

COLORADO HOUSING AND FINANCE AUTHORITY
and
NORWEST BANK COLORADO, NATIONAL ASSOCIATION,
as Trustee

MASTER INDENTURE OF TRUST

Dated as of March 1, 2000

securing
MULTI-FAMILY/PROJECT BONDS

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This MASTER INDENTURE OF TRUST, dated as of March 1, 2000, between the Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado (the "Authority"), and Norwest Bank Colorado, National Association, a national banking association, duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its principal office located in Denver, Colorado, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Colorado Housing and Finance Authority Act, being part 7 of article 4 of title 29, Colorado Revised Statutes (the "Act"), authorizes the Authority to issue bonds and other obligations to finance and refinance the cost of (i) the provision of decent, safe and sanitary dwelling accommodations, including separate, shared or congregate facilities, constituting "Housing Facilities" (as such term is defined in the Act), and (ii) the acquisition, construction and equipping of one or more "Projects" (as defined in the Act) in order to promote sound economic development, to maintain employment, and to encourage job opportunities in areas of unemployment and underemployment by assisting in the provision of facilities for business enterprises, and for other corporate purposes of the Authority as permitted by the Act; and

WHEREAS, in order to provide funds to be used to redeem prior to maturity certain outstanding bonds and other obligations of the Authority, to finance or refinance Housing Facilities and Projects, to pay costs of issuance of the Bonds to be issued hereunder, to establish necessary reserves, and to otherwise attain the goals of the Authority pursuant to the Act, it has been deemed appropriate and necessary that the Authority authorize the issuance of Bonds and Derivative Products pursuant to this Master Indenture and one or more series indentures ("Series Indentures" and together with this Master Indenture, the "Indenture"); and

WHEREAS, the execution and delivery of this Master Indenture has been in all respects duly and validly authorized by resolution duly adopted by the Authority.

NOW, THEREFORE, THIS MASTER INDENTURE OF TRUST WITNESSETH:

That the Authority in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, the execution and delivery of any Credit Enhancement Facility by the Authority and/or any Credit Facility Provider, the execution and delivery of any Liquidity Facility by the Authority and any Liquidity Facility Provider, and the execution and delivery of any Derivative Product by a Reciprocal Payor and the Authority, and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds Outstanding hereunder from time to time, and the payment of any and all amounts which may from time to time become due and owing to a Reciprocal Payor pursuant to any Derivative Product, to a Credit Facility Provider pursuant to any Credit Enhancement Facility and to a Liquidity Facility Provider pursuant to any Liquidity Facility, according to their tenor and effect, and to secure the observance and performance by the Authority of all the covenants expressed or implied herein and in the Bonds and any Derivative Product, Credit Enhancement Facility and

Liquidity Facility, does hereby pledge and assign unto the Trustee, acting on behalf of the Owners of the Bonds, any Credit Facility Provider and any Liquidity Facility Provider, and unto its successors and assigns forever, subject to the rights granted the Authority herein to direct the use and application of moneys, including the release of moneys free from the lien of the Indenture, under the terms and conditions set forth herein (all terms not previously defined shall have the meanings provided in Section 1.1 of this Master Indenture):

GRANTING CLAUSE FIRST

All right, title and interest of the Authority in and to the proceeds derived from the sale of the Bonds until used as set forth herein; and

GRANTING CLAUSE SECOND

All right, title and interest of the Authority in and to the Revenues and all moneys and securities in the Funds and Accounts from time to time held by the Trustee under the terms of the Indenture (except moneys and securities in the Rebate Fund, the Excess Earnings Fund and a Bond Purchase Fund) and investments, if any, thereof (other than the Rebate Requirement which is to be deposited in the Rebate Fund, and other than any Excess Earnings which are to be deposited in the Excess Earnings Fund); and

GRANTING CLAUSE THIRD

All right, title and interest of the Authority in and to the Loans and the Financing Documents (except for certain rights and interests expressly retained by the Authority therein), the right to make a claim for, collect and receive Revenues payable to or receivable by the Authority, to bring actions and proceedings under the Loans and the Financing Documents or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under the Loans and the Financing Documents; and

GRANTING CLAUSE FOURTH

All proceeds of mortgage insurance, guaranty benefits and other security related to Loans received by the Authority under the Indenture; and

GRANTING CLAUSE FIFTH

All right, title and interest of the Authority in any Credit Enhancement Facility and any Liquidity Facility; and

GRANTING CLAUSE SIXTH

All right, title and interest of the Authority in and to any Derivative Product and any Reciprocal Payments (provided, however, that this Granting Clause Sixth shall not be for the benefit of a Reciprocal Payor with respect to its Derivative Product); and

GRANTING CLAUSE SEVENTH

All moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone in its behalf, or with its written consent and to hold and apply such property.

TO HAVE AND TO HOLD all of the same, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Obligations from time to time issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Obligations over any of the other Obligations except as provided herein or in a Series Indenture;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Revenue Fund as required under the Indenture or shall provide, as permitted by Article XI hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Bond Registrar, the Paying Agent and all agents of any of them for the registration, authentication, transfer or exchange of Bonds, and any Credit Facility Provider and any Liquidity Facility Provider, all sums of money due or to become due to it or them in accordance with the terms and provisions hereof (including payments due and payable to any Reciprocal Payor), then the Indenture and the rights hereby granted shall cease and be void; otherwise the Indenture to be and remain in full force and effect.

THIS MASTER INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Obligations issued and secured hereunder are to be issued, authenticated and delivered and the property hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed herein, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Obligations, and with any Credit Facility Provider and any Liquidity Facility Provider, as follows:

ARTICLE I

DEFINITIONS, CONSTRUCTION, BOND CONTRACT AND PLEDGE

Section 1.1 Definitions. As used in this Master Indenture and, except as otherwise specified in a Series Indenture, unless the context otherwise shall require, the following terms shall have the following respective meanings:

"Account" or "Accounts" means one or more of the special trust accounts created and established pursuant to this Master Indenture or a Series Indenture.

"Acquisition Account" means the Account so designated, which is created and established in the Program Fund by Section 4.1 of this Master Indenture.

"Act" means the Colorado Housing and Finance Authority Act, being Part 7, Article 4, Title 29 of Colorado Revised Statutes.

"Administrative Expenses" means all the Authority's expenses of administering its activities under the Indenture and the Act. Such expenses may include, without limiting the generality of the foregoing, (i) Fiduciary Expenses, (ii) the fees and expenses of any auction agent, market agent and any broker-dealer then acting under a Series Indenture with respect to auction rate Bonds, (iii) the fees and expenses of any calculation agent then acting under a Series Indenture with respect to index-based Bonds, (iv) the costs of any remarketing of any Bonds, including the fees and expenses of any remarketing agent then acting under a Series Indenture with respect to such Bonds, (v) the fees and expenses due to any Credit Facility Provider or any Liquidity Facility Provider with respect to any Bonds for which any Credit Enhancement Facility or a Liquidity Facility is in place, (vi) the fees and expenses of the Authority incurred in connection with the preparation of legal opinions and other authorized reports or statements attributable to the Bonds, (vii) fees and expenses associated with the delivery of a substitute Credit Enhancement Facility or Liquidity Facility under a Series Indenture, (viii) fees and expenses associated with the monitoring of the Bonds, the Loans, the Housing Facilities, the Projects and the Authority Projects by the Rating Agencies, (ix) fees and expenses associated with (but not payments under) Derivative Products, (x) Costs of Issuance not paid from proceeds of Bonds, and (xi) salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, including information processing equipment, telephone, software, insurance premiums, legal, accounting, management, consulting and banking services and expenses, travel and other operating costs of the Authority, and payments to pension, retirement, dental, health and hospitalization and life and disability insurance benefits, and any other employee benefits; and any other expenses required or permitted to be paid by the Authority, all to the extent properly allocable to a financing under the Indenture.

"Aggregate Principal Amount" means, as of any date of calculation, the principal amount or Compound Accreted Value of the Bond referred to.

"Amortized Value" means, when used with respect to an Investment Security purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the

total amount of the premium or the discount at which such Investment Security was purchased by the number of days remaining to the first call date (if callable) or the maturity date (if not callable) of such Investment Securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (a) in the case of an Investment Security purchased at a premium, by deducting the product thus obtained from the purchase price and (b) in the case of an Investment Security purchased at a discount, by adding the product thus obtained to the purchase price.

"Authority" means the Colorado Housing and Finance Authority, the body corporate and political subdivision of the State created pursuant to the Act, or any successor thereto under or with respect to the Act.

"Authority Certificate" means a document signed by an Authorized Officer either (a) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (b) setting forth matters to be determined by such Authorized Officer pursuant hereto.

"Authority Derivative Payment" means a payment (including a termination payment, if so provided in the Derivative Product) required to be made by or on behalf of the Authority due to a Reciprocal Payor pursuant to a Derivative Product.

"Authority Payment Account" means the Account so designated, which is created and established in the Debt Service Fund with respect to General Obligation Bonds by Section 4.1 of this Master Indenture.

"Authority Project" means a housing facility or other asset or assets intended to be owned and operated by the Authority, or the financing and refinancing of designated expenditures and/or obligations of the Authority, or any combination thereof.

"Authority Request" means a written request or direction of the Authority signed by an Authorized Officer.

"Authorized Officer" means the Chairman, Chairman pro tem or Executive Director of the Authority, and any other officer designated from time to time as an Authorized Officer by resolution of the Authority and, when used with reference to any act or document, also means any other person authorized by resolution of the Authority to perform such act or sign such document.

"Bond" or "Bonds" means any of the bonds, notes or other financial obligations (however denominated) of the Authority authorized and issued under the Indenture.

"Bond Counsel" means any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by the Authority.

"Bond Payment Date" means for each Bond, each date on which interest or a Principal Installment or both are payable on such Bond, and unless limited, means all such dates.

"Bond Purchase Fund" means the Fund so designated, which is created and established by a Series Indenture.

"Bond Registrar" means the bank, trust company or national banking association, appointed as Bond Registrar under Section 8.1 of this Master Indenture, and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other person at any time substituted in its place as Bond Registrar pursuant to the Indenture.

"Borrower" means the maker of, and any other party obligated on, a Loan in connection with a Housing Facility or Project.

"Business Day" means any day, other than a Saturday or Sunday, that in the city in which the corporate trust office of the Trustee designated for the purpose of presentation of and payments on the Bonds is located is neither a legal holiday nor a day on which banking institutions are authorized or obligated by law or executive order to be closed.

"Capital Appreciation Bonds" means any Bond of a Series, Class, tenor and maturity so designated in the Related Series Indenture for which certain determinations hereunder are made on the basis of Compound Accreted Value rather than principal amount.

"Cash Flow Statement" means, with respect to any particular Bonds, a certificate prepared by or on behalf of the Authority with respect to Cash Flows setting forth, for the period extending from the date of such certificate to the latest maturity of the Bonds then outstanding, (i) all Revenues expected to be received during such period; (ii) the application of all such Revenues in accordance with the Indenture; (iii) the resulting balances on each Bond Payment Date and Derivative Payment Date, if any; and establishing under all scenarios included in the Cash Flows, that anticipated Revenues will be at least sufficient to pay the principal of and interest on the Obligations when due and all Administrative Expenses payable under the Indenture when due. Each Cash Flow Statement shall be accompanied by all supporting Cash Flows. Reference to a Cash Flow Statement with respect to a Series shall be taken to mean a Cash Flow Statement with respect to such Series and any other Series to which it has been linked for Cash Flow Statement purposes.

"Cash Flows" means cash flow schedules prepared by or on behalf of the Authority, presented in sufficient detail acceptable to the Rating Agencies and including a listing of all assumptions and scenarios used in the preparation of such cash flow schedules. The assumptions used and scenarios included shall be acceptable to the Rating Agencies.

"Class I Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class I Bonds" means the Colorado Housing and Finance Authority Multi-Family/Project Class I Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class I Debt Service Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Class I Obligations" means Class I Bonds and any Derivative Product the priority of payment of which is equal with that of Class I Bonds.

"Class I Sinking Fund Installment" means the amount designated for any particular due date in the Related Series Indenture for the retirement of Class I Bonds on an unconditional basis, less any amount credited pursuant to Section 3.7 of this Master Indenture.

"Class I Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 4.1 of this Master Indenture.

"Class II Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class II Bonds" means the Colorado Housing and Finance Authority Multi-Family/Project Class II Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class II Debt Service Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Class II Obligations" means Class II Bonds and any Derivative Product the priority of payment of which is equal with that of Class II Bonds.

"Class II Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class II Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class II Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class II Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 4.1 of this Master Indenture.

"Class III Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class III Bonds" means the Colorado Housing and Finance Authority Multi-Family/Project Class III Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class III Debt Service Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Class III Obligations" means Class III Bonds and any Derivative Product the priority of payment of which is equal with that of Class III Bonds.

"Class III Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class III Bonds, as set forth in the Related Series Indenture, which amount may

be conditioned upon the transfer of sufficient moneys to the Class III Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class III Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 4.1 of this Master Indenture.

"Class IV Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class IV Bonds" means the Colorado Housing and Finance Authority Multi-Family/Project Class IV Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class IV Debt Service Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Class IV Obligations" means Class IV Bonds and any Derivative Product the priority of payment of which is equal with that of Class IV Bonds.

"Class IV Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class IV Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class IV Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class IV Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 4.1 of this Master Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, with respect to a Series, to the date of initial issuance of such Series, and the regulations of the United States Treasury Department promulgated thereunder.

"Compound Accreted Value" means, with respect to each Capital Appreciation Bond as of any date of calculation, an amount equal to the sum of (i) the principal amount of such Bond, plus (ii) any interest that has been compounded, i.e., any interest amount that is itself then bearing interest, all determined as of such date.

"Confirmation" means a letter from each Rating Agency then rating a Series confirming that, without regard to any Credit Enhancement Facility, the action proposed to be taken by the Authority will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

"Corporate Trust Office" means, when used with respect to any Fiduciary, the corporate trust office specified by such Fiduciary at which, at any particular time, specified duties of such Fiduciary with respect to the Indenture are being administered.

"Costs of Issuance" means the items of expense payable or reimbursable directly or indirectly by the Authority and other costs incurred by the Authority, all related to the authorization, sale and issuance of Bonds and Derivative Products or otherwise pursuant to the Indenture, which costs and items of expense shall include, but not be limited to, underwriters' compensation, initial fees and expenses due to any Credit Facility Provider or Liquidity Facility Provider, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the Authority in relation to such issuance of Bonds or otherwise pursuant to the Indenture, initial fees and charges of the Trustee, the Bond Registrar and the Paying Agent, initial premiums with respect to insurance required by the Indenture to be paid by the Authority or by the Trustee, legal fees and charges, consultants' fees, accountants' fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, and accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds.

"Cost of Issuance Account" means the Account so designated, which is created and established within the Program Fund by Section 4.1 of this Master Indenture.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys (who may be counsel to the Authority or an attorney or firm of attorneys retained by the Authority in other connections) licensed to practice in the state in which such attorney or firm of attorneys maintains an office, selected from time to time by the Authority.

"Credit Enhancement Facility" means an insurance policy insuring, or a letter of credit, surety bond or other financial instrument providing a direct or indirect source of funds for, the timely payment of principal of and interest on the Bonds of a Series or portion thereof (but not necessarily principal due upon acceleration thereof under Section 6.2 of this Master Indenture) and any related insurance or other agreement, as shall be designated pursuant to a Series Indenture with respect to such Series.

"Credit Facility Provider" means a commercial bank or other Person providing a Credit Enhancement Facility pursuant to any Series Indenture with respect to a Series.

"Debt Service Payment" means, when used with respect to any Bond Payment Date, the sum of the (a) interest, if any, and (b) Principal Installments, if any, due and payable on such date with respect to the Bonds referred to.

"Debt Service Reserve Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Debt Service Reserve Fund Requirement," with respect to each Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Defeasance Securities" means any Investment Securities used to effect defeasance of Bonds in accordance with Article XI of this Master Indenture if upon such defeasance the Bonds so defeased are rated in the highest rating category by each Rating Agency rating such Bonds, and

which are not subject to redemption by the issuer thereof prior to their maturity. With respect to any Bonds secured by a Credit Enhancement Facility, "Defeasance Obligations" shall only include those Investment Securities that meet the criteria established by the Credit Enhancement Provider.

"Depository" means any bank, trust company, or savings and loan association (including any Fiduciary) selected by the Authority and approved by the Trustee as a depository of moneys, Loans, Investment Securities or Financing Documents held under the provisions of the Indenture, and its successor or successors.

"Derivative Payment Date" means, with respect to a Derivative Product, any date specified in the Derivative Product on which both or either of the Authority Derivative Payment and/or a Reciprocal Payment is due and payable under the Derivative Product.

"Derivative Product" means a written contract or agreement between the Authority and a Reciprocal Payor, which provides that the Authority's obligations thereunder will be conditioned on the absence of (i) a failure by the Reciprocal Payor to make any payment required thereunder when due and payable, or (ii) a default thereunder with respect to the financial status of the Reciprocal Payor; and:

(i) under which the Authority is obligated to pay (whether on a net payment basis or otherwise) on one or more scheduled and specified Derivative Payment Dates, the Authority Derivative Payments in exchange for the Reciprocal Payor's obligations to pay (whether on a net payment basis or otherwise), or to cause to be paid, to the Authority, Reciprocal Payments on one or more scheduled and specified Derivative Payment Dates in the amounts set forth in the Derivative Product;

(ii) for which the Authority's obligations to make Authority Derivative Payments may be secured by a pledge of and lien on the Trust Estate on an equal and ratable basis with the Outstanding Class I Bonds, Class II Bonds, Class III Bonds or Class IV Bonds, as the case may be; and

(iii) under which the Reciprocal Payments are to be made directly to the Trustee for deposit into the Revenue Fund.

"Event of Default" means any of those events defined as Events of Default by Section 6.1 of this Master Indenture.

"Excess Earnings" means, with respect to Loans held in any subaccount of the Acquisition Account or the Loan Recycling Account established in connection with a Series of Tax-exempt Bonds, the "excess earnings," as defined in Treasury Regulations §1.148-10T, with respect thereto.

"Excess Earnings Fund" means the Fund so designated, which is created and established by Section 4.1 of this General Indenture.

"Fiduciary" means the Trustee, the Bond Registrar, the Paying Agent or a Depository or any or all of them, as may be appropriate.

"Fiduciary Expenses" means the fees and expenses of Fiduciaries, except Servicing Fees payable to such Persons.

"Financing Documents" means, with respect to any Loan, the Loan Agreement between the Authority and the Borrower with respect to the Loan, the Note duly executed by the Borrower evidencing its obligation to repay the Loan, the Mortgage on the real property or leasehold constituting part of the Housing Facility or Project, financing statements duly executed and registered pursuant to the Uniform Commercial Code and such insurance, guaranties and other security for the repayment of the Loan as required by the Authority.

"Fiscal Year" means a period beginning on January 1 in any year and ending December 31 of the same year, or such other twelve month period as may be adopted by the Authority in accordance with law.

"Fund" or "Funds" means one or more of the special trust funds created and established pursuant to this Master Indenture or a Series Indenture.

"General Obligation Bond Default" means the event specified in Section 7.1 of this Master Indenture.

"General Obligation Bonds" means Bonds for the payment of which the Authority pledges its full faith and credit, subject only to the provisions of any agreements with the owners of particular notes or bonds pledging any particular revenues or assets to the payment thereof.

"Housing Facility" means a facility which is designed and financed for the primary purpose of providing decent, safe and sanitary dwelling accommodations pursuant to the Act, including any buildings, land, equipment or facilities or other real or personal property, which may be financed under the Act and (if applicable) the Code and which the Authority has found to be necessary to insure required occupancy or balanced community development or necessary or desirable for sound economic or commercial development of a community.

"Indenture" means this Master Indenture authorized, executed and issued by an Authorized Officer and any amendments or supplements made in accordance with its terms, including all Series Indentures.

"Interest Payment Date" means, for each Bond, any date upon which interest on such Bond is due and payable in accordance with the Related Series Indenture.

"Investment Agreement" means any investment agreement provided by an Investment Provider, which agreement, as of the date of execution thereof, shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency.

"Investment Provider" means any commercial bank or trust company, bank holding company, investment company or other entity (which may include the Trustee, the Bond Registrar or the Paying Agent), which Investment Provider shall be approved by the Authority for the purpose of providing investment agreements.

"Investment Revenues" means amounts earned on investments (other than Loans) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale or disposition of such investments), except the Rebate Requirement and any Excess Earnings.

"Investment Securities" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(a) Direct, general obligations, or obligations the timely payment of principal and interest of which are unconditionally guaranteed by, the United States of America;

(b) Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Farm Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Federal National Mortgage Association (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Farmers Home Administration; Federal Home Loan Mortgage Corporation (including participation certificates only if they guarantee timely payment of principal and interest); Government National Mortgage Association (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Federal Financing Bank; or Federal Housing Administration; ; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America;

(c) Repurchase agreements, collateralized by Investment Securities described in clause (a) or clause (b) of this definition, with any institution, any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank rated by each Rating Agency rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, and collateralized in such manner to meet all requirements for collateralized repurchase agreements of each Rating Agency rating the Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(d) General obligations or revenue obligations (including bonds, notes or participation certificates) of, or "private activity bonds" (within the meaning of the Code) issued by any state of the United States of America or any political subdivision thereof, or any agency or instrumentality of any state of the United States of America or any political subdivision thereof, which obligations are rated by each Rating Agency then rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, or any money market or short term investment fund investing substantially in or consisting substantially of and secured by obligations described above in this item (d), which fund is rated by each Rating Agency then rating the Bonds sufficiently high to maintain the

then current rating on such Bonds by such Rating Agency and which fund, if the income from such investment is intended to be excluded from gross income for federal income tax purposes, is included in the definition of "tax-exempt bond" set forth in Treasury Regulation § 1.150-1(b);

(e) Any Investment Agreement;

(f) Certificates of deposit, interest-bearing time deposits, or other similar banking arrangements with a bank or banks (i) rated by each Rating Agency rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or (ii) collateralized in such manner to meet all requirements for collateralized agreements of each Rating Agency rating the Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(g) Commercial paper rated by each Rating Agency rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

(h) Shares in the statutory law trust known as the Colorado Local Government Liquid Asset Trust (COLOTRUST), created pursuant to part 7 of article 75 of title 24, Colorado Revised Statutes; and

(i) Units of a money market fund or a money market mutual fund which has a rating from each Rating Agency then rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

provided, that it is expressly understood that the definition of Investment Securities shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Indenture, thus permitting investments with different characteristics from those listed above which the Authority deems from time to time to be in the interest of the Authority to include as Investment Securities if at the time of inclusion the Trustee shall have received written confirmation from the Rating Agencies that such inclusion will not, in and of itself, impair, or cause any of the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agencies.

"Liquidity Facility" means a standby bond purchase agreement, letter of credit or other agreement providing liquidity with respect to any Series or portion thereof for the Authority's obligation to repurchase Bonds subject to remarketing which have not been remarketed, as shall be designated pursuant to a Series Indenture with respect to such Series.

"Liquidity Facility Provider" means a commercial bank or other Person providing a Liquidity Facility pursuant to any Series Indenture with respect to a Series.

"Loan" means a loan of money, including advances, in the form of a construction loan, a permanent loan or a combined construction and permanent loan, made by the Authority to a Borrower with the proceeds of Bonds (or obligations refunded by Bonds) or with Prepayments for the financing of a portion of the costs of a Housing Facility or Project, which loan is evidenced by

a Note pursuant to a Loan Agreement. Notwithstanding anything contained herein to the contrary, the Authority may use money deposited in the Acquisition Account or the Loan Recycling Account to acquire mortgage-backed securities, pass-through certificates or other instruments backed by Loans, so long as each such Loan satisfies the requirements of Section 5.7 of this Master Indenture, in which case references in the Indenture to "Loans" shall be deemed to be references to such mortgage-backed securities, pass-through certificates or other instruments.

"Loan Agreement" means, collectively, the loan agreement, any regulatory agreement and any other agreement between the Authority and the Borrower relating to the making of the Loan and the operation of the Housing Facility or Project.

"Loan Recycling Account" means the Account so designated, which is created and established in the Program Fund by Section 4.1 of this Master Indenture.

"Loan Repayments" means, with respect to any Loan, the amounts received by the Authority in respect of scheduled payments of the principal of and/or interest on the Note by or for the account of the Authority but does not include Prepayments or Servicing Fees.

"Mortgage" means the deed of trust, mortgage or other instrument creating a lien on real property within the State and improvements constructed or to be constructed thereon or on a leasehold under a lease of such real property having a remaining term, at the time such instrument is acquired by the Authority, of not less than the term for repayment of the applicable Loan, and which secures the repayment of the Loan.

"Negative Arbitrage Account" means the Account so designated, which is created and established in the Program Fund by Section 4.1 of this Master Indenture.

"Note" means the note or notes executed by the Borrower evidencing the Borrower's payment obligations under the Loan.

"Obligations" means, collectively, the Class I Obligations, the Class II Obligations, the Class III Obligations and the Class IV Obligations.

"Outstanding" means, when used with respect to a Derivative Product, means a Derivative Product which has not expired, been terminated or been deemed paid in accordance with the provisions of Article XI of this Master Indenture, and when used with reference to any Bonds as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

(a) any Bond cancelled or delivered to the Bond Registrar for cancellation on or before such date;

(b) any Bond (or any portion thereof) (i) for the payment or redemption of which there shall be held in trust under the Indenture and set aside for such payment or redemption, moneys and/or Defeasance Securities maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be

earned on such Defeasance Securities prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any such Bond (or any portion thereof) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with the Indenture or provided for in a manner satisfactory to the Bond Registrar;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture; and

(d) any Bond deemed to have been paid as provided in Section 11.2 of this Master Indenture.

"Owner" means (i) with respect to a Bond, the registered owner of such Bond, and (ii) with respect to a Derivative Product, any Reciprocal Payor, unless the context otherwise requires.

"Participant" means a broker-dealer, bank or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"Paying Agent" means the bank, trust company or national banking association, appointed as Paying Agent under Section 8.1 of this Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Paying Agent pursuant to the Indenture.

"Person" means an individual, partnership, corporation, trust or unincorporated organization or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

"Prepayment" means, with respect to any Loan, any moneys received or recovered by the Authority from any payment of or with respect to the principal (including any applicable penalty, fee, premium or other additional charge for prepayment of principal, but excluding any Servicing Fees with respect to the collection of such moneys) under any Note prior to the scheduled payment of such principal as called for by such Note, whether by (a) by voluntary prepayment made by the Borrower, (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (c) by the sale, assignment, endorsement or other disposition of such Loan or any part thereof by the Authority or (d) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Loan by the Authority or by any other proceedings taken by the Authority.

"Principal Installment" means, as of any date of calculation, and for any Bond Payment Date, (a) the principal amount or Compound Accreted Value of all Bonds due and payable on such date, plus (b) any Class I, Class II, Class III, and Class IV Sinking Fund Installments due and payable on such date.

"Program Fund" means the Fund so designated, which is created and established by Section 4.1 of this General Indenture.

"Project" means a work or improvement which is located or is to be located in the State, including but not limited to real property, buildings, equipment, furnishings and any other real and personal property or any interest therein, financed, refinanced, acquired, owned, constructed, reconstructed, extended, rehabilitated, improved or equipped, directly or indirectly, in whole or in part, by the Authority and which is designed and intended for the purpose of providing facilities for manufacturing, warehousing, commercial, recreational, hotel, office, research and development, or other business purposes, including but not limited to machinery and equipment deemed necessary for the operation thereof, excluding raw material, work in process, or stock in trade. "Project" includes more than one project or any portion of a project, but shall not include (a) a housing facility or any portion thereof unless the Authority elects to treat such housing facility or portion thereof as a Project or (b) the financing by the Authority of any county or municipal public facilities beyond the boundaries of the Project.

"Qualified Surety Bond" means any surety bond, letter of credit, insurance policy or other instrument which has liquidity features equivalent to a letter of credit, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for moneys on deposit therein, which shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency.

"Rating Agency" means, at any particular time, any nationally recognized credit rating service designated by the Authority, if and to the extent such service has at the time one or more outstanding ratings of Bonds. The Authority shall at all times have designated at least one such service as a Rating Agency hereunder.

"Rebate Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Rebate Requirement" means the amount of arbitrage profits earned from the investment of gross proceeds of Tax-exempt Bonds in nonpurpose investments described in Section 148(f)(2) of the Code and defined as "Rebate Amount" in Section 1.148-3 of the Treasury Regulations, which is payable to the United States at the times and in the amounts specified in such provisions.

"Reciprocal Payments" means any payment to be made to, or for the benefit of, the Authority under a Derivative Product.

"Reciprocal Payor" means a third party which, at the time of entering into a Derivative Product, shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency, and which is obligated to make Reciprocal Payments under a Derivative Product.

"Record Date," means, except as otherwise provided in a Series Indenture providing details with respect to any Series, (a) with respect to each Bond Payment Date, the fifteenth day of the month (whether or not a Business Day) preceding such Bond Payment Date; and (b) in the case of each redemption, such Record Date as shall be specified by the Bond Registrar in the notice of

redemption, provided that such Record Date shall not be less than fifteen calendar days before the transmission of such notice of redemption.

"Redemption Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Redemption Price" means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount or Compound Accreted Value of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof as determined by the Series Indenture authorizing the Series of Bonds.

"Refunding Bonds" means Bonds authenticated and delivered pursuant to Section 2.3 of this Master Indenture.

"Related" (whether capitalized or not) means, with respect to any particular Bond, Class, Series, Series Indenture, Supplemental Indenture, Cash Flow Statement, Fund, Account, moneys, investments, Loan (or portion thereof), Loan Repayment or Prepayment, having been created in connection with the issuance of, or having been derived from the proceeds of, or having been reallocated to, or concerning, the same Series, as the case may be.

"Revenue Fund" means the Fund so designated, which is created and established by Section 4.1 of this Master Indenture.

"Revenues" means (a) all Loan Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Loan Repayments, (b) payments to be made by the Authority for deposit to the Revenue Fund with respect to Authority Projects in accordance with the most recently filed Cash Flow Statement, (c) Investment Revenues, and (d) all other payments and receipts received by the Authority with respect to Loans, but shall not include (i) Servicing Fees, unless such fees are specifically pledged to the Trustee, or (ii) any commitment, reservation, extension or application fees charged by the Authority in connection with a Loan, or (iii) accrued interest received in connection with the purchase of any Investment Securities, or (iv) amounts collected with respect to Loans representing housing assistance payments under any applicable agreement with the U.S. Department of Housing and Urban Development.

"Securities Depository" means The Depository Trust Company, New York, New York, and its successors and assigns, or any additional or other securities depository designated in a Series Indenture, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the Authority discontinues use of the Securities Depository pursuant to Section 2.17 of this Master Indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with the consent of the Trustee.

"Series" means and refers to all of the Bonds designated as such in the Related Series Indenture and authenticated and delivered on original issuance in a simultaneous transaction.

regardless of variations in Class, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to this Master Indenture and the Related Series Indenture.

"Series Indenture" means a Supplemental Indenture authorizing a Series of Bonds and delivered pursuant to Section 9.1 of this Master Indenture.

"Servicer" means a state-chartered bank or national banking association, state or federal savings and loan association or mortgage banking or other financial institution which has been approved by the Authority as experienced and qualified to service Loans, and any successor thereto.

"Servicing Agreement" means an agreement between the Authority and a Servicer for the servicing of Loans.

"Servicing Fees" means (a) any fees paid to or retained by a Servicer in connection with the servicing obligations undertaken by the Servicer in accordance with the Related Servicing Agreement and (b) any fees retained by or expenses reimbursed to the Authority with respect to Loans serviced by the Authority, in each case not in excess of the amount assumed in the most recently filed Cash Flow Statement.

"State" means the State of Colorado.

"Supplemental Indenture" means any supplemental indenture (including a Series Indenture) approved by the Authority in accordance with Article IX of this Master Indenture amending or supplementing the Indenture.

"Tax-exempt Bonds" means Bonds the interest on which is intended to be excluded from gross income of the owner thereof for federal income tax purposes.

"Trust Estate" means the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of this Master Indenture.

"Trustee" means the bank, trust company or national banking association, appointed as trustee under Section 8.1 of this Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Trustee pursuant to the Indenture.

"Unrelated" (whether capitalized or not) means not "Related," within the meaning of that term as defined in this Section 1.1.

Section 1.2 Construction. In the Indenture, unless the context otherwise requires:

(a) words importing the singular number shall mean and include the plural number and vice versa, words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing persons shall include firms, associations and corporations;

(b) any Fiduciary shall be deemed to have received delivery of and to hold an Investment Security in which moneys are invested pursuant to the provisions of the Indenture, even though such Investment Security is evidenced only by a book entry or similar record of investment;

(c) references in the Indenture to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes; and

(d) the terms "receipt," "received," "recovery," "recovered" and any similar terms, when used in the Indenture with respect to moneys or payments due the Authority, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Authority, the Trustee or the Paying Agent on its behalf.

Section 1.3 Indenture Constitutes a Contract; Obligation of Indenture and Bonds. In consideration of the purchase and acceptance of any and all of the Bonds and any Derivative Products authorized to be issued under the Indenture by those who shall own the same from time to time: the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, the Bond Registrar, the Paying Agent and the Owners from time to time of the Obligations; the pledge of certain Funds, Accounts, Revenues and other moneys, rights and interests made in the Indenture and the covenants and agreements set forth in the Indenture to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Owners of any and all of the Obligations, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Obligations over any other thereof, subject to the provisions respecting the priority of certain Classes of Obligations over other Classes of Obligations, as set forth in Section 1.4 of this Master Indenture, and except as expressly provided in or permitted by the Indenture. Unless otherwise specified in a Series Indenture (in which the Authority may designate one or more Classes of Related Bonds as General Obligation Bonds) the Bonds shall be special limited obligations of the Authority payable solely from the moneys, rights and interest pledged therefor in Section 1.4 of this Master Indenture. Except as provided herein and in Related Series Indentures with respect to General Obligation Bonds, the Authority shall not be required to advance for any purpose of the Indenture any moneys derived from any source other than the Revenues and other assets pledged under the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for such purpose any moneys of the Authority which may be available for such purpose. Neither the Class I Obligations, the Class II Obligations, the Class III Obligations nor the Class IV Obligations shall be in any way a debt or liability or obligation of the State or of any political subdivision thereof (other than the Authority) nor constitute or give rise to a pecuniary liability of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

Section 1.4 Pledge Effected by Indenture. The pledge and lien of the Indenture is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions

of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture; provided, however, that moneys and investments held in an Authority Payment Account are pledged solely for the payment of Principal Installments and Redemption Price of and interest on General Obligation Bonds of the Related Series and Class with respect to which such account was created and are not pledged to pay principal and Redemption Price of and interest on any other Bonds; and, provided, further, that moneys and securities held in a special account of the Program Fund created by a Series Indenture may be pledged by such Series Indenture solely, or as a first priority, for the payment of the Related Series of Bonds or any portion thereof, as set forth in such Series Indenture.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS AND DERIVATIVE PRODUCTS

Section 2.1 Authorization of Bonds. Upon satisfaction of the conditions contained in Section 2.2 or Section 2.3 of this Master Indenture, Bonds may be issued hereunder, without limitation as to amount except as may be provided herein or by law, from time to time, in one or more Series pursuant to a Series Indenture or Indentures; provided, however, that such Bonds may be issued only to provide funds to: (a) to make deposits in amounts, if any, required or authorized by the Series Indenture to be paid into Funds or Accounts established herein or in the Series Indenture and (b) to refund Bonds issued hereunder or other bonds or obligations of the Authority. In addition, the Authority may enter into any Derivative Product it deems necessary or desirable with respect to any or all of the Bonds, subject to the provisions of Section 2.18 of this Master Indenture.

Except as otherwise stated in the Related Series Indenture, the Bonds shall be designated as "Multi-Family/Project Class ___ [Bonds] [Notes], ___ Series ___" (inserting identification of the particular Class and of the particular Series, including by year of issue and by Roman number and/or alphabetic and/or other reference and inserting reference to "Taxable," as applicable). In addition, each Series may include such further appropriate particular designation, added to or incorporated in such title, as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Section 2.2 Conditions Precedent to Delivery of Bonds. Bonds shall be executed by the Authority for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority upon its order, but only upon receipt by the Trustee of the following:

- (a) An original executed copy of the Series Indenture authorizing such Bonds, which Series Indenture shall specify:
 - (i) the purpose or purposes for which such Series of Bonds is being issued which shall be one or more of the purposes listed in Section 2.1 of this Master Indenture;
 - (ii) the Series and Class designation or designations of such Bonds, the date or dates, and the maturity date or dates, of such Bonds, each of which maturity dates shall fall upon an Interest Payment Date;
 - (iii) the amount of Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, and the amount of each maturity of such Bonds;
 - (iv) the interest rate or rates of such Bonds or the manner of determining such rate or rates and the Interest Payment Dates therefor, if any;

- (v) the denomination of, and the manner of dating and numbering such Bonds;
 - (vi) the Record Dates, the place or places of payment of the principal or Redemption Price or Prices, if any, and the manner of payment of interest on, such Bonds;
 - (vii) the Redemption Price or Prices, if any, of and, subject to the provisions of Article III, the redemption order and terms for such Bonds;
 - (viii) the amount and due date of each Sinking Fund Payment, if any, for such Bonds of like Class, tenor and maturity, but the due date of each such Sinking Fund Payment shall fall upon an Interest Payment Date;
 - (ix) the amounts to be deposited in the Funds and Accounts created and established by this Master Indenture and the Series Indenture authorizing such Bonds;
 - (x) the Debt Service Reserve Fund Requirement applicable to such Series of Bonds and the timing and method of funding such requirement;
 - (xi) the amount available for Costs of Issuance with respect to such Bonds;
 - (xii) limitations on Administrative Expenses with respect to such Bonds;
 - (xiii) any limitations or requirements with respect to Loans, including interest rates and purchase prices;
 - (xiv) whether and the extent to which any particular Classes of such Bonds are to be General Obligation Bonds;
 - (xv) if so determined by the Authority, provisions for the sale and/or tender of such Bonds; and
 - (xvi) designation of the Credit Enhancement Facility and Credit Facility Provider and/or Liquidity Facility and Liquidity Facility Provider, if applicable; and
 - (xvii) any other provisions deemed advisable by the Authority that are either (A) not in conflict with the provisions hereof or (B) necessary, in the opinion of Bond Counsel, for such Bonds to be Tax-exempt Bonds;
- (b) A written order as to the delivery of such Bonds, signed by an Authorized Officer;

(c) A certificate of an Authorized Officer stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(d) A Cash Flow Statement with respect to such Series of Bonds (and any other Series to which it may be linked for Cash Flow Statement purposes) taking into account the proposed issuance of such Bonds and the application of the proceeds thereof; and

(e) Such further documents and moneys, including Investment Agreements, as are required by the provisions of the Related Series Indenture.

Section 2.3 Conditions Precedent to Delivery of Refunding Bonds.

(a) All Refunding Bonds shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(i) The documents and moneys, if any, referred to in Section 2.2 of this Master Indenture;

(ii) Irrevocable instructions to the Trustee to give due notice of the payment or redemption of all the bonds or other obligations to be refunded and the payment or redemption date or dates, if any, upon which such bonds or other obligations are to be paid or redeemed;

(iii) If the bonds or other obligations to be refunded are to be redeemed after the next succeeding forty-five days, irrevocable instructions to the Trustee to transmit notice of redemption of such bonds or other obligations on a specified date prior to their redemption date; and

(iv) If the bonds to be refunded are Bonds, either (A) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment or redemption at the applicable redemption price of the bonds to be refunded, together with accrued interest on such bonds to the due date or redemption date, or (B) Defeasance Securities, the principal of and interest on which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the trustee or paying agent or escrow agent for the bonds to be refunded will be sufficient to pay when due the applicable principal or redemption price of the bonds to be refunded, together with accrued interest on such bonds to the redemption date or redemption dates or date of maturity thereof, which moneys or Defeasance Securities shall be held by the trustee or paying agent or escrow agent for the bonds to be refunded in a separate account irrevocably in trust for and assigned to the owners of the bonds to be refunded.

(b) Neither Defeasance Securities nor moneys deposited with the trustee or paying agent or escrow agent for the bonds to be refunded pursuant to paragraph (a)(iv) of this Section 2.3 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than the payment of the applicable principal or redemption price of the bonds to be refunded, together with accrued interest on such bonds to the redemption date, and any cash received from such principal or interest payments, if not needed for such purpose, may be applied to the payment of any obligation issued to provide funds for the acquisition of such Defeasance Securities, but otherwise shall, to the extent practicable, be reinvested in such Defeasance Securities as are described in clause (B) of said paragraph maturing at times and in amounts sufficient to pay when due the principal or applicable redemption price of such bonds, together with such accrued interest.

Section 2.4 Ratings. Notwithstanding any other provision of Sections 2.2 and 2.3 of this Master Indenture, so long as there are Outstanding Bonds rated by a Rating Agency, the Authority will not issue any additional Bonds (including Bonds issued or to be issued on a forward purchase basis) if such issuance would result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds (without regard to any Credit Enhancement Facility).

Section 2.5 Rating Information. In order to facilitate ratings or the confirmation or maintenance of ratings, the Authority agrees to provide each Rating Agency with any information (not privileged or otherwise required to be kept private) within its knowledge reasonably requested in writing by such Rating Agency in connection with its maintenance of a rating or rating of the Bonds. In addition, the Authority shall provide prompt written notice to the Rating Agencies of any of the following: (i) any change in Fiduciary, (ii) substitution of any Investment Provider, (iii) a change in any Credit Enhancement Facility, Credit Facility Provider, Liquidity Facility or Liquidity Facility Provider, (iv) defeasances of Bonds and (v) redemptions of Bonds. If the Trustee draws upon the Debt Service Reserve Fund to pay Principal Installments or interest on the Bonds or if the amount in a subaccount of the Debt Service Reserve Fund is reduced below the Related Debt Service Reserve Fund Requirement, the Authority will immediately notify each Rating Agency of such fact.

Section 2.6 Form of Bonds and Certificate of Authentication. The forms of Bonds and the Bond Registrar's Certificate of Authentication shall be substantially as set forth in each Series Indenture.

Section 2.7 Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may be necessary or desirable and as may be determined by the Authority prior to their authentication and delivery.

Section 2.8 Execution and Authentication.

(a) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of an Authorized Officer and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or other Authorized Officer, other than the

officer executing the Bonds. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been delivered by the Trustee, such Bonds may, nevertheless, be delivered as herein provided and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper offices in the Authority although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the Related Series Indenture, duly executed by the Bond Registrar by the manual signature of an authorized officer thereof and setting forth the date of authentication, and such certificate of the Bond Registrar upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly issued under the Indenture and that the Owner thereof is entitled to the benefits of the Indenture.

Section 2.9 Interchangeability of Bonds. All Bonds, upon surrender thereof at the Corporate Trust Office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered Owner or his duly authorized attorney, may be exchanged, at the option of the registered Owner thereof, for an equal aggregate principal amount of Bonds of the same interest rate, Series, Class, tenor and maturity of any other authorized denominations.

Section 2.10 Negotiability, Transfer and Registry. All the Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the Corporate Trust Office of the Bond Registrar, records for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at such Corporate Trust Office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Bond Registrar may prescribe, any Bond. As long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit, the exchange of Bonds at the Corporate Trust Office of the Bond Registrar.

Section 2.11 Transfer and Payment of Bonds.

(a) Each Bond shall be transferable only upon the registration records of the Bond Registrar, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof at the Corporate Trust Office of the Bond Registrar together with a written instrument of transfer, satisfactory to the Bond Registrar, duly executed by the registered Owner or his duly authorized attorney. Upon surrender for transfer of any Bond, the Authority shall execute and the Bond Registrar shall authenticate, specify the date of authentication and deliver, in the name of the transferee, one or more new Bonds of the same

aggregate principal amount, Series, Class, tenor, maturity and rate of interest as the surrendered Bond.

(b) The Authority, the Trustee, the Paying Agent, the Bond Registrar, any Credit Facility Provider and any remarketing agent appointed pursuant to a Series Indenture may treat the registered Owner of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Redemption Price of and interest on such Bond and for all other purposes whatsoever, and payment of the principal, Redemption Price of and interest on any such Bond shall be made only to, or upon the order of, such registered Owner. All such payments to such registered Owner shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Bond to the extent of the sum or sums so paid, and neither the Authority, the Trustee, the Paying Agent, the Bond Registrar, any Credit Facility Provider nor any such remarketing agent shall be affected by any notice to the contrary.

Section 2.12 Regulations with Respect to Exchanges and Transfers. All Bonds surrendered in any exchanges or transfers shall be cancelled forthwith by the Bond Registrar. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar shall make a charge sufficient to reimburse it or them for their reasonable fees and expenses in connection with such exchange or transfer and any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Except for costs incurred in connection with the initial delivery of Bonds, the Authority or the Bond Registrar may charge for the cost, if any, of preparing any new Bond upon such exchange or transfer and may charge reasonable fees and expenses of the Bond Registrar. Neither the Authority nor the Bond Registrar shall be obligated to issue, exchange or transfer any Bond during a period beginning at the opening of business on any Record Date next preceding an Interest Payment Date and ending at the close of business on such Interest Payment Date, issue, exchange or transfer any Bond during a period beginning at the opening of business on the Record Date next preceding any selection of Bonds to be redeemed and ending on the date of the transmission of notice of such redemption, or transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 2.13 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered at the Corporate Trust Office of the Bond Registrar, or the Bond Registrar and the Authority receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Bond Registrar and the Authority such security or indemnity as may be required by them to save each of them harmless, then (in the absence of notice to the Bond Registrar or the Authority that such Bond has been acquired by a bona fide purchaser for value without notice) the Authority shall execute, and upon Authority Request, the Bond Registrar shall authenticate and deliver, in exchange for any such mutilated Bond, or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like original principal amount, interest rate, Series, Class, tenor and

maturity, bearing a number not previously assigned to a Bond. The Bond Registrar thereupon shall cancel any such mutilated, destroyed, lost or stolen Bond. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Authority in its discretion and instead of issuing a new Bond, may direct the Paying Agent to pay such Bond. The Trustee, Bond Registrar and Paying Agent shall notify the Authority as soon as practicable upon learning of any mutilated, destroyed, lost or stolen Bond.

(b) As a condition precedent to the issuance of any new Bond under this Section 2.13, the Authority or the Bond Registrar may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, and any other expenses, including counsel fees and costs of preparing a new Bond, of the Authority or the Bond Registrar incurred in connection therewith.

(c) Each new Bond issued pursuant to this Section 2.13 in lieu of any destroyed, lost or stolen Bond, shall constitute an additional contractual obligation of the Authority, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued under the Indenture unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Authority may recover the substitute Bond from the Owner of the Bond to whom it was issued or from anyone taking under such Owner except a bona fide purchaser for value without notice. All Bonds shall be held and owned upon the express condition that the provisions of this Section 2.13 are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude (to the extent lawful) any and all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.14 Cancellation and Destruction of Bonds. The Bond Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the Authority. No such Bonds shall be deemed Outstanding under the Indenture, and no Bonds shall be issued in lieu thereof.

Section 2.15 Payments Due on other than Business Days. In any case where the date of maturity of interest on or Principal Installments of any Bond or Derivative Product or the date fixed for redemption of any Bonds is not a Business Day, then payment of interest on or Principal Installments or Redemption Price of the Bonds or Derivative Product need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 2.16 Authorization and Preparation of Temporary Bonds.

(a) Until definitive Bonds are prepared, the Authority may execute and, upon Authority Request, the Bond Registrar shall authenticate and deliver temporary Bonds (which may be typewritten, printed or otherwise reproduced) in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as of the initial date of such definitive Bonds, shall be in such denomination or denominations and shall be numbered as prepared and executed by the Authority, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as the officer executing the same in his discretion may determine, and may be issued in the form of a single Bond.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, the Authority shall cause definitive Bonds to be prepared, executed and delivered to the Bond Registrar. Temporary Bonds shall be exchangeable for definitive Bonds upon surrender to the Bond Registrar at its Corporate Trust Office (or any additional location designated by the Bond Registrar) of any such temporary Bond or Bonds, and upon such surrender, the Authority shall execute and, upon Authority Request, the Bond Registrar shall authenticate and deliver to the Owner of the temporary Bonds or Bonds, in exchange therefor, a like principal amount of definitive Bonds in authorized denominations or maturity payment amounts and forms. Until so exchanged, the temporary Bonds shall be entitled in all respects to the same benefits as definitive Bonds authenticated and issued pursuant to the Indenture.

(c) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds forthwith shall be canceled by the Bond Registrar.

Section 2.17 Book-Entry System.

(a) Unless otherwise determined in the Related Series Indenture authorizing the issuance of a Series, the registered Owner of all Bonds of such Series shall be a Securities Depository and such Bonds shall be registered in the name of the nominee for the Securities Depository. The "Bonds" referred to in this Section 2.17 shall refer to the Bonds registered in the name of the Securities Depository.

(b) The Bonds shall be initially issued in the form of separate, single, authenticated fully-registered Bonds in the amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration records kept by the Bond Registrar in the name of the nominee of the Securities Depository. The Bond Registrar, the Paying Agent, the Trustee, any Credit Facility Provider and the Authority may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (1) payment of the principal or Redemption Price of or interest on the Bonds, (2) selecting the Bonds or portions thereof to be redeemed, (3) giving any notice permitted or required to be given to Owners under this Master Indenture, (4) registering the transfer of Bonds, and (5) obtaining any consent or

other action to be taken by Owners and for all other purposes whatsoever, and neither the Bond Registrar, the Paying Agent, the Trustee, any Credit Facility Provider nor the Authority shall be affected by any notice to the contrary (except as provided in paragraph (c) below). Neither Bond Registrar, the Paying Agent, the Trustee, any Credit Facility Provider nor the Authority shall have any responsibility or obligation to any Participant, any beneficial owner or any other Person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other Person which is not shown on the registration records of the Bond Registrar as being an Owner, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, the payment to the Securities Depository of any amount in respect of the principal or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to Owners under this Master Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Securities Depository as Owner. The Paying Agent shall pay all principal and Redemption Price of and interest on the Bonds only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal, purchase price or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in (c) below, no Person other than the Securities Depository shall receive an authenticated Bond for each separate maturity evidencing the obligation of the Authority to make payments of principal or Redemption Price and interest pursuant to this Master Indenture. Upon delivery by the Securities Depository to the Bond Registrar of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Bonds will be transferable to such new nominee in accordance with paragraph (d) below.

(c) In the event the Authority determines that it is in the best interest of the Authority not to continue the book-entry system of transfer or that the interest of the Owners might be adversely affected if the book-entry system of transfer is continued, the Authority may notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants, of the availability through the Securities Depository of Bond certificates. In such event, the Trustee shall authenticate, transfer and exchange Bond certificates as requested by the Securities Depository in appropriate amounts in accordance with paragraph (d) below. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the Authority may determine that the Securities Depository is incapable of discharging its responsibilities and may so advise the Securities Depository. In either such event, the Authority shall either establish its own book-entry system or use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Securities Depository), the Authority and the Trustee shall be obligated to deliver Bond certificates as described in this Master Indenture and in accordance with paragraph (d) below. In the event Bond certificates are issued, the provisions of this Master Indenture shall apply to such Bond certificates in all respects, including, among other things, the transfer and exchange of such

certificates and the method of payment of principal or Redemption Price of and interest on such certificates. Whenever the Securities Depository requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with the Securities Depository in taking appropriate action after reasonable notice (A) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Master Indenture to the contrary, so long as any Bond is registered in the name of the nominee of the Securities Depository, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in its representation letter.

(e) In connection with any notice or other communication to be provided to Owners pursuant to this Master Indenture by the Authority or the Trustee or with respect to any consent or other action to be taken by Owners, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen calendar days in advance of such record date to the extent possible. Such notice to the Securities Depository shall be given only when the Securities Depository is the sole Owner.

(f) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) of this Section 2.17, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of this Master Indenture. In the event Bond certificates are issued to Owners other than the nominee of the Securities Depository, or another securities depository as Owner of all the Bonds, the provisions of this Master Indenture shall also apply to, among other things, the printing of such certificates and the methods of payment of principal or Redemption Price of and interest on such certificates.

Section 2.18 Derivative Products; Reciprocal Payments; Authority Derivative Payments.

(a) The Authority hereby directs the Trustee to acknowledge any Derivative Product hereafter entered into by the Authority and a Reciprocal Payor under which (i) the Authority may be required to make, from time to time, Authority Derivative Payments and (ii) the Trustee may receive, from time to time, Reciprocal Payments for the account of the Authority. No Derivative Product shall be entered into unless the Trustee shall have received a Confirmation. Anything in this Master Indenture to the contrary notwithstanding, any Reciprocal Payments shall not be available to make an Authority Derivative Payment or to pay any other amounts owed to a Reciprocal Payor under a Derivative Product.

(b) No later than the fourth Business Day immediately preceding each Bond Payment Date or Derivative Payment Date on which a Reciprocal Payment or Authority Derivative Payment is due pursuant to the applicable Derivative Product through and including the termination date of the Derivative Product, the Authority shall give written notice to the Trustee stating either (i) the amount of any Reciprocal Payment due to be received by the Trustee for the account of the Authority on or preceding such Bond Payment Date or (ii) the amount of any Authority Derivative Payment to be paid to the Reciprocal Payor on such Bond Payment Date or Derivative Payment Date. If the Trustee fails to receive such written notification from the Authority by the end of such fourth Business Day, it shall immediately notify the Authority of such fact in writing.

(c) The Trustee shall deposit all moneys received representing Reciprocal Payments in the Revenue Fund to be applied in accordance with the provisions of Section 4.6 of this Master Indenture. The Trustee shall notify the Authority on such Business Day, if (i) the amount received from the Reciprocal Payor is not equal to the amount specified in the written notification of the Authority, (ii) no amount is received from the Reciprocal Payor, or (iii) the amount received is not received in immediately available funds.

(d) The Trustee shall make payment to the Reciprocal Payor from moneys in the Revenue Fund in accordance with 4.6 of this Master Indenture of the amount of the Authority Derivative Payment specified in such written notification of the Authority, due on such Bond Payment Date, by the deposit or wire transfer of immediately available funds to the credit of the account of the Reciprocal Payor specified in such written notification of the Authority, but only to the extent such payment will not result in a deficiency in the amount due on the next succeeding Bond Payment Date to the Owners of any Obligations having a priority higher than such Reciprocal Payor under such Derivative Product.

(End of Article II)

ARTICLE III

REDEMPTION AND TENDER OF BONDS

Section 3.1 Authorization of Redemption and Tender. Bonds are subject to redemption prior to maturity, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such other terms as may be specified in this Master Indenture and in the Related Series Indenture authorizing such Bonds. Bonds may be subject to mandatory and optional tender upon such terms as may be specified in the Related Series Indenture.

Section 3.2 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Bond Registrar shall cause notice of any redemption of Bonds hereunder to be mailed, by first class mail, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry as directed in writing by the Authority, to the registered owner of each Bond to be redeemed at such Owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar; provided, however, that failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any Bond with respect to which no such failure or defect has occurred. Each such notice shall be dated and shall be given in the name of the Authority and shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bond certificates and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice may state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of transmission of redemption notices, the Record Date and the redemption date;

(v) the Redemption Price;

(vi) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(vii) the place where such Bonds are to be surrendered for payment of the Redemption Price, designating the name and address of the redemption agent with the name of a contact person and telephone number; and

(viii) any conditions precedent to the redemption of such Bonds.

(b) Notice of redemption having been given as provided in paragraph (a) of this Section 3.2, the Bonds or the respective portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or the respective portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the Authority shall default in the payment of the Redemption Price and accrued interest), such Bonds or the respective portions thereof to be redeemed shall cease to bear or accrue interest, and such Bonds or the respective portions thereof to be redeemed shall no longer be considered as Outstanding under the Indenture. If at the time of transmission of any notice of redemption there shall not be on deposit with the Trustee or the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee or the Paying Agent not later than the redemption date and that such notice shall be of no effect unless such moneys are so deposited. If moneys sufficient to pay the Redemption Price and accrued interest have not been made available by the Authority to the Trustee and the Paying Agent on the redemption date, such Bonds or the respective portions thereof to be redeemed shall continue to bear or accrue interest at the respective rates specified thereon until such moneys are delivered to the Trustee.

(c) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Bond Registrar simultaneously with notice to the Owners of the Bonds, by registered or certified mail or overnight delivery service, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry as directed in writing by the Authority, to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in paragraph (a) of this Section 3.2. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(d) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear (i) the CUSIP number(s) of the Bonds being redeemed (ii) the principal amount of the Bonds of each maturity being redeemed and (iii) if the redemption date is not an Interest Payment Date, the amount of accrued interest paid on the Bonds of each maturity being redeemed with the proceeds of such check or other transfer.

(e) Notice of redemption shall be given, not more than 60 days nor less than 30 days prior to the redemption date, to registered owners of the Bonds, or portions thereof, to be redeemed. A second notice of redemption provided in the same manner as the first notice of redemption, shall be given, not later than 90 days after the redemption date, to the registered owners of Bonds, or portions thereof, redeemed but who failed to deliver Bond certificates for redemption prior to the 60th day following such redemption date. Any notice shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of any Bonds. The obligation of the Bond Registrar to give the notice required by this Section 3.2 shall not be conditioned upon the prior payment to the Trustee of moneys or Defeasance Securities sufficient to pay the Redemption Price of the Bonds or portions thereof to which such notice relates or the interest thereon to the redemption date.

(f) The provisions of this Section 3.2 may be changed or modified for any particular Series by the Related Series Indenture.

Section 3.3 Selection of Bonds to Be Redeemed.

(a) If less than all Bonds of like Series are to be redeemed, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Related Cash Flow Statement, and subject to any limitations in or requirements of the Related Series Indenture, the Bond Registrar shall select a pro rata amount of the Bonds of each tenor and maturity of such Series for redemption. If less than all Bonds of like Series, Class, tenor and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed shall be selected by lot in such manner as the Bond Registrar in its discretion may deem fair and appropriate.

(b) The portion of any Bond of a denomination of larger than the minimum denomination may be redeemed in the principal amount of such minimum denomination or a multiple thereof, and for purposes of selection and redemption, any such Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond by such minimum denomination. If there shall be selected for redemption less than all of a Bond, the Authority shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series, Class, interest rate, tenor and maturity in any of the authorized denominations.

(c) The Bond Registrar promptly shall notify the Authority, the Trustee and the Paying Agent in writing of the Bonds so selected for redemption.

Section 3.4 Deposit of Redemption Price. On or before any date fixed for redemption of any Bonds, moneys and/or Defeasance Securities maturing or redeemable at the option of the holder thereof not later than the date fixed for redemption in an amount that, together with income to be earned on such Defeasance Securities prior to such date fixed for redemption, will be sufficient to provide moneys to pay the Redemption Price of and accrued interest on all Bonds or the respective portions thereof to be redeemed on such date, shall be deposited with the Trustee or the Paying Agent unless such amount shall have been previously deposited with the Trustee or the Paying Agent pursuant to the Indenture.

Section 3.5 Partial Redemption of Bonds. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond by the Owner thereof or his attorney duly authorized in writing (with, if the Authority or the Bond Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Bond Registrar duly executed by, the Owner thereof or his attorney duly authorized in writing) to the Bond Registrar, the Authority shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds at the option of such Owner or such attorney, of any authorized denomination of like tenor. Bonds so presented and surrendered shall be canceled in accordance with Section 2.14 of this Master Indenture.

Section 3.6 Purchase in Lieu of Redemption.

(a) Prior to the transmission by the Bond Registrar of a notice of redemption with respect to Bonds of any particular Series, Class, tenor and maturity, the Authority may direct the Trustee or the Paying Agent to purchase, and upon receipt of an Authority Request to such effect the Trustee or the Paying Agent shall purchase, such Bonds, at a price (including any brokerage and other costs) not to exceed the principal amount or Compound Accreted Value thereof plus accrued interest or any then applicable Redemption Price thereof, or any higher price consistent with the most recent Cash Flow Statement, for cancellation in lieu of redemption; provided, however, that neither the Trustee nor the Paying Agent shall be obligated to honor an Authority Request that directs the purchase of Bonds for future delivery on or after a date that is five Business Days prior to the last date, if any, on which notice of redemption with respect to such Bonds is required to be transmitted in accordance with the provisions of the Indenture and neither the Trustee nor the Paying Agent shall be obligated to publish any notice of tender or other similar advertisement unless properly indemnified by the Authority for the cost thereof. Except as otherwise may be specified in such Authority Request, the Trustee and the Paying Agent shall make such purchases of Bonds in such manner as the Trustee or the Paying Agent shall determine. The Authority is expressly authorized, to tender, and to direct the Trustee and the Paying Agent to purchase from the Authority, any Bonds for cancellation in lieu of redemption. Neither the Trustee nor the Paying Agent shall be required to advance any of their own money to make any such purchase or purchases.

(b) The Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Redemption Fund in lieu of special redemption to pay the purchase price (exclusive of accrued interest) of Bonds purchased in lieu of special redemption pursuant to paragraph (a) of this Section 3.6. The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Revenue Fund in accordance with Section 4.6 of this Master Indenture, from the Class I Debt Service Fund in accordance with Section 4.7 of this Master Indenture, from the Class II Debt Service Fund in accordance with Section 4.10 of this Master Indenture, from the Class III Debt Service Fund in accordance with Section 4.11 of this Master Indenture, or from the Class IV Debt Service Fund in accordance with Section 4.12 of this Master Indenture to pay accrued interest on such Bonds purchased pursuant to paragraph (a) of this Section 3.6.

(c) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class I Debt Service Fund in accordance with Section 4.7 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class I Bonds purchased in lieu of redemption by Class I Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class I Bonds against such Class I Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(d) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class II Debt Service Fund in accordance with Section 4.10 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class II Bonds against such Class II Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(e) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class III Debt Service Fund in accordance with Section 4.11 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class III Bonds against such Class III Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(f) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class IV Debt Service Fund in accordance with Section 4.12 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class IV Bonds against such Class IV Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(g) The Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Revenue Fund in the order of priority and in amounts which do not exceed the amounts expected to be transferred to the respective Funds and Accounts pursuant to Section 4.6 of this Master Indenture prior to the next Bond Payment Date to purchase Bonds in the manner provided in paragraphs (b), (c), (d), (e) and (f) of this Section 3.6. Any Bonds so purchased shall be credited in an amount equal to par plus accrued interest against amounts which would otherwise be required to be transferred pursuant to Section 4.6 of this Master Indenture to the various Funds and Accounts.

Section 3.7 Credits Against Sinking Fund Installments.

(a) Upon any redemption (other than by Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment) of Bonds for which Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments have been established, or any purchase in lieu thereof, there shall be credited by the Trustee and the Bond Registrar toward the Class I Sinking Fund Installments, Class II Sinking Fund Installment, Class III Sinking Fund Installments or Class IV Sinking Fund Installments thereafter to become due with respect thereto, on a proportionate basis and in increments of the applicable minimum denomination, an amount bearing the same ratio to each such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment as the total principal amount of such Class and maturity of Bonds so purchased or redeemed bears to the total amount of all such Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments to be credited; provided, however, that, if there shall be filed with the Trustee and the Bond Registrar an Authority Request specifying a different method for crediting Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments upon any such purchase or redemption of Bonds and certifying that such Authority Request is consistent with the most recently filed Related Cash Flow Statement and the Related Series Indenture, then such Sinking Fund Installments shall be so credited as shall be provided in such Authority Request. The portion of any such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment for the purpose of calculation of Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments and Class IV Sinking Fund Installments due on or scheduled for a future date.

(b) The provisions of this Section 3.7 may be changed or modified for any particular Series by the Related Series Indenture.

(End of Article III)

ARTICLE IV

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS,
APPLICATION THEREOF AND SECURITY THEREFOR

Section 4.1 Establishment of Funds and Accounts.

(a) The following Funds and Accounts are hereby created and established as special trust funds:

- (i) the Program Fund, consisting of:
 - (A) the Acquisition Account;
 - (B) the Cost of Issuance Account;
 - (C) the Negative Arbitrage Account; and
 - (D) the Loan Recycling Account;
- (ii) the Revenue Fund;
- (iii) the Debt Service Reserve Fund;
- (iv) the Class I Debt Service Fund which may include an Authority Payment Account;
- (v) the Class II Debt Service Fund which may include an Authority Payment Account;
- (vi) the Class III Debt Service Fund which may include an Authority Payment Account;
- (vii) the Class IV Debt Service Fund which may include an Authority Payment Account;
- (viii) the Redemption Fund, consisting of:
 - (A) the Class I Special Redemption Account;
 - (B) the Class II Special Redemption Account;
 - (C) the Class III Special Redemption Account; and
 - (D) the Class IV Special Redemption Account;
- (ix) the Rebate Fund; and
- (x) the Excess Earnings Fund.

(b) All the Funds and Accounts listed in paragraph (a) of this Section 4.1 shall be held by the Trustee in trust for application only in accordance with the provisions of the Indenture.

(c) Subaccounts shall be created in all Funds and Accounts described in this Section 4.1 for each Series of Bonds. Except as otherwise provided in this Master Indenture or in a Series Indenture, bond proceeds and other moneys relating to a Series of Bonds shall be deposited in the Related subaccounts created with respect to such Series of Bonds.

(d) A Bond Purchase Fund may be created and established by a Series Indenture to be held by a fiduciary to provide for the payment of the tender price or purchase price of Bonds as provided therein.

(e) The Authority may reallocate moneys, investments and Loans (or portions thereof or interests therein) among Series under any of the following circumstances:

(i) if and to the extent required by this Master Indenture (e.g., under Section 4.6, Section 4.8 or Article VI of this Master Indenture);

(ii) if and to the extent necessary to enable the Authority to deliver a Cash Flow Statement with respect to one or more Series;

(iii) in connection with an Authority Request filed pursuant to Section 4.9 of this Master Indenture; and

(iv) if and to the extent that the aggregate amount of moneys, investments and Loans allocated to any particular Series exceeds the aggregate amount of Outstanding Bonds of such Series.

If the Authority determines to make such a reallocation of moneys, investments and Loans among Series, the Authority shall deliver to the Trustee an Authority Request specifying such reallocations. Upon receipt of such request, the Trustee shall transfer moneys, investments and/or Loans (or portions thereof or interests therein) among subaccounts Related to each Series as requested. Loans (or portions thereof or interests therein) reallocated among Series are not required to meet the requirements of the Series Indenture Related to the Series to which such Loans (or portions thereof or interests therein) are being reallocated, if such Loans at the time of their original acquisition by the Authority met the requirements of Section 5.7 of this Master Indenture and the applicable requirements of the Series Indenture Related to such Loans at the time of their purchase.

(f) Special temporary accounts in the Program Fund and the Debt Service Reserve Fund may be created and established to facilitate the refunding of the Authority's bonds and any exchange of funds related thereto.

Section 4.2 Program Fund; Acquisition Account.

(a) Deposit of Moneys. There shall be paid into the Related subaccount of the Acquisition Account established within the Program Fund the respective amount of the proceeds of the Bonds and other moneys specified in each Series Indenture and any amounts transferred pursuant to Section 4.3 of this Master Indenture. There may also be paid into the Acquisition Account, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the Indenture. Except as otherwise required or permitted by Section 4.1 of this Master Indenture and paragraph (f) of this Section 4.2, Loans made or purchased in connection with a Series of Bonds shall be allocated to such Series. Loans (or portions thereof) allocated to a Series of Bonds shall be held in the subaccount of the Acquisition Account which was created in connection with such Series of Bonds.

(b) Use of Acquisition Account. Proceeds of the Bonds and other moneys deposited in the Acquisition Account shall be applied, upon Authority Request, (i) to finance or refinance Loans that satisfy the requirements of Section 5.7 of this Master Indenture and applicable provisions of the Related Series Indenture with respect to the Loans to be financed, and (ii) to finance or refinance Authority Projects.

(c) Disbursements from Acquisition Account. The Trustee shall withdraw moneys from the Acquisition Account for the financing of a Loan pursuant to paragraph (b) of this Section 4.2 upon receipt of an Authority Request stating (i) the name of the Person to be paid, and (ii) the amount to be paid.

(d) Unexpended Moneys. Any moneys deposited in the Acquisition Account that the Authority certifies from time to time will not be used to finance or refinance Loans or Authority Projects in accordance with this Master Indenture and the Related Series Indenture shall be withdrawn by the Trustee on the date specified in the Related Series Indenture or such other date or dates on or after such date as may be specified by the Authority, and transferred to the Related subaccount of the Redemption Fund for application in accordance with the Related Series Indenture; provided, however, that such transfer or transfers may be made on a later date as to all or any part of such moneys, if the Authority shall have filed with the Trustee an Authority Request specifying a later date or dates for such withdrawal, and certifying that such Authority Request is consistent with the most recently filed Cash Flow Statement and the Related Series Indenture.

(e) Withdrawal of Assets upon Retirement of a Series. When no Bonds of a particular Series remain Outstanding, upon receipt of an Authority Request to withdraw all or any portion of the Related moneys, investments and/or Loans from the Related Funds, Accounts and subaccounts, the Trustee shall make such withdrawal and shall transfer such moneys, investments and/or Loans, as the case may be, to or upon the order of, the Authority; provided, however, that the Authority Request must certify that such withdrawal is consistent with the most recently filed Cash Flow Statement for all Bonds and the most recently filed Cash Flow Statement for any Series to which such retired Series has been linked.

(f) Loans Financed With More Than One Series of Bonds. The Authority may determine that a Loan will be financed or refinanced with proceeds of more than one Series of Bonds. In such event, all provisions of the Indenture which relate to a Loan, Loan Repayments and Prepayments, and moneys in any Fund or Account, shall be interpreted and applied to relate such Loan, Loan Repayments, Prepayments, and moneys to each Series furnishing proceeds for such Loan in proportion to the respective principal amounts of Bonds of each such Series the proceeds of which were or will be used to finance or refinance such Loan.

Section 4.3 Program Fund: Cost of Issuance Account. Upon the issuance, sale and delivery of Bonds, the Trustee shall deposit in the Related subaccount of the Cost of Issuance Account such moneys, if any, as shall be specified in the Related Series Indenture. There shall also be paid into the Cost of Issuance Account, promptly upon receipt thereof, the interest on Investment Securities with respect to which moneys were withdrawn from the Cost of Issuance Account to pay for interest accrued on such Investment Securities. There may also be paid into the Cost of Issuance Account, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the Indenture. Moneys therein shall be used to pay Costs of Issuance and for no other purpose. The Trustee shall issue its checks for each disbursement from the Cost of Issuance Account (including to reimburse the Authority for its payment of Costs of Issuance, but not including any fees payable to the Trustee, which may be withdrawn directly by it) upon being furnished with an Authority Request setting forth: the Person to whom payment is to be made, the amount of payment, that the disbursement is for a proper Cost of Issuance, and that none of the items for which payment is to be made has been the basis for any prior disbursement from such Account. Any excess remaining upon payment of all Related Costs of Issuance shall be transferred by the Trustee to the Authority or to the Related subaccount in the Acquisition Account upon receipt by the Trustee of an Authority Certificate stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon such subaccount of the Cost of Issuance Account shall be closed. In the event that the moneys deposited in the Cost of Issuance Account are not sufficient to pay all Costs of Issuance, Costs of Issuance may be paid from any available moneys of the Authority.

Section 4.4 Program Fund: Negative Arbitrage Account.

(a) At such time or times as may be provided in the Related Series Indenture, the Trustee shall deposit in the Related subaccount or subaccounts of the Negative Arbitrage Account such moneys, if any, as shall be specified in the Related Series Indenture. The Authority may create a separate subaccount of the Negative Arbitrage Account for any Housing Facility or Project financed or refinanced in whole or in part with the proceeds of a Series of Bonds or with moneys in the Loan Recycling Account. Moneys in each such subaccount shall be subject to the lien and pledge of the Indenture until the withdrawal and application thereof in accordance with this Section 4.4 and the Related Series Indenture. The amount to be credited to each subaccount of the Negative Arbitrage Account shall be specified by the Authority in the Related Series Indenture or in an Authority Certificate, and shall be the amount, if any, reasonably estimated by the Authority to equal the difference

between (A) the amount of interest payable on the portion of the Related Series of Bonds allocable to the Related Housing Facility or Project from the date of issuance of the Related Bonds, the date of the deposit to the Loan Recycling Account or such other date specified by the Authority to the anticipated date of completion of the Related Housing Facility or Project and (B) the anticipated investment earnings on amounts in the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project and Revenues from the related Loan prior to such anticipated date of completion. Upon Authority Request, there shall also be credited to each subaccount of the Negative Arbitrage Account from time to time additional moneys in the event that the anticipated date of completion of the Related Housing Facility or Project shall be later than had been anticipated on the date of the most recent deposit to such subaccount or if amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, are expended for the Related Housing Facility or Project more slowly than had been anticipated on the date of the most recent deposit to such subaccount. Any moneys collected by the Authority from a Borrower to reimburse the Authority for any Authority moneys deposited to the Related subaccount of the Negative Arbitrage Account shall be and remain the property of the Authority, and shall not be subject to the lien and pledge of the Indenture.

(b) Except as otherwise provided in the Related Series Indenture, moneys in each subaccount of the Negative Arbitrage Account shall be transferred to the Revenue Fund upon completion of the Related Housing Facility or Project or the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture, in an amount equal to the difference between (A) the amount of interest payable on the portion of the Related Series of Bonds allocable to the Related Housing Facility or Project since the date of the initial deposit to the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, and (B) the investment earnings on amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project and Revenues from the Related Loan prior to such date of completion or transfer since the date of the initial deposit to such subaccount.

(c) The amount in any subaccount of the Negative Arbitrage Account with respect to a defaulted Loan shall be transferred to the Related subaccount of the Redemption Fund at the time that the Authority receives or recovers any Prepayment of such Loan, upon Authority Request.

(d) If a Loan is not closed on account of any failure to meet the conditions of the Authority's conditional financing approval or loan commitment or for any other reason (e.g., failure to meet the conditions of the firm commitment of a governmental insurer or guarantor to insure or guarantee such Loan), provided that the Authority has issued its loan commitment with respect to such Loan and is ready and willing to close, and the Authority

does not finance or refinance a substitute Housing Facility or Project, the amount in the Related subaccount of the Negative Arbitrage Account shall be transferred, upon Authority Request, to the Revenue Fund.

(e) Upon the completion of a Housing Facility or Project, the date that another Housing Facility or Project is substituted for such Housing Facility or Project or the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to such Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture, any amounts in the Related subaccount of the Negative Arbitrage Account that have not been transferred to the Revenue Fund pursuant to paragraph (b) of this Section 4.4 or to the Redemption Fund pursuant to paragraph (c) of this Section 4.4 shall be paid by the Authority to the related Borrower to the extent and under the circumstances provided in any agreement with such Borrower. Each subaccount of the Negative Arbitrage Account shall be terminated upon the earliest of the completion of the Related Housing Facility or Project, the date that another Housing Facility or Project is substituted for the Related Housing Facility or Project, the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture or the date on which there is no remaining balance in such subaccount of the Negative Arbitrage Account.

Section 4.5. Program Fund: Loan Recycling Account.

(a) There shall be paid into the Related subaccount of the Loan Recycling Account established within the Program Fund any amounts transferred pursuant to Section 4.6(c)(i)(E), (K), (S) or (W) of this Master Indenture. Except as otherwise required or permitted by Sections 4.1 and 4.2(f) of this Master Indenture, Loans (or portions thereof) allocated to a Series of Bonds and financed or refinanced with moneys in the Related subaccount of the Loan Recycling Account shall be held in such subaccount of the Loan Recycling Account.

(b) Before any moneys are transferred to the Loan Recycling Account pursuant to Section 4.6(c)(i)(E), (K), (S) or (W) of this Master Indenture, the Authority shall file with the Trustee (a) a Cash Flow Statement, (b) an Authority Certificate demonstrating that the Related Class I Asset Requirement, Class II Asset Requirement, Class III Asset Requirement and Class IV Asset Requirement, as applicable, will be met, and (c) a Confirmation, except to the extent a previous Cash Flow Statement, Authority Certificate and Confirmations shall apply to such transfer and the Loans to be made with such amounts.

(c) Amounts deposited in the Loan Recycling Account shall be applied, upon Authority Request, (i) to finance or refinance Loans that satisfy the requirements of Section 5.7 of this Master Indenture and applicable provisions of the Related Series Indenture with

respect to the Loans to be financed or refinanced, and (ii) to finance or refinance Authority Projects. The Trustee shall withdraw moneys from the Related subaccount of the Loan Recycling Account for the financing of a Loan upon receipt of an Authority Request stating (i) the name of the Person to be paid, and (ii) the amount to be paid.

(d) Moneys remaining in the Related subaccount of the Loan Recycling Account on the date set forth in the Cash Flow Statement in connection with which such moneys were deposited in such subaccount shall be withdrawn therefrom by the Trustee on such date (or such earlier date or dates as may be specified by the Authority), and shall be transferred to the Revenue Fund.

Section 4.6. Revenue Fund.

(a) Deposit of Revenues. The Authority shall pay all Revenues or cause all Revenues to be paid to the Trustee at least once each month. Except as otherwise provided herein or in a Series Indenture, all Revenues Related to each Series of Bonds shall be deposited by the Trustee in the Related subaccount of the Revenue Fund. There also shall be deposited in each subaccount of the Revenue Fund amounts transferred thereto from the Related subaccount of the Negative Arbitrage Account pursuant to Section 4.4(b) and (d) of this Master Indenture, from the Related subaccount of the Loan Recycling Account pursuant to Section 4.5(d) of this Master Indenture, from the Related subaccount of the Class I Debt Service Fund pursuant to Section 4.7(b) of this Master Indenture, from the Related subaccount of the Debt Service Reserve Fund pursuant to Section 4.8(b) of this Master Indenture, from the Related subaccount of the Class I Special Redemption Account pursuant to Section 4.9(b) of this Master Indenture, from the Related subaccount of the Class II Special Redemption Account pursuant to Section 4.9(c) of this Master Indenture, from the Related subaccount of the Class III Special Redemption Account pursuant to Section 4.9(d) of this Master Indenture, from the Related subaccount of the Class IV Special Redemption Account pursuant to Section 4.9(e) of this Master Indenture, from the Related subaccount of the Class II Debt Service Fund pursuant to Section 4.10(b) of this Master Indenture, from the Related subaccount of the Class III Debt Service Fund pursuant to Section 4.11(b) of this Master Indenture, from the Related subaccount of the Class IV Debt Service Fund pursuant to Section 4.12(b) of this Master Indenture, from the Related subaccount of the Rebate Fund pursuant to Section 4.13 of this Master Indenture, and from the Related subaccount of the Excess Earnings Fund pursuant to Section 4.14 of this Master Indenture. There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by the Indenture.

(b) Payment of Certain Fiduciary Expenses. The Trustee shall pay or transfer from the Related subaccount of the Revenue Fund (i) directly to the Fiduciaries, all Fiduciary Expenses, when and as payable and (ii) to the Authority or to its order other reasonable and necessary Administrative Expenses, respectively, only to the extent, if any, provided in the following paragraphs.

(c) Allocation of Revenues From Revenue Fund.

(i) On the last Business Day prior to each Bond Payment Date or Derivative Payment Date, or more frequently if required by a Series Indenture, or on the other dates specifically provided below, the Trustee shall withdraw from each subaccount of the Revenue Fund and deposit into the following Funds or Accounts and shall pay to the following parties the following amounts, in the following order of priority, the requirements of each such Fund, Account or party (including the making up of any deficiencies in any such Fund or Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(A) On each May 1, into the Related subaccounts of the Rebate Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective subaccounts, will equal the Rebate Requirement Related to the Tax-exempt Bonds of each respective Series, as determined by the Authority;

(B) On each May 1, to the Related subaccounts of the Excess Earnings Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective subaccounts, will equal the amount determined by the Authority to be required to be on deposit therein;

(C) Into the Related subaccount of the Class I Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Bond Payment Date or Derivative Payment Date upon all Class I Bonds of the Related Series then Outstanding and any Authority Derivative Payment secured on a parity with the Class I Bonds accrued and unpaid as of such date; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on the Outstanding Class I Bonds of the Related Series on such Bond Payment Date; provided however, that if such Bond Payment Date is not a date for the payment of a Principal Installment on Related Class I Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Bond Payment Date to and including the next Bond Payment Date that is a date for the payment of a Principal Installment on Related Class I Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class I Bonds on the next such Bond Payment Date;

(D) Into each Unrelated subaccount of the Class I Debt Service Fund, after making any transfer into such subaccount required by Section 4.8(c)(i) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (C) of this Section 4.6(c)(i) as of such date;

(E) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 4.5(b) of this Master Indenture, or (2) the Related subaccount of the Class I Special Redemption Account, or any combination of (1) and (2) above, the amount, if any, needed to ensure that the Class I Asset Requirement of the Related Series of Bonds will be met on such Bond Payment Date following such transfer;

(F) Into each Unrelated subaccount of the Class I Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (E) of this Section 4.6(c)(i) as of such date;

(G) Into the Related subaccount of the Class II Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Bond Payment Date or Derivative Payment Date upon all Class II Bonds of the Related Series then Outstanding and any Authority Derivative Payment secured on a parity with the Class II Bonds accrued and unpaid as of such date; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on Outstanding Class II Bonds of the Related Series on such Bond Payment Date; provided however, that if such Bond Payment Date is not a date for the payment of a Principal Installment on Related Class II Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Bond Payment Date to and including the next Bond Payment Date that is a date for the payment of a Principal Installment on Related Class II Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class II Bonds on the next such Bond Payment Date;

(H) Into each Unrelated subaccount of the Class II Debt Service Fund, after making any transfer into such subaccount required by Section 4.8(c)(iii) of this Master Indenture, on a proportionate basis with all other

such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (G) of this Section 4.6(c)(i) as of such date;

(I) Into the Related subaccount of the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in such subaccount, together with the available amount of any Qualified Surety Bond therein, to the Debt Service Reserve Fund Requirement of the Related Series of Bonds;

(J) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of Related Revenues sufficient to make the deposit required by paragraph (I) of this Section 4.6(c)(i) as of such date;

(K) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 4.5(b) of this Master Indenture, or (2) the Related subaccount of the Class II Special Redemption Account, or any combination of (1) and (2) above, the amount, if any, needed to ensure that the Class II Asset Requirement of the Related Series of Bonds will be met on such Bond Payment Date following such transfer;

(L) Into each Unrelated subaccount of the Class II Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (K) of this Section 4.6(c)(i) as of such date;

(M) To the Authority, the amount of any reasonable and necessary Fiduciary Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Authority or reasonably anticipated to be payable in the following six months (or directly to the Fiduciaries, Fiduciary Expenses with respect to the Related Series of Bonds, when and as payable): provided, however, that in no event shall the aggregate of all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries or to the Authority under this paragraph (M) exceed any limitation set forth in the Related Series Indenture for any period;

(N) To the Authority, the amount of any reasonable and necessary Fiduciary Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise

directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by paragraph (M) of this Section 4.6(c)(i) as of such date;

(O) Into the Related subaccount of the Class III Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Bond Payment Date or Derivative Payment Date upon all Class III Bonds of the Related Series then Outstanding and any Authority Derivative Payment secured on a parity with the Class III Bonds accrued and unpaid as of such date; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Class III Bonds of the Related Series on such Bond Payment Date; provided however, that if such Bond Payment Date is not a date for the payment of a Principal Installment on Related Class III Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Bond Payment Date to and including the next Bond Payment Date that is a date for the payment of a Principal Installment on Related Class III Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class III Bonds on the next such Bond Payment Date;

(P) Into each Unrelated subaccount of the Class III Debt Service Fund, after making any transfer into such subaccount required by Section 4.8(c)(v) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of monies sufficient to make the deposit required by paragraph (O) of this Section 4.6(c)(i) as of such date;

(Q) To the Authority, the amount of any reasonable and necessary Administrative Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Authority or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of such amounts paid to the Authority, plus amounts paid to the Authority with respect to such Series of Bonds pursuant to paragraphs (M) and (N) above and plus all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries exceed any limitations set forth in the Related Series Indenture;

(R) To the Authority, the amount of any reasonable and necessary Administrative Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Authority Request, any deficiency resulting from the lack of

moneys sufficient to make the deposit required by paragraph (Q) of this Section 4.6(c)(i) as of such date;

(S) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 4.5(b) of this Master Indenture, or (2) the Related subaccounts of the Redemption Fund, or any combination of (1) and (2) above, the amount, if any, necessary to satisfy the Class III Asset Requirement of the Related Series of Bonds, calculated as of such next succeeding Bond Payment Date and giving effect to such transfer, which amount shall be allocated to the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amounts Outstanding of the Related Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all Related Class I, Class II and Class III Bonds Outstanding;

(T) Into each Unrelated subaccount of the Redemption Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, the additional amount, if any, necessary (after the deposits required by paragraph (S) above for the Related Series of Bonds) to satisfy the Class III Asset Requirement of such Unrelated Series of Bonds, calculated as of such next succeeding Bond Payment Date and giving effect to such transfer, which amount shall be allocated to the applicable subaccount of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amount Outstanding of the applicable Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all applicable Class I, Class II, and Class III Bonds Outstanding (for purposes of this paragraph (T), "applicable" means Related to such Unrelated Series);

(U) Into the Related subaccount of the Class IV Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Bond Payment Date or Derivative Payment Date upon all Class IV Bonds of the Related Series then Outstanding and any Authority Derivative Payment secured on a parity with the Class IV Bonds accrued and unpaid as of such date; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Class IV Bonds of the Related Series on such Bond Payment Date;

(V) Into each Unrelated subaccount of the Class IV Debt Service Fund, after making the transfer into such subaccount required by Section 4.8(c)(vii) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccounts resulting from the lack of moneys sufficient to make the deposit required by paragraph (U) of this Section 4.6(c)(i) as of such date; and

(W) Upon Authority Request, to the Related subaccount of the Loan Recycling Account, in order to finance or refinance Loans or Authority Projects, to the extent permitted by the applicable Series Indenture.

(ii) The Authority may direct the Trustee to make any of the above transfers more frequently than on the last Business Day prior to Bond Payment Dates or Derivative Payment Dates, in amounts proportionate to the frequency of transfers so directed.

(iii) Following such transfers, the balance, if any, in each subaccount of the Revenue Fund, or such lesser amount thereof as shall be requested by the Authority shall be paid to the Authority for the payment of Administrative Expenses or for any other purpose free and clear of the lien and pledge of the Indenture upon receipt of an Authority Request made within 30 days of such Bond Payment Date. Any amount in each subaccount of the Revenue Fund not so paid to the Authority shall be transferred to the Related subaccounts of the Redemption Fund and allocated among the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account as provided in paragraph (c)(i)(S) of this Section 4.6 or shall be retained in the Revenue Fund or transferred and allocated as set forth in an Authority Request, subject in each case to any limitations or requirements specified in the Related Series Indenture.

(iv) Prior to, but as close as practicable to, the latest date on which the Trustee would be permitted to give notice of a redemption to occur on a Bond Payment Date from amounts deposited in the Redemption Fund pursuant to paragraph (c)(i) of this Section 4.6, the Trustee shall calculate the amounts then on deposit in each subaccount of the Revenue Fund which would be transferred to the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund and the Class IV Debt Service Fund, and the Related subaccounts of the Redemption Fund, in accordance with the priorities and provisions of such paragraph. Such amounts may be withdrawn from such subaccount of the Revenue Fund for application on or prior to the next succeeding Bond Payment Date (A) upon receipt of an Authority Request, to the purchase in lieu of redemption in accordance with Section 3.6 of this Master Indenture of Related Class I Bonds, Class II Bonds, Class III Bonds or Class IV Bonds in amounts determined in accordance with paragraph (c)(i) of this Section 4.6, (B) to the

payment of accrued interest on Bonds being purchased pursuant to Section 3.6 of this Master Indenture or redeemed pursuant to Section 4.9 of this Master Indenture, or (C) to the redemption of Related Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds on such Bond Payment Date in the amounts determined in accordance with paragraph (c)(i) of this Section 4.6.

(v) In the event Bonds are to be redeemed on a date other than a Bond Payment Date, and to the extent moneys are not available in the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund or the Class IV Debt Service Fund to pay accrued interest on such redemption date for such Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, the Trustee shall apply or cause the Paying Agent to apply available moneys in the Related subaccount of the Revenue Fund for the payment of such interest.

Section 4.7 Application of Class I Debt Service Fund.

(a) Amounts in each subaccount of the Class I Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent (i) on each Bond Payment Date and Derivative Payment Date for the purpose of paying the interest and Principal Installments on the Related Class I Bonds and any Authority Derivative Payment secured on a parity with the Related Class I Bonds as the same shall become due and payable (including accrued interest on any Class I Bonds purchased or redeemed prior to maturity pursuant to the Indenture) or (ii) on each purchase date for the purpose of paying the purchase price of Related Class I Bonds purchased in lieu of redemption by Related Class I Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class I Debt Service Fund after all the Related Class I Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 4.8 Debt Service Reserve Fund.

(a) Upon the issuance, sale and delivery of a Series of Bonds pursuant to the Indenture, the Trustee shall deposit in the Related subaccount of the Debt Service Reserve Fund such amounts, if any, as shall be required by the provisions of the Related Series Indenture, which aggregate amount, together with the available amount of any Qualified Surety Bond or Bonds in the Debt Service Reserve Fund, shall be at least sufficient to equal the Debt Service Reserve Fund Requirement relating to such Series of Bonds, calculated after giving effect to the issuance of such Bonds. Additional moneys may be deposited in the Related subaccount of the Debt Service Reserve Fund in accordance with Section 4.6(c) of this Master Indenture.

(b) On or prior to each Bond Payment Date, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for each Series of Bonds as of the next succeeding Bond Payment Date and shall determine the amount, if any, which will then be in the Related subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investment Securities) in excess of such Requirement. shall notify the Authority of such excess amount and shall, unless otherwise instructed by an Authority Request, transfer such excess amount from the Related subaccount of the Debt Service Reserve Fund to the Related subaccount of the Revenue Fund.

(c) On the last Business Day prior to each Bond Payment Date or more frequently if required by a Series Indenture, and in each case in conjunction with the transfers, deposits and payments to be made pursuant to Section 4.6(c)(i) of this Master Indenture, the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund to the specified subaccounts of other Funds or Accounts the following amounts (from any cash, Investment Securities or Qualified Surety Bonds therein), in the following order of priority, the requirements of each such transfer to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(i) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund pursuant to paragraph 4.6(c)(i)(C) is insufficient to pay the interest and Principal Installments, if any, due on the Class I Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(ii) In the event that the amount transferred to a subaccount of the Class I Debt Service Fund pursuant to paragraph 4.6(c)(i)(D) is insufficient to pay the interest and Principal Installments, if any, due on Class I Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, from subaccounts of the Debt Service Reserve Fund to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(iii) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to paragraph 4.6(c)(i)(G) is insufficient to pay the interest and Principal Installments, if any, due on the Class II Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class II Debt Service Fund the amount of such insufficiency.

(iv) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to paragraph 4.6(c)(i)(H) is insufficient to pay the

interest and Principal Installments, if any, due on the Class II Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund, on a proportionate basis or as otherwise directed by Authority Request, to such subaccount of the Class II Debt Service Fund, the amount of such insufficiency.

(v) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to paragraph 4.6(c)(i)(O) is insufficient to pay the interest and Principal Installments, if any, due on the Class III Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(vi) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to paragraph 4.6(c)(i)(P) is insufficient to pay the interest and Principal Installments, if any, due on Class III Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(vii) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to paragraph 4.6(c)(i)(U) is insufficient to pay the interest and Principal Installments on the Class IV Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

(viii) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to paragraph 4.6(c)(i)(V) is insufficient to pay the interest, and Principal Installments, if any, due on Class IV Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer from

Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

Section 4.9 Redemption Fund: Cross-Calls and Recycling.

(a) Moneys deposited in the subaccounts of the Redemption Fund shall be applied by the Trustee to the purchase or applied by the Paying Agent (if directed by the Trustee) to the redemption of Bonds in accordance with the provisions of Article III, this Section 4.9 and each Related Series Indenture.

(b) Except as set forth in this Section 4.9 or in the Related Series Indenture, moneys deposited in a subaccount of the Class I Special Redemption Account pursuant to Section 4.6 of this Master Indenture or pursuant to the Related Series Indenture, shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class I Bonds. Any amounts remaining in such Class I Special Redemption Account after all Class I Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(c) Except as set forth in this Section 4.9 or in the Related Series Indenture, moneys deposited in a subaccount of the Class II Special Redemption Account pursuant to Section 4.6 of this Master Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class II Bonds. Any amounts remaining in such Class II Special Redemption Account after all Class II Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(d) Except as set forth in this Section 4.9 or in the Related Series Indenture, moneys deposited in a subaccount of the Class III Special Redemption Account pursuant to Section 4.6 of this Master Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class III Bonds. Any amounts remaining in such Class III Special Redemption Account after all Class III Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

(e) Except as set forth in this Section 4.9 or in the Related Series Indenture, moneys deposited in a subaccount of the Class IV Special Redemption Account pursuant to Section 4.6 of this Master Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class IV Bonds. Any amounts remaining in such Class IV Special

Redemption Account after all Class IV Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

(f) Notwithstanding anything contained herein to the contrary, the Authority may by the delivery of an Authority Request to the Trustee at any time prior to the transmission of notices of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied as provided herein to the redemption of the same Class of Bonds of a different Series. Each such Authority Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement (which may, if necessary, link the Related Series) and not prohibited by the Related Series Indentures and (ii) shall be accompanied by evidence of the satisfaction of all Asset Requirements for the Related Series.

Section 4.10 Application of Class II Debt Service Fund.

(a) Amounts in each subaccount of the Class II Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Bond Payment Date and Derivative Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class II Bonds and any Authority Derivative Payment secured on a parity with the Related Class II Bonds as the same become due and payable (including accrued interest on any such Class II Bonds redeemed or purchased prior to maturity pursuant to the Indenture) or (ii) on each purchase date for the purpose of paying the purchase price of Related Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class II Debt Service Fund after all the Related Class II Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 4.11 Application of Class III Debt Service Fund.

(a) Amounts in each subaccount of the Class III Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Bond Payment Date and Derivative Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class III Bonds and any Authority Derivative Payment secured on a parity with the Related Class III Bonds as the same become due and payable (including accrued interest on any such Class III Bonds redeemed or purchased prior to maturity pursuant to the Indenture) or (ii) on each purchase date for the purpose of paying the purchase price of Related Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class III Debt Service Fund after all the Related Class III Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 4.12 Application of Class IV Debt Service Fund.

(a) Amounts in each subaccount of the Class IV Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Bond Payment Date and Derivative Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class IV Bonds and any Authority Derivative Payment secured on a parity with the Related Class IV Bonds as the same become due and payable (including accrued interest on any such Class IV Bonds redeemed or purchased prior to maturity pursuant to the Indenture) or (ii) on each purchase date for the purpose of paying the purchase price of Related Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class IV Debt Service Fund after all the Related Class IV Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 4.13 Rebate Fund. To the extent required by Section 5.17 of this Master Indenture, all of the amounts on deposit in the Related subaccounts of the Funds and Accounts with respect to Tax-exempt Bonds and all amounts pledged to Debt Service Payments on the Related Series of Tax-exempt Bonds pursuant to the Indenture, (i) shall be invested in compliance with the procedures established by the Related Series Indentures and Authority Certificates delivered in connection therewith, and (ii) to the extent required by such Authority Certificates, the investment earnings thereon shall be deposited from time to time into the Related subaccount of the Rebate Account for timely payment of the Related Rebate Requirements. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of the Indenture to the extent such amounts constitute the Rebate Requirement. The Authority shall verify or cause to be verified at least annually from the date of delivery of each Series of Tax-exempt Bonds that (i) all of requirements of this Section 4.13 have been met on a continuing basis, (ii) the proper amounts are deposited into each subaccount of the Rebate Fund, and (iii) the timely payment of the Rebate Requirement from each subaccount of the Rebate Account has been made. Upon receipt of an opinion of Bond Counsel that the balance in any subaccount of the Rebate Account is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Records of the determinations made with respect to the above covenant and each subaccount of the Rebate Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

Section 4.14 Excess Earnings Fund. All amounts in a subaccount of the Excess Earnings Fund, including all investment earnings thereon, shall remain therein until transferred or paid by the Trustee to such other Fund or the United States Department of the Treasury or for such other purpose, as the Authority shall specify, upon receipt by the Trustee of (a) an Authority Request directing the Trustee to so transfer or pay a specified amount, and (b) a written opinion of Bond Counsel to the effect that any such transfer or payment, upon satisfaction of any conditions set forth in such opinion (e.g., forgiveness of indebtedness on all or a portion of the Loans), would not cause interest on such Bonds to be includable in the gross income of the Owners thereof for federal income tax purposes. Upon receipt of an opinion of Bond Counsel that the balance in a subaccount of the

Excess Earnings Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Moneys in a subaccount of the Excess Earnings Fund may be used to purchase Loans in the Related subaccount of the Acquisition Account or the Loan Recycling Account, at a purchase price equal to the unpaid balances of the principal amounts of such Loans plus accrued interest, if any, thereon, and any unamortized premium, and any such Loans so purchased shall be credited to such subaccount of the Excess Earnings Fund. Loans in a subaccount of the Excess Earnings Fund may be exchanged for Loans in the Related subaccount of the Acquisition Account or the Loan Recycling Account having an aggregate principal balance not less than the aggregate principal balance of such Loans in such subaccount of the Excess Earnings Fund, upon receipt by the Trustee of an Authority Request specifying the Loans to be so exchanged. If, on the final maturity of all of a Series, there is a balance in a subaccount of the Excess Earnings Fund which is allocated to payments related to such Series, and the Trustee has not received directions meeting the requirements of the preceding sentence for the disposition of such balance, the Trustee shall obtain an opinion of Bond Counsel as to the purposes, if any, to which such balance may be applied without adversely affecting the federal income tax status of interest on such Bonds, and shall thereafter dispose of such balance in accordance with such opinion. Records of the calculation of Excess Earnings and the Excess Earnings Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

Section 4.15 Application of Authority Payment Accounts.

(a) If, following transfers made pursuant to Sections 4.6 and 4.8(c) of this Master Indenture, there are not sufficient moneys to pay all interest due and payable on any General Obligation Bond or to pay any Principal Installment on any General Obligation Bond, the Trustee shall immediately notify the Authority in writing of the amount of such insufficiency and shall request from the Authority an immediate deposit of legally available funds equal to such insufficiency. The Authority shall pay to the Trustee (from the Authority's other general revenues or moneys legally available therefor, subject only to agreements made or to be made with holders of notes or bonds pledging particular revenues or moneys for the payment thereof) for deposit in the Related subaccounts of the Authority Payment Account the amount of such insufficiency. If the amount provided by the Authority is less than the amount of such insufficiency, any shortfall shall be allocated pro rata among the holders of the Related General Obligation Bonds in proportion to the amounts then due and payable on such Bonds.

(b) Amounts deposited with the Trustee by the Authority pursuant to paragraph (a) of this Section 4.15 shall be deposited into the respective subaccounts of the Authority Payment Accounts for the General Obligation Bonds for which such amounts are provided. Amounts in such subaccounts shall only be used to pay interest or Principal Installments due and payable on the Related General Obligation Bonds and may not be transferred to any Debt Service Fund for Bonds which are not General Obligation Bonds or to any other Fund or Account for any reason.

Section 4.16 Investment of Moneys Held by the Trustee.

(a) Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Securities, in accordance with directions given to the Trustee in an Authority Request or Certificate; provided that the maturity date or the date on which such Investment Securities may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof.

(b) Amounts credited to any Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Security or Investment Securities, provided that each such investment complies in all respects with the provisions of this Section 4.16 as they apply to each Fund or Account for which the joint investment is made, the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein and amounts credited to the Rebate Fund and the Excess Earnings Fund may be invested together with amounts credited to any other Fund or Account. The maturity date or the date on which Investment Securities may be redeemed at the option of holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes provided in the Indenture.

(c) The Trustee may make any investment permitted by this Section 4.16 with or through its own bond department, commercial banking department or commercial paper department or with investment companies for which the Trustee or its affiliates may provide advisory, administrative, custodial or other services for compensation.

(d) In computing the amount in any Fund or Account, Investment Securities shall be valued at par or, if purchased at other than par, at their Amortized Value, in either event inclusive of accrued interest purchased, and Loans shall be valued at 100% of the outstanding principal balance thereof unless in default for more than 60 days as of the date of computation, in which event such Loans shall be valued at the Authority's estimated net Prepayment from the proceeds of any mortgage insurance or (subject to any criteria established by the Rating Agencies) the Authority's estimated net proceeds of foreclosure proceedings or other action with respect to a defaulted Loan.

(e) Except as otherwise specifically provided in the Indenture, the income or interest earned by, or gain to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the Related subaccount of the Revenue Fund, in accordance with Section 4.6 of this Master Indenture, except that no such transfer shall be made from, and such income, interest or gain (as described above) shall be retained in, the Debt Service Reserve Fund, unless after giving effect to the transfer the amount therein at least equals the aggregate Debt Service Reserve Fund Requirement.

(f) The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

(g) Notwithstanding anything herein to the contrary, proceeds from any Credit Enhancement Facility or Liquidity Facility shall be held uninvested.

Section 4.17 Liability of Trustee for Investments. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article IV in the manner provided in this Article IV or for any loss resulting from any such investment so made, except for its own negligence.

(End of Article IV)

ARTICLE V

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Owners of the Obligations as follows:

Section 5.1 Payment of Obligations. The Authority shall duly and punctually pay or cause to be paid, but in strict conformity with the terms of the Bonds, any Derivative Products and the Indenture, the principal or Redemption Price of every Obligation and the interest thereon at the dates and places and in the manner mentioned in the Bonds and Derivative Products according to the true intent and meaning thereof.

Section 5.2 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement. Notwithstanding the foregoing, the Owner of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds, and such issuance shall not constitute an extension of maturity of Bonds.

Section 5.3 Further Assurances. At any and all times the Authority, so far as it may be authorized by law, shall make, do, execute, acknowledge and deliver, all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and property, including the Loans and all rights therein, pledged or assigned by the Indenture, or intended so to be, or which the Authority may become bound to pledge or assign.

Section 5.4 Power to Issue Bonds and Pledge Revenues and Other Funds. The Authority is duly authorized under all applicable laws to issue the Bonds and to execute and deliver this Master Indenture and to pledge the Revenues and other moneys, securities, rights and interests purported to be pledged in the manner and to the extent provided herein. The Revenues and other moneys, securities, rights and interests so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto (other than liens of Fiduciaries) prior to, or of equal rank with, the pledge created by the Indenture and all action on the part of the Authority to that end has been and will be duly and validly taken. The Obligations and the provisions of the Indenture are and will be the valid and binding obligations of the Authority enforceable in accordance with their terms and the terms of the Indenture, subject to State and Federal bankruptcy, insolvency, and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies. The Authority, to the extent permitted by law, at all times shall defend, preserve and protect the

pledge of the Revenues and other moneys, securities, rights and interests pledged under the Indenture and all the rights of the Owners of the Obligations under the Indenture against all claims and demands of all persons whomsoever.

Section 5.5 Use of Bond Proceeds. The Authority will use the proceeds of Bonds and any other moneys deposited in the Funds and Accounts only in accordance with the provisions of the Indenture.

Section 5.6 General Covenants.

(a) The Authority from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of the Indenture, shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Account and any moneys deposited in the Loan Recycling Account for the purposes provided herein, and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority for the enforcement of all terms, covenants and conditions of Loans.

(b) The Authority shall request payment of governmental insurance or guaranty benefits in cash and not in debentures of such governmental insurer or guarantor in any case where, under government regulations, it is permitted to request such debentures as payment with respect to a defaulted Loan, provided that the Authority may request payment in debentures if it files with the Trustee a Cash Flow Statement. The Authority shall take all necessary actions so as to receive payment from any governmental insurer or guarantor of the maximum amount of insurance or guaranty benefits on the earliest possible date.

Section 5.7 Loans. No Loan shall be made by the Authority unless (i) such Loan complies with, and is in fulfillment of the purposes of, the Act; and (ii) at the time the Authority makes the Loan, (A) the Authority reasonably believes that such Loan meets applicable requirements under the Code as in effect or as otherwise applicable with respect to such Loan; (B) the Authority has determined that the facility being financed or refinanced as completed constitutes a Housing Facility or a Project, as the case may be, for purposes of the Act; and (C) except to the extent, if any, that a variance is required as a condition to any insurance on, guaranty of or other security for such Loan, such Loan shall bear interest at the rate or rates and shall be payable as to both principal and interest at the time or times which shall be reasonably estimated to be sufficient to assure the timely payment of (1) the allocable portion of scheduled Fiduciary Expenses (as reasonably estimated by the Authority and not otherwise provided for), and (2) all Debt Service Payments on the portion of the Outstanding Bonds used or to be used to make Loans (assuming the receipt of scheduled Loan Repayments on other Loans and scheduled Revenues on moneys not yet used to finance or refinance Loans or held in any Fund or Account held by the Trustee other than the Rebate Fund or the Excess Earnings Fund).

Section 5.8 Enforcement of Loan Agreements, Loans and Servicing Agreements.

The Authority shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Loans consistent with sound banking practices and principles and applicable requirements under Section 103 of the Code, including the prompt collection of all Loan Repayments and all other amounts due the Authority thereunder. The Authority shall service each Loan or appoint a Servicer for such Loan and if it appoints a Servicer shall enter into a Servicing Agreement with respect thereto, effective not later than the date of delivery of such Loan. The Authority shall not without good cause release the obligations of the Borrowers under any of the Financing Documents or of the Servicer under the Servicing Agreement and, to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of the Authority, the Trustee and the Owners under or with respect to the Financing Documents securing such Loans and the Servicing Agreement relating thereto; provided, however, that nothing in this Section 5.8 shall be construed to prevent the Authority from (i) settling a default on any Loan on such terms as the Authority shall determine to be in the best interests of the Authority and the Owners, or (ii) releasing any Borrower, Servicer or any other Person from, or waiving, any of such Person's obligations under the respective Loan, any agreement with respect to security therefor or Servicing Agreement to the extent necessary to comply with the provisions of Section 5.17 of this Master Indenture.

Section 5.9 Assignment or Disposition of Loans or Authority Projects. The Authority shall not sell, assign, transfer, pledge or otherwise dispose of any Loan or any Authority Project or any of the rights of the Authority with respect to any Loan (except a Loan in default) or Authority Project, unless the Authority determines that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds.

Section 5.10 Amendment of Loans. The Authority shall not consent or agree to or permit any amendment or modification of the financial terms of any Loan or any security therefor in any manner materially adverse to the interests of the Owners of the Bonds, as determined in good faith by the Authority.

Section 5.11 Power as to Loans. The Authority has, and will have so long as any Bonds are Outstanding, lawful power to collect and hold Loan Repayments and Prepayments with respect to all Loans.

Section 5.12 Revenues. The Authority at all times shall charge and collect Loan Repayments and other amounts with respect to Loans in amounts sufficient to provide Revenues which, together with any other moneys estimated by the Authority to be available therefor (including Prepayments, but excluding the Rebate Requirement and any Excess Earnings), are estimated to be at least sufficient at all times for the payment of the sum of:

- (a) an amount equal to the aggregate Debt Service Payments (including the originally scheduled amount of any Class I Sinking Fund Installments, Class II Sinking Fund

Installments, Class III Sinking Fund Installments and Class IV Sinking Fund Installments) on all Bonds Outstanding; and

(b) Administrative Expenses, as projected by the Authority.

Section 5.13 Cash Flow Statement. The Authority shall file Cash Flow Statements at such times as may be required pursuant to the provisions of the Indenture. Whenever an event occurring or action to be taken under the Indenture is required to be "consistent with" a Cash Flow Statement, such event or action must be substantially the same as, or within the range of, the events or actions that were projected or assumed by such Cash Flow Statement to occur or be taken.

Section 5.14 Accounts and Reports.

(a) The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by the Indenture. Such books, and all other books and papers of the Authority and such Funds and Accounts shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Authority shall cause to be kept and maintained proper books of account, in which full, true and correct entries will be made, in accordance with generally accepted accounting principles, of all transactions of or in relation to the business of the Authority, and after the end of each Fiscal Year shall cause such books of account to be audited by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority, who is independent and not under the domination of the Authority, who does not have any substantial interest, direct or indirect, in the Authority, which audit shall be completed as soon as possible after the end of each Fiscal Year but in any event within 180 days thereafter. A copy of each annual balance sheet, statement of revenues, expenses and changes in retained earnings and statement of cash flows, showing in reasonable detail the financial condition of the Authority as of the close of each Fiscal Year, and summarizing in reasonable detail the income and expenses for the Fiscal Year, shall be filed promptly with the Trustee and with each Rating Agency.

(c) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provision of the Indenture shall be available for the inspection of Owners of Bonds at the principal corporate trust office of the Trustee and a copy of the audited financial statements of the Authority shall be transmitted to each Owner of Bonds who shall file a written request therefor with the Authority.

Section 5.15 Creation of Liens. The Authority shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the Revenues or of the moneys.

securities, rights and interests pledged or held or set aside by the Authority or by any Fiduciary under the Indenture and shall not create or cause to be created, other than by the Indenture, any lien or charge on the Revenues or such moneys, securities, rights or interests; provided, however, that nothing in the Indenture shall prevent the Authority from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after the pledge of the Revenues provided in the Indenture shall be discharged and satisfied as provided in Article XI of this Master Indenture; or (ii) notes or bonds of the Authority not secured under the Indenture; or (iii) notes or bonds which are general obligations of the Authority under the Act.

Section 5.16 Personnel. The Authority at all times shall appoint, retain and employ competent personnel or contract for such personnel for the purpose of administering its activities under the Indenture, and all persons employed by the Authority shall be qualified for their respective positions, all in accordance with law.

Section 5.17 Tax Covenants. The Authority covenants for the benefit of the Owners of each Series the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes that it will not take any action or omit to take any action with respect to such Bonds, the proceeds thereof, or any other funds of the Authority if such action or omission would cause the interest on such Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, would subject the Authority to any penalties under Section 148 of the Code, or would cause such Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of such Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met. The Authority shall execute and deliver from time to time such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the Authority with said Sections and the regulations thereunder with respect to the use of the proceeds of such Bonds and any other funds of the Authority. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this Section 5.17 and the foregoing provisions hereof, and the Authority and the Trustee hereby covenant and agree to comply with the provisions of any such stipulation throughout the term of such Bonds.

Section 5.18 General.

(a) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Indenture and shall refrain from taking any action which would cause a default hereunder or under any Supplemental Indenture (including any Series Indenture).

(b) Upon the date of delivery of any of the Bonds, all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been

performed and the issue of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

(End of Article V)

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND OWNERS OF THE BONDS

Section 6.1 Events of Default. Each of the following events is hereby declared an "Event of Default" under the Indenture:

(a) The Authority shall fail to pay any Principal Installment of any Class I Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(b) The Authority shall fail to pay any installment of interest on any Class I Bond when and as the same shall become due and payable or shall fail to make any payment due under any other Class I Obligations when due and payable;

(c) The Authority shall fail to pay any Principal Installment or interest on any Class II Bond or to make any payment due under any other Class II Obligations when due and payable, provided that sufficient moneys for such payment are available in the Class II Debt Service Fund;

(d) The Authority shall fail to pay any Principal Installment or interest on any Class III Bond or to make any payment due under any other Class III Obligations when due and payable, provided that sufficient moneys for such payment are available in the Class III Debt Service Fund;

(e) The Authority shall fail to pay any Principal Installment or interest on any Class IV Bond or to make any payment due under any other Class IV Obligations when due and payable, provided that sufficient moneys for such payment are available in the Class IV Debt Service Fund;

(f) The Authority shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture (except the requirement that the Authority pay amounts to the Trustee from its other revenues, moneys or assets in connection with General Obligation Bonds), or in the Bonds and such failure shall continue for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Owners of not less than 10% in Aggregate Principal Amount of the Bonds Outstanding; or

(g) The Authority shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

Section 6.2 Acceleration: Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in paragraphs (a), (b), (c), (d) or (e) of Section 6.1 of this Master Indenture and 100% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in paragraphs (f) or (g) of Section 6.1 of this Master Indenture shall, give 30 days notice in writing to the Authority of its intention to declare all Outstanding Obligations immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of not less than 25% (except with respect to an Event of Default described in paragraph (f) or (g) of Section 6.1 of this Master Indenture to the extent provided in the following paragraph) in Aggregate Principal Amount of Outstanding Bonds shall, by notice in writing to the Authority, declare all Obligations Outstanding immediately due and payable; and such Obligations shall become and be immediately due and payable, anything in the Bonds, any Derivative Product or the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

Notwithstanding the preceding paragraph, following an Event of Default specified in Section 6.1(f) and (g) of this Master Indenture (except for a failure which could adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-exempt Bonds), the Trustee shall not declare all Obligations Outstanding immediately due and payable unless the Trustee is so directed by the written request of Owners of 100% in Aggregate Principal Amount of Outstanding Bonds.

(b) At any time after the Outstanding Obligations shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of Outstanding Bonds, shall) annul such declaration and its consequences with respect to any Obligations not then due by their terms if (i) moneys shall have been deposited in the Revenue Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Obligations; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by the Authority under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 6.3 Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Owners of the Obligations under the Act, the Bonds, any Derivative Product and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Owners of the Bonds to collect and enforce the payment of principal of and interest due or becoming due on Loans and collect and enforce any rights in respect to the Loans or other security or mortgages securing such Loans and to require the Authority to carry out its duties and obligations under the terms of the Indenture, and to require the Authority to perform its duties under the Act;

(ii) Suit upon all or any part of the Obligations;

(iii) Civil action to require the Authority to account as if it were the trustee of an express trust for the Owners;

(iv) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners; and

(v) Enforcement of any other right of the Owners conferred by law or by the Indenture.

(b) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners not making such request.

Section 6.4 Application of Revenues and Other Moneys After Default.

(a) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the Indenture.

(b) During the continuance of an Event of Default, the Trustee shall apply, or cause the Paying Agent to apply, all moneys and securities held in any Fund or Account (except the Rebate Fund, the Excess Earnings Fund, the Bond Purchase Fund, any special account of the Program Fund created in accordance with Section 1.4 of this Master Indenture, and, with respect to any Bonds that are not General Obligation Bonds, any Authority Payment Account) (moneys and securities in any such special account of the Program Fund and in an Authority Payment Account are to be applied only to the payment of interest and Principal Installments of Bonds with respect to which such moneys and securities have been pledged), Revenues, payments and receipts and the income therefrom as follows and in the following order:

(i) To the payment of the reasonable and proper Fiduciary Expenses:

(ii) To the payment of the interest and Principal Installments then due and payable on the Class I Bonds and all Authority Derivative Payments secured on a parity with the Class I Bonds, subject to the provisions of Section 5.2 of this Master Indenture; as follows:

(A) Unless the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable.

First: To the payment to the persons entitled thereto of all installments of interest then due and payable on the Class I Bonds and all Authority Derivative Payments secured on a parity with the Class I Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments of any Class I Bonds which shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Class I Bonds due and payable on any date, then to the payment thereof ratably, according to the amounts of Principal Installments due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) If the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Class I Bonds and all Authority Derivative Payments secured on a parity with the Class I Bonds

and, if the amount available shall not be sufficient to pay in full such principal and interest and Authority Derivative Payments, then to the payment of principal and interest and Authority Derivative Payments, without any preference or priority, ratably according to the aggregate amounts due, to the Persons entitled thereto;

(iii) To the payment of the Principal Installments of and interest then due on the Class II Bonds and all Authority Derivative Payments secured on a parity with the Class II Bonds in accordance with the provisions of subparagraph (ii) above as if such subparagraph referred to the Class II Bonds rather than the Class I Bonds.

(iv) To the payment of Principal Installments of and interest then due on the Class III Bonds and all Authority Derivative Payments secured on a parity with the Class III Bonds in accordance with the provisions of subparagraph (ii) above as if such subparagraph referred to the Class III Bonds rather than the Class I Bonds.

(v) To the payment of Principal Installments of and interest then due on the Class IV Bonds and all Authority Derivative Payments secured on a parity with the Class IV Bonds in accordance with the provisions of subparagraph (ii) above as if such subparagraph referred to the Class IV Bonds rather than the Class I Bonds.

(vi) To the payment of the amounts required for reasonable and necessary Administrative Expenses.

Section 6.5 Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Section 6.6 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of Bonds. Except as provided in Article VII of this Master Indenture and subject to the provisions of Section 6.4 of this Master Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Class I Obligations or if no Class I Obligations remain Outstanding, for the equal benefit of the Owners of the Outstanding Class II Obligations; or, if no Class I Obligations or Class II Obligations remain Outstanding, for the equal benefit of the Owners of the Outstanding Class III Obligations; or, if no Class I Obligations, Class II Obligations or Class III Obligations remain Outstanding for the equal benefit of the Owner of the Outstanding Class IV Obligations.

Section 6.7 Majority Owners of the Bonds Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II, III and IV Obligations, Class II Obligations over Class III and IV Obligations and Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in Section 8.2 of this Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Owners of the Bonds not joining in such direction and provided further that nothing in this Section 6.7 shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Owners of the Bonds.

Section 6.8 Individual Owner Action Restricted.

(a) Except as provided in Article VII of this Master Indenture, no Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(i) an Event of Default has occurred under paragraph (a), (b), (c), (d) or (e) of Section 6.1 of this Master Indenture, as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) the Owners of at least 25% in Aggregate Principal Amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Owners of the Bonds shall have offered the Trustee indemnity as provided in Section 8.2 of this Master Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all Bonds Outstanding.

Section 6.9 Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners of the Bonds, the Authority, the Trustee and the Owners of the Bonds shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee and the Owners of the Bonds shall continue as if no such proceeding had been taken.

Section 6.10 Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VI to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Owners of at least a majority of the Aggregate Principal Amount of Bonds then Outstanding, shall waive any Event of Default under the Indenture and its consequences; provided, however, that except under the circumstances set forth in paragraph (b) of Section 6.2 of this Master Indenture or paragraph (b) of this Section 6.10, a default in the payment of the Principal Installment of or interest on any Bond when the same shall become due and payable by the terms thereof, or, upon call for redemption, may not be waived without the written consent of the Owners of all the Bonds at the time Outstanding.

(d) In case of any waiver by the Trustee of an Event of Default under the Indenture, the Authority, the Trustee and the Owners of the Bonds shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section 6.10.

Section 6.11 Notice of Defaults.

(a) Within 30 days after (i) the receipt of notice of an Event of Default as described in Section 6.1(f) or (g) of this Master Indenture or (ii) the occurrence of an Event of Default under Section 6.1(a), (b), (c), (d) or (e) of this Master Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such Event of Default shall have

therefore been cured, shall give written notice thereof by first class mail to each registered owner of Bonds then Outstanding, provided that, except in the case of a default in the payment of Principal Installments of or interest on any of the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is not unduly prejudicial to the interests of the Owners of the Bonds.

(b) The Trustee shall immediately notify the Authority of any Event of Default known to the Trustee.

(End of Article VI)

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES FOR GENERAL OBLIGATION BONDS

Section 7.1 General Obligation Bond Default. If the Authority shall fail to pay interest on any General Obligation Bond when due or shall fail to pay any Principal Installment on any General Obligation Bond when due, provided that such failure shall not constitute an Event of Default under Section 6.1 of this Master Indenture, such failure is hereby declared a "General Obligation Bond Default" under the Indenture. A General Obligation Bond Default shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge granted Owners of Bonds under the Indenture.

Section 7.2 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of a General Obligation Bond Default, the Trustee may and, upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, give 30 days notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such General Obligation Bonds shall become and be immediately due and payable. In such event, there shall be due and payable on the General Obligation Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

(b) At any time after the Aggregate Principal Amount of the General Obligation Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of Outstanding General Obligation Bonds, shall) annul such declaration and its consequences with respect to any General Obligation Bonds not then due by their terms if (i) moneys shall have been deposited in the Related Authority Payment Account sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding General Obligation Bonds; and (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee. No such annulment shall extend to or affect any subsequent General Obligation Bond Default or impair any right consequent thereon.

Section 7.3 Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of a General Obligation Bond Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce the rights of the Owners of General Obligation Bonds under the Act, the General Obligation Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient and consistent with the limitations specified in paragraph (c) below, including but not limited to:

- (i) Suit upon all or any part of the General Obligation Bonds;
- (ii) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of General Obligation Bonds; and
- (iii) Enforcement of any other right of the Owners of General Obligation Bonds conferred by law or by the Indenture.

(b) Regardless of the happening of a General Obligation Bond Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Owners of the General Obligation Bonds, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of General Obligation Bonds not making such request.

(c) The rights and remedies of Owners of General Obligation Bonds upon the occurrence of a General Obligation Bond Default shall be limited to the enforcement of the Authority's general obligation covenant with respect to the Related Bonds and to the disbursement of amounts available to Owners of General Obligation Bonds from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund after provision is made for, and after taking into account the rights of, Owners of Bonds other than General Obligation Bonds as provided in the Indenture. The exercise of remedies upon the occurrence of a General Obligation Bond Default shall not in any manner affect, disturb or prejudice the security and rights of Owners of Bonds under the Indenture.

Section 7.4 Remedies Not Exclusive. Subject to the limitations set forth in Section 7.3(c) of this Master Indenture, no remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Section 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the General Obligation Bonds may be enforced by the Trustee without the possession of any of the General Obligation Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the General Obligation Bonds. Any recovery of judgment in respect to a General Obligation Bond Default shall be for the equal benefit of the Owners of the Outstanding General Obligation Bonds.

Section 7.6 Majority Owners of Bonds Control Proceedings. If a General Obligation Bond Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of at least a majority in Aggregate Principal Amount of General Obligation Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II Obligations, Class III Obligations and Class IV Obligations, of the Class II Obligations over Class III Obligations and Class IV Obligations and of the Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in Section 8.2 of this Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Owners of the Bonds not joining in such direction and provided further that nothing in this Section 7.6 shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Owners of the Bonds.

Section 7.7 Individual Owner Action Restricted.

(a) No Owner of any General Obligation Bond shall have any right to institute any suit, action or proceeding in equity or at law for any remedy under this Article VII unless:

(i) a General Obligation Bond Default has occurred as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) the Owners of at least 25% in Aggregate Principal Amount of General Obligation Bonds Outstanding shall have made written request to the Trustee to

proceed to exercise the powers granted in this Article VII or to institute such action, suit or proceeding in its own name; and

(iii) such Owners of the Bonds shall have offered the Trustee indemnity as provided in Section 8.2 of this Master Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of General Obligation Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all General Obligation Bonds Outstanding.

Section 7.8 Termination of Proceedings. In case any proceeding taken by the Trustee on account of any General Obligation Bond Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners of the Bonds, the Authority, the Trustee and the Owners of the Bonds shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee and the Owners of the Bonds shall continue as if no such proceeding had been taken.

Section 7.9 Waiver and Non-Waiver of General Obligation Bond Default.

(a) No delay or omission of the Trustee or of any Owner of the General Obligation Bonds to exercise any right or power accruing upon any General Obligation Bond Default shall impair any such right or power or shall be construed to be a waiver of any such General Obligation Bond Default or an acquiescence therein. Every power and remedy given by this Article VII to the Trustee and the Owners of the General Obligation Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any General Obligation Bond Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Owners of at least a majority of the Aggregate Principal Amount of General Obligation Bonds then Outstanding, shall waive any General Obligation Bond Default under the Indenture and its consequences.

(d) In case of any waiver by the Trustee of an General Obligation Bond Default under the Indenture, the Authority, the Trustee and the Owners of the Bonds shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver

shall extend to any subsequent or other General Obligation Bond Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any General Obligation Bond Default in accordance with this Section 7.9.

Section 7.10. Notice of Defaults. Within 30 days after the occurrence of a General Obligation Bond Default under the Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such General Obligation Bond Default shall have theretofore been cured, shall give written notice thereof by first class mail to each registered owner of General Obligation Bonds then Outstanding.

(End of Article VII)

ARTICLE VIII

CONCERNING THE FIDUCIARIES

Section 8.1 Trustee; Paying Agent and Bond Registrar Appointment and Acceptance of Duties. Norwest Bank Colorado, National Association, in Denver, Colorado is hereby appointed as Trustee, Paying Agent and Bond Registrar. Norwest Bank Colorado, National Association, shall signify its acceptance of the duties and obligations imposed upon it by executing this Master Indenture and delivering the same to the Authority.

Section 8.2 Responsibilities of Fiduciaries.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness or completeness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Indenture, or of any Bonds issued under the Indenture or as to the security afforded by the Indenture, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of the Indenture or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of paragraph (b) of this Section 8.2, no Fiduciary shall be liable in connection with the performance of its duties under the Indenture except for its own negligence or willful misconduct. Notwithstanding any other provision of this Indenture, no right of a Fiduciary to indemnification shall relieve a Fiduciary from responsibility for (a) making payments on the Bonds when due from moneys available to it, (b) accelerating the Bonds as required pursuant to Section 6.2 or 7.2 of this Master Indenture, (c) drawing on a Liquidity Facility in accordance with the terms of such Liquidity Facility, or (d) making any claim under any Credit Enhancement Facility.

(b) The Trustee, prior to the occurrence of an Event of Default or a General Obligation Bond Default and after the curing of all Events of Default or a General Obligation Bond Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default or a General Obligation Bond Default has occurred (and has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs. Any provisions of the Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 8.2.

Section 8.3 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Master Indenture or any Series Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Master Indenture and the Related Series Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may be of counsel to the Authority, and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof is specifically prescribed in the Indenture) may be deemed conclusively to be proved and established by an Authority Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Indenture upon the faith thereof, but in its discretion and in lieu thereof, the Fiduciary may accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in the Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Indenture by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 8.4 Compensation of Fiduciaries; Fiduciary Liens. Subject to the terms and conditions of any other agreements between the Authority and one or more Fiduciaries, the Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Indenture. In consideration of the express provisions of the Indenture regarding the payment of Fiduciary Fees, each Fiduciary by acceptance of its appointment hereunder waives any right at law or in equity for the imposition of an implied lien on the Revenues and assets pledged hereunder. In the event that a successor Fiduciary is appointed in accordance with Section 8.8, 8.12 or 8.13 of this Master Indenture during a period for which the predecessor Fiduciary has been compensated in advance, such predecessor Fiduciary shall return to the Authority the pro rata portion of such compensation for the period commencing on the date of appointment of such successor Fiduciary.

Section 8.5 Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member

of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of the Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Indenture, whether or not any such committee shall represent the Owners of a majority in Aggregate Principal Amount of the Bonds then Outstanding. If any Fiduciary incurs expenses or renders services after an Event of Default has occurred, such expenses and compensation for such services are intended to constitute expenses of administration under any bankruptcy law.

Section 8.6 Resignation of Trustee. The Trustee may resign at any time and be discharged of the duties and obligations created by the Indenture by giving not less than 30 days written notice to the Authority and to Owners of the Bonds, at its own expense and without reimbursement therefor, specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Owners of the Bonds as provided in Section 8.8 of this Master Indenture, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 8.8 of this Master Indenture.

Section 8.7 Removal of Trustee. The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee and the Authority, and signed by the Owners representing a majority in Aggregate Principal Amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority, or (ii) by the Authority in its sole and absolute discretion at any time except during the continuance of an Event of Default or a General Obligation Bond Default by filing with the Trustee notice of removal in the form of an Authority Certificate. In no event, however, shall such removal take effect until a successor Trustee has been appointed pursuant to Section 8.8 of this Master Indenture.

Section 8.8 Appointment of Successor Trustee; Temporary Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Authority covenants and agrees that it thereupon will appoint a successor Trustee.

(b) If no appointment of a successor Trustee shall be made by the Authority pursuant to the foregoing provisions of this Section 8.8 within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 8.6 of this Master Indenture or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act or its removal, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court, after such notice, if any, as such court may deem proper, thereupon may appoint a successor Trustee.

(c) Every such Trustee appointed pursuant to the provisions of this Section 8.8 shall (i) be a bank or trust company in good standing and (ii) have a reported capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. Any successor Trustee shall serve for a fee not in excess of the fee paid to the initial Trustee unless otherwise approved by the Authority.

Section 8.9 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act nevertheless, on the written request of the Authority or of the successor Trustee, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in or pursuant to the Indenture. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Authority. Any such successor Trustee promptly shall notify the Depositories, if any, of its appointment as Trustee. Notwithstanding anything contained elsewhere in this Indenture, any such predecessor Trustee shall not be entitled to any compensation or reimbursement for costs and expenses incurred in connection with any transfer of rights or properties under this Indenture, except for such costs and expenses incurred with the prior written consent of the Authority.

Section 8.10 Merger or Consolidation of Fiduciaries. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by the Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act. Each Fiduciary shall give written notice to the Authority of any such proposed merger, conversion, consolidation or sale or transfer of substantially all of its corporate trust business not less than 120 days' prior to the expected date thereof, and the Authority agrees to keep such information confidential until such information has been publicly disclosed by the Fiduciary. Such Fiduciary shall reimburse the Authority for any costs and expenses incurred by the Authority arising from or associated with any such merger, conversion, consolidation, sale or transfer, or any such proposed merger, conversion, consolidation,

sale or transfer. Such Fiduciary shall also be responsible for any costs and expenses incurred by the Authority as a result of such Fiduciary's failure to comply with the requirements of this Section 8.10.

Section 8.11 Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Indenture shall have been authenticated but not delivered by a predecessor Trustee, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated. In case any of such Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in such Bonds or in the Indenture provided that the certificate of the Trustee shall have.

Section 8.12 Paying Agents: Appointment, Resignation or Removal; Successor. The Authority shall appoint one or more Paying Agents for the Bonds and may at any time and from time to time appoint one or more other Paying Agents having the qualifications set forth in this Section 8.12 for a successor Paying Agent. The Trustee or the Bond Registrar may be appointed a Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Unless otherwise provided, the principal offices of the Paying Agents are designated as the respective offices of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 30 days written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital, surplus and undivided profits aggregating at least \$10,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 8.13 Bond Registrar: Appointment, Resignation or Removal; Successor. The Authority shall appoint a Bond Registrar. The Trustee or any Paying Agent may be appointed the Bond Registrar. The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Unless otherwise provided, the principal offices of the Bond Registrar are designated as the respective offices of the Authority for the maintenance of registration records for the Bonds. The registration records for the Bonds shall be maintained by the Bond Registrar on both a current and historical basis. The Bond Registrar may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 30 days written notice to the Authority and the Trustee. The Bond Registrar may be removed at any time by an instrument filed

with such Bond Registrar and the Trustee and signed by the Authority. Any successor Bond Registrar shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital, surplus and undivided profits aggregating at least \$10,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. In the event of the resignation or removal of the Bond Registrar, such Bond Registrar shall deliver all records, Bonds and other documents held by it as Bond Registrar to its successor, or if there be no successor to the Trustee. In the event that for any reason there shall be a vacancy in the office of the Bond Registrar, the Trustee shall act as such Bond Registrar.

(End of Article VIII)

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Effective Upon Filing With the Trustee. For any one or more of the following purposes, and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the Authority in the Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(b) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Indenture of the Revenues or of any other moneys, securities or funds;

(d) To modify any provisions of the Indenture in any respect whatever, provided that the modification, in the sole judgment of the Authority, is reasonably necessary to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; or

(e) To provide for the issuance of Bonds pursuant to the Indenture and to provide for the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

Section 9.2 Supplemental Indentures Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority and the Trustee, which upon the filing with the Trustee of a copy thereof and the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, cure or correct any defect or inconsistent provision in the Indenture, or to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable, provided such action shall not adversely affect the interest of the Owners hereunder and are not contrary to or inconsistent with the Indenture theretofore in effect;

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) To add to the covenants and agreements of the Authority in the Indenture other covenants and agreements thereafter to be observed by the Authority;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Indenture, provided that the loss of such right, power or privilege shall not adversely impair the Revenues available to pay the Outstanding Bonds;

(e) To include as pledged revenues or money under, and subject to the provisions of, the Indenture any additional revenues or money legally available therefor;

(f) To modify any of the provisions of the Indenture in any respect whatever, provided, however, that (1) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution by the Authority of such Supplemental Indenture shall cease to be Outstanding, and (B) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution by the Authority of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(g) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939;

(h) Provided the Authority has first obtained a Confirmation, to make the terms and provisions of the Indenture, including the lien and security interest granted herein, applicable to a Derivative Product, and to modify Section 2.18 of this Master Indenture with respect to any particular Derivative Product;

(i) Provided the Authority has first obtained a Confirmation, to amend the Indenture to allow for any Bonds to be supported by a Credit Enhancement Facility or Liquidity Facility, including amendments with respect to repayment to such a provider on a parity with any Bonds or Derivative Product and providing rights to such provider under the Indenture, including with respect to defaults and remedies;

(j) To make any change as shall be necessary in order to maintain the rating(s) on any of the Bonds from any Rating Agency; or

(k) To make any other amendment or change that will not materially affect the interest of Owners of Outstanding Bonds.

Section 9.3 Supplemental Indentures Requiring Consent of Owners of Bonds. At any time or from time to time, the Authority and the Trustee may execute and deliver a Supplemental

Indenture subject to consent by the Owners of the Bonds in accordance with and subject to the provisions of Article X of this Master Indenture, upon the Trustee's receipt of an opinion of Bond Counsel that such Supplemental Indenture will not adversely affect the exclusion from gross income of interest on Tax-exempt Bonds.

Section 9.4 General Provisions.

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article IX and Article X. Nothing in this Article IX or Article X shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any certificate, act or other instrument pursuant to the provisions of Section 5.3 of this Master Indenture or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument that elsewhere in the Indenture it is provided shall be delivered to said Fiduciary.

(b) (i) Any Supplemental Indenture referred to and permitted or authorized by Sections 9.1 and 9.2 of this Master Indenture may be executed and delivered by the Authority without the consent of any of the Owners of the Bonds, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively.

(ii) Every Supplemental Indenture shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and is valid and binding upon the Authority, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies.

(c) The Trustee is hereby authorized to execute and deliver any Supplemental Indenture referred to and permitted or authorized by Sections 9.1, 9.2 or 9.3 of this Master Indenture and, subject to a requirement of consent of the required Owners of the Bonds, if any, to make all further agreements and stipulations that may be contained therein, and the Trustee, in taking such action, shall be protected fully in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written consent.

(e) A copy of each Supplemental Indenture executed and delivered by the Authority pursuant to this Article IX and Article X shall be transmitted by the Trustee to each Rating Agency.

(f) Any determination as to whether or not any amendment or supplement to this Master Indenture has an adverse affect on the interests of the Owners shall be made without regard to any Credit Enhancement Facility.

(End of Article IX)

ARTICLE X

AMENDMENTS AND MODIFICATIONS REQUIRING CONSENT OF OWNERS OF BONDS

Section 10.1 Transmission of Notices. Any provision in this Article X for the transmission of a notice or other paper to Owners of the Bonds shall be fully complied with if it is mailed postage prepaid, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry as directed in writing by the Authority, only:

- (a) To each registered Owner of Bonds then Outstanding at such Owner's address, if any, appearing upon the registration records of the Authority or at such electronic mail or other address as is furnished in writing by such Owner, and
- (b) To the Trustee.

Section 10.2 Powers of Amendment. Any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Owners of the Bonds, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 10.3 of this Master Indenture of the Owners of at least a majority in Aggregate Principal Amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owners of all such Bonds, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment without the consent of the Owners of all Bonds then Outstanding or shall change the provisions of the Indenture relating to the ability to declare the Aggregate Principal Amount of Bonds to be due and payable without the consent of the Owners of all Bonds then Outstanding or shall materially adversely affect the rights of the Owners of Class II Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class II Bonds Outstanding, or shall materially adversely affect the rights of the Owners of Class III Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class III Bonds then Outstanding, or shall materially adversely affect the rights of the Owners of Class IV Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class IV Bonds then Outstanding; or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. If any such modification or amendment will, by its terms not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 10.2. The Trustee, relying upon a Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and any such determination shall be binding and conclusive on the Authority and the Owners of the Bonds.

Section 10.3 Consent of Owners of Bonds. The Authority at any time may execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.2 of this Master Indenture, to take effect when and as provided in this Section 10.3. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Owners of the Bonds for their consent thereto in form satisfactory to the Bond Registrar, shall be transmitted by the Authority to the registered owners of the Bonds. Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (A) the written consents of Owners of the percentages of Outstanding Bonds specified in Section 10.3 of this Master Indenture and (B) a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered and filed by the Authority in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies and (ii) a notice shall have been transmitted to Owners of the Bonds as provided in this Section 10.3. Each consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.2 of this Master Indenture. A certificate or certificates by the Bond Registrar filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 12.2 of this Master Indenture shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates of the Bond Registrar. Any such consent shall be binding upon the Owners of the Bonds giving such consent and, anything in Section 12.2 of this Master Indenture to the contrary notwithstanding, upon any subsequent Owners of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owners of such Bonds thereof has notice thereof) unless such consent is revoked in writing by the Owner thereof by filing with the Bond Registrar, prior to the time when the written statement of the Bond Registrar in this Section 10.3 provided for below is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.2 of this Master Indenture. The fact that a consent has not been revoked likewise may be proved by a certificate of the Bond Registrar filed with the Trustee to the effect that no revocation thereof is on file with the Bond Registrar. At any time after the Owners of the required percentage of Bonds shall have filed their consent to the Supplemental Indenture, the Bond Registrar shall make and file with the Authority and the Trustee a written statement that the Owners of such required percentage of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed and delivered by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section 10.3, may be given to Owners of the Bonds by the Authority by transmitting such notice to Owners of the Bonds (but failure to transmit such notice shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section 10.3) not more than 90 days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Bond Registrar provided for above is filed. The Authority shall file with the Trustee proof of the transmission of such notice. A record, consisting of the papers required or

permitted by this Section 10.3 to be filed with the Trustee and the Bond Registrar, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Owners of all Bonds at the expiration of 30 days after the filing with the Trustee of the proof of the transmission of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 30 day period; provided, however, that any Fiduciary and the Authority during such 30 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 10.4 Modifications by Unanimous Consent. The terms and provisions of the Indenture or any Supplemental Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended in any respect upon the issuance and filing by the Authority of a Supplemental Indenture and the consent of the Owners of all Bonds then Outstanding, such consent to be given as provided in Section 10.3 of this Master Indenture, except that no notice of such consent to Owners of the Bonds shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Owners of the Bonds.

Section 10.5 Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article IX of this Master Indenture or this Article X provided, may, and if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority, the Trustee and the Bond Registrar as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond at the Corporate Trust Office of the Bond Registrar or upon any transfer or exchange of any Bond Outstanding on or after such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Bond Registrar as to any such action. If the Authority or the Bond Registrar shall so determine, new Bonds so modified as in the opinion of the Bond Registrar and the Authority to conform to such action shall be prepared, delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for Bonds of the same Series, Class, tenor and maturity then Outstanding, upon surrender of such Bonds.

(End of Article X)

ARTICLE XI

DISCHARGE OF INDENTURE; DEFEASANCE OF BONDS

Section 11.1 Discharge of Indenture in Entirety. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, (i) to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, (ii) to each Reciprocal Payor, all Authority Derivative Payments then due, and (iii) to each Credit Facility Provider, any and all amounts due and owing pursuant to any Credit Enhancement Facility, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the Authority to the Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to or upon the order of the Authority all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal, or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to them for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, and to each Reciprocal Payor all Reciprocal Payments then due, at the times and in the manner stipulated therein and in this Master Indenture and in the Derivative Product, such Bonds and each Reciprocal Payor shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Authority to the Owners of such Bonds and to each Reciprocal Payor shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 11.2 Defeasance of Bonds. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or the Paying Agent (through deposit by the Authority of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in Section 11.1 or Section 11.2 of this Master Indenture. Outstanding Bonds shall be deemed, prior to the maturity or redemption date thereof, to have been paid within the meaning and with the effect expressed in Section 11.1 or Section 11.2 of this Master Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit as provided in Article III of this Master Indenture notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Defeasance Securities the principal of and the interest on which when due (whether at maturity or the prior redemption thereof at the option of the holder thereof) will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding

60 days, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 11.2 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds, and (iv) except in the event of a full cash defeasance or a current refunding of less than ninety days to maturity or redemption date, the sufficiency of such moneys or Defeasance Securities shall have been confirmed to the Authority in an opinion signed by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 11.2 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds and any bonds or other obligations issued by the Authority the proceeds of which were used to acquire such Defeasance Securities, in whole or in part; provided that no such principal or interest on such Defeasance Securities shall be applied to the payment of the principal or redemption price of or interest on such bonds or other obligations unless (x) the Trustee shall have received a schedule showing, for each year from the date of deposit of such Defeasance Securities until the redemption date or maturity date of said Bonds, as the case may be, the amount of principal or interest on such Defeasance Securities and moneys, if any, deposited with the Trustee at the same time that will be available to pay the principal or Redemption Price of and interest due on said Bonds in each such year, plus the amount of any excess in each such year, and (y) the amount of such principal or interest on such Defeasance Securities to be so applied to the payment of such bonds or other obligations does not exceed in any year the amount of such excess for, or accumulated and unexpended to, such year. Notwithstanding any other provision of this Section 11.2, any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, to the extent practicable and, in accordance with an opinion of Bond Counsel filed with the Trustee, permitted by Section 103 of the Code, shall be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

Any Authority Derivative Payments are deemed to have been paid and the applicable Derivative Product terminated when payment of all Authority Derivative Payments due and payable to each Reciprocal Payor under its respective Derivative Product have been made or duly provided for to the satisfaction of each Reciprocal Payor and the respective Derivative Product has been terminated.

(End of Article XI)

ARTICLE XII

MISCELLANEOUS

Section 12.1 Failure to Present Bonds. Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds, which moneys remain unclaimed for three years (or, if less, the maximum time provided by the laws of the State prior to escheat to the State) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years (or, if less, the maximum time provided by the laws of the State prior to escheat to the State) after the date of deposit of such moneys if deposited with the Fiduciary after the date when such Bonds became due and payable, at the written request of the Authority, shall, to the extent permitted by law, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary thereupon shall be released and discharged with respect thereto and the Owners of the Bonds shall look only to the Authority for the payment of such Bonds.

Section 12.2 Evidence of Signatures of Bond Owners and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument that the Indenture may require or permit to be signed and executed by the Owners of the Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or the holding by any person of the Bonds, shall be sufficient for any purpose of the Indenture (except as otherwise expressly provided in the Indenture) if made in the following manner, or in any other manner satisfactory to the Trustee and the Bond Registrar which nevertheless in their discretion may require further or other proof in cases where they deem the same desirable:

(i) The fact and date of the execution by the Owner of any Bond or his attorney of such instruments may be proved by a guaranty of the signature thereon by a bank, trust company or national banking association or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guaranty, certificate or affidavit also shall constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registration records of the Bond Registrar.

(iii) Nothing contained in this Section 12.1 shall be construed as limiting the Trustee or Bond Registrar to such proof, it being intended that the Trustee and Bond Registrar may accept any other evidence of the matters herein stated which it may deem sufficient.

(b) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

Section 12.3 Bonds Not an Obligation of the State or Any Political Subdivision. The Bonds shall not be in any way a debt or liability or obligation of the State or of any political subdivision thereof (other than the Authority) and shall not constitute or give rise to a pecuniary liability of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

Section 12.4 Moneys Held for Particular Bonds. Subject to the provisions of Section 12.1 of this Master Indenture, the amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds, on and after such date and pending such payment, shall be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 12.5 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Owner of Bonds and their agents and their representatives, any of whom may make copies thereof.

Section 12.6 Parties Interested Herein. Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Authority, the Fiduciaries, any Credit Facility Provider and the Owners, any right, remedy or claim under or by reason of the Indenture or any Supplemental Indenture or any covenant, condition or stipulation of the Indenture; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, any Credit Facility Provider and the Owners.

Section 12.7 No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on the Indenture against any officer, employee or agent of the Authority or any person executing the Bonds.

Section 12.8 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Indenture on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and in no way shall affect the validity of the other provisions of the Indenture.

Section 12.9 Successors. Whenever in the Indenture the Authority is named or referred to, it shall be deemed to include any entity that may succeed to the principal functions and powers of the Authority under the Act, and all the covenants and agreements contained in the Indenture by or on behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

Section 12.10 Consents and Approvals. Whenever the written consent or approval of the Authority, Fiduciaries or Owners of the Bonds shall be required under the provisions of the Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 12.11 Notices, Demands and Requests. All notices, demands and requests to be given or made under the Indenture to or by the Authority, the Bond Registrar, the Paying Agent or the Trustee shall be in writing and shall be properly made if sent by United States mail, postage prepaid, or transmitted in such other manner as such parties shall agree, and addressed as follows:

- (a) Authority: Colorado Housing and Finance Authority
1981 Blake Street
Denver, Colorado 80202
Attn: Executive Director

 - (b) Trustee, Bond Registrar,
or Paying Agent: Norwest Bank Colorado, National Association
1740 Broadway, 2nd Floor
Denver, Colorado 80274-8693
Attn: Corporate Trust and Escrow Services
- or for the presentation of Bonds to and payments by the Trustee:
- Norwest Bank Minnesota, N.A.
6th & Marquette
Minneapolis, Minnesota 55479-0113

Either the Authority, the Paying Agent, the Bond Registrar or the Trustee may change the address listed for it above at any time upon written notice of such change sent by United States mail, postage prepaid (or transmitted in such other manner as such parties shall agree), to the Authority or the Trustee, as the case may be.

Section 12.12 Applicable Law. The Indenture shall be governed exclusively by the applicable laws of the State.

Section 12.13 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Master Indenture have been

prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Master Indenture.

Section 12.14 Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in Article VI, Article VII or Article X of this Master Indenture, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in said Article VI, Article VII or Article X. At the time of any consent or other action taken under said Article VI, Article VII or Article X, the Authority shall file with the Trustee and the Bond Registrar an Authority Certificate listing and describing all Bonds to be excluded.

Section 12.15 Reciprocal Payor Rights. Notwithstanding any provisions of this Master Indenture, no Reciprocal Payor which shall be in default under any Derivative Product with the Authority shall have any of the rights granted to a Reciprocal Payor or as the Owner of an Obligation hereunder.

Section 12.16 Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.17 Effective Date; Execution and Delivery. This Master Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.


Section 12.18 Agreement of the State. In accordance with the Act, the Authority hereby includes as a part of its contract with the Owners of the Bonds the following pledge and agreement of the State: The State does hereby pledge to and agree with the Owners of the Bonds that the State will not limit or alter the rights hereby vested in the Authority to fulfill the terms of any agreements made with the Owners of the Bonds or in any way impair the rights and remedies of the Owners of the Bonds until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Owners of the Bonds are fully met and discharged.

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duly executed as of the day and year first above written.

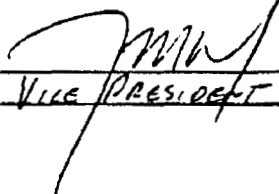
COLORADO HOUSING AND FINANCE
AUTHORITY

By: 
Executive Director

Attest:

By: 
Assistant Secretary

NORWEST BANK COLORADO, NATIONAL
ASSOCIATION, as Trustee

By: 
Title: Vice President

FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of December 1, 2001, is between the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "Authority"), and WELLS FARGO BANK WEST, NATIONAL ASSOCIATION, a national banking association, duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America (the "Trustee").

WITNESSETH:

WHEREAS, the Authority and Norwest Bank Colorado, National Association, as predecessor to the Trustee, entered into a Master Indenture of Trust dated as of March 1, 2000 (the "Master Indenture"), and desire to amend and supplement the Master Indenture.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained and contained in the Master Indenture, the Authority and the Trustee agree as follows:

Section 1. Section 4.4 of the Master Indenture is hereby amended to read as follows:

Section 4.4. Program Fund: Negative Arbitrage Account.

(a) At such time or times as may be provided in the Related Series Indenture, the Trustee shall deposit in the Related subaccount or subaccounts of the Negative Arbitrage Account such moneys, if any, as shall be specified or otherwise provided for in the Related Series Indenture. The Authority may create a separate subaccount of the Negative Arbitrage Account for any Housing Facility or Project financed or refinanced in whole or in part with the proceeds of a Series of Bonds or with moneys in the Loan Recycling Account. Moneys in each such subaccount shall be subject to the lien and pledge of the Indenture until the withdrawal and application thereof in accordance with this Section 4.4 and the Related Series Indenture. The amount to be credited to each subaccount of the Negative Arbitrage Account shall be specified by the Authority in the Related Series Indenture or in an Authority Certificate. Any moneys collected by the Authority from a Borrower to reimburse the Authority for any Authority moneys deposited to the Related subaccount of the Negative Arbitrage Account shall be and remain the property of the Authority, and shall not be subject to the lien and pledge of the Indenture.

(b) Except as otherwise provided in the Related Series Indenture, moneys in each subaccount of the Negative Arbitrage Account shall be transferred to the Revenue Fund on any Bond Payment Date and/or upon completion of the Related Housing Facility or Project and/or the date that

amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture, in an amount specified in an Authority Request.

(c) The amount in any subaccount of the Negative Arbitrage Account with respect to a defaulted Loan shall be transferred to the Related subaccount of the Redemption Fund at the time that the Authority receives or recovers any Prepayment of such Loan, upon Authority Request.

(d) If a Loan is not closed on account of any failure to meet the conditions of the Authority's written commitment to provide the Loan or for any other reason (e.g., failure to meet the conditions of the firm commitment of a governmental insurer or guarantor to insure or guarantee such Loan), provided that the Authority has issued such written commitment with respect to such Loan and is ready and willing to close, and the Authority does not finance or refinance a substitute Housing Facility or Project, the amount in the Related subaccount of the Negative Arbitrage Account shall be transferred, upon Authority Request, to the Revenue Fund.

(e) Upon the completion of a Housing Facility or Project, the date that another Housing Facility or Project is substituted for such Housing Facility or Project or the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to such Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture, any amounts in the Related subaccount of the Negative Arbitrage Account that have not been transferred to the Revenue Fund pursuant to paragraph (b) of this Section 4.4 or to the Redemption Fund pursuant to paragraph (c) of this Section 4.4 shall be paid by the Authority to the related Borrower to the extent and under the circumstances provided in any agreement with such Borrower. Each subaccount of the Negative Arbitrage Account shall be terminated upon the earliest of the completion of the Related Housing Facility or Project, the date that another Housing Facility or Project is substituted for the Related Housing Facility or Project, the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture or the date on which there is no remaining balance in such subaccount of the Negative Arbitrage Account.

Section 2. The amendments to the Master Indenture made by this First Supplemental Indenture of Trust shall become effective as of the date hereof.

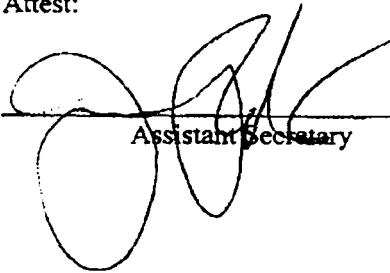
Section 3. Except as specifically amended hereby, all of the terms and conditions of the Master Indenture shall remain in full force and effect and unamended hereby. No reference to this First Supplemental Indenture of Trust need be made in any instrument or document at any time referring to the Master Indenture, a reference to the Master Indenture in any of such to be deemed to be reference to the Master Indenture as amended hereby. This First Supplemental Indenture of Trust may be executed in any number of counterparts and by separate parties hereto on separate counterparts, each of which when executed shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture of Trust to be duly executed as of the day and year first above written.

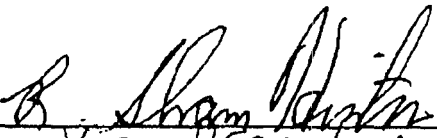
COLORADO HOUSING AND FINANCE
AUTHORITY

By 
Executive Director

Attest:


Assistant Secretary

WELLS FARGO BANK WEST, NATIONAL
ASSOCIATION, as Trustee

By 
Title: Vice President