES**

(a) The Sponsor represents as follows:

(i) The Sponsor is a Home Rule City duly organized and existing under the laws of the State of Colorado.

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

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

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

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

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

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

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

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

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

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

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

## SECTION 10

### EVENTS OF DEFAULT

(a) Each of the following events shall constitute an event of default (a “**Sponsor Event of Default**”) hereunder:

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

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

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

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

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

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

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

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

## SECTION 11

### REMEDIES

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

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

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

(iii) The Sponsor shall be liable to the Security Purchaser for all of the damages suffered by the Security Purchaser by reason of the occurrence of a Master Servicer Event of Default under the Servicing Agreement, or the occurrence of any other default by a party to a Program Document, including but not limited to any cost, liability or expense incurred or suffered by the Security Purchaser under the terms of any lending agreement or arrangement entered into by Security Purchaser in connection with the Mortgage-Backed Securities and any forward sale or other agreement concerning an actual or intended disposition or transfer, including but not limited to any forward delivery or similar agreement, by the Security Purchaser of any Security or interest therein to any third party by the Security Purchaser; provided, however, that compensation for such losses shall be payable solely through the exercise of remedies against the Master Servicer or party to any other Program Document for breach of the terms of such Program Document.

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

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

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

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

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

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

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

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

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

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

(iii) Should the Security Purchaser fail to purchase Mortgage-Backed Securities from the Sponsor within two Business Days of a Mortgage-Backed Securities Purchase Date then, at the option of the Sponsor, the Sponsor or its agents may sell the Mortgage-Backed Securities in a recognized market and in a commercially reasonable manner and apply the proceeds thereof to the aggregate unpaid balance owed by the Purchaser under this Agreement. If the sale is completed by the Sponsor, the Security Purchaser agrees to remit funds to the Sponsor within 15 days of notice of the completed sale for (i) any discount in the selling price below the Mortgage-Backed Securities Price of the Mortgage-Backed Securities; and (ii) any other reasonable loss, damage, cost or expense directly arising or resulting from the failure of the Security Purchaser to purchase the Mortgage-Backed Securities.

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

(v) The Sponsor may take whatever other action at law or in equity may reasonably appear necessary or desirable to collect the amounts then due and thereafter to become due from the

Security Purchaser under this Purchase Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Security Purchaser under this Purchase Agreement.

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

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

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

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

## **SECTION 12**

### **BINDING EFFECT; TRANSFER**

This Purchase Agreement shall be binding upon the Security Purchaser and the Sponsor and upon their respective successors and transferees. No party may transfer this Purchase Agreement without the prior written consent of the other parties.

## **SECTION 13**

### **PAYMENT INSTRUCTIONS**

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

## **SECTION 14**

### **NOTICES**

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

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

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

Notice to Sponsor: City and County of Denver  
201 W. Colfax Ave.  
Denver, CO 80202  
Attn: CFO, Department of Finance

With a copy to: City and County of Denver  
201 W. Colfax Ave.  
Denver, CO 80202  
Attn: City Attorney's Office

With a copy to: CSG Advisors  
41 Perimeter Center East, Suite 615  
Atlanta, GA 30346  
Attention: David Jones

Notice to Custodial Agent: U.S. Bank National Association  
950 17<sup>th</sup> Street, 5<sup>th</sup> Floor  
Denver, CO 80202  
Kathleen.Connelly@usbank.com

Account Instructions:  
Custodial Account Delivery Instructions

(Fed Settlement): Federal Reserve Bank of Cleveland  
For U.S. Bank, N.A.  
ABA 042-000-013/1050  
For account number: 202725000



Custodial Account Wire Instructions: RBK U.S. Bank N.A.  
ABA **091000022**  
BNF USBANK CT WIRE CLRG  
A/C **180121167365**  
60 Livingston Avenue  
St. Paul, MN 55107-2292  
F/C: Denver Mortgage Assistance 202725000  
Contact: Tom Geving

Security Purchaser Delivery Instructions

(Fed Settlement): ABA 021000018  
BK of NYC/GKBAUM  
Contact: Anne Yearata (816) 283-5213

Security Purchaser Wire Instructions: ABA# 071 000 288  
BMO Harris Bank N.A.  
111 W Monroe St.  
Chicago, IL 60603  
Account# 265 1818  
Account Name: George K. Baum & Company  
Attn: Tasha Romero (816) 283-5205  
F/C: City and County of Denver TBA Program

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

## SECTION 15

### LIMITATION; SPONSOR APPROVAL

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

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

By its execution of this Purchase Agreement, the Sponsor hereby approves the terms and provisions of this Purchase Agreement and the participation by the Security Purchaser in the transactions described herein.

## **SECTION 16**

### **SEVERABILITY**

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

## **SECTION 17**

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

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

## **SECTION 18**

### **COUNTERPARTS**

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

## **SECTION 19**

### **REQUIRED CONTRACT PROVISIONS**

The parties hereto recognize and agree that the Sponsor requires all contracts to which it is a party be subject to the provisions set forth in Exhibit B to this Purchase Agreement and that such provisions are deemed to be a part of this Purchase Agreement. Notwithstanding the foregoing, the parties hereto further agree that (i) all references in Exhibit B to “the City” shall be deemed to be references to the Sponsor, (ii) all references in Exhibit B to “the Contractor” shall be references to the Security Purchaser, (iii) all references in Exhibit B to “this Agreement” shall be to this Purchase Agreement, and (iv) to the extent any provision set forth in Exhibit B conflicts with any other provision of this Agreement, the provision set forth in Exhibit B shall control.

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

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

CITY AND COUNTY OF DENVER,  
as Sponsor

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

GEORGE K. BAUM & COMPANY,  
as Security Purchaser

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

US BANK NATIONAL ASSOCIATION  
as Custodial Agent

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

**EXHIBIT A – INITIAL SPONSOR SERVICING RELEASE PREMIUM PRICING  
SCHEDULE**

## **EXHIBIT B - REQUIRED CONTRACT PROVISIONS**

**GOVERNMENTAL REASONABLENESS:** Whenever under this Agreement "reasonableness" is the standard for the City's grant or denial of consent or approval, the City shall be entitled to consider public and governmental policy, moral and ethical standards, as well as business and economic considerations.

**SUBJECT TO APPROPRIATION; NO MULTIPLE YEAR OBLIGATION:** It is understood and agreed that any payment obligation of the City hereunder, whether direct or contingent, shall extend only to funds appropriated by the Denver City Council for the purpose of this Agreement, encumbered for the purpose of the Agreement and paid into the treasury of the City. The Contractor acknowledges that (i) the City does not by this Agreement, irrevocably pledge present cash reserves for payments in future fiscal years, and (ii) this Agreement is not intended to create a multiple- fiscal year direct or indirect debt or financial obligation of the City.

### **DEFENSE & INDEMNIFICATION:**

A. The Contractor hereby agrees to defend, indemnify, and hold harmless the City, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement ("Claims"), unless and until such Claims have been specifically determined by the trier of fact to be due to the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of the Contractor or its subcontractors either passive or active, irrespective of fault, including the City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of the City.

B. The Contractor's duty to defend and indemnify the City shall arise at the time written notice of the Claim is first provided to the City regardless of whether an action has been filed in court on the Claim. The Contractor's duty to defend and indemnify the City shall arise even if the City is the only party sued and/or it is alleged that the City's negligence or willful misconduct was the sole cause of the alleged damages.

C. The Contractor will defend any and all Claims which may be brought or threatened against the City and will pay on behalf of the City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of the City shall be in addition to any other legal remedies available to City and shall not be considered the City's exclusive remedy.

D. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

E. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

**COLORADO GOVERNMENTAL IMMUNITY ACT:** The Parties hereto understand and agree that the City is relying upon, and has not waived, the monetary limitations and all other rights, immunities and protection provided by the Colorado Governmental Act, § 24-10-101, et seq., C.R.S.

**EXAMINATION OF RECORDS:** The Contractor agrees that any duly authorized representative of the City, including the City Auditor, shall, until the expiration of three (3) years after the final payment under this Agreement, have access to and the right to examine any books, documents, papers and records of the Contractor, involving transactions related to this Agreement. Notwithstanding the foregoing, except for documents provided to the City pursuant to the scope of services for this Agreement, the City acknowledges that the Contractor shall not disclose any HIPAA protected documents to the City in accordance with this Section.

**CONFLICT OF INTEREST:**

A. No employee of the City shall have any personal or beneficial interest in the services or property described in the Agreement; and the Contractor shall not hire, or contract for services with, any employee or officer of the City in violation of the City's Code of Ethics, D.R.M.C. §2-51, et seq. or the Charter §§ 1.2.8, 1.2.9, and 1.2.12.

B. The Contractor shall not engage in any transaction, activity or conduct which would result in a conflict of interest under this Agreement. The Contractor represents that the Contractor has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Contractor by placing the Contractor's own interests, or the interests of any party with whom the Contractor has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, shall determine the existence of a conflict of interest and may terminate this Agreement in the event such a conflict exists after the City has given the Contractor written notice which describes the conflict.

**GOVERNING LAW; COMPLIANCE WITH LAW; VENUE:**

A. Governing Law: This Agreement shall be construed and enforced in accordance with applicable federal law, the laws of the State of Colorado, and the Charter and Revised Municipal Code of the City and County of Denver, and the ordinances, regulations and Executive Orders enacted and/or promulgated pursuant thereto, including any amendments. The Charter and Revised Municipal Code of the City and County of Denver, as the same may be amended from time to time, are hereby expressly incorporated into this Agreement as if fully set out herein by this reference.

B. Compliance with Law: The Contractor shall perform or cause to be performed all services and work under this Agreement in full compliance with all applicable laws, ordinances, codes, rules, regulations and executive orders of the United States of America, the State of Colorado, and the City and County of Denver.

C. Venue: Venue for any legal action relating to this Agreement shall lie in the District Court in and for the City and County of Denver.

**NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this contract, the Contractor may not refuse to hire, discharge, promote or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability. The Contractor shall insert the foregoing provision in all subcontracts.

**NO EMPLOYMENT OF ILLEGAL ALIENS:**

A. The Agreement is subject to Article 17.5 of Title 8, Colorado Revised Statutes, and as amended hereafter (the "Certification Statute") and the Contractor is liable for any violations as

provided in the Certification Statute.

B. The Contractor certifies that:

1) At the time of its execution of this Agreement, it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement.

17.5 It will participate in either the E-Verify Program, as defined in § 8 17.5-101(3.7), C.R.S., or the employment verification program established by the Colorado Department of Labor and Employment under § 8102(5)(c), C.R.S. (the “Department Program”), to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

C. The Contractor also agrees and represents that:

1) It shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

2) It shall not enter into a contract with a sub-Contractor or subcontractor that fails to certify to the Contractor that it shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3) It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement, through participation in either the E-Verify Program or the Department Program.

4) It is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Agreement.

5) If it obtains actual knowledge that a sub-Contractor or subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, it will notify such sub-Contractor or subcontractor and the City within three days. The Contractor will also then terminate such sub-Contractor or subcontractor if within three days after such notice the sub-Contractor or subcontractor does not stop employing or contracting with the illegal alien, unless during such three-day period the sub-Contractor or subcontractor provides information to establish that the sub-Contractor or subcontractor has not knowingly employed or contracted with an illegal alien.

6) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S.

D. The Contractor is liable for any violations as provided in the Certification Ordinance. If Contractor violates any provision of this section or the Certification Ordinance, the City may terminate this Agreement for a breach of the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the City. Any such termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying Contractor from submitting bids or proposals for future contracts with the City.

**CITY EXECUTION OF AGREEMENT:** This Agreement shall not be or become effective or binding on the City until it has been fully executed by all signatories of the City and County of Denver.

**ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** The Contractor consents to the use of electronic signatures by the City. The Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City.

The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**SECTION 19§ 8-17.5-102, C.R.S. CERTIFICATION**

The Contractor, in compliance with § 8-17.5-102, C.R.S., hereby certifies that:

1. The Contractor does not knowingly employ or contract with an illegal alien.
2. The Contractor has participated or attempted to participate in the Basic Pilot Employment Verification Program in order to verify that it does not employ any illegal aliens.