

NEW ISSUE - Book-Entry Only

In the opinion of Bond Counsel, the interest on the Series 2013-I Bonds is not excluded from gross income for federal income tax purposes pursuant to the Tax Code. The Series 2013-I Bonds and the income therefrom are free from taxation by the State of Colorado under Colorado laws in effect as of the date of delivery of the Series 2013-I Bonds. See "Part I – TAX MATTERS."



\$31,568,225
COLORADO HOUSING AND FINANCE AUTHORITY
Federally Taxable
Federally Insured Multi-Family Housing Loan Program
Pass-Through Revenue Bonds, Series 2013-I

Dated: Date of Delivery

Due: As shown below

The Series 2013-I Bonds shown above are being issued by the Colorado Housing and Finance Authority as fully registered bonds pursuant to a Master Indenture of Trust dated as of June 1, 2013 and a 2013-I Series Indenture dated as of June 1, 2013, each between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Series 2013-I Bonds will be issued in denominations of \$1.00 or any integral multiple thereof. Interest on the Series 2013-I Bonds will be payable at the fixed interest rate shown below on the first day of each calendar month, commencing on August 1, 2013, on any redemption date and at maturity. Principal of the Series 2013-I Bonds is payable in the amount and on the date shown below, subject to prior redemption.

The Series 2013-I Bonds, when issued, will be registered in the name of Cede & Co., as holder of the Series 2013-I Bonds and nominee of The Depository Trust Company, New York, New York. One fully registered bond equal to the principal amount of the Series 2013-I Bonds will be registered in the name of Cede & Co. Individual purchases of Series 2013-I Bonds will be made in book-entry form only, and beneficial owners of the Series 2013-I Bonds will not receive physical delivery of bond certificates representing their interest in the Series 2013-I Bonds, except as described herein. Payments of principal of and interest on the Series 2013-I Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the sole registered owner. Upon receipt of payments of principal and interest, DTC is to remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2013-I Bonds. Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners of the Series 2013-I Bonds is the responsibility of the DTC participants and the indirect participants, as more fully described herein.

Proceeds of the Series 2013-I Bonds, together with other available funds, are expected to be used to refund certain outstanding bonds of the Authority, to fund deposits to certain funds and accounts and to pay certain costs of issuance in accordance with the 2013-I Series Indenture. In connection with the refunding, certain outstanding mortgage loans insured by the Federal Housing Administration as "risk-share loans" under Section 542(c) of the Housing and Community Development Act of 1992, as amended, which were previously allocated to other bonds of the Authority will be transferred and pledged to the Series 2013-I Bonds, as further described herein.

MATURITY SCHEDULE

\$31,568,225 of 3.20% Series 2013-I Bonds due February 1, 2044 – Price: 100% (CUSIP No.: 19647P BA0[†])

The Series 2013-I Bonds are subject to mandatory redemption and special optional redemption at par prior to maturity, as described herein.

The Master Indenture provides for the issuance of Obligations (which may be Bonds or Derivative Products) thereunder. The Series 2013-I Bonds are payable from the revenues, assets and moneys pledged under the Indenture as described herein on an equal and ratable basis with all other Obligations hereafter outstanding under the Master Indenture. The Series 2013-I Bonds will be the only outstanding Obligations under the Master Indenture at the time of their delivery. Although the Series 2013-I Bonds will be secured and payable from the trust estate under the Master Indenture, the 2013-I Series Indenture provides that only loan repayments and prepayments received with respect to the mortgage loans allocated to the Series 2013-I Bonds described herein may be used, and all such loan repayments and prepayments shall be used, to make principal payments on the Series 2013-I Bonds as described herein. Additional Obligations may be issued by the Authority under the Master Indenture upon delivery of a Cash Flow Statement and satisfaction of certain other conditions as set forth in the Master Indenture. **In no event shall the Series 2013-I Bonds constitute an obligation or liability of the State of Colorado or any political subdivision thereof other than the Authority. The Authority has no taxing power nor does it have the power to pledge the general credit or taxing power of the State of Colorado or any other political subdivision thereof (other than the general credit of the Authority, which general credit is not being pledged for the payment of the Series 2013-I Bonds or otherwise under the Master Indenture).**

This cover page contains only a brief description of the Authority, the Series 2013-I Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Series 2013-I Bonds. Potential investors should read this entire Official Statement to obtain information necessary to make an informed investment decision and should pay particular attention to the discussion in "Part I – CERTAIN BONDOWNERS' RISKS."

The Series 2013-I Bonds are offered when, as and if issued and delivered to the Underwriter, subject to approval by Sherman & Howard L.L.C., Denver, Colorado, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Authority by Charles L. Borgman, Esq., its General Counsel, and by Hogan Lovells US LLP, Denver, Colorado, Disclosure Counsel to the Authority. The Underwriter is being represented in connection with its purchase of the Series 2013-I Bonds by its counsel, Bookhardt & O'Toole, Denver, Colorado. CSG Advisors Incorporated is serving as financial advisor to the Authority in connection with the issuance of the Series 2013-I Bonds. It is expected that the Series 2013-I Bonds will be delivered (through DTC) in New York, New York on or about June 26, 2013.

BARCLAYS

Dated: June 19, 2013

[†] The Authority and the Underwriter do not take responsibility for the accuracy of the CUSIP number, which is being provided solely for the convenience of the owners of the Series 2013-I Bonds.

No dealer, broker, salesman or other person has been authorized by the Colorado Housing and Finance Authority or by the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder, under any circumstance, creates any implication that there has been no change in the affairs of the Authority or otherwise since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2013-I Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement has been furnished by the Authority and obtained from other sources believed to be reliable. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. All information regarding the Authority and the Series 2013-I Bonds is contained in this Official Statement. While the Authority maintains an Internet website for various purposes, none of the information on this website is intended to assist investors in making any investment decision or to provide any continuing information (except in the case of the limited information provided in the section entitled "Bond Disclosures") with respect to the Series 2013-I Bonds, the Borrowers, the 2013-I Loans, or any other bonds or obligations of the Authority.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of the information.

THE PRICES AT WHICH THE SERIES 2013-I BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE FRONT COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2013-I BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2013-I Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

**This Official Statement is comprised of the front cover page,
Parts I and II and the Appendices.**

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OFFICIAL STATEMENT

\$31,568,225

COLORADO HOUSING AND FINANCE AUTHORITY
Federally Taxable
Federally Insured Multi-Family Housing Loan Program
Pass-Through Revenue Bonds, Series 2013-I

PART I

INTRODUCTION

This Official Statement, which includes the front cover page, this Part I, Part II and the Appendices hereto, provides certain information concerning the Colorado Housing and Finance Authority (the "**Authority**") and otherwise in connection with the offer and sale of the above-captioned Bonds (being referred to herein as the "**Series 2013-I Bonds**"). The Series 2013-I Bonds are being issued pursuant to the Master Indenture of Trust dated as of June 1, 2013 (the "**Master Indenture**"), and the 2013-I Series Indenture dated as of June 1, 2013 (the "**2013-I Series Indenture**," and together with the Master Indenture, the "**Indenture**"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., Denver, Colorado, as Trustee (the "**Trustee**"). Capitalized terms used herein and not defined have the meanings specified in the Indenture. See **Appendix A** – "FORM OF THE MASTER INDENTURE."

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by the information contained in, the entire Official Statement, including the front cover page, this Part I, Part II hereof and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2013-I Bonds to potential investors is made only by means of the entire Official Statement. This Official Statement does not constitute a contract between the Authority or the Underwriter, and any one or more owners of the Series 2013-I Bonds.

Colorado Housing and Finance Authority

The Authority is a body corporate and political subdivision of the State of Colorado (the "**State**") established by the Colorado General Assembly for the purposes, among others, of increasing the supply of decent, safe and sanitary housing for low and moderate income families and promoting economic growth and development in the State. In order to achieve its authorized purposes, the Authority currently operates numerous single-family housing, rental housing and business finance programs. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Programs to Date." The Authority is governed by a Board of Directors and is authorized to issue its bonds, notes and other obligations in order to provide sufficient funds to achieve its purposes. *For financial information concerning the Authority, see the financial statements of the Authority available at www.chfainfo.com/investors.*

Authority for Issuance

The Series 2013-I Bonds are authorized to be issued pursuant to the Colorado Housing and Finance Authority Act, being Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended

(the "Act") and the Supplemental Public Securities Act, being Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes. The Series 2013-I Bonds are being issued and secured under the Indenture.

Purposes of the Series 2013-I Bonds

Proceeds of the Series 2013-I Bonds, together with other available funds, will be used to defease certain bonds of the Authority issued and outstanding under a Multi-Family Housing Insured Mortgage Revenue Bonds General Bond Resolution, adopted on March 16, 1977, as supplemented and amended (the "**Multi-Family Housing Insured General Bond Resolution**") and bonds of the Authority issued and outstanding under the Multi-Family/Project Master Indenture of Trust dated as of March 1, 2000, as amended (the "**Multi-Family/Project Master Indenture**"). Certain amounts held in the debt service reserve fund under the Multi-Family Housing Insured General Bond Resolution will be applied to satisfy the debt service reserve fund requirement for the Series 2013-I Bonds in accordance with the 2013-I Series Indenture. Amounts held under the Multi-Family Housing Insured General Bond Resolution will also be available to fund a deposit to the Series 2013-I subaccount of the Revenue Fund and to pay the costs of issuance and Underwriter's compensation relating to the Series 2013-I Bonds. See "Part I – PLAN OF FINANCE."

Upon defeasance and the final payment of all outstanding bonds under the Multi-Family Housing Insured General Bond Resolution as described in "Part I – PLAN OF FINANCE – The Refunding Plan," certain multifamily mortgage loans previously allocated under the Multi-Family Housing Insured General Bond Resolution and the Multi-Family/Project Master Indenture to bonds outstanding thereunder (as further described herein, the "**2013-I Loans**") will be transferred and pledged as Loans under the 2013-I Series Indenture. See "The 2013-I Loans" under this caption and "Part I – CERTAIN PROGRAM ASSUMPTIONS – Transfer and Pledge of Loans as 2013-I Loans."

Description of the Series 2013-I Bonds

Interest on the Series 2013-I Bonds is payable at the fixed interest rate shown on the front cover page hereof commencing on August 1, 2013 and thereafter on the first day of each calendar month, on any redemption date and at maturity and will be computed on the basis of a 360-day year of twelve 30-day months. The Series 2013-I Bonds will be issued in denominations of \$1.00 or any integral multiple thereof. Principal of the Series 2013-I Bonds is payable in the amount and on the date as shown on the front cover page hereof, subject to prior redemption. All principal of Prepayments and Loan Repayments related to the 2013-I Loans, including amounts paid pursuant to any Loan Payment Enhancement Facility but not including certain Federal Housing Administration payments as described herein, received by or on behalf of the Authority on or before the 25th day of the immediately preceding calendar month (or, in the case of the first Interest Payment Date, on and after the Closing Date) will be applied to the mandatory redemption of the Series 2013-I Bonds as described under "Part I – TERMS OF THE SERIES 2013-I BONDS – Prior Redemption – Mandatory Redemption." See also "Part II – SECURITY FOR THE OBLIGATIONS – Loan Payment Enhancement Facilities." The Series 2013-I Bonds are also subject to special optional redemption in whole as described in "Part I – TERMS OF THE SERIES 2013-I BONDS – Prior Redemption – Special Optional Redemption." The Series 2013-I Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will serve as securities depository for the Series 2013-I Bonds, as described in **Appendix D** hereto.

For a more complete description of the Series 2013-I Bonds and the Indenture pursuant to which such Series 2013-I Bonds are being issued, see "Part I – TERMS OF THE SERIES 2013-I BONDS" and Appendix A – "FORM OF THE MASTER INDENTURE."

The 2013-I Loans

The 2013-I Loans are multifamily mortgage loans, the principal and interest of which is 100% insured by the Federal Housing Administration (the "FHA") under Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "Risk-Share Program"). See **Appendix E** hereto for a brief description of the Risk-Share Program. The 2013-I Loans are currently outstanding and allocated to bonds issued under the Multi-Family Housing Insured General Bond Resolution and the Multi-Family/Project Master Indenture. Upon the refunding described in "Part I – PLAN OF FINANCE," the 2013-I Loans will be transferred and pledged under the Indenture to the Series 2013-I Bonds. Prepayments and Loan Repayments on the 2013-I Loans will be applied as further described in "Part I – TERMS OF THE SERIES 2013-I BONDS – Mandatory Redemption" and "Part I – CERTAIN PROGRAM ASSUMPTIONS – Application of Revenues in Series 2013-I Subaccount of Revenue Fund." The 2013-I Loans will consist of eleven (11) Loans insured by FHA under the Risk-Share Program, which had an aggregate principal balance of approximately \$31,568,225.26 as of June 17, 2013 (the "Cut-off Date"). For further information about and characteristics of the 2013-I Loans as of the Cut-off Date (except as noted), see "Part I – CERTAIN PROGRAM ASSUMPTIONS – Certain Characteristics of the 2013-I Loans" and **Appendix B** to this Official Statement. The Authority will agree to provide certain information about the 2013-I Loans to holders of the Series 2013-I Bonds, as described in "Part I – CERTAIN PROGRAM ASSUMPTIONS – Information Reporting to Bondholders."

Security and Sources of Payment

All Obligations under the Master Indenture (which may be Bonds or Derivative Products) will be secured by and payable from all of the Authority's rights and interests in and to the revenues, assets and moneys pledged under the Master Indenture, in particular the Revenues, the Loans, the mortgage-backed securities issued by the Government National Mortgage Association ("MBS") and the moneys held in the Debt Service Reserve Fund, the Revenue Fund and the other funds and accounts under the Master Indenture (collectively, the "Trust Estate"). Only Loans or MBS related thereto insured by the United States of America and any agency or instrumentality thereof (the "Government") or for which there is a commitment by the Government for such insurance under a program requiring payment of not less than 99% of the principal amount of such Loan in the event of a default by the Borrower may be originated and pledged under the Master Indenture. See "Part II – SECURITY FOR THE OBLIGATIONS." *However, the 2013-I Loans allocated to the Series 2013-I Bonds will be insured by the Government under the Risk-Share Program which provides for payment of 100% of the unpaid principal balance of the 2013-I Loans as of the date of default and interest on the 2013-I Loans from the date of default to the date of the initial claim payment. See Appendix E – "RISK-SHARE PROGRAM."*

The Series 2013-I Bonds as described on the front cover page hereof are being issued pursuant to the Indenture and will be secured by and payable from the Trust Estate as described herein (which includes the 2013-I Loans). The Trust Estate is pledged under the Indenture to secure the Obligations on a parity lien, as described in "Part II – SECURITY FOR THE OBLIGATIONS – Pledge of Trust Estate." As part of the Trust Estate, the Series 2013-I Bonds are secured by the Debt Service Reserve Fund established under the Master Indenture. The Debt Service Reserve Fund Requirement for the Series 2013-I Bonds will be satisfied as described in "Part I – PLAN OF FINANCE – Sources and Uses of Funds." Under the Indenture, the Debt Service Reserve Fund Requirement for the Series 2013-I Bonds may be reduced, and the Authority will be permitted in the future to release certain cash on deposit in the Debt Service Reserve Fund without consent of the holders of the Series 2013-I Bonds, including upon the delivery of a Loan Payment Enhancement Facility, subject to the requirements of the Indenture as described in "Part I – CERTAIN PROGRAM ASSUMPTIONS – Debt Service Reserve Fund Requirement" and "Part II – SECURITY FOR THE OBLIGATIONS." **In no event shall the Series 2013-I Bonds constitute an obligation or liability of the State or any political subdivision thereof.**

The Authority has no taxing power nor does it have the power to pledge the general credit or the taxing power of the State or any political subdivision thereof (other than the general credit of the Authority, which general credit is not being pledged for payment of the Series 2013-I Bonds or otherwise under the Master Indenture).

ALTHOUGH THE SERIES 2013-I BONDS WILL BE SECURED AND PAYABLE FROM THE TRUST ESTATE UNDER THE MASTER INDENTURE, THE 2013-I SERIES INDENTURE PROVIDES THAT ONLY LOAN REPAYMENTS AND PREPAYMENTS RECEIVED WITH RESPECT TO THE 2013-I LOANS MAY BE USED TO REDEEM THE SERIES 2013-I BONDS UNDER THE MANDATORY REDEMPTION PROVISIONS DESCRIBED IN "PART I – TERMS OF THE SERIES 2013-I BONDS – PRIOR REDEMPTION – MANDATORY REDEMPTION." LOAN REPAYMENTS OR PREPAYMENTS RECEIVED WITH RESPECT TO LOANS OTHER THAN THE 2013-I LOANS SHALL NOT BE USED UNDER ANY CIRCUMSTANCES TO MAKE SUCH MANDATORY REDEMPTION PAYMENTS. FURTHERMORE, SUCH LOAN REPAYMENTS AND PREPAYMENTS RECEIVED WITH RESPECT TO THE 2013-I LOANS SHALL NOT BE APPLIED TO REDEEM ANY SERIES OF BONDS OTHER THAN THE SERIES 2013-I BONDS.

Professionals Involved in the Offering

In connection with the issuance and sale of the Series 2013-I Bonds, Sherman & Howard L.L.C., as Bond Counsel to the Authority, will deliver an opinion in the form included as **Appendix C** hereto. Certain legal matters relating to the Series 2013-I Bonds will be passed upon for the Authority by its General Counsel, Charles L. Borgman, Esq., and by its Disclosure Counsel, Hogan Lovells US LLP. The Underwriter is being represented in connection with its purchase of the Series 2013-I Bonds by its counsel, Bookhardt & O'Toole. See "Part I – LEGAL MATTERS." CSG Advisors Incorporated is serving as financial advisor to the Authority in connection with the issuance of the Series 2013-I Bonds. See "Part I – FINANCIAL ADVISOR."

Continuing Disclosure Undertaking

In connection with the issuance of the Series 2013-I Bonds, the Authority will deliver a Continuing Disclosure Undertaking, in the form attached as **Appendix G** hereto, by which the Authority will agree to make available, in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934 ("**Rule 15c2-12**"), certain annual financial information and audited financial statements commencing with the fiscal year ending December 31, 2013 and notice of certain events. See "Part I – AVAILABILITY OF CONTINUING INFORMATION."

Investment Considerations

The purchase and ownership of the Series 2013-I Bonds involve investment risks. Prospective purchasers of the Series 2013-I Bonds being offered by this Official Statement are urged to read this Official Statement in its entirety. For a discussion of certain such risks relating to the Series 2013-I Bonds, see "Part I – CERTAIN BONDOWNERS' RISKS."

TERMS OF THE SERIES 2013-I BONDS

General Terms

Principal Payment; Maturity

The principal and any redemption price of the Series 2013-I Bonds is payable to DTC as long as it is the registered owner of the Series 2013-I Bonds. Principal of the Series 2013-I Bonds is payable in the amount and in the year shown on the front cover page of this Official Statement, subject to prior redemption as described in "Prior Redemption" under this caption.

Interest Rate; Payment of Interest

Interest on the Series 2013-I Bonds is payable to DTC as long as it is the registered owner of the Series 2013-I Bonds. The Series 2013-I Bonds will bear interest at the fixed interest rate per annum shown on the front cover page of this Official Statement. Interest on the Series 2013-I Bonds will be payable on the first day of each calendar month, commencing August 1, 2013 (each, an "**Interest Payment Date**"), on any redemption date and at maturity, and will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest shall accrue initially from the dated date to, but excluding, August 1, 2013, and thereafter shall accrue from the first calendar day of each month to, but excluding, the first calendar day of the immediately succeeding month, until payment of the principal of or redemption price on the Series 2013-I Bonds.

Book-Entry System

The Series 2013-I Bonds will be issued as fully registered bonds without coupons. DTC will act as securities depository for the Series 2013-I Bonds. The ownership of one fully registered Bond in the aggregate principal amount of the Series 2013-I Bonds will be registered in the name of Cede & Co., as nominee for DTC. Information concerning the book-entry system provided by DTC is set forth in **Appendix D – "BOOK-ENTRY SYSTEM."** **So long as the Series 2013-I Bonds are registered in the DTC book-entry form described in Appendix D, each Beneficial Owner of a Series 2013-I Bond should make arrangements with a Participant in DTC to receive notices or communications with respect to matters concerning the Series 2013-I Bonds.**

Defeasance and Discharge

The Indenture provides the Authority with the right to discharge the pledge and lien created by the Indenture with respect to any Series 2013-I Bonds by depositing with the Trustee or the Paying Agent sufficient moneys or Defeasance Securities to pay when due the principal or Redemption Price of, if applicable, and interest due or to become due on such Series 2013-I Bonds at the maturity or redemption thereof. See **Appendix A – "FORM OF THE MASTER INDENTURE – Defeasance."**

Authorized Denominations

Purchases of the Series 2013-I Bonds are to be made in denominations of \$1.00 or any integral multiple thereof.

Prior Redemption

Mandatory Redemption

Except as described below in the following sentence, the Series 2013-I Bonds are subject to mandatory redemption in whole or in part, on the first day of each calendar month, commencing August 1, 2013, at a redemption price equal to 100% of the principal amount of the Series 2013-I Bonds to be redeemed, without premium, in an amount equal to all principal of Prepayments and Loan Repayments related to the 2013-I Loans, including amounts paid pursuant to any Loan Payment Enhancement Facility, received by or on behalf of the Authority on or before the 25th day of the immediately preceding calendar month (or, in the case of the first Interest Payment Date, on or after the Closing Date). Such amount described in the previous sentence is to be transferred by the Trustee from the Series 2013-I subaccount of the Revenue Fund to the Series 2013-I subaccount of the Special Redemption Account pursuant to the 2013-I Series Indenture and applied to such mandatory redemption. Amounts representing principal of Loan Repayments relating to any 2013-I Loan on or before the 25th day of any calendar month from the FHA pursuant to an insurance claim with respect to such 2013-I Loan shall not be used to redeem Series 2013-I Bonds on the following Interest Payment Date to the extent that Series 2013-I Bonds have been previously redeemed from amounts received pursuant to any Loan Payment Enhancement Facility with respect to such Loan Repayments.

No notice of mandatory redemption will be given to any Bondowner or Beneficial Owner of the date or amount of the mandatory redemption of any Series 2013-I Bond.

If the Series 2013-I Bonds are to be redeemed as described under this caption, each of the Series 2013-I Bonds then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding principal amount of each such Series 2013-I Bond to the aggregate Outstanding principal amount of all Outstanding Series 2013-I Bonds, notwithstanding any provisions of the Master Indenture to the contrary. To effect this pro rata redemption while the Series 2013-I Bonds are held in the DTC book-entry system, such mandatory redemption is to be made as a "Pro-Rata Pass-Through Distribution of Principal" by DTC. This redemption procedure, if effected by DTC, will cause a pro rata redemption of Series 2013-I Bonds among DTC Participants upon a redemption, but may not ensure a pro rata redemption of Series 2013-I Bonds among all Beneficial Owners thereof. See **Appendix D** – "BOOK-ENTRY SYSTEM" for a general description of the DTC book-entry system.

Pursuant to the Master Indenture, the Authority may, by delivery of an Authority Request to the Trustee, instruct the Trustee to transfer moneys on deposit in any subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied to the redemption of Bonds of a different Series. See **Appendix A** – "FORM OF THE MASTER INDENTURE – Redemption Fund." **HOWEVER, THE 2013-I SERIES INDENTURE PROHIBITS THE USE OF LOAN REPAYMENTS OR PREPAYMENTS RECEIVED WITH RESPECT TO THE LOANS SECURING ANY SERIES OF BONDS UNDER THE MASTER INDENTURE OTHER THAN THE SERIES 2013-I BONDS FOR THE REDEMPTION OF THE SERIES 2013-I BONDS, AND NO SUCH AMOUNTS RECEIVED WITH RESPECT TO THE 2013-I LOANS SHALL BE APPLIED TO REDEEM ANY SERIES OF BONDS OTHER THAN THE SERIES 2013-I BONDS.**

Special Optional Redemption

The Series 2013-I Bonds are subject to optional redemption in whole on any Interest Payment Date on and after the date on which the Outstanding principal amount of the Series 2013-I Bonds is less than 10% of the original principal amount of the Series 2013-I Bonds, at a redemption price equal to 100% of the principal amount thereof, without premium.

When any Series 2013-I Bonds are to be optionally redeemed, the Bond Registrar is to cause notice of such redemption 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, not more than 60 days nor less than 25 days prior to the redemption date with respect to the Series 2013-I Bonds, to the registered owner of each Series 2013-I 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 and to EMMA. However, failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any Series 2013-I Bond with respect to which no such failure or defect has occurred.

If DTC or its nominee is the registered owner of any Series 2013-I Bonds to be optionally redeemed, notice of redemption will only be given to DTC or its nominee as the registered owner of such Series 2013-I Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any Series 2013-I Bond to be redeemed shall not affect the validity of the redemption of such Series 2013-I Bond. See Appendix D – "BOOK-ENTRY SYSTEM."

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PLAN OF FINANCE

Sources and Uses of Funds

The following are the estimated sources and uses of funds relating to the Series 2013-I Bonds.

| | <u>Estimated Amounts</u> |
|---|------------------------------|
| SOURCES OF FUNDS: | |
| Proceeds of Series 2013-I Bonds | \$31,568,225 |
| Other available funds ⁽¹⁾ | <u>1,562,903</u> |
| TOTAL SOURCES OF FUNDS | <u>\$33,131,128</u> |
| USES OF FUNDS: | |
| For Refunding ⁽²⁾ | \$31,565,000 |
| Deposit to Series 2013-I subaccount of Debt Service Reserve Fund ⁽³⁾ | 978,442 |
| Deposit to Series 2013-I subaccount of Revenue Fund | 10,000 |
| For Costs of Issuance and Underwriter's compensation ⁽⁴⁾ | <u>577,686</u> |
| TOTAL USES OF FUNDS..... | <u>\$33,131,128</u> |

-
- ⁽¹⁾ Such amounts are currently on deposit under the Multi-Family Housing Insured General Bond Resolution and will become available to the Authority upon the refundings described in "The Refunding Plan – Refunding of Multi-Family Housing Insured Mortgage Revenue Bonds" under this caption.
 - ⁽²⁾ See "The Refunding Plan" under this caption.
 - ⁽³⁾ This amount will satisfy the Debt Service Reserve Fund Requirement at the time of delivery of the Series 2013-I Bonds, which Debt Service Reserve Fund Requirement may be reduced, and certain of such amount may be released from the Debt Service Reserve Fund without consent of the holders of the Series 2013-I Bonds, including at any time upon delivery of a Loan Repayment Enhancement Facility so long as the conditions of the Master Indenture are met as described in "Part I – CERTAIN PROGRAM ASSUMPTIONS – Debt Service Reserve Fund Requirement."
 - ⁽⁴⁾ Funds held under the Multi-Family Housing Insured General Bond Resolution, which become available to the Authority as a result of the refundings described in "The Refunding Plan" under this caption, will be deposited to the Costs of Issuance Account in the Program Fund and used to pay costs of issuance and Underwriter's compensation relating to the Series 2013-I Bonds. For information concerning the Underwriter's compensation, see "Part I – UNDERWRITING."

The Refunding Plan

Refunding of Multi-Family/Project Bonds

Proceeds of the Series 2013-I Bonds, together with other available funds, are expected to be used on the date of delivery of the Series 2013-I Bonds to defease the following bonds issued and outstanding under the Multi-Family/Project Master Indenture by the deposit of such proceeds with Wells Fargo Bank, National Association, as escrow agent (the "**Escrow Agent**") under an Escrow Agreement dated such date of delivery (the "**Escrow Agreement**"): \$760,000 aggregate principal amount of the Authority's Adjustable 2000 Series A-2 Class I Bonds; \$3,730,000 aggregate principal amount of the 2001 Series A-1 Class I Bonds, \$2,165,000 aggregate principal amount of the 2001 Series A-2 Class II Bonds, \$5,725,000 aggregate principal amount of the 2002 Series A-3 Class II Bonds and \$3,225,000 aggregate principal amount of the 2002 Series C-6 Class II Bonds (collectively, the "**Multi-Family/Project Bonds to be Refunded**"). Upon defeasance of the Multi-Family/Project Bonds to be Refunded, the outstanding mortgage loans insured by the FHA under the Risk-Share Program previously allocated under the Multi-Family/Project Master Indenture to the Multi-Family/Project Bonds to be Refunded will be transferred

and pledged under the Indenture as 2013-I Loans. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Transfer and Pledge of Loans as 2013-I Loans" and **Appendix B** hereto.

Refunding of Multi-Family Housing Insured Mortgage Revenue Bonds

The series of bonds shown below were issued and remained outstanding under the Multi-Family Housing Insured General Bond Resolution as of April 1, 2013.

**Multi-Family Housing Insured Mortgage Revenue Bonds
Issued and Outstanding as of April 1, 2013**

| <u>Series</u> | <u>Issued</u> | <u>Outstanding</u> | Refunded with <u>Proceeds of Series 2013-I Bonds</u> | <u>Paid With Available Funds</u> |
|-------------------------------|----------------------|-----------------------------|---|--------------------------------------|
| 1997 Series B | \$ 29,860,000 | \$ 1,495,000 ⁽¹⁾ | \$ -- | \$ -- |
| 1997 Series C | 56,130,000 | 8,705,000 | 760,000 | 7,945,000 |
| 1998 Series A | 20,730,000 | 4,795,000 | 4,565,000 | 230,000 |
| 1998 Series B | 7,300,000 | 635,000 | 600,000 | 35,000 |
| 1999 Series A | 34,925,000 | 11,330,000 ⁽¹⁾ | 5,070,000 | 2,205,000 |
| 1999 Series B | 5,580,000 | 4,310,000 | 3,810,000 | 500,000 |
| 1999 Series C | 18,140,000 | 5,310,000 | 4,015,000 | 1,295,000 |
| 2002 Series AA ⁽²⁾ | <u>75,720,000</u> | <u>23,155,000</u> | <u>--</u> | <u>15,275,000⁽²⁾</u> |
| Total | <u>\$248,385,000</u> | <u>\$59,735,000</u> | <u>\$18,820,000</u> | <u>\$27,485,000</u> |

⁽¹⁾ All or a portion is projected to be redeemed on June 1, 2013.

⁽²⁾ The 2002 Series AA Bonds are expected to be refunded with proceeds of bonds to be issued under the Multi-Family/Project Master Indenture in the aggregate principal amount of \$7,880,000 concurrently with issuance of the Series 2013-I Bonds under the Master Indenture, together with other available moneys.

Proceeds of the Series 2013-I Bonds, together with other available funds, will be deposited with the Escrow Agent under the Escrow Agreement and used to defease the Multi-Family Housing Insured Mortgage Revenue Bonds as indicated on the table above (the bonds to be so refunded are referred to in this Official Statement as the "**Multi-Family Housing Insured Bonds to be Refunded**," and, collectively with the Multi-Family/Project Bonds to be Refunded, as the "**Refunded Bonds**"). Upon defeasance of the Multi-Family Housing Insured Bonds to be Refunded, outstanding mortgage loans insured by the FHA under the Risk-Share Program previously allocated under the Multi-Family Housing Insured General Bond Resolution will be transferred and pledged under the Indenture as 2013-I Loans. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Transfer and Pledge of Loans as 2013-I Loans" and **Appendix B** hereto.

CERTAIN PROGRAM ASSUMPTIONS

Transfer and Pledge of Loans as 2013-I Loans

Proceeds of the Series 2013-I Bonds, together with other available funds, will be used to defease the Refunded Bonds. In connection with the defeasance of the Multi-Family/Project Bonds to be Refunded, certain multifamily loans insured under the Risk-Share Program previously made or refinanced by the Authority with proceeds of such Multi-Family/Project Bonds to be Refunded will be transferred and pledged under the Master Indenture as 2013-I Loans. In connection with the defeasance of the Multi-Family Housing Insured Bonds to be Refunded and the payment of the 2002 Series AA Bonds described in footnote (2) under the caption "Part I – PLAN OF FINANCE – Refunding of Multi-Family Housing Insured Mortgage Revenue Bonds" with proceeds of bonds expected to be issued under the Multi-Family/Project Master Indenture, the Multi-Family Housing Insured General Bond Resolution will be discharged and certain multifamily loans insured under the Risk-Share Program which are held thereunder will be transferred and pledged under the Master Indenture as 2013-I Loans. See "Part I – PLAN OF FINANCE – The Refunding Plan."

Application of Revenues in Series 2013-I Subaccount of Revenue Fund

The Trustee shall promptly deposit in the Series 2013-I subaccount of the Revenue Fund all Prepayments and Loan Repayments allocable to the 2013-I Loans received on and after the Closing Date. On the Business Day prior to each Interest Payment Date, the Trustee shall transfer, pursuant to the Master Indenture, (i) amounts received as interest on the 2013-I Loans in the Series 2013-I subaccount of the Revenue Fund to the Series 2013-I subaccount of the Debt Service Fund to be applied to the payment of interest on the Series 2013-I Bonds on such Interest Payment Date, and (ii) amounts received as principal of such Prepayments and Loan Repayments in the Series 2013-I subaccount of the Revenue Fund to the Series 2013-I subaccount of the Special Redemption Fund to be applied to the payment of principal of the Series 2013-I Bonds upon the mandatory redemption thereof as described in "Part I – TERMS OF THE SERIES 2013-I BONDS – Prior Redemption – Mandatory Redemption."

After such transfers described in the preceding paragraph, on the Business Day prior to each Interest Payment Date, the Trustee shall transfer remaining amounts received as interest on such 2013-I Loans in the Series 2013-I subaccount of the Revenue Fund in the order as follows: (a) to make payments required by the Master Indenture to replenish amounts in the Debt Service Reserve Fund necessary to satisfy the Debt Service Reserve Fund Requirement for the Series 2013-I Bonds and then for any other Bonds; (b) to pay Fiduciary Expenses; (c) to pay Administrative Expenses, other than the Special Authority Fee; and (d) to the Authority as the Special Authority Fee, subject to reduction at the option of the Authority. See **Appendix A** – "FORM OF THE MASTER INDENTURE."

Characteristics of 2013-I Loans

Composition

The 2013-I Loans will consist of eleven (11) Loans, which had an aggregate principal balance of approximately \$31,568,225.26 as of the Cut-Off Date. Upon the issuance and delivery of the Series 2013-I Bonds, the Authority will have entered into loan modification agreements that will effect a reduction in the interest rates of two 2013-I Loans in order to achieve a minimum of 1.15x debt service coverage ratio on such modified loans as of the date of delivery of the Series 2013-I Bonds. See **Appendix B** hereto for further information regarding characteristics of the 2013-I Loans as of the Cut-off Date (except as noted).

Mortgage Rates; Calculation of Interest

The 2013-I Loans bear interest at mortgage rates that will remain fixed for their remaining terms (unless modified to a lower fixed rate but any such modification shall be in accordance with the requirements described in "Modifications and Disposition of 2013-I Loans" under this caption). All of the 2013-I Loans bear interest on the basis of a 360-day year consisting of twelve 30-day months.

Due Dates

Monthly payments on the 2013-I Loans are due on the first day of each calendar month.

Amortization; Level Payments

The 2013-I Loans are generally fully amortized in level monthly payments over their remaining terms to stated maturity at which time the unpaid principal balance plus accrued interest thereon is due. All of the 2013-I Loans have begun to amortize as of the Cut-off Date. Even in the absence of a change in the amortization schedule of the 2013-I Loans, 2013-I Loans that provide for level monthly payments may still receive non-level payments as a result of the fact that, at any time:

- the Authority may permit any 2013-I Loan to be refinanced or prepaid (without regard to any lock-out period, statutory prepayment prohibition period or prepayment penalty); and
- condemnation of or the occurrence of a casualty loss on, the mortgaged property securing any 2013-I Loan or acceleration of payments due under the 2013-I Loan by reason of a default may result in a prepayment.

Loan Debt Service Coverage

The following table sets forth the current annual interest rate and debt service coverage ratio of annual revenues on the related Project to annual debt service due on the respective 2013-I Loan as of the Cut-off Date (except as noted). All of the Borrowers are current on the payment of debt service on the 2013-I Loans. Upon the issuance and delivery of the Series 2013-I Bonds, the Authority will have entered into loan modification agreements that will effect a reduction in the interest rates of the two 2013-I Loans indicated on the table below in order to achieve a minimum of 1.15x debt service coverage ratio on such modified loans as of the date of delivery of the Series 2013-I Bonds.

| Borrower | Current Annual Interest Rate | Current Debt Service Coverage Ratio |
|---|-------------------------------------|--|
| Multi-Family Housing Insured General Bond Resolution | | |
| Lakewood Homestead Ltd | 6.95% | 1.10x |
| Montview Meadows Associates Ltd | 6.50 | 1.15 |
| Grand Valley Apartments | 4.65 ⁽¹⁾ | 1.15 ⁽¹⁾ |
| Mercy Housing Colorado | 6.50 | 1.72 |
| Broomfield Senior Housing Limited Partnership | 6.45 | 1.08 |
| Multi-Family/Project Master Indenture | | |
| Centennial East Housing Partners LLC | 5.07 ⁽¹⁾ | 1.15 ⁽¹⁾ |
| Aspen Meadows Associated | 6.55 | 1.01 |
| Racquet Club Apartments Ltd | 7.25 | 1.26 |
| Hampstead Southgate Partners | 6.55 | 1.73 |
| Park Hill Residence, Inc. | 6.80 | 1.20 |
| HACM Brubaker LLC | 6.00 | 1.15 |

⁽¹⁾ Effective on the closing date of the Series 2013-I Bonds.

Lock-out periods

The following 2013-I Loans remain subject to the respective lock-out periods that prohibit voluntary prepayment for a number of years following origination:

| Borrower | End of Lock-out Period |
|--------------------------------------|-------------------------------|
| Centennial East Housing Partners LLC | 2/1/2019 |
| Aspen Meadows Associated | 2/1/2019 |
| Racquet Club Apartments Ltd | 2/1/2015 |
| Hampstead Southgate Partners | 2/1/2018 |
| HACM Brubaker LLC | 3/1/2023 |

These 2013-I Loans may currently not be prepaid under any circumstances prior to the end of these respective lock-out periods. Notwithstanding the lock-out periods for these 2013-I Loans, FHA may permit these 2013-I Loans to be refinanced or prepaid without regard to any lock-out period in the event of a default on such 2013-I Loans. **The 2013-I Loans other than the 2013-I Loans shown on the table above are no longer subject to lock-out and can be prepaid at any time with no penalty. See Appendix B hereto.**

FHA Risk-Share Insurance

All of the 2013-I Loans are insured by FHA under the Risk-Share Program which provides for payment of 100% of the unpaid principal of the 2013-I Loans as of the date of default and interest on the 2013-I Loans from the date of default to the date of the initial claim payment.

Section 8 Contract

Three of the 2013-I Loans (as shown in **Appendix B**) relate to mortgaged properties subject to the Project-based Section 8 subsidy program described in **Appendix F** hereto.

Section 42 Compliance Period

Under Section 42 of the Code, the Projects relating to the 2013-I Loans are subject to affordable rent restrictions for 15 years after (i) the "placed in service" date, or (ii) the year following the "placed in service" date at the owner's election. The Section 42 compliance expiration dates for the 2013-I Loans range from 2012 through 2018. See **Appendix B** hereto.

"Due on Sale" Provisions

The 2013-I Loans do not contain "due on sale" clauses restricting sale or transfer of the related mortgaged property.

Assumability

Each 2013-I Loan may be assumed, subject to HUD review and approval, upon the sale of the related mortgaged property.

Lien on Fee Simple Estate

The 2013-I Loans consist of first lien, multifamily, fixed rate mortgage loans that are secured by a lien on the respective Borrower's fee simple estate in a multifamily property.

Summary

The following table presents a summary of certain characteristics of the 2013-I Loans:

Summary of Certain 2013-I Loan Characteristics⁽¹⁾

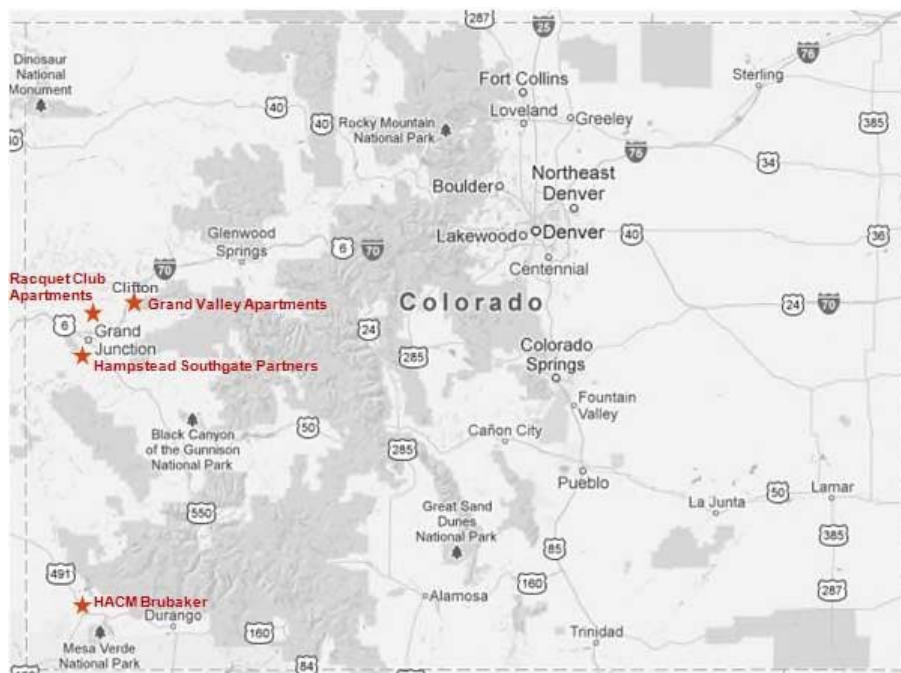
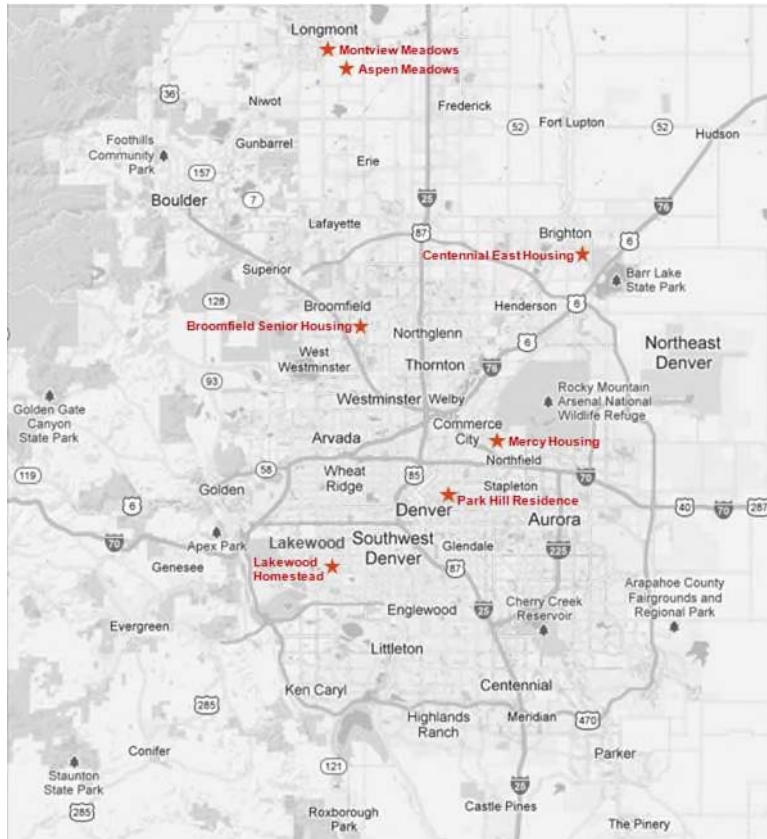
| Borrower | Original Loan Amount | Current Principal Balance | Note Date | Maturity Date | Remaining Term (Months) | Current Annual Interest Rate | Number of Units |
|---|-------------------------------------|--|------------------|--------------------------|--|---|----------------------------|
| Multi-Family Housing Insured General Bond Resolution | | | | | | | |
| Lakewood Homestead Ltd | \$ 4,217,406 | \$ 4,125,971.24 | 1/6/1998 | 03/01/2040 | 321 | 6.95% | 59 |
| Montview Meadows Associates Ltd | 1,483,000 | 1,297,640.95 | 12/1/1998 | 01/01/2039 | 307 | 6.50 | 27 |
| Grand Valley Apartments | 2,332,000 | 2,036,972.15 | 3/1/1999 | 04/01/2039 | 310 | 4.65 ⁽²⁾ | 50 |
| Mercy Housing Colorado | 1,628,000 | 1,201,000.22 | 11/20/1998 | 12/01/2028 | 186 | 6.50 | 96 |
| Broomfield Senior Housing Limited Partnership | 5,578,100 | 5,057,710.94 | 9/12/2001 | 09/01/2041 | 339 | 6.45 | 88 |
| Multi-Family/Project Master Indenture | | | | | | | |
| Centennial East Housing Partners LLC | 7,475,000 | 7,008,596.88 | 2/28/2002 | 01/01/2043 | 355 | 5.07 ⁽²⁾ | 108 |
| Aspen Meadows Associated | 2,614,000 | 2,421,188.39 | 4/24/2003 | 05/01/2043 | 359 | 6.55 | 50 |
| Racquet Club Apartments Ltd | 4,903,825 | 4,373,577.10 | 11/30/2004 | 01/01/2035 | 259 | 7.25 | 144 |
| Hampstead Southgate Partners | 2,841,000 | 2,386,796.11 | 12/26/2002 | 01/01/2033 | 235 | 6.55 | 166 |
| Park Hill Residence, Inc. | 841,166 | 585,916.97 | 10/2/1996 | 11/01/2026 | 161 | 6.80 | 36 |
| HACM Brubaker LLC | 1,075,000 | <u>1,072,854.31</u> | 3/1/2013 | 04/01/2043 | 358 | 6.00 | 48 |
| Total 2013-I Loans | | <u>\$31,568,225.26</u> | | | | | |

(1) As of the Cut-off Date of June 17, 2013 (except as noted). See **Appendix B** hereto for further information.

(2) Effective on the closing date of the Series 2013-I Bonds.

Location of 2013-I Mortgage Properties

The following maps identify the locations of the mortgaged properties funded with 2013-I Loans within the State of Colorado:



Modification and Disposition of 2013-I Loans

The Master Indenture permits the Authority to amend or modify the financial terms of any 2013-I Loan only if such amendment or modification does not have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds. Notwithstanding the provisions of the Master Indenture, the 2013-I Series Indenture provides that (a) the Authority shall not consent or agree to or permit any amendment or modification of the financial terms of any 2013-I Loan if as a result of such amendment or modification, together with any previous amendment or modification of the financial terms of a 2013-I Loan, the reduction of scheduled interest payments on all 2013-I Loans in each month is greater than the Special Authority Fee, and (b) the Authority shall not consent or agree to or permit any modification of the final maturity date of any 2013-I Loan.

The Authority shall not sell, assign, transfer, pledge or otherwise dispose of any Loan or MBS or any of the rights of the Authority with respect to any Loan (except a Loan in default), 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. See "Part II – SECURITY FOR THE OBLIGATIONS – The Loans and Mortgage-Backed Securities."

Weighted Average Life of Series 2013-I Bonds

Yield, Maturity and Prepayment Considerations

The prepayment experience of the 2013-I Loans will affect the weighted average life of and the yields realized by investors in the Series 2013-I Bonds.

- The principal portion of the Loan Repayment for any 2013-I Loan may be in the form of scheduled or unscheduled amortization.
- The terms of each 2013-I Loan provide that, following any applicable lock-out period, the 2013-I Loan may be voluntarily prepaid in whole or in part.
- In addition, in the event of a default FHA may permit a Risk-Share Program mortgage loan such as the 2013-I Loans to be refinanced or prepaid without regard to any lock-out, statutory prepayment prohibition or prepayment penalty provisions.
- The condemnation of, or occurrence of a casualty loss on, the mortgaged property securing any 2013-I Loan or the acceleration of payments due under the 2013-I Loan by reason of default may also result in a prepayment at any time.

2013-I Loan prepayment rates are likely to fluctuate over time. No representation is made as to the expected weighted average life of the Series 2013-I Bonds or the percentage of the original unpaid principal balance of the 2013-I Loans that will be paid to Bondholders at any particular time. A number of factors may influence the prepayment rate.

- While some prepayments occur randomly, the payment behavior of the 2013-I Loans may be influenced by a variety of economic, tax, geographic, demographic, legal and other factors.
- These factors may include the age, geographic distribution and payment terms of the 2013-I Loans; remaining depreciable lives of the underlying properties; characteristics of the borrowers; amount of the borrowers' equity; the availability of mortgage financing; in a fluctuating interest rate environment, the difference between the interest rates on the 2013-I

Loans and prevailing mortgage interest rates; the extent to which the 2013-I Loans are assumed or refinanced or the underlying properties are sold or conveyed; changes in local industry and population as they affect vacancy rates; population migration; and the attractiveness of other investment alternatives.

- These factors may also include the application of (or override by FHA of) lock-out periods or statutory prepayment prohibition periods. For a more detailed description of the lock-out provisions of the 2013-I Loans, see "Certain Characteristics of the 2013-I Loans" under this caption.

No representation is made by the Authority or the Underwriter or their respective counsel concerning the particular effect that any of these or other factors may have on the prepayment behavior of the 2013-I Loans. The relative contribution of these or other factors may vary over time.

Forward-Looking Average Life Calculations

Barclays Capital Inc. ("**Barclays**") has calculated a forward-looking average life for the 2013-I Loans using three methods: (1) average life to maturity, (2) average life based on the actual prepayment history of the Risk-Share Program loans pledged under the Authority's Multi-Family Housing Insured General Bond Resolution, and (3) average life based upon historic Ginnie Mae pool behaviors employing a proprietary Barclays model as described below. No representation is made by the Authority or the Underwriter or their respective counsel concerning the actual average life of the 2013-I Loans and how it compares to the forward-looking average life estimated based on these models.

1. Average Life Assuming No Prepayments: The estimated average life of the 2013-I Loans assuming no prepayments is 16.3 years.

2. Historic CPR for Risk-Share Program Loans under the Authority's Multi-Family Housing Insured General Bond Indenture: The Authority has provided to Barclays historical loan balances for the Risk-Share Program loans under the Authority's Multi-Family Housing Insured General Bond Resolution from 2002 through 2013. This information was used by Barclays to calculate an approximate average 11-year historical prepayment speed to a level of 9.66% Constant Prepayment Rate ("**CPR**"). This method results in an average life of the 2013-I Loans of 6.9 years.

3. Projection based on Historic Ginnie Mae Behaviors: Barclays used a proprietary model called the "Barclays' Ginnie Mae Multi-Family Project Loan Model" to estimate the probability of a prepayment in any period for Ginnie Mae loan pools with specific characteristics. The model extrapolates from a universe of historical prepayment data for Ginnie Mae commercial mortgage backed securities and calculates prepayment behaviors based on certain factors, such as interest rates and lock-out dates. Barclays' model selected the sample to most closely match the inputs of origination date and coupon. In order to calibrate the 2013-I Loans to the Barclays' model, Barclays modified the sample loan origination dates to reflect the supposition that the 2013-I Loans are likely to prepay upon the later of: (i) the expiration of the prepayment lock-out date (at par); (ii) the expiration of the Section 42 compliance period; or (iii) the expiration of the Section 8 HAP contract date (as applicable). The modified origination

dates for the model inputs are therefore equal to the date that is ten (10) years prior to the latest of these three dates.

Barclays then applied the resulting output CPR information from the model to each of the 2013-I Loans. Each forward period was assigned prepayment speeds based upon timing, specifically, 1% CPR prior to lock-out date, and then the Barclays' model CPR output for each 2013-I Loan for each period after each 2013-I Loan's prepayment lock-out date.

Furthermore, Barclays assumes the cash flows are terminated upon the trigger of the special optional redemption described in "Part I – TERMS OF THE SERIES 2013-I BONDS – Prior Redemption – Special Optional Redemption."

The average life of the 2013-I Loans calculated using this method equals 5.6 years.

Information Available to Bondholders

In the 2013-I Series Indenture, the Authority is agreeing to provide the following information about each of the 2013-I Loans on a monthly basis by filing a report with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA"): the current payment number, the loan status (on watch list, number of days or months late, bankruptcy), the monthly loan balance, the monthly reserve balance, the monthly principal and interest paid and remaining and the monthly occupancy status (with one month lag). The Authority shall also file with EMMA the annual financial statements for each Project financed by a 2013-I Loan upon receipt of such statements from the respective Borrower (expected within 120 days of the end of the fiscal year for such Project). The Authority has no obligation to examine or review such financial statements to verify the accuracy or completeness of such financial statements. The Authority shall also enter the Continuing Disclosure Undertaking for the benefit of Bondholders, a form of which is attached as **Appendix G** hereto. It is the Authority's current practice to maintain loan documentation on site with respect to each 2013-I Loan in accordance with applicable laws and its servicing procedures which may change from time to time.

Debt Service Reserve Fund Requirement

At the time of the issuance of the Series 2013-I Bonds, available funds as described in "Part I – PLAN OF FINANCE – Sources and Uses of Funds" will be deposited to the Debt Service Reserve Fund. Such deposit will be sufficient to satisfy the Debt Service Reserve Fund Requirement for the Series 2013-I Bonds, which as of any date of calculation shall be an amount equal to one-half of the maximum principal and interest payment due in any calendar year, based on the receipt of scheduled Loan Repayments on the 2013-I Loans. **However, some or all of such amount on deposit in the Debt Service Reserve Fund may be released in the future, including as described in the following paragraph.** See "Part II – SECURITY FOR THE OBLIGATIONS – Debt Service Reserve Fund."

At any time while the Series 2013-I Bonds are outstanding, the Authority may enter a master servicing agreement, letter of credit or other financial instrument providing for advances of, or other direct or indirect source of funds for, the timely payment of regularly scheduled Loan Repayments relating to the Series 2013-I Bonds and any related agreement, as shall be designated pursuant to a supplement to the 2013-I Series Indenture, so long as such facility, as of the date of execution thereof, shall have no adverse affect on the rating assigned to the Bonds under the Master Indenture by any Rating Agency (defined by the Master Indenture as a "**Loan Payment Enhancement Facility**"). The 2013-I Series Indenture provides that, upon delivery of a Loan Payment Enhancement Facility with respect to the Series 2013-I Bonds, the Debt Service Reserve Fund Requirement shall be such lesser amount as shall be permitted by each Rating Agency, as evidenced by a Confirmation that the reduction or elimination of the

Debt Service Reserve Fund Requirement will not, in and of itself, impair, or cause the Series 2013-I Bonds to fail to retain, the then existing rating assigned to the Series 2013-I Bonds by such Rating Agency.

CERTAIN BONDOWNERS' RISKS

Limited Security

The Bonds are special limited obligations of the Authority payable on a parity basis solely from the Trust Estate. See "Part II – SECURITY FOR THE OBLIGATIONS – Pledge of Trust Estate." There is no assurance that the Loans or MBS in or expected to be in the Trust Estate will perform in accordance with the assumptions made and that Revenues will be sufficient to pay debt service on the Bonds when due. See **Appendix A** – "FORM OF THE MASTER INDENTURE – Revenue Fund." Additional Bonds may be issued and Derivative Products entered by the Authority under the Master Indenture on a parity with the Outstanding Obligations, upon satisfaction of certain conditions set forth in the Master Indenture.

ALTHOUGH THE SERIES 2013-I BONDS WILL BE SECURED AND PAYABLE FROM THE TRUST ESTATE UNDER THE MASTER INDENTURE, THE 2013-I SERIES INDENTURE PROVIDES THAT ONLY LOAN REPAYMENTS AND PREPAYMENTS RECEIVED WITH RESPECT TO THE 2013-I LOANS MAY BE USED TO REDEEM THE SERIES 2013-I BONDS UNDER THE MANDATORY REDEMPTION PROVISIONS DESCRIBED IN "PART I – TERMS OF THE SERIES 2013-I BONDS – PRIOR REDEMPTION – MANDATORY REDEMPTION." LOAN REPAYMENTS OR PREPAYMENTS RECEIVED WITH RESPECT TO LOANS OTHER THAN THE 2013-I LOANS SHALL NOT BE USED UNDER ANY CIRCUMSTANCES TO MAKE SUCH MANDATORY REDEMPTION PAYMENTS. FURTHERMORE, SUCH LOAN REPAYMENTS AND PREPAYMENTS RECEIVED WITH RESPECT TO THE 2013-I LOANS SHALL NOT BE APPLIED TO REDEEM ANY SERIES OF BONDS OTHER THAN THE SERIES 2013-I BONDS.

Rate of Principal Payments on the 2013-I Loans

The rate at which principal payments will be used to pay or redeem the Series 2013-I Bonds will depend largely on the rate of principal payments, including Prepayments on the 2013-I Loans. Any historical data regarding prepayment rates of the 2013-I Loans may not be indicative of the rate of future Prepayments on the 2013-I Loans, and no assurances can be given about the rates at which the 2013-I Loans will repay. The rate of principal payments on the 2013-I Loans is expected to vary. Generally, following any lock-out period, Borrowers may prepay the outstanding 2013-I Loans at any time, and the source of financings for such prepayment could be from a third party lender or from the Authority. Additionally, Borrowers may prepay the 2013-I Loans during a lock-out period with the approval of FHA in the event of a default. In addition to voluntary prepayments, the 2013-I Loans can be prepaid as a result of governmental mortgage insurance claim payments, loss mitigation arrangements or liquidations of defaulted 2013-I Loans. No assurances can be given as to the timing or frequency of any governmental mortgage insurance claim payments, loss mitigation arrangements or foreclosure proceedings with respect to defaulted 2013-I Loans and the resulting effect on the timing or rate of principal payments on the Series 2013-I Bonds.

Rate of Principal Payments Can Reduce the Yield

The rate of principal payments on the 2013-I Loans could reduce the yield realized on the Series 2013-I Bonds. The yield on a Series 2013-I Bond probably will be lower than expected if (a) a Series 2013-I Bond is purchased at a premium and principal payments or Prepayments are paid faster than

expected, or (b) a Series 2013-I Bond is purchased at a discount and principal payments are paid slower than expected.

An Investment in the Series 2013-I Bonds is Subject to Significant Reinvestment and Extension Risk

The rate of principal payments on the Series 2013-I Bonds is uncertain. It may not be possible to reinvest the payments on the Series 2013-I Bonds at the same rate of return provided by the Series 2013-I Bonds. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and a Bondholder may not be able to take advantage of higher yielding investment opportunities. The final payment on the Series 2013-I Bonds may occur much earlier than the maturity date.

Defaults will Increase the Rate of Prepayments

If a Borrower defaults on a 2013-I Loan and the 2013-I Loan is subsequently foreclosed upon or assigned to FHA for FHA insurance benefits, or is otherwise liquidated, the effect would be comparable to a Prepayment of the 2013-I Loan.

FHA has Authority to Override Lock-out and Prepayment Limitations

FHA insurance and certain 2013-I Loan provisions may affect lock-outs. FHA may override any lock-out or statutory prepayment prohibition with respect to the FHA-insured mortgage loans in the event of a default of the 2013-I Loan.

The Series 2013-I Bonds May not be Suitable Investment

The Series 2013-I Bonds are not suitable investments for all investors. In addition, there is no assurance that a secondary market will develop for the purchase and sale of the Series 2013-I Bonds, that any secondary market will continue, or that the price at which the Series 2013-I Bonds can be sold will allow for a desired yield on that investment. The market value of the Series 2013-I Bonds is likely to fluctuate, with such fluctuations being significant, which could result in significant losses to the holder. The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severe adverse effect on the price of the Series 2013-I Bonds because they are sensitive to prepayment and interest rate risk.

Conditions to Payment of FHA Insurance

The failure to maintain adequate casualty insurance on any Housing Facility insured under an FHA program may result in the loss of FHA mortgage insurance benefits in the event of damage to or destruction of such Project. FHA mortgage insurance benefits may also be impaired as a result of the failure to pay required mortgage insurance premiums to the FHA and failure of the mortgagee to provide the FHA on a timely basis with required notice. As described in **Appendix E – "RISK-SHARE PROGRAM,"** the mortgagee is responsible for servicing the Loans and the maintenance of the FHA mortgage insurance in connection with the Loans. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Programs to Date."

Affordable Multifamily Housing Loans

The 2013-I Loans are secured by properties that are generally encumbered by restrictive covenants, regulatory agreements or ground leases that impose restrictions relating to tenant income,

occupancy and/or rent restrictions. A breach of these restrictions may constitute an event of default under the mortgage or may result in the termination of any payments being received from the governmental entity that imposed the restrictions. Some affordable multifamily housing properties may benefit from long-term federal rental assistance or other federal, state or local subsidies that may be terminated or abated if the requirements of the subsidies are not met. If a subsidy is reduced or eliminated and cannot be replaced by obtaining a new subsidy, increasing rents to current tenants or the leasing of properties to market tenants, the related 2013-I Loan may default. See **Appendix F** hereto.

TAX MATTERS

IN THE OPINION OF BOND COUNSEL, THE INTEREST ON THE SERIES 2013-I BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES PURSUANT TO THE TAX CODE. THE SERIES 2013-I BONDS AND THE INCOME THEREFROM ARE FREE FROM TAXATION BY THE STATE OF COLORADO UNDER COLORADO LAWS IN EFFECT AS OF THE DATE OF DELIVERY OF THE SERIES 2013-I BONDS.

Bond Counsel will express no other opinion as to any tax consequences regarding the Series 2013-I Bonds. Owners of the Series 2013-I Bonds should consult with their own tax advisors as to the tax consequences pertaining to the Series 2013-I Bonds, such as the consequences of a sale, transfer, redemption or other disposition of the Series 2013-I Bonds prior to stated maturity, and as to other applications of federal, state, local or foreign tax laws.

Any tax advice concerning the Series 2013-I Bonds, interest on the Series 2013-I Bonds or any other federal income tax issues associated with the Series 2013-I Bonds, express or implicit in the provisions of this Official Statement, is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This document supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

UNDERWRITING

The Series 2013-I Bonds are to be purchased from the Authority by Barclays Capital Inc. (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Series 2013-I Bonds at a price equal to \$31,568,225 (which amount is equal to 100% of the aggregate principal amount of the Series 2013-I Bonds). In consideration of its purchase of the Series 2013-I Bonds, the Underwriter is to be paid a fee (including expenses) of \$312,685.57 at closing. The initial public offering price may be changed from time to time by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default

swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

The Underwriter and its affiliates may also communicate independent investment recommendations, market feedback or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FORWARD-LOOKING STATEMENTS

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," "project," "budget," "plan" and similar expressions identify forward-looking statements.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

LITIGATION

At the time of the delivery of and payment for the Series 2013-I Bonds, the Authority will deliver an opinion of its General Counsel, Charles L. Borgman, Esq., to the effect that no litigation before any court is pending or, to his knowledge, threatened against the Authority in any way affecting the existence of the Authority or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Series 2013-I Bonds, or which would materially adversely affect the financial condition of the Authority, or in any way contesting or affecting the validity or enforceability of the Series 2013-I Bonds, the Indenture or the contract for the purchase of the Series 2013-I Bonds.

RATINGS

Standard & Poor's Ratings Services ("**S&P**") and Moody's Investors Service ("**Moody's**") have given the Series 2013-I Bonds ratings of "AA+" (stable outlook) and "Aaa" (negative outlook), respectively. Such ratings reflect only the views of S&P and Moody's, respectively, at the time such ratings are given, and are not a recommendation to buy, sell or hold the Series 2013-I Bonds. The Authority makes no representation as to the appropriateness of such ratings. An explanation of the significance of and the methodology with respect to the ratings given by S&P and Moody's, respectively, may be obtained from S&P and Moody's, respectively. Generally, a rating agency bases its rating on the information and materials furnished it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by S&P or Moody's, respectively, if, in the judgment of

the issuing rating agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that such ratings are still in effect. Any such downward revision or withdrawal of any such rating may have an adverse effect on the marketability or market price of the Series 2013-I Bonds. The Authority has no obligation to oppose, or to provide Owners of the Series 2013-I Bonds with notice of, any such revision or withdrawal of a rating, except in connection with the reporting of events as provided in the Continuing Disclosure Undertaking (see **Appendix G** hereto).

LEGAL MATTERS

In connection with the issuance and sale of the Series 2013-I Bonds, Sherman & Howard L.L.C., as Bond Counsel, will deliver the opinion included as **Appendix C** hereto. Hogan Lovells US LLP will pass upon certain legal matters relating to the Series 2013-I Bonds as Disclosure Counsel to the Authority. Certain legal matters relating to the Series 2013-I Bonds will be passed upon for the Authority by Charles L. Borgman, Esq., its General Counsel. Bookhardt & O'Toole will pass upon certain matters for the Underwriter.

Neither Sherman & Howard L.L.C., Hogan Lovells US LLP nor Bookhardt & O'Toole has participated in any independent verification of the information concerning the financial condition or capabilities of the Authority or the 2013-I Loans contained in this Official Statement.

FINANCIAL ADVISOR

The Authority has retained CSG Advisors Incorporated as its financial advisor (the "**Financial Advisor**") in connection with the issuance of the Series 2013-I Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor will act as an independent advisory firm and will not be engaged in the business of underwriting, trading or distributing the Series 2013-I Bonds.

AVAILABILITY OF CONTINUING INFORMATION

In connection with the issuance of the Series 2013-I Bonds, the Authority will deliver a Continuing Disclosure Undertaking, in the form attached as **Appendix G** hereto, by which the Authority will agree to make available, in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934 ("**Rule 15c2-12**"), certain annual financial information and audited financial statements commencing with the fiscal year ending December 31, 2013 and notice of certain events.

For the fiscal years ended as of and prior to December 31, 2009, the Authority has filed quarterly reports including all components of the annual financial information and operating data with respect to certain of its outstanding bonds under the related continuing disclosure undertakings of the Authority. However, this information has been reported as of dates other than December 31, which is technically required by the Authority's continuing disclosure undertakings. So, while such financial information and operating data of the nature required to be provided annually has been provided more frequently to the market by posting on the Authority's website and, in many cases, by filing with the national repositories, there has been a technical non-compliance by the Authority with its continuing disclosure obligations.

The Authority has filed with EMMA Annual Financial Information and operating data as of December 31 for the fiscal years ended as of December 31, 2009, 2010 and 2011 and has implemented measures to ensure that Annual Financial Information for the fiscal year ended as of December 31, 2012 and for future fiscal years will be provided as of December 31 and will be timely filed with EMMA in accordance with the requirements of the related Continuing Disclosure Undertakings.

The Authority recently discovered that certain 2012 filings to be made by the Authority on behalf of a conduit borrower for bonds issued by the Authority had not been made. Such filings have now been made with EMMA and for future years will be timely filed with EMMA as required by the related continuing disclosure agreement.

CERTAIN RELATIONSHIPS OF PARTIES

Barclays Capital Inc. is acting as the Underwriter of the Series 2013-I Bonds. Barclays Capital Inc. is also the Remarketing Agent for certain Multi-Family/Project Bonds and for certain single family mortgage bonds issued by the Authority. Barclays Bank PLC, an affiliate of Barclays Capital Inc., has entered various interest rate exchange agreements and standby bond purchase agreements in connection with bonds under the Multi-Family/Project Master Indenture and bonds under the Authority's single-family master indenture.

(End of Part I)

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PART II

COLORADO HOUSING AND FINANCE AUTHORITY

Background

In 1973, upon a finding that there existed in the State a shortage of decent, safe and sanitary housing available within the financial capabilities of low and moderate income families, the Colorado General Assembly established the Colorado Housing Finance Authority, since renamed the Colorado Housing and Finance Authority, as a body corporate and a political subdivision of the State for the purpose of increasing the supply of decent, safe and sanitary housing for such families. The Act authorizes the Authority, among other things, to make loans to individuals and sponsors to finance the construction, reconstruction, rehabilitation or purchase of housing facilities for low and moderate income families and to purchase mortgage loans from, and lend moneys to, qualified Mortgage Lenders under terms and conditions which provide for loans to finance housing facilities for low and moderate income families. The Act was amended in 1982 to authorize the Authority to finance project and working capital loans to commercial and industrial enterprises of small and moderate size. The Act was amended again in 1987 to create an economic development fund to enable the Authority to finance projects or provide capital for business purposes.

In order to achieve its authorized purposes, the Authority currently operates Qualified and Non-Qualified Single Family Mortgage Programs, a Rental Acquisition Program and various rental and business finance programs. See "Programs To Date" under this caption. The Act authorizes the Authority to issue its bonds, notes and other obligations in order to provide sufficient funds to achieve its purposes as set forth in the Act. Bonds or notes issued with respect to such programs are and will be separately secured from other bonds of the Authority, including the Bonds, except as described in "Part II – SECURITY FOR THE OBLIGATIONS."

Board of Directors and Staff Officers

The Board of Directors of the Authority consists of the Colorado State Auditor, a member of the Colorado General Assembly appointed jointly by the Speaker of the House and the Majority Leader in the Senate, an executive director of a principal department of State government appointed by the Governor of Colorado and eight public members appointed by the Governor with the consent of the Senate. Members of the Board of Directors continue to serve after the end of their respective terms until a successor has been duly appointed and confirmed. A vacancy presently exists on the Board of Directors as a result of a recent resignation. The present members of the Board of Directors of the Authority are as follows:

Present Board of Directors of the Authority

| Name ⁽¹⁾ | Affiliation | End of Term |
|---|--|--|
| Dianne Ray, Chair ⁽²⁾ | Colorado State Auditor; Denver, Colorado | Standing |
| Charles Knight, Chair, <u>pro tem</u> ⁽³⁾ | Founding Partner, Venture Law Advisors; Denver, Colorado | July 1, 2015 |
| Cecilia Sanchez de Ortiz, Secretary/Treasurer ⁽⁴⁾ | Retired; Denver, Colorado | July 1, 2015 |
| Sam Betters | Executive Director; Housing Authority of the City of Loveland; Loveland, Colorado | July 1, 2015 |
| John A. Blumberg | Co-Founder and Principal, Black Creek Capital LLC; Denver, Colorado | July 1, 2013 |
| Reeves Brown | Executive Director, Colorado Department of Local Affairs; Denver, Colorado | At the pleasure of the Governor |
| James M. Hahn | Principal, JMH Consulting, LLC; Denver, Colorado | July 1, 2017 |
| David J. Myler, Esq. | Partner, The Myler Law Firm, P.C.; Basalt, Colorado | July 1, 2017 |
| Joel S. Rosenstein, Esq. | Attorney; Denver, Colorado | July 1, 2013 |
| Michael Johnston | State Senator, Denver, Colorado | End of legislative biennium 2013-2014 |

⁽¹⁾ The following were recently appointed as members of the Board of Directors starting July 2, 2013: Steven Hutt, Executive Director, Denver Employees Retirement Plan; Jody Kole, Executive Director, Grand Junction Housing Authority; and Paul Washington, Executive Director, City and County of Denver Office of Economic Development. Their terms are scheduled to expire on July 1, 2017.

⁽²⁾ This Board member was elected as Chair of the Board effective March 28, 2013.

⁽³⁾ This Board member was elected as Chair, pro tem, of the Board effective March 28, 2013.

⁽⁴⁾ This Board member was appointed as Secretary/Treasurer of the Board effective March 28, 2013.

The principal staff officers of the Authority are as follows:

Cris A. White, **Executive Director**, was appointed as Executive Director in March 2010, after serving as Chief Operating Officer since February 2002. Mr. White joined the staff in 1988 and served in various capacities until January 1996. He rejoined the staff in September of 1996 as the Director of Asset Management, after serving in the interim as a business development executive with an international equipment and real estate mortgage lender. On February 1, 2001, Mr. White was appointed Deputy Executive Director for Asset Management and Business Support Services and served until his present appointment. He also continued to serve as Director of Asset Management until December 10, 2001. Mr. White has a Bachelor's Degree in Business Administration from Regis College.

Jaime Gomez, **Chief Operating Officer**, joined the staff in August 1999. Prior to appointment to his current position in March 2010, Mr. Gomez served as the Director of Commercial Lending following a corporate reorganization in July 2006 which merged the Authority's Business Finance and Rental Finance Divisions, forming the Commercial Lending Division. Prior to that position, Mr. Gomez served as the Director of Business Finance. Mr. Gomez is a graduate of the University of Colorado with a degree in Finance. Mr. Gomez has prior experience working in both the public and private sector, including five-and-a-half years as director of finance and business development for the Colorado Office

of Economic Development. Mr. Gomez was also designated as a certified bank examiner by the Federal Reserve Board of Governors in February of 1991.

Charles L. Borgman, **General Counsel**, joined the staff in September 2004 and assumed the position of General Counsel on December 1, 2004. Mr. Borgman is a graduate of the University of Iowa and the University of Iowa College of Law and has over 30 years' experience in private practice and as in-house counsel in the areas of real estate, mortgage finance, commercial transactions, title insurance, banking and work-outs. Immediately prior to joining the Authority, Mr. Borgman was Vice President and Regional Counsel for North American Title Company, a part of Lennar Corporation.

Patricia Hippe, **Chief Financial Officer**, joined the staff in October 2011. Prior to joining the Authority, Ms. Hippe spent 16 years at the Minnesota Housing Finance Agency, the first five years as the Finance Director and later as the Deputy Commissioner and Chief Financial Officer. Prior to her work with the Minnesota Housing Finance Agency, Ms. Hippe was the assistance vice president and corporate trust officer for Wells Fargo Bank, formerly known as Norwest Bank, from 1994 to 1995. From 1984 to 1994, Ms. Hippe was the manager of secondary market programs for Higher Education Management and Resources (HEMAR) Management Corporation. In this capacity, she oversaw the daily finance, accounting and secondary market operations of HEMAR's seven affiliate companies which specialized in providing student loan secondary market programs. Ms. Hippe received her Bachelor's Degree in Business Administration from the University of Minnesota, and earned her Master of Business Administration Degree from the University of St. Thomas in St. Paul, Minnesota and has successfully completed exams for Certified Public Accountants (inactive status) and Certified Management Accountants.

Margaret Danuser was appointed as **Director of Finance** in July, 2010. Prior to joining the Authority, Mrs. Danuser served as the debt administrator for the City and County of Denver, and as a fixed income investment manager for the Dreyfus Founders Funds. She graduated from the University of Colorado at Boulder with a Bachelor of Arts degree in International Affairs.

Mariam J. Masid, **Director of Legal Services**, was appointed in October 2010. Prior to her current position, beginning in December 2005, Ms. Masid served the Authority as an in-house Senior Attorney. Ms. Masid is a graduate of the University of Nebraska College of Law and also earned a Ph.D. from Colorado State University in Earth Sciences, Water Resource Management. She has over 30 years' experience in private practice and as in-house counsel in the areas of real estate, mortgage finance, municipal law, litigation, and general civil matters. Prior to joining the Authority, Ms. Masid was an adjunct professor at Colorado State University teaching real estate law, real estate principles and business law.

Mark A. MacNicholas, **Controller**, joined the staff in October 2008. Prior to joining the Authority, Mr. MacNicholas served as Controller for SunCorp Corporate Credit Union. During his career, Mr. MacNicholas has served in various accounting roles within the financial services industry. Mr. MacNicholas has a Bachelor's Degree in Business Administration from the University of Iowa, a Master's Degree in Accountancy from DePaul University and is a Certified Public Accountant.

Dan McMahon was named **Director of Home Finance** on February 5, 2013 after serving as Interim Director of Home Finance since November 27, 2012. Mr. McMahon joined the Authority in March 2000 and most recently served as Manager of Home Finance Loan Production. Mr. McMahon received a Bachelor of Arts Degree and a Master's Degree in Non-Profit Management from Regis University in Denver, Colorado. Mr. McMahon has more than 15 years' experience in various capacities in public and non-profit real estate lending and development.

Steve Johnson was appointed as **Director of Commercial Lending** in July 2010. Mr. Johnson began working for the Authority in 1996 as a Business Finance Loan Officer. In 1999, he was promoted to Manager of Business Lending Production. Most recently, Mr. Johnson has led the Authority's small business team's efforts to diversify and expand the products available to help small businesses access capital. Mr. Johnson is the vice chair of the Colorado Enterprise Fund, and a board member of the Council of Development Finance Agencies (CDFA). He graduated from Hillsdale College in Michigan with a Bachelor of Arts degree in marketing and finance.

D. Brian Miller was appointed as **Director of Asset Management** in October 2006. Prior to his current position, Mr. Miller served as the Manager of Multifamily Loan Compliance Department, as well as various other positions within the Asset Management Division since joining the Authority in November 1998. Mr. Miller has over fifteen years' experience in financial services and asset management. Mr. Miller is a graduate of the University of Northern Colorado with a Bachelor's Degree in Finance.

Rodney D. Hardin joined the staff as **Director of Information Technology** in January 2005. Prior to joining the Authority, Mr. Hardin served as SVP/CIO at Pulte Mortgage LLC for 11 years. He also served as SVP/MIS Manager at North American Mortgage for five years. He is past Chairman of the MBA Residential Technology Steering Committee. His education includes a Bachelor's Degree in Business Administration from Sonoma State University in Rohnert Park, California and a Master's Degree in Business Administration from Regis University in Denver, Colorado.

Deborah Herrera, **Director of Human Resources**, originally joined the Authority in October 2001 as a senior level Human Resources Generalist and rejoined the Authority in September 2006 as the Director of Human Resources. She has ten years of human resources experience, during four of which she served in a management capacity in the financial/mortgage industry. Prior to rejoining the Authority, Mrs. Herrera was a Human Resources Director for an information and analytics company serving the mortgage and finance industry. Mrs. Herrera received a Bachelor of Arts in Psychology and a Masters in Human Resources Management from the University of North Florida.

Dana P. Pearce, **Director of Audit and Compliance**, was appointed as Director of Internal Audit in August 2012 and appointed as Director of Audit and Compliance in March 2013. Prior to her current position, Ms. Pearce served as the Manager of Internal Audit at the Authority since joining in 2005. Ms. Pearce is a Certified Internal Auditor, Certified Fraud Examiner and a Certified Information Systems Auditor, with over fifteen years of financial and audit experience. Ms. Pearce has prior experience working in both the public and private sectors. Ms. Pearce holds a bachelor's degree in finance/accounting from Florida State University.

Employees and Pension Information

As of December 31, 2012, the Authority had approximately 176 full-time employees, all of whom were members of the Public Employees' Retirement Association of Colorado ("**PERA**"). State statutes required the Authority to contribute 13.70% of each participating employee's gross salary to PERA in 2012. In 2012, the Authority's PERA contribution totaled approximately \$1,769,000, compared to an Authority contribution in 2011 of \$1,869,000. See footnote (11) of the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors.

Insurance Coverage

The Authority has general liability, errors and omission and employee dishonesty insurance coverage.

Authority Financial Statements

The audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors, provide certain financial information about the Authority on a fund accounting basis, including a description of its General Fund. See "Part II – INDEPENDENT AUDITORS." These financial statements have been cross-referenced included solely for purposes of providing a general overview for potential purchasers of the financial status of the Authority given that the Authority services the 2013-I Loans. The Series 2013-I Bonds are limited obligations of the Authority secured by and payable only from the Trust Estate. *The overall financial status of the Authority does not indicate and will not necessarily affect whether amounts will be available in the Trust Estate to pay principal and interest on Series 2013-I Bonds when due.*

Authority Policy Regarding Swaps

The Master Indenture permits the Authority to enter into "Derivative Products," which include interest rate exchange or swap contracts, cash flow exchange contracts, forward swaps, interest rate floors, caps or collars and other derivative products which qualify as "Derivative Contracts" under the Indenture. See "Part II – SECURITY FOR THE OBLIGATIONS – Derivative Products." **There are no Derivative Products currently outstanding under the Master Indenture.** Under the master indenture relating to its Single-Family Program Bonds, the Multi-Family/Project Indenture and the Multi-Family Housing Insured General Bond Resolution, the Authority is also permitted to, and has entered into, certain derivative products which are described in footnote (8) of the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors.

Programs to Date

The following is a brief summary of the programs currently operated by the Authority. This summary has been included solely for purposes of providing information about the Authority's activities to assist a potential investor in evaluating the Authority and its programs. **Except as otherwise described herein, the loans referred to below are not pledged in any way as security for the Bonds. See "Part II – SECURITY FOR THE OBLIGATIONS."** See also "Obligations of the Authority" under this caption.

Commercial Loan Programs

Rental Finance Programs. The Commercial Lending Division of the Authority encompasses the business finance programs (described below) as well as the rental finance programs under which the Authority makes mortgage loans to qualified sponsors of low and moderate income multi-family housing within Colorado. As part of its rental finance activities, the Authority makes mortgage loans insured by an agency or instrumentality of the United States. The insured rental loans made by the Authority must be insured by an agency or instrumentality of the United States under an insurance program requiring payment of not less than 99% of the principal amount of such mortgage in the event of default. Insured rental loans made to date have been insured by the Federal Housing Administration ("FHA") under Sections 221(d)(3), 221(d)(4) and 223(f) of the National Housing Act of 1934, as amended, and under the Risk-Share Program. These insured rental loans have been funded by the Authority as described in "Obligations of the Authority – Commercial Loan Programs" under this caption. In the case of a claim brought on a loan under the Risk-Share Program, the Authority is responsible to reimburse FHA for 50% of any loss incurred by the FHA as a result of and after settlement of such claim. See "Obligations of the Authority – General Obligations – Loans Backed by Authority General Obligation" under this caption. Certain of the Authority's insured rental loans will be pledged as the 2013-I Loans. See **Appendix B** hereto.

The Authority also makes uninsured rental loans to §501(c)(3) nonprofit corporations and public housing authorities as well as to for-profit borrowers. Certain of these uninsured rental loans have been made as a part of the Authority's *Small Affordable Rental Transactions Program* (the "**SMART Program**") in principal amounts under \$5 million (or in such greater amounts as approved from time to time pursuant to the delegated authority policy of the Authority as approved or amended from time to time by the Board). In addition to long-term rental loans under the SMART Program, the Authority also makes uninsured rental loans that provide interim financing for acquisition and/or rehabilitation of the acquired property. These loans, referred to as bridge loans, are generally less than two years in term, are secured by a first deed of trust on the real estate, and have full recourse to the borrower during the term of the bridge loan. In the case of for-profit developers, the loans are both full recourse to the borrower and personally guaranteed by the individual principals during the term of the bridge loan. The Authority has also made an uninsured rental loan to a for-profit developer in support of certain single family rental housing facilities at Fort Carson Army Base in Colorado Springs, Colorado.

Uninsured rental loans have also been made by the Authority using funds from amounts in its General Fund designated as the *Housing Opportunity Fund* ("**HOF**") under a program referred to as the "**HOF Program**." Under the HOF Program, the Authority makes fixed interest rate loans to nonprofit and for profit developers in support of rental housing facilities targeted to low income residents. Eligible "low income" residents are defined as persons or families that earn 60% of Area Median Income or less. HOF loan interest rates are set on a sliding scale based on the income levels of the residents served by prospective rental housing facilities. All HOF loans must conform to standard Authority due diligence processes and underwriting criteria and will be secured by either first or second mortgages on real estate (maximum Loan to Value of 90% for loans to for profit developers and 95% for loans to nonprofit developers). Loan terms on HOF loans may range from 20 to 40 years. HOF loans are generally fully amortizing over their term and do not provide for prepayment restrictions or fees. Balloon payments on HOF loans are permitted under certain circumstances.

Under its *Rental Acquisition Program* (the "**RAP Program**"), the Authority acquires and rehabilitates apartment buildings located throughout Colorado for rental to persons and families of low and moderate income. The Authority contracts with private entities to manage such buildings. For certain information concerning the RAP Program and facilities acquired, rehabilitated and operated by the Authority, see footnotes (1) and (4) to the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors. During 2006, the Authority made the decision to sell a majority of the facilities it then owned under the RAP Program. The facilities were offered for sale to local housing authorities where the facilities are located, and, if those parties were not interested in the purchase, the Authority offered such facilities to for-profit and nonprofit corporations interested in the purchase. As of this date, the Authority has completed the sale of all of the facilities owned under the RAP Program. By its sale of these facilities, the Authority has offered valuable assets at a reasonable price to organizations whose mission is the development and preservation of affordable rental housing in Colorado. In all of such sales, the purchasing parties either agreed to maintain the existing number of units with affordability requirements or increase the number of units with affordability requirements. The sale of these properties does not imply that the Authority is discontinuing or closing the RAP program. The Authority intends to seek opportunities to acquire other rental properties in underserved areas within the State of Colorado at such time as such transactions support the goals of the Authority with respect to affordable rental housing in Colorado.

Business Finance Programs. The Authority originates uninsured loans as part of certain of its business loan programs, including the *CHFA Direct Loan Program*, the *Non-Profit Real Estate Loan Program*, the *U.S. Small Business Administration 504 Program* (the "**SBA 504 Program**"), the *CHFA Rural Loan Program*, the *RENEW Program* and the *Business and Industry Loan I* ("**B&I I**") Program, described below. These uninsured business loans must meet certain economic development or job

creation/retention objectives under the Act and are made to small and moderate-size Colorado businesses to provide long-term, fixed rate financing for real estate and equipment. The uninsured business loans are secured by a first lien on the assets financed, are made in amounts up to ninety percent (90%) of the lesser of cost or appraised value of the collateral, are fully-amortizing over terms of up to thirty (30) years for real estate loans and seven years for equipment, and generally require guarantees from principals of the business having a twenty percent or greater ownership interest. A guaranty is also required from the operating company if different from the Borrower.

- Under the CHFA Direct Loan Program, the Authority provides loans to for-profit businesses to acquire, construct and/or rehabilitate and equip commercial, retail or manufacturing facilities.
- Under the Non-Profit Real Estate Loan Program, the Authority provides loans to non-profit organizations to fund real estate acquisition.
- Under the SBA 504 Program, the Authority provides loans to for-profit businesses to finance owner-occupied real estate and/or equipment. The Program provides two structures, a direct loan option (where the Authority originates the first mortgage loan which generally finances 50% of the project costs) and a loan participation option (where the Authority purchases up to a 90% participation in a first mortgage loan). An SBA-approved company provides a second mortgage for up to 40% of the total project costs (or \$1.3 million, whichever is less), with the Borrower providing the remaining 10% of the costs.
- Under the CHFA Rural Loan Program, the Authority provides loans to rural small for-profit businesses to finance real estate and/or equipment.
- Under the RENEW Program, the Authority provides loans to businesses involved in the recycling and waste diversion industries, with funding received from the Colorado Department of Local Affairs.
- Under the B&I I Program, the Authority provides loans to for-profit businesses located in rural areas, which loans are supported by the partial guaranty of the Rural Business-Cooperative Services (which guarantees to date have ranged from 55% to 80% of the loan principal amount).

In connection with its *Special Projects financing program*, the Authority has financed business loans to corporations for certain manufacturing and solid waste disposal facility projects. The Authority has also made an uninsured business loan to a for-profit borrower to finance a project at the United States Air Force Academy in Colorado Springs, Colorado. The Authority also makes loans under its Rural Development Loan Program (the "**RDLP**"), financed through the Intermediary Relending Program offered by the U.S. Department of Agriculture. For the RDLP, the Authority targets Colorado businesses in select rural communities with populations of less than 25,000. Loans can be used to purchase owner-occupied commercial real estate and equipment, and the maximum loan size is \$500,000.

The business loan programs of the Authority also include the SBA 7a, FSA and RD Programs described below. Under these programs, the Authority purchases the guaranteed portion of a business loan (the "**participation interest**"), and is thereby able to provide the borrower with the safety and predictability of a fixed-rate throughout the term of the loan at an attractive interest rate. Additionally, each of these secondary market programs is a source of profit and liquidity for originating lenders.

The *SBA 7a Guaranty Purchase Program ("SBA 7a Program")* is a secondary market program whereby the Authority purchases the guaranteed portion of loans originated by local lenders and guaranteed by the SBA. Typically, the Authority markets the SBA 7a Program to local lenders and potential borrowers and purchases the participation interest (which is 100% guaranteed by the SBA). Proceeds of these participation interests may be used to fund real estate, equipment, machinery and working capital.

The *Farm Service Agency Guaranty Purchase Program ("FSA Program")* is a secondary market program whereby the Authority purchases the guaranteed portion of loans originated by local lenders and guaranteed 100% by the United States Farm Service Agency. The borrowers are involved in the ranching and agricultural industry throughout Colorado. Proceeds of these loans may be used to finance real estate, equipment, and machinery used in farming and ranching operations.

The *Rural Development Guaranty Purchase Program ("RD Program")* creates a secondary market for the purchase of the United States Rural Business Service ("**RBS**") guaranteed portion of qualified loans with funds provided by the Authority. Participating lenders originate loans according to their own credit criteria and RBS requirements. The RD Program provides fixed-rate financing on the guaranteed portion of RBS loans made to borrowers located in a rural community serviced by RBS guaranteed lenders.

Single Family Mortgage Programs

Under its Single Family Mortgage Programs, the Authority may make mortgage loans for single-family residential dwellings directly to individual borrowers or may purchase such mortgage loans from qualified originating Mortgage Lenders. The Authority presently acquires mortgage loans under its *Qualified Single Family Mortgage Program* and its *Non-Qualified Single Family Mortgage Program*. Under its Qualified Single Family Mortgage Program, the Authority may make mortgage loans to Eligible Borrowers meeting certain income limit requirements, for Eligible Property not exceeding certain Purchase Price limits, and subject to certain other restrictions imposed, in some cases, by the Tax Code. The Authority permits Eligible Borrowers under its Non-Qualified Single Family Mortgage Program to meet certain income limits which are somewhat higher than the limits permitted for the Qualified Single Family Mortgage Program. There is also no limit on prior home ownership or limit on the purchase price of a residence which may be acquired with the proceeds of a loan under the Non-Qualified Single Family Mortgage Program, although the Authority does not exceed the Fannie Mae conforming loan limits. Proceeds of a mortgage loan under the Non-Qualified Single Family Mortgage Program may also be used under the Authority's refinancing program to refinance existing Mortgage Loans. In many other respects, the requirements for the Non-Qualified Single Family Mortgage Program are the same as the requirements for the Authority's Qualified Single Family Mortgage Program. The Authority is in the process of revising all of its procedures in order to accommodate a broader range of programs involving the purchase and sale of single family mortgage loans. For certain information regarding the outstanding mortgage loans acquired under the Single Family Mortgage Programs, see footnote (3) to the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors.

Obligations of the Authority

The following is a summary of certain obligations incurred by the Authority to provide funds for and otherwise operate the Authority and the programs described in "Programs to Date" under this caption. This summary has been included solely for purposes of providing information to assist a potential investor in evaluating the Authority's financial status. See also footnote (6) to the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors.

Commercial Loan Programs

The Authority has financed rental loans with proceeds of its Multifamily Housing Insured Mortgage Revenue Bonds under the Multi-Family Housing Insured General Bond Resolution (outstanding as of April 1, 2013 in an aggregate principal amount of \$59,295,000), which include the Multi-Family Housing Insured Bonds to be Refunded. Since 2000, the Authority has financed rental and business loans and certain guaranteed participation interests with proceeds of its Multi-Family/Project Bonds, which were outstanding as of April 1, 2013 in an aggregate principal amount of \$723,095,000 (including the Multi-Family/Project Bonds to be Refunded). Certain of the Multi-Family/Project Bonds are secured by the full faith and credit of the Authority, as described in "General Obligations – Multi-Family/Project Bonds" under this caption. The bonds expected to be issued concurrently with the Series 2013-I Bonds to refund the 2002 Series AA Bonds outstanding under the Multifamily Housing Insured General Bond Resolution will be issued as Multi-Family/Project Bonds under the Multi-Family/Project Master Indenture. The Series 2013-I Bonds are being issued as the first Obligations under the Master Indenture to refund the Multi-Family Housing Insured Bonds to be Refunded and the Multi-Family/Project Master Bonds to be Refunded. See "Part I – PLAN OF FINANCE – The Refunding Plan."

Bonds secured by a pledge of loan revenues as well as bonds secured by loan revenues and the general obligation of the Authority have also been privately placed to institutional purchasers by the Authority in order to finance rental loans. See "General Obligations – Privately Placed Bonds" under this caption. Projects in the RAP Program have been acquired using a combination of revenue bonds, the Authority's general fund monies, proceeds of general obligation bonds and non-recourse seller carryback financing. See footnote (6) of the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors, for more information regarding these outstanding bonds and notes. The Authority has also acted as a conduit issuer of bonds supported by letters of credit or other credit facilities. These conduit bonds are payable only with amounts received from the conduit borrower, and are therefore not reported as obligations of the Authority on its financial statements. See footnote (7) of the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors.

Business loans and participation interests have also been financed by the Authority with the proceeds of the general obligation bonds described in "General Obligations – General Obligation Bonds" and privately placed bonds, secured by loan and participation revenues as well as the full faith and credit of the Authority. See "General Obligations – Privately Placed Bonds" under this caption. In connection with its Special Projects financing program, the Authority has acted as a conduit issuer its industrial development revenue bonds to finance certain manufacturing facilities and solid waste disposal facility projects for corporations. These bonds are payable only with amounts received from the conduit borrower and are therefore not reported as obligations of the Authority on its financial statements.

The revenue bonds described above and at the Authority's website are secured separately from and are not on parity with the Series 2013-I Bonds and are issued and secured under resolutions or indentures of the Authority other than the Master Indenture.

Single Family Mortgage Programs

The Authority has previously issued under a Master Indenture dated as of December 1, 2009 (the "NIBP Master Indenture") and converted its 2009AA Program Bonds, outstanding as of April 1, 2013 in the aggregate principal amount of \$56,350,000, and its Single Family Class I Bonds, Series 2011AA, outstanding as of April 1, 2013 in the aggregate principal amount of \$35,585,000. The proceeds of the 2009AA Program Bonds and the 2011AA Bonds were used to finance Mortgage Loans through the purchase of mortgage-backed securities guaranteed by Ginnie Mae. The 2009AA Program Bonds were

refunded with the proceeds of bonds issued by the Authority under the NIBP Master Indenture on April 30, 2013 in the aggregate principal amount of \$53,630,000.

In connection with its Single Family Mortgage Programs, the Authority has also previously issued numerous series of its Single-Family Program Bonds as senior and subordinate bonds, payable from the revenues of pledged mortgage loans and outstanding as of April 1, 2013 in the aggregate principal amount of \$16,030,000. In addition, the Authority has issued its Single Family Mortgage Bonds under a Master Indenture (the "**2001 Master Indenture**") outstanding as of April 1, 2013 in the aggregate principal amount of \$1,456,200,000 and payable from the revenues of first and second mortgage loans held thereunder. Subordinate bonds issued as part of the Single-Family Program Bonds and Class III Single Family Mortgage Bonds outstanding under the 2001 Master Indenture are also general obligations of the Authority, as described in "General Obligations – Single-Family Bonds – Subordinate Bonds and Class III Bonds" under this caption. See "General Obligations – Privately Placed Bonds" under this caption.

The Authority's financing activities in connection with its Single Family Mortgage Programs also include the sale of certain single family mortgage loans to Fannie Mae and the issuance and sale of Ginnie Mae Certificates in order to finance first mortgage loans as part of the Non-Qualified Single Family Mortgage Programs.

For more detailed information concerning the outstanding bonds of the Authority issued in connection with its Single Family Mortgage Programs, see footnote (6) of the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors. The Authority has also issued general obligation bonds through private placement in order to finance single family mortgage loans.

General Obligations

Many of the bonds and notes issued by the Authority to finance its programs are secured by a pledge of specific revenues, with an additional pledge of its full faith and credit, as described under this caption. Other obligations of the Authority entered in connection with its programs or its operations are not secured by specific revenues or assets other than the Authority's full faith and credit. The bonds, notes and other obligations which are general obligations of the Authority are described below.

Single Family Bonds – Subordinate Bonds and Class III Bonds. The Subordinate Bonds for the various series of the Authority's Single-Family Program Senior and Subordinate Bonds are payable from mortgage loan revenues on a subordinate lien basis and are also general obligations of the Authority. The aggregate principal amount of such Subordinate Bonds as of April 1, 2013 was \$50,000. The Authority has also issued Class III Single Family Mortgage Bonds, the proceeds of which have been used to finance mortgage loans for the Single Family Mortgage Programs. These Class III Bonds, outstanding in the aggregate principal amount of \$47,200,000 as of April 1, 2013, are payable from mortgage loan revenues under the Master Indenture and are also general obligations of the Authority.

Multi-Family/Project Bonds. The Authority has issued Class I Multi-Family/Project Bonds (outstanding as of April 1, 2013 in an aggregate principal amount of \$232,505,000) in order to finance business loans which are payable not only from a senior lien on loan revenues but also as general obligations of the Authority. The Authority has also issued Class II Multi-Family/Project Bonds (outstanding as of April 1, 2013 in the aggregate principal amount of \$21,820,000) in order to finance certain rental and business loans. These Class II and Class III Multi-Family/Project Bonds are payable from loan revenues on a subordinate lien basis to the Class I Multi-Family Project Bonds and also as general obligations of the Authority.

Privately Placed Bonds. The Authority has issued general obligation bonds through private placement in order to finance rental loans. As of April 1, 2013, such privately placed bonds were outstanding in an aggregate principal amount of \$20,613,000. The Authority has also funded participation interests and business loans using proceeds of its privately placed bonds, outstanding as of April 1, 2013 in the aggregate principal amount of \$16,240,000. In addition, the Authority has issued general obligation bonds through private placement in order to finance single family mortgage loans. As of April 1, 2013, such privately placed bonds were outstanding in an aggregate principal amount of \$18,099,001.

Loans Backed by Authority General Obligations. The Authority has acquired or originated certain uninsured rental and business loans using proceeds of, and pledged to the repayment of, its Multi-Family/Project Bonds, outstanding as of April 1, 2013 in the aggregate principal amount of \$268,381,544. The Authority has pledged its full faith and credit to the payment of a substantial portion of such loans. The Authority has also assumed, as a general obligation, 50% risk of loss in the mortgage loans acquired or originated by the Authority and insured by the FHA under the Risk-Share Program. As of April 1, 2013, the Authority had acquired or originated 78 mortgage loans insured under the Risk-Share Program in an aggregate principal amount of \$335.8 million. Such mortgage loans insured under the Risk-Share Program were outstanding as of April 1, 2013, in the aggregate principal amount of \$204,287,151 (\$26,445,516 held under the Multi-Family Housing Insured General Bond Resolution and securing the Multifamily Housing Insured Mortgage Revenue Bonds and \$177,841,635 held under the Multi-Family/Project Master Indenture and securing the Multi-Family/Project Bonds). Certain of these mortgage loans will be transferred and pledged under the Master Indenture as the 2013-I Loans as described in "Part I – PLAN OF FINANCE – The Refunding Plan."

In the case of a claim under the Risk-Share Program, the Authority is responsible, as a general obligation, to reimburse FHA for 50% of any loss incurred by the FHA as a result of and after the final settlement of such claim. See "Programs to Date – Commercial Loan Programs – Rental Finance Programs" under this caption. Since 2010, the Authority has incurred risk-sharing losses of approximately \$4.4 million following the defaults on the mortgage loans for the Maples at Crestwood, Fox Run and Overland Trail projects. Losses include the defaults on such insured mortgage loans, the foreclosure and sale of those projects and the settlement of the respective final insurance claims with FHA. Presently, the Authority holds one defaulted mortgage loan under the Risk-Share Program on the Gold Camp Apartments project with the approximate aggregate principal amount of \$1.175 million. The Authority has filed an insurance claim and received insurance proceeds from HUD with respect to this loan. It is likely that the Authority will incur a risk-sharing liability with respect to this loan, for which the Authority believes it is adequately reserved.

Interest Rate Contracts; Derivative Products. The Authority has pledged its full faith and credit to secure its obligation to make termination payments under the interest rate contracts relating to Single Family Mortgage Bonds under the 2001 Master Indenture and under the derivative products relating to the bonds under the Multi-Family Housing Insured General Bond Resolution and Multi-Family/Project Master Indenture. See "Authority Policy Regarding Derivatives" under this caption and footnote (8) to the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors.

Other Borrowings. The Authority has entered into agreements with the Federal Home Loan Bank of Topeka and a commercial bank for borrowings from time to time. Such borrowings are also general obligations of the Authority and have generally been used to date to make or purchase loans pending the permanent financing of such loans. As of April 1, 2013, borrowings in an amount equal to \$73,280,000 million were outstanding under those agreements. See footnote (5) to the audited 2012 financial statements of the Authority, available at www.chfainfo.com/investors. The Authority has also borrowed amounts evidenced by Rural Business Cooperative Service Notes (outstanding as of April 1, 2013 in the

aggregate principal amount of \$787,025), which have been used to finance project or working capital loans or participations therein for small businesses in rural areas. The Authority has pledged its full faith and credit to the payment of such notes.

General Obligation Ratings. S&P has assigned an "A" rating and Moody's has assigned an "A2" rating, both with a stable outlook, to the Authority's ability to repay its general obligation liabilities. The ratings have been assigned based on the Authority's management, financial performance and overall program performance. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by S&P or Moody's, respectively, if, in the judgment of the issuing rating agency, circumstances so warrant.

Summary of Certain Authority Obligations

The following is a table which lists certain obligations of the Authority and sets forth the respective outstanding amount for such obligations as of April 1, 2013. Further detail regarding these items is provided under the other subcaptions of "Obligations of the Authority."

Summary of Certain Authority Obligations as of April 1, 2013

| <u>Certain Authority Obligations⁽¹⁾</u> | <u>Outstanding Amount</u> |
|--|---------------------------|
| Multifamily Housing Insured Mortgage Revenue Bonds (Multi-Family Housing Insured General Bond Resolution) ⁽²⁾ | \$ 59,295,000 |
| Multi-Family/Project Bonds (Multi-Family/Project Master Indenture) ⁽³⁾ | 723,095,000 |
| Single Family Program Bonds (NIBP Indenture) ⁽⁴⁾ | 91,935,000 |
| Single Family Mortgage Bonds (2001 Master Indenture) | 1,456,200,000 |
| Single Family Program Senior/Subordinate Bonds (Separate Indentures) | 16,030,000 |
| Privately Placed Bonds: | |
| Rental Finance | 20,613,000 |
| Business Finance | 16,240,000 |
| Single Family | 18,099,001 |

⁽¹⁾ The Series 2013-I Bonds are being issued as the first series of Bonds under the Master Indenture.
⁽²⁾ These bonds include the Multi-Family Housing Insured Bonds to be Refunded. See "Part I – PLAN OF FINANCE – The Refunding Plan."
⁽³⁾ These bonds include the Multi-Family/Project Bonds to be Refunded. The Authority expects to issue a new series of these bonds concurrently with delivery of the Series 2013-I Bonds. See "Part I – PLAN OF FINANCE – The Refunding Plan."
⁽⁴⁾ The Authority issued bonds to refund the 2009AA Program Bonds under the NIBP Master Indenture on April 30, 2013 in the aggregate principal amount of \$53,630,000.

The following table identifies the specific components of the Authority Obligations listed on the preceding table which are general obligations of the Authority as well as other general obligations of the Authority as of April 1, 2013. Further detail regarding these items is provided under the other subcaptions of "Obligations of the Authority."

General Obligations of the Authority as of April 1, 2013

| <u>General Obligations</u> | <u>Outstanding Amount</u> |
|--|---------------------------|
| Multi-Family/Project Bonds: | |
| Class I | \$232,505,000 |
| Class II | 21,820,000 |
| Single-Family Program Subordinate Bonds | 50,000 |
| Single Family Mortgage Bonds, Class III | 47,200,000 |
| Privately Placed Bonds: | |
| Rental Finance | 20,613,000 |
| Business Finance | 16,240,000 |
| Single Family | 18,099,001 |
| Other Borrowings: | |
| Line of Credit | 73,280,000 |
| Rural Business Cooperative Service Notes | 787,025 |

SECURITY FOR THE OBLIGATIONS

Pledge of Trust Estate

All Obligations (which may be Bonds or Derivative Products) outstanding under the Master Indenture will be secured by and payable on parity from the property, rights, moneys, securities and other amounts pledged for the payment thereof under the Master Indenture (as further described herein, the "**Trust Estate**"). *Notes, bonds and other obligations heretofore or hereafter issued or incurred to provide funds for programs of the Authority (other than the Obligations under the Master Indenture) are and will be authorized and secured by resolutions and indentures of the Authority other than the Master Indenture, are not and will not be secured by the pledge of the Master Indenture and do not and will not rank on a parity with the Bonds. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Programs to Date."*

Under the Master Indenture, the Trust Estate pledged to secure the Obligations includes:

- (i) the proceeds of Bonds issued under the Master Indenture;
- (ii) the Revenues (as described in "Revenues" under this caption) and all moneys and securities in the Funds and Accounts from time to time held by the Trustee under the terms of the Master 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 any Excess Earnings which are to be deposited in the Excess Earnings Fund);

(iii) all right, title and interest of the Authority in the Loans, MBS and the Financing Documents (except for certain rights and interest expressly retained by the Authority therein) described in "The Loans and Mortgage-Backed Securities" under this caption;

(iv) all proceeds of mortgage insurance, guaranty benefits and other security related to Loans or MBS received by the Authority under the Indenture;

(v) all right, title and interest of the Authority in any Loan Payment Enhancement Facility and any Liquidity Facility; and

(vi) all right, title and interest of the Authority in and to any Derivative Product and any Reciprocal Payments.

In no event shall the Bonds constitute an obligation or liability of the State or any political subdivision thereof (except the Authority). The Authority has no taxing power nor does it have the power to pledge the general credit or the taxing power of the State or any political subdivision thereof (other than the general credit of the Authority, which general credit is not pledged for the payment of the Bonds or otherwise under the Master Indenture).

Revenues

Under the 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) Investment Revenues, and (c) all other payments and receipts received by the Authority with respect to Loans and MBS. "Revenues" does 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.

Pursuant to the Master Indenture, all Revenues related to each Series of Bonds, in addition to other amounts, are to be deposited into the related subaccount of the Revenue Fund. On the last business day prior to each Bond Payment Date or Derivative Payment Date (or more frequently if required by a Series Indenture), the Trustee is required to make certain transfers of amounts from each Series subaccount of the Revenue Fund, to the extent moneys are available, to various Funds, Accounts and parties in a certain priority, as provided in the Master Indenture. See **Appendix A** – "FORM OF THE MASTER INDENTURE – Allocation of Revenues from Revenue Fund." HOWEVER, PURSUANT TO THE 2013-I SERIES INDENTURE, THE REVENUES RELATED TO THE SERIES 2013-I BONDS SHALL BE TRANSFERRED AND APPLIED AS DESCRIBED IN "PART I – CERTAIN PROGRAM ASSUMPTIONS – APPLICATION OF REVENUES IN SERIES 2013-I SUBACCOUNT OF REVENUE FUND."

The Loans and Mortgage-Backed Securities

The Trust Estate pledged under the Master Indenture to secure Obligations issued thereunder includes the rights and interests of the Authority in the Loans, MBS and the Financing Documents (except

for certain rights and interests expressly retained by the Authority therein). Under the Master Indenture, "**Loan**" means a loan of money, including advances, made by the Authority to a Borrower with the proceeds of Bonds (or obligations refunded by Bonds) for the financing of all or a portion of the costs of a Housing Facility, which loan is evidenced by a Note pursuant to a Loan Agreement, and which loan is insured by the Government or for which there is a commitment by the Government for such insurance under a program requiring payment of not less than 99% of the principal amount of such loan in the event of a default by the Borrower. "**Government**" means the United States of America and any agency or instrumentality thereof. "**Housing Facility**" means a facility which is designed and financed for the primary purpose of providing dwelling accommodations in accordance with the Act. "**Financing Documents**" means, with respect to any Loan, the Loan Agreement, the Note, the Mortgage and any insurance, guaranties and other security for the repayment of the Loan as required by the Authority. "**MBS**" means a mortgage-backed security or securities issued by the Government National Mortgage Association, a government-sponsored enterprise organized and existing under the laws of the United States. *Notwithstanding the provisions of the Master Indenture, the 2013-I Series Indenture provides that all of the 2013-I Loans allocated to the Series 2013-I Bonds will be insured by the Government under the Risk-Share Program which provides for payment of 100% of the unpaid principal of the 2013-I Loans as of the date of default and interest on the 2013-I Loans from the date of default to the date of the initial claim payment.* See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Characteristics of 2013-I Loans." See also **Appendix E** – "RISK-SHARE PROGRAM."

Under the Master Indenture, the Authority may dispose of Loans and MBS, and may also amend or modify the financial terms of any Loan, subject to certain conditions. The Authority shall not sell, assign, transfer, pledge or otherwise dispose of any Loan or MBS or any of the rights of the Authority with respect to any Loan (except a Loan in default), 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. Furthermore, the Authority shall not consent or agree to or permit any amendment or modification of the financial terms of any Loan (or Loan Related to an MBS) or any security therefor in any manner that would have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds, as determined in good faith by the Authority.

Debt Service Reserve Fund

Each Series Indenture establishes a subaccount of the Debt Service Reserve Fund for the related Series of Bonds. The Debt Service Reserve Fund Requirement for each Series of Bonds is established by the Related Series Indenture. *See generally "Part I – CERTAIN PROGRAM ASSUMPTIONS – Debt Service Reserve Fund Requirement" for a description of the Debt Service Reserve Fund Requirement for the Series 2013-I Bonds and the circumstances under which the Debt Service Reserve Fund Requirement for the Series 2013-I Bonds may change and cash may be released from the Series 2013-I subaccount of the Debt Service Reserve Fund.*

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 and in the Related subaccount of the Interest Reserve Account therein 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.

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, other than the Related subaccount of the Interest Reserve Account therein, to the Related subaccount of the Revenue Fund.

Amounts in the Debt Service Reserve Fund are to be transferred to the Debt Service Fund and applied by the Trustee to the payment of principal and interest on the Bonds issued under the Master Indenture, in the event that amounts on deposit in the Debt Service Fund are insufficient to make such payments on any Bond Payment Date. When making such payments, the Trustee is to transfer amounts first from the Series subaccount of the Debt Service Reserve Fund related to the Bonds for which the payment will be made and, second, from any unrelated Series subaccounts.

For further information with respect to the Debt Service Reserve Fund, see **Appendix A – "FORM OF THE MASTER INDENTURE – Debt Service Reserve Fund."**

Loan Payment Enhancement Facilities

Pursuant to the respective Series Indenture, the Authority may enter into Loan Payment Enhancement Facilities as additional security with respect to the respective Series of Bonds. "**Loan Payment Enhancement Facility**" means a master servicing agreement, letter of credit or other financial instrument providing for advances of, or other direct or indirect source of funds for, the timely payment of regularly scheduled Loan Repayments, and any related agreement, as shall be designated pursuant to a Series Indenture or any supplement thereto, which facility, as of the date of execution thereof, shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency. The Authority may choose to enter into such a Loan Payment Enhancement Facility at the time of issuance of such Series of Bonds, or subsequent to such issuance while the Bonds are Outstanding. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Debt Service Reserve Fund Requirement" for a description of the potential impact on the Debt Service Reserve Fund Requirement for the Series 2013-I Bonds and the Debt Service Reserve Fund with any future delivery of a Loan Payment Enhancement Facility in connection with the Series 2013-I Bonds. **There will be no Loan Payment Enhancement Facility entered into in connection with the Series 2013-I Bonds at the time of issuance.**

Liquidity Facilities

Pursuant to the respective Series Indenture, the Authority may enter into Liquidity Facilities in connection with Bonds issued under the Master Indenture. The Authority may elect to replace any Liquidity Facility with an Alternate Liquidity Facility. The Authority shall promptly notify the Trustee, the Remarketing Agent with respect to the applicable Series of the Bonds and the Paying Agent of the Authority's intention to deliver an Alternate Liquidity Facility in accordance with the terms of the Series Indenture. The "**Liquidity Facility**" may be 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. **There will be no Liquidity Facility entered into in connection with the Series 2013-I Bonds.**

Derivative Products

In connection with the issuance of Bonds, the Authority may enter into a written contract or agreement between the Authority and a Reciprocal Payor (the "**Derivative Products**") with respect to

such Bonds. Under a Derivative Product, the Authority will be 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. 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 Bonds. Under a Derivative Product the Reciprocal Payments are to be made directly to the Trustee for deposit into the Revenue Fund. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Obligations of the Authority – General Obligations – Derivative Products; Interest Rate Contracts." **There will be no Derivative Product entered into in connection with the Series 2013-I Bonds.** Any payments or receipts received by the Authority under the Derivative Products will be pledged as Revenues, as described in **Appendix A – "FORM OF THE MASTER INDENTURE – Derivative Products."**

Issuance of Additional Bonds

The Master Indenture permits the Authority to issue additional Bonds thereunder from time to time, without limitation as to amount, secured on an equal lien with the outstanding Bonds of the respective class, upon delivery of a Cash Flow Statement and satisfaction of certain other conditions. The Authority may not issue additional Bonds if such issuance would result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds issued under the Master Indenture. See **Appendix A – "FORM OF THE MASTER INDENTURE – Issuance of Additional Bonds"** and **"– Issuance of Refunding Bonds."** The Authority expects to issue additional Bonds in the future under the Master Indenture.

NO IMPAIRMENT OF CONTRACT BY THE STATE

Pursuant to the provisions of Section 29-4-731 of the Act, the Authority has included in the Indenture the pledge and agreement of the State of Colorado that the State of Colorado will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with Bond Owners, or in any way impair the rights and remedies of such Owners until the Bonds, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of such Owners, are fully met and discharged.

LEGALITY FOR INVESTMENT AND SECURITY FOR DEPOSITS

The Act provides that the Bonds are eligible for investment in the State by all public officers, public bodies and political subdivisions of the State, banking associations, savings and loan associations, trust companies, investment companies and insurance companies, and all executors, administrators, trustees and other fiduciaries of funds in their control or belonging to them; provided that, at the time of purchase by a public entity, such Bonds are rated in one of the two highest rating categories by one or more nationally recognized organizations which regularly rate such obligations. The Act makes the Bonds securities which may properly and legally be deposited with and received by any municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is authorized by law.

INDEPENDENT AUDITORS

The financial statements of the Authority for the year ended December 31, 2012 (with comparative financial information for 2011), available at www.chfainfo.com/investors, have been audited by KPMG LLP, independent auditors, as stated in their report appearing therein. Such financial statements represent the most current audited financial information available for the Authority. KPMG LLP has not performed any procedures related to this Official Statement.

MISCELLANEOUS

This Official Statement speaks only as of its date, and the information contained herein is subject to change. All quotations from, and summaries and explanations of the statutes, regulations and documents contained herein do not purport to be complete and reference is made to said laws, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of such laws, regulations and documents, including the Indenture, may be obtained, during the offering period, upon request to the Authority and upon payment to the Authority of a charge for copying, mailing and handling, at 1981 Blake Street, Denver, Colorado 80202, Attention: Director of Finance.

The distribution of this Official Statement has been duly authorized by the Authority. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Authority and the purchasers or owners of any Series 2013-I Bonds.

COLORADO HOUSING AND FINANCE AUTHORITY

By: /s/ Patricia Hippe
Chief Financial Officer

APPENDIX A

Form of the Master Indenture

The form of the Master Indenture is attached hereto.

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COLORADO HOUSING AND FINANCE AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

MASTER INDENTURE OF TRUST

Dated as of June 1, 2013

securing

FEDERALLY INSURED MULTI-FAMILY HOUSING LOAN PROGRAM
REVENUE BONDS

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This MASTER INDENTURE OF TRUST, dated as of June 1, 2013, between the Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado (the “Authority”), and The Bank of New York Mellon Trust Company, N.A., 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 a corporate trust 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 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

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, 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 Loan Payment Enhancement Facility by the Authority and/or any Loan Payment Enhancement 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 Loan Payment Enhancement Facility Provider pursuant to any Loan Payment 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, Loan Payment Enhancement Facility and Liquidity Facility, does hereby pledge and assign unto the Trustee, acting on behalf of the Owners of the Bonds, any Loan Payment Enhancement 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, MBS and the Financing Documents (except for the Authority's obligations thereunder and certain rights and interests expressly retained by the Authority therein, including the Authority's right to give approvals and consents thereunder), 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, MBS 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, MBS and the Financing Documents; and

GRANTING CLAUSE FOURTH

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

GRANTING CLAUSE FIFTH

All right, title and interest of the Authority in any Loan Payment Enhancement Facility and any Liquidity Facility (except for the Authority's obligations and rights to provide consents and approvals thereunder); 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 X 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 Loan Payment Enhancement 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 Loan Payment Enhancement 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 Liquidity Facility Provider with respect to any Bonds for which a Liquidity Facility is in place, (vi) to the extent not paid pursuant to Section 4.5(c)(i)(C) hereof, the fees and expenses payable from the Trust Estate due to any Loan Payment Enhancement Facility Provider with respect to any Bonds for which a Loan Payment Enhancement Facility is in place, (vii) 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, (ix) fees and expenses associated with the delivery of a substitute Loan Payment Enhancement Facility or Liquidity Facility under a Series Indenture, (viii) fees and expenses associated with the monitoring of the Bonds, the Loans, MBS and the Housing Facilities by the Rating Agencies, (x) fees and expenses associated with (but not payments under) Derivative Products, (xi) Costs of Issuance not paid from proceeds of Bonds, and (xii) 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 Request” means a written request or direction of the Authority signed by an Authorized Officer.

“Authorized Officer” means the Chair, Chair pro tem, Executive Director, Chief Financial Officer, Chief Operating Officer and General Counsel 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 7.1 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.

“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, 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 (which may be prepared by a financial or other advisor 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.

“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 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, and with respect to the Trustee and Bond Registrar, solely for purposes of the presentation of Bonds for transfer, payment or exchange, the designated corporate trust operations or agency office of the Trustee and Bond Registrar.

“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 Loan Payment Enhancement 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, charges and expenses (including counsel fees and expenses) of the Authority, 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 (including, without limitation, the fees and expenses of Bond Counsel, the Authority’s disclosure counsel, counsel to the underwriter and counsel to the Authority), professional consultants’ fees, accountants’ fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds and any other costs, charges and fees in connection with the foregoing.

“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.

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

“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 X 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.

“Depository” means any bank, trust company, or savings and loan association (including any Fiduciary) selected by the Authority as a depository of moneys, Loans, MBS, 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 Bonds; 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 and MBS held in any subaccount of the Acquisition 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 Master 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, including fees and expenses of Fiduciaries’ counsel.

“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, 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.

“GNMA” means the Government National Mortgage Association, a government-sponsored enterprise organized and existing under the laws of the United States.

"Government" means the United States of America and any agency or instrumentality 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.

“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.

“Interest Reserve Account” means the Account so designated, which is created and established within the Debt Service Reserve Fund by Section 4.1 of this Master 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 and MBS) 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 fully and unconditionally guaranteed by, the United States of America;

(b) Obligations, debentures, notes, collateralized mortgage obligations, mortgage-backed securities, 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 or reverse repurchase agreements, collateralized by Investment Securities described in clause (a) or clause (b) of this definition, with any institution (including the Trustee or any of its affiliates), 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 or reverse 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) Deposit accounts, including certificates of deposit (including those placed by a third party pursuant to an agreement between the Authority and the Trustee), interest-bearing time deposits, trust accounts, trust funds, overnight banking deposits, interest-bearing money market accounts, banker’s acceptances or other similar banking arrangements with a bank or banks (including the Trustee or any of its affiliates) (i) rated by each Rating Agency rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, (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, or (iii) fully insured by the Federal Deposit Insurance Corporation;

(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, including, without limitation any mutual fund for which the Trustee or any of its affiliates serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or such affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or such affiliate of the Trustee;

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, made by the Authority to a Borrower with the proceeds of Bonds (or obligations refunded by Bonds) for the financing of a all or a portion of the costs of a Housing Facility, which loan is evidenced by a Note pursuant to a Loan Agreement, and which loan is insured by the Government or for which there is a commitment by the Government for such insurance under a program requiring payment of not less than 99% of the principal amount of such loan in the event of a default by the Borrower. Notwithstanding anything contained herein to the contrary, the Authority may use money deposited in the Acquisition 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.

“Loan Payment Enhancement Facility” means a master servicing agreement, letter of credit or other financial instrument providing for advances of, or other direct or indirect source of funds for, the timely payment of regularly scheduled Loan Repayments, and any related agreement, as shall be designated pursuant to a Series Indenture or any supplement thereto, which facility, as of the date of execution thereof, shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency.

“Loan Payment Enhancement Facility Provider” means a commercial bank or other Person providing a Loan Payment Enhancement Facility pursuant to any Series Indenture.

“Loan Repayments” means, with respect to any Loan or the related MBS, the amounts received by the Authority in respect of scheduled payments of the principal of and/or interest on the Note or the related MBS by or for the account of the Authority, including amounts received pursuant to a Loan Payment Enhancement Facility, but does not include Prepayments or Servicing Fees.

“MBS” means a mortgage-backed security or securities issued by GNMA. In the event that only a portion of or interest in an MBS is acquired under the Indenture, references herein to such MBS shall be interpreted and applied to relate to such portion or interest.

“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 Bonds and any Derivative Product the priority of payment of which on a parity with that of Bonds.

“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 X 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 10.2 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 7.1 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 or the related MBS, any moneys received or recovered by or for the account of 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 which may be provided by the terms of a Loan or MBS, but excluding any Servicing Fees with respect to the collection of such moneys) on any Loan or MBS prior to the scheduled payment of such principal as called for by such Loan or MBS, 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 MBS 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 or the related MBS 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 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 Master Indenture.

“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, as evidenced by Confirmations by the applicable Rating Agency or Rating Agencies.

“Rating Agency” means, at any particular time, any nationally recognized credit rating service designated by the Authority, to the extent such credit rating has been requested in writing by the Authority (which request has not been withdrawn in writing by the Authority) to issue a rating on any of the Bonds and such credit rating service has issued and continues to apply a rating on such Bonds at the time in question. 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, (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, Series, Series Indenture, Supplemental Indenture, Cash Flow Statement, Fund, Account, moneys, investments, Loan (or portion thereof), MBS (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) Investment Revenues, and (C) all other payments and receipts received by the Authority with respect to Loans and MBS, 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.

“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 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 8.1 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.

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

“State” means the State of Colorado.

“Supplemental Indenture” means any supplemental indenture (including a Series Indenture) approved by the Authority in accordance with Article VIII 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 7.1 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, except as expressly provided in or permitted by the Indenture. 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. 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. The Obligations 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) 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 to secure the payment of the principal of and interest on the Obligations in accordance with the terms and the provisions of the Indenture; provided, however, 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 or local governments. 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 “Federally Insured Multi-Family Housing Loan Program Revenue Bonds, _____ Series ___” (inserting identification of the particular Series, including by year of issue and by Roman number and/or alphabetic and/or other reference and inserting reference to “Federally Taxable,” “Pass-Through,” “Adjustable Rate” and other descriptive terms 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 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 Bonds 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 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, if any, applicable to such Series of Bonds and the timing and method of funding any 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 or MBS, including interest rates and purchase prices;

(xiv) if so determined by the Authority, provisions for the sale and/or tender of such Bonds; and

(xv) designation of the Loan Payment Enhancement Facility and Loan Payment Enhancement Facility Provider, and/or Liquidity Facility and Liquidity Facility Provider, if applicable; and

(xvi) 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 obligations 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.

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 Loan Payment Enhancement Facility, Loan Payment Enhancement Facility Provider, Liquidity Facility or Liquidity Facility Provider, (iv) defeasance of Bonds and (v) redemption 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. Each Bond secured by MBS shall contain a statement similar to the following: "The Bonds are not a debt or obligation of the United States of America or any agency thereof or GNMA and are not guaranteed by the full faith and credit of the United States of America, any agency thereof or GNMA."

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, 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, tenor, maturity and rate of interest as the surrendered Bond.

(b) The Authority, the Trustee, the Paying Agent, the Bond Registrar 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 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 written 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, tenor and maturity, bearing a number not previously assigned to a Bond of the Related Series. 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 expenses, 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 the transferee thereof 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, if requested, 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 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 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 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 (f) 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 (f) 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. 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 4.5 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, which written notification shall certify that 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, 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) 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.

(d) Except as otherwise provided in the Related Series Indenture, notice of redemption shall be given, not more than 60 days nor less than 20 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.

(e) 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, 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 provided for in the Related Series Indenture 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, 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) If Bonds of any particular Series and maturity are called for redemption, upon Authority Request the Bonds so called shall be purchased in lieu of such redemption by the Trustee or Paying Agent for the account of the Authority on the date upon which such Bonds were to have been redeemed, at a purchase price not to exceed the applicable Redemption Price thereof, plus accrued interest, if any, thereon to, but not including, such date, or at any higher

purchase price consistent with the most recent Cash Flow Statement. At the election of the Authority, but not otherwise, such Bonds shall be canceled by the Trustee upon such purchase in lieu of redemption. The Authority shall deliver any such Authority Request not later than the Business Day preceding the date upon which such Bonds were to have been redeemed, which Authority Request shall state the aggregate principal amount of each Series and maturity of Bonds for which an election to purchase in lieu of redemption pursuant to this Section 3.6 is being made, and the source of payment for such purchase in lieu of redemption. Any such purchase in lieu of redemption may be made from any moneys designated by the Authority, and, upon receipt thereof if such moneys are not already held in the Trust Estate, the Trustee shall use such moneys for such purpose. 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) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Redemption Fund in lieu of redemption to pay the purchase price (exclusive of accrued interest) of Bonds purchased in lieu of redemption pursuant to paragraph (a) of this Section 3.6. Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Revenue Fund in accordance with Section 4.5 of this Master Indenture, from the Debt Service Fund in accordance with Section 4.6 of this Master Indenture to pay accrued interest on such Bonds purchased pursuant to paragraph (a) of this Section 3.6.

(c) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Debt Service Fund in accordance with Section 4.6 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Bonds purchased in lieu of redemption by Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Bonds against such Sinking Fund Installment in accordance with Section 3.6 of this Master Indenture.

(d) Unless the Authority shall designate a different source, 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 4.5 of this Master Indenture prior to the next Bond Payment Date to purchase Bonds in the manner provided in paragraphs (b) and (c) 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 4.5 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 Sinking Fund Installment) of Bonds for which 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 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 Sinking Fund Installment as the total principal amount of such maturity of Bonds so purchased or redeemed bears to the total amount of all such 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 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 Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of 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; and
- (C) the Negative Arbitrage Account;

(ii) the Revenue Fund;

(iii) the Debt Service Reserve Fund, which shall include the Interest Reserve Account;

(iv) the Debt Service Fund;

(v) the Redemption Fund;

(vi) the Rebate Fund; and

(vii) 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) Subject to the provisions of any Series Indenture, the Authority may reallocate moneys, investments, Loans and MBS (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 4.5, Section 4.7 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 4.8 of this Master Indenture; and

(iv) if and to the extent that the aggregate amount of moneys, investments, Loans and MBS 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, Loans and MBS 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, Loans and/or MBS (or portions thereof or interests therein) among subaccounts Related to each Series as requested. Loans and MBS (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 and MBS (or portions thereof or interests therein) are being reallocated, if such Loans (or Loans Related to such MBS) 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 and MBS at the time of their purchase (the compliance with such requirements being deemed to have been certified by the Authority by its delivery of an Authority Request specifying the reallocations to the Trustee). The Trustee shall have no obligation to verify that such requirements have been complied with.

(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 and MBS made or purchased in connection with a Series of Bonds shall be allocated to such Series. Loans and MBS (or portions thereof or interests therein) 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, to finance or refinance Loans or to acquire MBS (or portions thereof or interest therein); provided that such Loans (or Loans Related to such MBS) satisfy the requirements of Section 5.7 of this Master Indenture and applicable provisions of the Related Series Indenture (as shall be deemed to have been certified by the Authority by its delivery of an Authority Request to the Trustee).

(c) Disbursements from Acquisition Account. The Trustee shall withdraw moneys from the Acquisition Account for the financing of a Loan or the acquisition of MBS 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 to acquire MBS 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, Loans and/or MBS from the Related Funds, Accounts and subaccounts, the Trustee shall make such withdrawal and shall transfer such moneys, investments, Loans and/or MBS, 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 and MBS Financed With More Than One Series of Bonds. The Authority may determine that a Loan or an MBS (or portions thereof or interests therein) 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, an MBS, Loan Repayments and Prepayments, and moneys in any Fund or Account, shall be interpreted and applied to relate such Loan, MBS, Loan Repayments, Prepayments, and moneys to each Series furnishing proceeds for such Loan or MBS 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 or MBS or by such other method as shall be provided in an Authority Request, accompanied by an opinion of Bond Counsel that such method will not adversely affect the exclusion from gross income of interest on Tax-exempt Bonds.

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 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 and expenses 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 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 financed or refinanced in whole or in part with the proceeds of a Series of Bonds. 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 final endorsement for insurance by a Government insurer with respect to the Related Housing Facility and/or the date that amounts in the Related subaccount of the Acquisition Account allocable to the Related Housing Facility are transferred to the Redemption Fund pursuant to Section 4.2(d) 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 the Government to insure 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, the amount in the Related subaccount of the Negative Arbitrage Account shall be transferred, upon Authority Request, to the Revenue Fund.

(e) Upon the final endorsement for insurance by a Government insurer with respect to a Housing Facility, the date that another Housing Facility is substituted for such Housing Facility or the date that amounts in the Related subaccount of the Acquisition Account allocable to such

Housing Facility are transferred to the Redemption Fund pursuant to Section 4.2(d) of this Master Indenture, any amounts in the Related subaccount of the Negative Arbitrage Account that have not been transferred 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 final endorsement for insurance by a Government insurer with respect to the Related Housing Facility, the date that another Housing Facility is substituted for the Related Housing Facility, the date that amounts in the Related subaccount of the Acquisition Account allocable to the Related Housing Facility are transferred to the Redemption Fund pursuant to Section 4.2(d) 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 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 Debt Service Fund pursuant to Section 4.6(b) of this Master Indenture, from the Related subaccount of the Debt Service Reserve Fund pursuant to Section 4.7(b) of this Master Indenture, from the Related subaccount of the Special Redemption Fund pursuant to Section 4.8(b) of this Master Indenture, from the Related subaccount of the Rebate Fund pursuant to Section 4.9 of this Master Indenture, and from the Related subaccount of the Excess Earnings Fund pursuant to Section 4.10 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) To the Loan Payment Enhancement Facility Provider, if any, with respect to the Related Series of Bonds, to the extent provided in the Loan Payment Enhancement Facility, for the reimbursement of advances of, or other direct or indirect source of funds for, the timely payment of regularly scheduled Loan Repayments, with interest thereon at the rate provided in the Loan Payment Enhancement Facility, and for payment of compensation and expenses of the Loan Payment Enhancement Facility Provider payable from the Trust Estate;

(D) Into the Related subaccount of the 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 Bonds of the Related Series then Outstanding and any Authority Derivative Payment secured on a parity with the 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 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 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 Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Bonds on the next such Bond Payment Date;

(E) Into each Unrelated subaccount of the Debt Service Fund, after making any transfer into such subaccount required by Section 4.7(c)(i) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise provided in a Series Indenture or directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (D) of this Section 4.5(c)(i) as of such date;

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

(G) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise provided in a Series Indenture or directed by Authority Request, any deficiency in such subaccount resulting from the lack of Related Revenues sufficient to make the deposit required by paragraph (F) of this Section 4.5(c)(i) as of such date;

(H) 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 (H) exceed any limitation set forth in the Related Series Indenture for any period;

(I) 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 provided in a Series Indenture or directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by paragraph (H) of this Section 4.5(c)(i) as of such date;

(J) 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 (H) and (I) 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; and

(K) 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 provided in a Series Indenture or directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by paragraph (J) of this Section 4.5(c)(i) as of such date.

(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 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 4.5, 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 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 Bonds in amounts determined in accordance with paragraph (c)(i) of this Section 4.5, (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 4.8 of this Master Indenture, or (C) to the redemption of Related Bonds on such Bond Payment Date in the amounts determined in accordance with paragraph (c)(i) of this Section 4.5.

(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 Debt Service Fund to pay accrued interest on such redemption date for such Bonds, 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 4.6 Application of Debt Service Fund.

(a) Amounts in each subaccount of the 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 Bonds and any Authority Derivative Payment secured on a parity with the Related Bonds as the same shall become due and payable (including accrued interest on any 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 Bonds purchased in lieu of redemption by Related Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Debt Service Fund after all the Related 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 4.7 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 and in the Related subaccount of the Interest Reserve Account therein 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. Moneys on deposit in the Related subaccount of the Interest Reserve Account shall at all times be deemed to be a part of the Related subaccount of the Debt Service Reserve Fund. Additional moneys may be deposited in the Related subaccount of the Debt Service Reserve Fund in accordance with Section 4.5(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, other than the Related subaccount of the Interest Reserve Account therein, 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 4.5(c)(i) of this Master Indenture, the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund (including from the Interest Reserve Account as provided below) 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 Debt Service Fund pursuant to paragraph 4.6(c)(i)(D) is insufficient to pay the interest and Principal Installments, if any, due on the Bonds of the Related Series on the next succeeding Bond Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Debt Service Fund the amount of such insufficiency.

(ii) In the event that the amount transferred to a subaccount of the Debt Service Fund pursuant to paragraph 4.6(c)(i)(E) is insufficient to pay the interest and Principal Installments, if any, due on 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, first from subaccounts of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund from subaccounts of the Debt Service Reserve Fund, to such subaccount of the Debt Service Fund the amount of such insufficiency.

Section 4.8 Redemption Fund; Cross-Calls.

(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 4.8 and each Related Series Indenture.

(b) Except as set forth in this Section 4.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Special Redemption Fund pursuant to Section 4.5 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 Bonds. Any amounts remaining in the Special Redemption Fund after all Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(c) Notwithstanding anything contained herein to the contrary, except as otherwise provided in a Series Indenture, 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 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 4.9 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 4.9 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 4.10 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 or MBS in the Related subaccount of the Acquisition Account, at a purchase price equal to the unpaid balances of the principal amounts of such Loans or MBS plus accrued interest, if any, thereon, and any unamortized premium, and any such Loans or MBS so purchased shall be credited to such subaccount of the Excess Earnings Fund. Loans or MBS in a subaccount of the Excess Earnings Fund may be exchanged for Loans or MBS in the Related subaccount of the Acquisition Account having an aggregate principal balance not less than the aggregate principal balance of such Loans or MBS in such subaccount of the Excess Earnings Fund, upon receipt by the Trustee of an Authority Request specifying the Loans or MBS 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 4.11 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 4.11 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 4.11 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 market. In determining market value of Investment Securities, the Trustee may use and

rely conclusively and without liability upon generally recognized information services (including brokers and dealers in securities) available to it. Loans and MBS shall be valued at 100% of the outstanding principal balance thereof such Loan (or Loan related to such MBS) 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 4.5 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, 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 Liquidity Facility shall be held uninvested.

Section 4.12 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. The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written investment direction from the Authority. Ratings of Investment Securities shall be determined at the time of purchase of such permitted investments and without regard to ratings subcategories. The Trustee may rely on the investment directions of the Authority as to both the suitability and legality of the directed investments. The Authority acknowledges that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Authority specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

(End of Article IV)

ARTICLE V

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Owners 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 MBS 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 and in any Series Indenture. 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 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 and MBS.

(b) The Authority shall request payment of insurance in cash and not in debentures of any Government insurer 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 the Government 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, and no MBS shall be acquired by the Authority with respect to a Mortgage Loan, 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 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 and MBS 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 MBS, 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 or MBS. The Authority or such Servicer shall service each Loan in accordance with acceptable mortgage servicing practices of prudent lending institutions or in accordance with such other

standards as are required to maintain the Government insurance with respect to such Loan, and shall service or cause to be serviced, each MBS in accordance with the requirements of GNMA and any applicable Government insurer. 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 or of the Loan Payment Enhancement Facility Provider under any Loan Payment Enhancement Facility 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 (or Loans Related to such MBS), any Servicing Agreement and any Loan Payment Enhancement Facility 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 (or Loans Related to such MBS) 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, Loan Payment Enhancement Facility Provider or any other Person from, or waiving, any of such Person's obligations under the respective Loan (or Loans Related to such MBS), any agreement with respect to security therefor, Servicing Agreement or Loan Payment Enhancement Facility 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 and MBS. The Authority shall not sell, assign, transfer, pledge or otherwise dispose of any Loan or MBS or any of the rights of the Authority with respect to any Loan (except a Loan in default), 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 Loan Related to an MBS) or any security therefor in any manner that would have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding 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, including Loans Related to MBS.

Section 5.12 Revenues. The Authority at all times shall charge and collect Loan Repayments and other amounts with respect to Loans and MBS 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 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. The Trustee shall have no duty to review, verify or analyze such annual balance sheet, statement of revenues, expenses and changes in retained earnings and statement of cash flows, and shall hold such documents solely as a repository for the benefit of the Owners. The Trustee shall not be deemed to have notice of any information contained therein or default or Event of Default which may be disclosed therein in any manner.

(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 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 X of this Master Indenture; or (ii) notes, bonds or other obligations of the Authority not secured under the Indenture; or (iii) notes, bonds or other obligations 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 hereby covenants and agrees 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 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 Bond when and as the same shall become due and payable or shall fail to make any payment due under any other Obligations when due and payable;

(c) The Authority shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture, 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

(d) 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 a majority in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in paragraphs (a) or (b) 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 (c) or (d) 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 a majority (except with respect to an Event of Default described in paragraph (c) or (d) 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(c) and (d) of this Master Indenture (except for a failure which, in the opinion of Bond Counsel, 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 actually 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 a majority 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 shall be deemed expedient (which may be in consultation with counsel), 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 or MBS and collect and enforce any rights in respect to the Loans and MBS or other security or mortgages securing such Loans (or Loans Related to such MBS) 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 a majority 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.

(c) Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

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, except as otherwise specifically provided in any Series Indenture with respect to the Related Series of Bonds, 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 except as otherwise specifically provided in any Series Indenture with respect to the Related Series of Bonds, 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 and any special account of the Program Fund created in accordance with Section 1.4 of this Master Indenture) (moneys and securities in any such special account of the Program Fund 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 Bonds and all Authority Derivative Payments secured on a parity with the 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 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 Bonds and all Authority Derivative Payments secured on a parity with the 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 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 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 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 Bonds and all Authority Derivative Payments secured on a parity with the 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 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. Any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding 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 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 of the Indenture (including indemnity to the Trustee as provided in Section 7.2 of this Master Indenture) and is not unduly prejudicial to the interests of Owners of the Bonds not joining in such direction (which determination the Trustee is not required to make) 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) 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) or (b) 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 a majority 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 7.2 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 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(c) or (d) of this Master Indenture or (ii) the occurrence of an Event of Default under Section 6.1(a) or (b) of this Master Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such Event of Default shall have theretofore 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 actually known to the Trustee.

(End of Article VI)

ARTICLE VII

CONCERNING THE FIDUCIARIES

Section 7.1 Trustee; Paying Agent and Bond Registrar Appointment and Acceptance of Duties. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Denver, Colorado is hereby appointed as Trustee, Paying Agent and Bond Registrar. The Bank of New York Mellon Trust Company, N.A. 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 7.2 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 the proceeds of the Bonds or 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 risk or advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of paragraph (b) of this Section 7.2, 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 Master 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) giving notice of the acceleration of the Bonds as required pursuant to Section 6.2 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 Loan Payment Enhancement Facility.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of 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 7.2.

(c) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers and shall not be answerable for the conduct of the same if appointed with due care hereunder. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises. The Trustee shall not be bound to make any investigation into the facts

or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, approval or other paper or document. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of Bonds.

(d) Before taking any action under this Indenture relating to an Event of Default or in connection with its duties under this Indenture other than making payments of principal of and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by this Indenture, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(g) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 7.3 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 on its face, 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 7.4 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. The Authority agrees to pay such amounts from other funds legally available therefor to the extent that moneys available therefor in the Trust Estate are insufficient to make such payments. 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 7.8, 7.12 or 7.13 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, subject to any termination fee in connection with transferring the trusteeship to a successor Fiduciary. If the Trustee renders any service hereunder not provided for in this Indenture, the Trustee shall be compensated reasonably by the Authority for such extraordinary services. If the Trustee is made a party to or intervenes in any litigation pertaining to this Indenture or institutes interpleader proceedings relative hereto, the Authority covenants and agrees, to the extent permitted by law, subject to appropriation by the Authority, and without waiving any provision of the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq., to reimburse the Trustee for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby.

Section 7.5 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 7.6 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 7.8 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 7.8 of this Master Indenture.

Section 7.7 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 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 7.8 of this Master Indenture.

Section 7.8 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 offer 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 7.8 within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 7.6 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 7.8 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 7.9 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 Master 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 Master Indenture, except for such costs and expenses incurred with the prior written consent of the Authority.

Section 7.10 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 prior written notice to the Authority of any such proposed merger, conversion, consolidation or sale or transfer of substantially all of its corporate trust business

Section 7.11 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 7.12 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 7.12 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 designated corporate trust 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 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 (unless the Trustee is also the Paying Agent and has retired).

Section 7.13 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 designated corporate trust office 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 (unless the Trustee is also the Bond Registrar and has retired).

(End of Article VII)

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.1 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 8.2 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 materially adversely affect the interest of the Owners hereunder, as evidenced by an opinion of counsel delivered pursuant to Section 8.4 hereof, 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 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, as evidenced by an opinion of counsel delivered pursuant to Section 8.4 hereof.

Section 8.3 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 IX 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 8.4 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 VIII and Article IX.

Nothing in this Article VIII or Article IX 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.

(i) Any Supplemental Indenture referred to and permitted or authorized by Sections 8.1 and 8.2 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 by authorized officials of the Authority and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Authority 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. The Trustee shall be entitled to receive and rely upon an opinion of counsel that such Supplemental Indenture is authorized or permitted hereunder.

(b) The Trustee is hereby authorized to execute and deliver any Supplemental Indenture referred to and permitted or authorized by Sections 8.1, 8.2 or 8.3 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.

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

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

(End of Article VIII)

ARTICLE IX

AMENDMENTS AND MODIFICATIONS REQUIRING CONSENT OF OWNERS OF BONDS

Section 9.1 Transmission of Notices. Any provision in this Article IX 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 9.2 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 9.3 of this Master Indenture of the Owners of 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 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 9.2. 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 9.3 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 9.2 of this Master Indenture, to take effect when and as provided in this Section 9.3. 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 9.2 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 9.3. 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 11.2 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 11.2 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 11.2 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 9.3 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 11.2 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 9.3, 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 9.3) 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 9.3 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 9.4 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 9.3 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 9.5 Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article VIII of this Master Indenture or this Article IX provided, may, and if the Authority 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 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, tenor and maturity then Outstanding, upon surrender of such Bonds.

(End of Article IX)

ARTICLE X

DISCHARGE OF INDENTURE; DEFEASANCE OF BONDS

Section 10.1 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 Liquidity Facility Provider, any and all amounts due and owing pursuant to any Liquidity Facility, and (iv) to each Loan Payment Enhancement Facility Provider any and all amounts due and owing pursuant to any Loan Payment 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 (except for the provisions herein that survive by their terms). 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 (except for the provisions herein that survive by their terms).

Section 10.2 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 10.1 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 10.1 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 10.2 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 10.2 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 of and 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 10.2, 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 X)

ARTICLE XI

MISCELLANEOUS

Section 11.1 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 (without liability for interest), 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 11.2 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 11.1 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 11.3 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 11.4 Moneys Held for Particular Bonds. Subject to the provisions of Section 11.1 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 11.5 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 11.6 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 and the Owners, any Loan Payment Enhancement Facility Provider 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 Loan Payment Enhancement Facility Provider and the Owners.

Section 11.7 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 11.8 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 11.9 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 11.10 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 11.11 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: | The Bank of New York Mellon Trust Company, N.A. 1775 Sherman Street, Suite 2775 Denver, Colorado 80203 Attn: Corporate Trust |

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

Section 11.13 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 11.14 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 or Article IX 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 or Article X; except that in determining whether the Trustee shall be protected in relying upon any such consent or other action of an Owner, only Bonds which the Trustee actually knows to be owned or held by or for the account of the Authority shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. At the time of any consent or other action taken under said Article VI or Article IX, the Authority shall file with the Trustee and the Bond Registrar an Authority Certificate listing and describing all Bonds to be excluded.

Section 11.15 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 11.16 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 11.17 Effective Date; Execution and Delivery. This Master Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

Section 11.18 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: _____
Chief Financial Officer

Attest:

By: _____
Assistant Secretary

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Title: _____

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APPENDIX B
Certain Information Regarding 2013-I Loans
As of the Cut-off Date

| Borrower | Original Loan Amount | Current Principal Balance | Note Date | Maturity Date | Remaining Term (Months) | Original Term to Maturity | Current Annual Interest Rate | Current Debt Service Coverage Ratio | Servicing Fee Rate | Principal and Interest Payment Amount | End of Lock-out Period | Section 42 Compliance Expiration Date | Section 8 HAP Contract Expiration Date | Location |
|--|----------------------|---------------------------|------------|---------------|-------------------------|---------------------------|------------------------------|-------------------------------------|--------------------|---------------------------------------|------------------------|---------------------------------------|--|----------------|
| Multi-Family Housing Insured General Bond Resolution: | | | | | | | | | | | | | | |
| Lakewood Homestead Ltd | \$4,217,406 | \$ 4,125,971.24 | 1/6/1998 | 3/1/2040 | 321 | 343 | 6.95% | 1.10x | 0.50% | \$28,335 | 10/1/2007 | 12/31/2013 | N/A | Lakewood |
| Montview Meadows Associates Ltd | 1,483,000 | 1,297,640.95 | 12/1/1998 | 1/1/2039 | 307 | 480 | 6.50 | 1.15 | 0.50 | 8,682 | 12/1/2008 | 12/31/2012 | N/A | Longmont |
| Grand Valley Apartments | 2,332,000 | 2,036,972.15 | 3/1/1999 | 4/1/2039 | 310 | 480 | 4.65 ⁽¹⁾ | 1.15 ⁽¹⁾ | 0.50 | 11,301 | 4/1/2008 | 12/31/2012 & 12/31/2013 | N/A | Clifton |
| Mercy Housing Colorado | 1,628,000 | 1,201,000.22 | 11/20/1998 | 12/1/2028 | 186 | 360 | 6.50 | 1.72 | 0.50 | 10,290 | 10/1/2008 | 12/31/2014 | 8/31/2021 & 5/31/2016 | Commerce City |
| Broomfield Senior Housing Limited Partnership | 5,578,100 | 5,057,710.94 | 9/12/2001 | 9/1/2041 | 339 | 480 | 6.45 | 1.08 | 0.50 | 32,459 | 4/1/2009 | 12/31/2016 | N/A | Broomfield |
| Multi-Family/Project Master Indenture: | | | | | | | | | | | | | | |
| Centennial East Housing Partners LLC | 7,475,000 | 7,008,596.88 | 2/28/2002 | 1/1/2043 | 355 | 502 | 5.07 ⁽¹⁾ | 1.15 ⁽¹⁾ | 0.37 | 38,152 | 2/1/2019 | 12/31/2018 | N/A | Brighton |
| Aspen Meadows Associated | 2,614,000 | 2,421,188.39 | 4/24/2003 | 5/1/2043 | 359 | 480 | 6.55 | 1.01 | 0.50 | 15,397 | 2/1/2019 | 12/31/2017 | N/A | Longmont |
| Racquet Club Apartments Ltd | 4,903,825 | 4,373,577.10 | 11/30/2004 | 1/1/2035 | 259 | 360 | 7.25 | 1.26 | 0.50 | 33,453 | 2/1/2015 | N/A | 1/20/2020 | Grand Junction |
| Hampstead Southgate Partners | 2,841,000 | 2,386,796.11 | 12/26/2002 | 1/1/2033 | 235 | 360 | 6.55 | 1.73 | 0.50 | 18,050 | 2/1/2018 | 12/31/2017 ⁽²⁾ | 12/31/2022 | Grand Junction |
| Park Hill Residence, Inc. | 841,166 | 585,916.97 | 10/2/1996 | 11/1/2026 | 161 | 360 | 6.80 | 1.20 | 0.50 | 5,558 | 4/1/2006 | N/A | N/A | Denver |
| HACM Brubaker LLC | 1,075,000 | 1,072,854.31 | 3/1/2013 | 4/1/2043 | 358 | 360 | 6.00 | 1.15 | 0.50 | 6,445 | 3/1/2023 | N/A | N/A | Cortez |
| Total 2013-I Loans | | <u>\$31,568,225.26</u> | | | | | | | | | | | | |

(1) Effective as of closing date for the Series 2013-I Bonds.

(2) The Borrower for this Project has agreed to this compliance period under a State tax program rather than the federal Section 42 program, although the State tax program mirrors the requirements of the federal program.

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APPENDIX C

Form of Bond Counsel Opinion

June 26, 2013

Colorado Housing and Finance Authority
1981 Blake Street
Denver, Colorado 80202

Colorado Housing and Finance Authority Federally Taxable
Federally Insured Multi-Family Housing Loan Program
Pass-Through Revenue Bonds, Series 2013-I

Ladies and Gentlemen:

We have acted as bond counsel to the Colorado Housing and Finance Authority (the "Authority") in connection with the issuance of its Federally Taxable Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds, Series 2013-I (the "Bonds") in the aggregate principal amount of \$31,568,225. In such capacity, we have examined the Authority's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. The Bonds are authorized and issued pursuant to the Master Indenture of Trust dated as of June 1, 2013, as supplemented by the 2013-I Series Indenture dated as of June 1, 2013 (together, the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms used herein, unless parenthetically defined herein, have the meanings ascribed to them in the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the Authority's certified proceedings and other representations and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding special, limited obligations of the Authority, payable solely from the Revenues and other assets pledged thereto under the Indenture.
2. The Indenture has been duly authorized by the Authority, duly executed and delivered by authorized officials of the Authority, and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Authority enforceable in accordance with its terms.
3. Interest on the Bonds is not excluded from gross income for federal income tax purposes.

4. The Bonds, their transfer and the income therefrom shall at all times be free from taxation by the State of Colorado under Colorado laws in effect as of the date hereof.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the Authority pursuant to the Bonds and the Indenture are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including, without limitation, bankruptcy powers.

The provisions of this opinion letter concerning federal tax issues were not written and cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This writing supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not opining upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D

Book-Entry System

The following information in this section regarding DTC and the book entry system is based solely on information provided by DTC. No representation is made by the Authority or the Underwriter as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. The Beneficial Owners of the Series 2013-I Bonds should confirm the following information with DTC or the DTC Participants.

The Depository Trust Company ("**DTC**"), New York, NY, will act as securities depository for the Series 2013-I Bonds. The Series 2013-I Bonds will be issued as fully-registered securities, registered in the name of Cede & Co., DTC's partnership nominee ("**Cede**") or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2013-I Bond certificate will be issued for each maturity of the Series 2013-I Bonds, in the aggregate principal amount of each such maturity of the Series 2013-I Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The Authority, the Trustee, and the Underwriter undertake no responsibility for and make no representation as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.*

Purchases of Series 2013-I Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013-I Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013-I Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2013-I Bonds are to be accomplished by entries made on the

books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2013-I Bonds, except in the event that use of the book-entry system for the Series 2013-I Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013-I Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2013-I Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013-I Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013-I Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2013-I Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013-I Bonds, such as redemptions, defaults, and proposed amendments to the Series 2013-I Bond documents. For example, Beneficial Owners of Series 2013-I Bonds may wish to ascertain that the nominee holding the Series 2013-I Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

As described in this Official Statement in "Part I – TERMS OF THE 2013-I BONDS – Prior Redemption – Mandatory Redemption," it is the intention that the allocations for mandatory redemption of the Series 2013-I Bonds be made by DTC on a pro rata basis in accordance with DTC's "Pro-Rata Pass-Through Distribution of Principal" rules and procedures. If DTC's operational arrangements do not allow for payment of the Series 2013-I Bonds on a pro-rata pass-through payment distribution of principal basis, then the Series 2013-I Bonds selected for payment will be made in accordance with DTC's procedures then in effect.

While the Series 2013-I Bonds are in the book-entry system, redemption notices will be sent to DTC. If less than all of the Series 2013-I Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2013-I Bonds, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2013-I Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2013-I Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participant and not of DTC, the Trustee, the Paying Agent or the Authority, subject to any statutory or

regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), is the responsibility of the Trustee or the Authority, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

THE AUTHORITY, THE TRUSTEE, AND THE PAYING AGENT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO ANY OWNERSHIP INTEREST IN THE SERIES 2013-I BONDS, THE DELIVERY TO ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN CEDE & CO., AS NOMINEE OF DTC, AS SHOWN ON THE BOND REGISTER, OF ANY NOTICE WITH RESPECT TO THE SERIES 2013-I BONDS, INCLUDING ANY NOTICE OF REDEMPTION, THE PAYMENT TO ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN CEDE & CO., AS NOMINEE OF DTC, AS SHOWN ON THE BOND REGISTER, OF ANY AMOUNT WITH RESPECT TO PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2013-I BONDS OR ANY CONSENT GIVEN BY CEDE & CO., AS NOMINEE OF DTC. SO LONG AS CERTIFICATES FOR THE SERIES 2013-I BONDS ARE NOT ISSUED PURSUANT TO THE INDENTURE AND THE SERIES 2013-I BONDS ARE REGISTERED TO DTC, THE AUTHORITY, THE PAYING AGENT, AND THE TRUSTEE SHALL TREAT DTC OR ANY SUCCESSOR SECURITIES DEPOSITORY AS, AND DEEM DTC OR ANY SUCCESSOR SECURITIES DEPOSITORY TO BE, THE ABSOLUTE OWNER OF THE SERIES 2013-I BONDS FOR ALL PURPOSES WHATSOEVER, INCLUDING WITHOUT LIMITATION (1) THE PAYMENT OF PRINCIPAL AND INTEREST ON THE SERIES 2013-I BONDS, (2) GIVING NOTICE OF REDEMPTION AND OTHER MATTERS WITH RESPECT TO THE SERIES 2013-I BONDS, (3) REGISTERING TRANSFERS WITH RESPECT TO THE SERIES 2013-I BONDS AND (4) THE SELECTION OF SERIES 2013-I BONDS FOR REDEMPTION.

DTC may discontinue providing its services as depository with respect to the Series 2013-I Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2013-I Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Series 2013-I Bond certificates will be printed and delivered to DTC.

According to DTC, the foregoing information with respect to DTC and DTC's book-entry system has been provided to the Industry for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriter take any responsibility for the accuracy thereof.

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APPENDIX E

Risk-Share Program

There are various programs under which mortgage loans for families of low and moderate income may be insured by the FHA, including Section 221(d)(3) and 221(d)(4) of the National Housing Act of 1934, as amended, Section 223(f) pursuant to Section 207 of the National Housing Act and Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "**Risk-Share Program**"). The 2013-I Loans have all been insured under the Risk-Share Program, although Loans pledged in the future under the Master Indenture may be insured under other federal insurance programs meeting the requirements of the Master Indenture. The following is a brief description of the Risk-Share Program.

The Risk-Share Program was instituted to provide for insurance of multi-family loans pursuant to risk-sharing agreements between HUD and qualified state or local housing agencies, such as the Authority. The FHA regulations applicable to Section 542(c) insurance are contained in 24 CFR Part 266. Under the Risk-Share Program, housing finance agencies may apply to qualify as a participating "HFA." HUD assigns to participating HFAs the authority to originate loans to be insured under the Risk-Share Program and the responsibility to administer the Risk-Share Program within the guidelines of the risk-sharing agreement, providing, among other matters, that, in the event of a loan default with respect to a loan insured under the Risk-Share Program, the HFA is required to share with HUD in any loss arising as a consequence of the loan default. The Authority was approved as a participating HFA and entered into a Risk-Sharing Agreement with HUD dated as of April 26, 1994, as subsequently amended (the "**CHFA Risk-Sharing Agreement**"). Under the CHFA Risk-Sharing Agreement, the Authority has assumed 50% of that risk of loss associated with the mortgage loans insured pursuant thereto. The Authority has been allocated in the CHFA Risk-Sharing Agreement 8,660 units to be originated by the Authority in accordance with this Program. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – General Obligations of the Authority" for a description of Section 542(c) claims relating to certain outstanding mortgage loans which may increase the general obligations of the Authority.

Under the Risk-Share Program, and the applicable regulations, an event of default under a Risk-Share Program loan exists when the mortgagor fails to make any payment due under the mortgage or fails to perform any covenant under the mortgage (including covenants in the related CHFA Regulatory Agreement). In the event of a default continuing for a period of 30 days and, in the case of a covenant default if the Authority accelerates the debt and the mortgagor fails to pay the full amount due, the Authority becomes eligible for insurance benefits upon compliance with the applicable claims procedures of the Risk-Share Program. The Authority is required to notify HUD within ten (10) calendar days following such 30 day period and thereafter monthly until the default is cured (unless the default is cured during the 30 day period) or the Authority files an application for an initial claim payment.

With respect to filing an initial claim, unless a written extension is provided by HUD, the Authority must file an application for such initial claim payment within 75 days from the date of default and may do so as early as the first day of the month following the month for which a payment is missed. Upon request of the Authority, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. There are some circumstances where the filing of the claim may be extended beyond 180 days but never to exceed 360 days. **The initial claim amount is based on the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment (i.e., 100% of the unpaid principal plus interest after the default, less one-month of interest as interest is paid by FHA in arrears and FHA pays interest accruing from the date of default).** In determining the mortgage note interest component of the initial

claim amount, if the Authority fails to meet any of the requirements of the Risk-Share Program within the specified time (including any granted extension of time) HUD, shall curtail the accrual of mortgage note interest by the number of days by which the required action was late.

The proceeds of the initial claim payment must be used to retire any bonds or other financing mechanisms securing the mortgage loan within 30 days of the initial claim payment, and any excess funds resulting from such retirement or repayment must be returned to HUD within 30 days of such retirement. See the discussion of redemption provisions in this Official Statement. Within 30 days of receiving the initial claim payment, the Authority is required to issue to HUD a debenture (the "**Authority Debenture**"), dated the same date as the initial claim payment is issued and in an amount equal to the full initial claim amount, less any excess funds returned to HUD as described above. The Authority Debenture will be supported by the full faith and credit of the Authority, will have a term of five years and will bear interest at HUD's published debenture rate as provided in the applicable regulations. Interest on the Authority Debenture will be due and payable annually on the anniversary date of the initial claim payment.

The Authority is required to file an application for final settlement in accordance with applicable HUD procedures not later than 30 days after either (a) sale of the mortgaged property after foreclosure or after acquisition by deed-in-lieu of foreclosure or (b) expiration of the term of the Authority Debenture. At the time of final settlement, the amount of the "total loss," as provided in the applicable regulations, will be shared by HUD and the Authority based upon the respective percentage of risk specified in the applicable mortgage note and addendum to the Risk-Sharing Agreement. If the initial claim payment is less than HUD's share of the total loss, HUD is required to make a final claim payment to the Authority equal to the difference and to return the Authority Debenture for cancellation. If the initial claim payment is more than HUD's share of the total loss, the Authority is required to pay the difference within 30 days of notification by HUD of the amount due, and the Authority Debenture will be considered redeemed upon receipt of the payment.

APPENDIX F

Description of Section 8 Subsidy Program

General. Section 8 of the United States Housing Act of 1937, as amended (the "**1937 Housing Act**"), and regulations promulgated thereunder, provide for the payment of a housing subsidy made to or for the account of the owner of dwelling units occupied by lower income and very low-income families (as further described below under "Eligible Tenants"), which payments are to be administered through state housing finance agencies, including the Authority. The description of the Section 8 Program contained herein is qualified in its entirety by reference to the applicable provisions of the 1937 Act, as amended and the regulations promulgated thereunder.

Eligible Tenants and Occupancy Restrictions. Pursuant to the 1937 Housing Act, as amended, "lower income families" means those families whose income does not exceed 80% of the median income for the area as determined by HUD and "very low-income families" means those families whose income does not exceed 50% of the median income for the area as determined by HUD. Pursuant to amendments to the 1937 Housing Act effected by the Housing and Community Development Amendments of 1981 (the "1981 Amendments"), not more than 10% (subsequently changed to 25%) of the dwelling units which were available for occupancy under HAP Contracts (as defined below) before the effective date of the 1981 Amendments (October 1, 1981) and which will be leased thereafter are available for leasing by lower income families other than very low-income families, and not more than 15% of the dwelling units which become available for occupancy under HAP Contracts after the effective date of the 1981 Amendments are available for leasing by lower income families other than very low-income families, although, except with prior approval of HUD, only very low-income families are eligible tenants for most Section 8 projects after July 1, 1984.

Subsidy Contracts and Pledge of Payments. Under the Section 8 subsidy program, as administered through the Authority, three principal contracts have been executed. First, the Authority enters into an Agreement to Enter Into Housing Assistance Payments Contract ("**Agreement to Enter**") with the developer or owner of the development to be constructed or rehabilitated. With respect to new construction and substantial rehabilitation Projects, the Agreement to Enter is approved by HUD and, subject to certain conditions, commits the owner and the Authority to enter into a Housing Assistance Payments Contract ("**HAP Contract**") upon completion and acceptance of the development. Under the HAP Contract, the Authority agrees to pay a subsidy to or for the account of the owner. At or prior to the time that the Agreement to Enter is executed, the Authority and HUD execute an Annual Contributions Contract ("**ACC**") which provides for the payment to the Authority by HUD of the subsidy which the Authority has contracted to pay to the owner under the HAP Contract. The HAP Contract may be executed with respect to separate stages of a development completed at different times. *With respect to the Projects heretofore financed from Bond proceeds, the terms of the ACCs and HAP Contracts generally have been renewed for varying contract terms of one to 20 years, although the terms of the Mortgage Loans with respect to such Projects in most cases exceed 40 years. Certain Projects financed from Bond proceeds are assisted under HUD's Section 8 Moderate Rehabilitation Program, under which the terms of the applicable ACCs and HAP Contracts are for one year subject to annual renewal, although the terms of the Mortgage Loans with respect to such Projects in most cases exceed 30 years.*

The regulations permit the owner and the Authority to pledge the federal subsidy payments as security for financing of the development. Prior to any disbursement of a Mortgage Loan for a development which is to be subsidized under Section 8, the Authority requires the owner of the

development to pledge such federal subsidy payments as security for the Mortgage Loan on the development.

Calculation and Payment of Subsidy. Section 8 subsidies are based upon the Contract Rent applicable to subsidized dwelling units. The Contract Rent must be reasonable in relation to the rents for comparable units in the area, taking into account the quality, location, amenities and management and maintenance services of the development, and must reflect the savings, if any, from the reduced cost of tax-exempt financing or the abatement of real property taxes. The ACC establishes a maximum annual commitment which equals the initial Contract Rent and an allowance for utilities for all assisted units in the development. The Contract Rent may not exceed the applicable HUD-established Fair Market Rent, or in certain cases up to 120% of such Fair Market Rent. Under certain circumstances, the Contract Rent may be changed during the construction or rehabilitation process as a result of unanticipated design changes or due to unforeseen factors beyond the owner's control. In cases where the procedure established by a May 1980 HUD memorandum is applicable, the Fair Market Rent employed for purposes of establishing this ceiling may be the Fair Market Rent in effect when permanent financing is obtained for the related development.

The subsidy is paid into a special account maintained by the Authority for the receipt of Section 8 payments and, upon receipt of satisfactory certifications from the owner, the Authority disburses such payments to the owner.

The amount of subsidy actually payable for the account of the owner is the Contract Rent less the payment, if any, required to be made to the owner by the tenant as determined by HUD. The tenant payment is generally equal to 30% of family income. Thus, the total rental income from subsidized housing units payable to or for the account of the owner is equal to the Contract Rent part being paid by the tenants directly to the owner and the remainder being paid by HUD directly or through the Authority. The proportion of the Contract Rent actually paid by HUD and that actually paid by tenants will vary depending upon tenant income.

Generally, the Section 8 subsidy is payable with respect to the assisted dwelling unit only when it is occupied by an eligible family. However, the law and the regulations provide for payment of the subsidy under certain limited circumstances when the dwelling unit is not occupied as described below.

A subsidy amounting to 80% of the Contract Rent is payable for a vacancy period of up to 60 days (i) during the rent-up period following the completion of the development or a stage of the development and (ii) upon occurrence of a vacancy in an assisted dwelling unit after it is initially rented, subject in each case to compliance by the owner with certain conditions relating primarily to a diligent effort to rent the subsidized unit. With respect to new construction and substantial rehabilitation Projects, such payments may continue for an additional one-year period in an amount equal to the debt service attributable to the unit, contingent upon, among other things, the additional conditions that the unit is in decent, safe and sanitary condition during the vacancy period, that the development is not providing the owner thereof with revenues at least equal to the costs incurred by such owner, that the amount of the payments requested is not in excess of that portion of the deficiency which is attributable to the vacant unit for the period of the vacancy and that there is a reasonable prospect that the development can achieve financial soundness within a reasonable time.

Adjustment of Subsidy Amount. The statute and applicable regulations contain various provisions for review and readjustment of the amount of the subsidy upward or downward, subject to the limitation that in no case shall the adjustment lower the Contract Rent below that effective on the date of the HAP Contract and that no adjustment shall result in a material difference between the rents charged for subsidized and comparable nonsubsidized dwelling units.

On October 23, 1981, HUD promulgated a "Financing Adjustment Factor" in order to help developments achieve financial feasibility in the face of high interest rates (the "**1981 Adjustment**"). The 1981 Adjustment provided that, where necessary to reflect the actual cost of permanent financing, Fair Market Rents would be adjusted by HUD to the extent necessary to reflect an effective interest rate on the permanent financing of up to approximately 12.5%. The regulation and HUD Notice prescribing the 1981 Adjustment stated that, subject to compliance with certain administrative conditions, the Contract Rent for developments eligible for the 1981 Adjustment would be adjusted to reflect the actual financing costs attributable to the effective interest rate on the permanent financing of the developments (up to an effective rate of approximately 12.5%).

Aside from the 1981 Adjustment, provision is made in the regulations for HUD to determine an Annual Adjustment Factor at least annually and to publish such Factor in the Federal Register. On each anniversary date of the HAP Contract, Contract Rent is adjusted in accordance with the Factor. In addition, provision is made in the regulations for discretionary approval of special additional adjustments to reflect increases in actual and necessary expenses of owning and maintaining the subsidized units which have resulted from substantial general increases in real property taxes, utility rates or similar costs, to the extent the owner clearly demonstrates that such general increases are not adequately compensated for by the Annual Adjustments. Pursuant to the 1981 Amendments, any adjustments will be limited to the amount of operating cost increases incurred with respect to comparable unassisted rental dwellings of various sizes and types in the same market area. The principal effect of this limitation is to eliminate the debt service component from the Contract Rent before application of the Annual Adjustment resulting in a smaller annual adjustment to the Contract Rent than would have otherwise been the case.

Funds for the payment of increased subsidies which may result from the adjustments described above are to be obtained in two ways. Provision is made in the law for the payment by HUD into a special reserve account in respect of each subsidized development of the amount by which the Contract Rent in effect from time to time exceeds the actual subsidy paid by HUD (the amount is, in effect, the equivalent of the amount of rent paid by the tenants). The amount of increases in the subsidy payable by reason of increases in the Contract Rent resulting from the adjustment described above will initially be drawn from this account. The regulations provide that when the HUD-approved commitment then in effect would cause the amount in such reserve account to be less than 40% of such maximum annual ACC commitment, HUD shall take such additional steps authorized by subdivision (c)(6) of Section 8 as may be necessary to obtain funds to bring the amount in the account to the 40% level.

Compliance with Subsidy Contracts. The Agreement to Enter, the ACC and the HAP Contract contain numerous agreements on the part of the Authority and the owner including maintenance of the development as decent, safe and sanitary housing and compliance with a number of requirements typical of federal contracts (such as those relating to nondiscrimination, equal employment opportunity, relocation, pollution control and labor standards) as to which noncompliance by either the Authority or the owner, or both, might endanger the payment of the federal subsidy. Reference is made to the complete text of these agreements, the forms of which are available for inspection at the offices of the Authority. *The Authority is not presently aware of any existing default by itself or any owner under the subsidy contracts for any of the 2013-I Loans, nor does it believe that compliance with any provision of such contracts cannot be attained.* Prior to any disbursement of a Mortgage Loan for a development to be subsidized under Section 8, the Authority has entered into an agreement with the owner requiring the owner to take or refrain from taking action as necessary to maintain eligibility for Section 8 subsidies for assisted dwelling units in the development during the term of the HAP Contract.

The regulations provide that, in the event of foreclosure, or assignment or sale to the Authority in lieu of foreclosure, or in the event of an assignment or sale approved by HUD (which approval shall not

be unreasonably delayed or withheld), subsidy payments will continue in accordance with the HAP Contract.

Revised Procedures for New Construction and Substantial Rehabilitation. Revised regulations governing the Section 8 subsidy program for state housing agencies with respect to new construction and substantial rehabilitation projects are in effect (together, the "**Revised Regulations**"). The Revised Regulations effected substantial changes in the processing and financing of housing developments under the Section 8 subsidy program. Except for certain provisions dealing with the termination and modification of leases, the Revised Regulations are not applicable to the developments permanently financed by the Bonds of the Authority issued prior to 1982. The Revised Regulations have effected several changes to the Section 8 subsidy program regulations, including a requirement that owners use their best efforts to achieve occupancy by families with incomes averaging at least 40% of the median income in the area for the purpose of promoting economically mixed housing (the revised regulation provides that owners must undertake marketing activities which will result in leasing assisted units to non-elderly families).

Regulations Applicable to Moderate Rehabilitation. The regulations applicable to moderate rehabilitation under Section 8 differ, in certain respects, from those for new construction and substantial rehabilitation. Among such differences, the moderate rehabilitation regulations provide that:

- (a) Fair Market is determined by a different HUD schedule;
- (b) the initial Contract Rent may exceed Fair Market Rent by a maximum of 20%, if warranted by special circumstances acceptable to HUD; and
- (c) the HAP Contract must be for a term of 15 years; and
- (d) the initial lease must be for at least one year and any renewal or extension must not exceed the remaining term of the HAP Contract.

The regulations provide that for moderate rehabilitation HAP contracts with expiration dates between October 1, 2000 and September 30, 2002, renewal HAP contracts will be executed pursuant to Section 524(b)(3) of MAHRA at rent levels equal to the lesser of:

- (a) existing contract rents, adjusted by an Operating Cost Adjustment Factor (OCAF);
- (b) the moderate rehabilitation fair market rents (i.e., 120% of the existing fair market rents) less any amounts allowed for tenant-purchased utilities; or
- (iii) comparable market rents for the market area.

Mark-to-Market Program and Other Options for Expiring HAP Contracts. In 1997, Congress approved the Multifamily Assisted Housing Reform and Affordability Act of 1997 ("**Title V**"). Amended by Public Law 106-74, enacted in October 1999, Title V provides certain options to owners seeking renewal of HAP Contracts, including a program (the "**Mark-to-Market Program**"), beginning in fiscal year 1999, pursuant to which projects having FHA-insured mortgages, expiring HAP Contracts and above-market rents, including certain projects financed by the Mortgage Loans, are eligible for debt restructuring plans provided that rent levels are reduced to comparable market levels. Such restructuring may include refinancing and/or partial payment of mortgage debt necessary to permit the required reduction of rent levels. As part of the restructuring plan, HAP Contracts are to be renewed to provide either project-based assistance (in which case the payments would be reduced based on reduced rent levels) or tenant-based assistance, subject to the availability of funding. The Section 8 subsidy is required to remain project-based if (a) there is a market-wide vacancy rate of 6% or less; (b) at least 50% of the

units in the project are occupied by elderly and/or disabled families; or (c) the project is held by a nonprofit cooperative ownership housing corporation or trust. Otherwise, the restructuring plan will also include an assessment, based on factors set forth in regulations promulgated under Title V, as to whether some or all of the assistance should be converted to tenant-based subsidy.

Alternatively, owners eligible for the Mark-to-Market Program may elect to apply for HAP Contract renewal under such program, assuming a reduction in rent levels to comparable market levels, without debt restructuring. Title V requires HUD to renew HAP Contracts for project-based assistance, upon request of the owner, but at reduced payment levels based on rents reduced to comparable market levels, absent certain material adverse conduct or conditions described in the succeeding paragraph; provided, however, that such renewal is not required if the project is eligible for the Mark-to-Market Program, no approved restructuring plan is in place, and HUD determines that such restructuring is required. Certain "exception projects" (including projects having non-FHA-insured loans, moderate rehabilitation projects, and projects having FHA-insured loans financed by a state government, local government, or an agency or instrumentality thereof, such as the Authority, if HUD determines that implementation of a mortgage restructuring plan would be in conflict with applicable law or agreements governing the financing) are eligible for renewal of project-based assistance, without restructuring, with rents at the lesser of: (i) existing rents adjusted by an operating costs adjustment factor ("OCAF") established by HUD; or (ii) a budget-based rent determined by HUD. In addition, Title V provides that owners of certain projects having FHA-insured mortgages and below market rents may elect to be entered into a Mark-Up-to-Market Program pursuant to which rent levels for such projects may be increased to market or near market levels.

Title V provides that no restructuring or renewal of HAP Contracts will occur if the owner of the project, or affiliate, has engaged in material adverse financial or managerial actions with respect to that project or other federally assisted projects, or if the poor condition of the project cannot be remedied in a cost effective manner. In addition, although Title V offers options to owners seeking to renew HAP Contracts, owners are under no obligation to do so and may elect to opt out of the Section 8 program. Elections to pursue any of the options under Title V must be made at least 120 days prior to the expiration of the existing HAP Contract to avoid a lapse in subsidy coverage. While applications for the debt restructuring and/or renewal of HAP Contracts are pending, the HAP contract may be renewed as follows: (i) at current rents for a period not exceeding one year (or the closing of the restructuring plan, if earlier) and (ii) at comparable rent levels for any subsequent periods; provided however, that with respect to contract renewal for "exception projects" the extension term is to be determined by HUD.

Payments due under any HAP Contract, including renewal contracts, are subject to annual appropriation and adjustment as described herein.

Generally, the HAP contracts applicable to the Projects are renewals of previous HAP contracts, in some cases after "mark-to-market" mortgage restructurings, pursuant to Title V. The insured and uninsured rental loans typically require borrowers to renew the respective HAP contract for the longer of the minimum period that the related project is subject to low-income occupancy and rent restrictions under the CHFA Regulatory Agreement (15 or 20 years) or the period the insured or uninsured rental loan is outstanding. There is no assurance that such renewals will be provided by HUD, as they are subject, among other things, to the availability of Congressional appropriations. The failure or inability to renew the HAP contracts could adversely affect the sufficiency of Revenues and assets pledged under the Master Indenture for payment of the Bonds outstanding thereunder or increase the level of prepayments. See "Part I – CERTAIN BONDOWNERS' RISKS – Affordable Multifamily Housing Loans."

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APPENDIX G

Form of Continuing Disclosure Undertaking

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "**Disclosure Certificate**") is executed and delivered by the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "**Authority**"), in connection with the issuance of Colorado Housing and Finance Authority Federally Taxable Multi-Family Housing Revenue Bonds, 2013 Series I (the "**Series Bonds**"). The Series Bonds are being issued pursuant to the Master Indenture of Trust dated as of June 1, 2013 (the "**Master Indenture**") and the 2013-I Series Indenture dated as of June 1, 2013 (the "**Series Indenture**" and, together with the Master Indenture, the "**Indenture**"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "**Trustee**").

BACKGROUND

1. The Series Bonds are being issued to provide funds expected to be used to fund a loan, to make deposits to certain funds and accounts, to pay certain costs of issuance of the Series Bonds, and to otherwise attain the goals of the Authority pursuant to the Colorado Housing and Finance Authority Act.

2. In order to allow the Participating Underwriter (as defined in Rule 15c2-12 defined below) of the Series Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934 (17 CFR Part 240, § 240.15c2-12) as amended to the date hereof ("**Rule 15c2-12**"), the Authority has agreed to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Series Bonds.

3. This Disclosure Certificate is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

AUTHORITY COVENANTS AND AGREEMENTS

Section 1. Definitions.

(a) "Annual Financial Information" means the financial information or operating data with respect to the Authority or other obligated person described in Section 2(g) hereof, as applicable, delivered at least annually pursuant to Sections 2(a) and 2(b) hereof, of the type set forth in the sections of the final Official Statement, including, but not limited to, such financial information and operating data set forth in "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Programs to Date" and **Appendix B** – "CERTAIN INFORMATION REGARDING THE 2013-I LOANS AS OF THE CUT-OFF DATE."

(b) "Audited Financial Statements" means the annual financial statements for the Authority or other obligated person described in Section 2(g) hereof, as applicable, prepared in accordance with generally accepted accounting principles consistently applied, as in effect from time to time, audited by a firm of certified public accountants.

(c) EMMA" means the MSRB's Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>.

(d) "Events" means any of the events listed in Section 2(e) hereof.

(e) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, #600, Alexandria, Virginia 22314; fax: 703-797-6700.

(f) "Official Statement" means the Official Statement delivered in connection with the original issue and sale of the Series Bonds.

(g) "Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), as the same may be amended from time to time.

(h) "SEC" means the Securities and Exchange Commission.

(i) "State" means the State of Colorado.

(j) "Underwriter" means Barclays Capital Inc., New York, New York, which is the Participating Underwriter.

Section 2. Provision of Annual Information and Reporting of Events.

(a) Commencing with the fiscal year ending December 31, 2013 and annually while the Series Bonds remain outstanding, the Authority agrees to provide or cause to be provided annually to EMMA (with a copy, upon request, to the Underwriter) the following information:

i. Annual Financial Information; and

ii. Audited Financial Statements, if prepared.

(b) Such Annual Financial Information shall be provided not later than 240 days after the end of each fiscal year for the Authority (i.e., each December 31). If not provided at the same time as the Annual Financial Information, the Audited Financial Statements will be provided when available.

(c) The Authority may provide Annual Financial Information and Audited Financial Statements by specific reference to other documents, including information reports and official statements relating to other debt issues of the Authority, which have been submitted to EMMA or other repositories as required by Rule 15c2-12; provided, however, that if the document so referenced is a final official statement within the meaning of Rule 15c2-12, such final official statement must also be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by cross-reference.

(d)(1) At any time the Series Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an Event, the Authority shall provide to EMMA notice of the occurrence of any of the following Events with respect to the Series Bonds:

- (A) principal and interest payment delinquencies;
- (B) unscheduled draws on debt service reserves reflecting financial difficulties;
- (C) unscheduled draws on credit enhancements reflecting financial difficulties;
- (D) substitution of credit or liquidity providers, or their failure to perform;
- (E) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series Bonds, or other material events affecting the tax status of the Series Bonds;
- (F) defeasances;
- (G) rating changes;
- (H) tender offers; and
- (I) bankruptcy, insolvency, receivership, or similar event of any obligated person.

For the purposes of the Event identified in paragraph (2)(e)(1)(I) hereof, the Event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(2) At any time the Series Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an Event, the Authority shall provide to EMMA notice of the occurrence of any of the following Events with respect to the Series Bonds, if material:

- (A) non-payment related defaults;
- (B) modifications to the rights of the beneficial owners of the Series Bonds;
- (C) bond calls;
- (D) release, substitution or sale of property securing repayment of the Series Bonds;
- (E) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the

obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

(F) appointment of a successor or additional trustee or a change in the name of a trustee.

(e) At any time the Series Bonds are outstanding, the Authority shall provide, in a timely manner, to EMMA, with a copy to the Underwriter, notice of any failure of the Authority to timely provide the Annual Financial Information as specified in Sections 2(a) and 2(b) hereof.

(f) Obligated Persons. If the Borrower for any 2013-I Loan will be an "obligated person" in respect of the Series Bonds within the meaning of Rule 15c2-12 because the total amount of such Borrower's annual obligations in respect of the Series Bonds is equal to or greater than 20% of the average annual debt service requirements on the Series Bonds, the Authority will confirm that such Borrower has separately agreed to provide to the Authority Annual Financial Information and Audited Financial Statements with respect to itself not later than 180 days after the end of each fiscal year for such Borrower to the extent that such Borrower continues to constitute an "obligated person" in respect of the Series Bonds within the meaning of Rule 15c2-12. The Authority has agreed to forward to EMMA such Audited Financial Statements promptly upon receipt from such Borrower. The Authority has no obligation to examine or review such Audited Financial Statements to verify the accuracy or completeness of such Audited Financial Statements, and is not otherwise obligated to make such continuing disclosure undertakings on behalf of the Borrower.

Section 3. Method of Transmission. Subject to technical and economic feasibility, the Authority shall employ such methods of electronic or physical information transmission as is requested or recommended by the MSRB unless otherwise required by law.

Section 4. Enforcement. The obligations of the Authority hereunder shall be for the benefit of the owners (including beneficial owners) of the Series Bonds. The owner or beneficial owner of any Series Bonds is authorized to take action to seek specific performance by court order to compel the Authority to comply with its obligations under this Disclosure Certificate, which action shall be the exclusive remedy available to it or any other owners or beneficial owners of the Series Bonds; provided, that any owner or beneficial owner of Series Bonds seeking to require the Authority to comply with this Disclosure Certificate shall first provide at least 30 days' prior written notice to the Authority of the Authority's failure, giving reasonable detail of such failure following which notice the Authority shall have 30 days to comply. Any such action shall be brought only in a court of competent jurisdiction in the City and County of Denver, Colorado. Breach of the obligations of Authority hereunder shall not constitute an Event of Default under the Indenture and none of the rights and remedies provided by the Indenture shall be available to the owners of the Series Bonds or the Trustee therein appointed.

Section 5. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Certificate; provided that the Authority shall not be required to do so. If the Authority chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future annual filing or Event filing.

Section 6. Term. This Disclosure Certificate shall be in effect from and after issuance and delivery of the Series Bonds and shall extend to the earliest of (i) the date all principal and interest on the Series Bonds shall have been deemed paid or legally defeased pursuant to the terms of the Indenture; (ii) the date that the Authority and each person named or described in Section 2(f) hereof shall no longer constitute an "obligated person" with respect to the Series Bonds within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 which require this Disclosure Certificate are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series Bonds, the determination of (i), (ii) or (iii) herein to be made in any manner deemed appropriate by the Authority, including by an opinion of counsel experienced in federal securities law selected by the Authority.

Section 7. Amendments and Waivers. Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate from time to time, and any provision of this Disclosure Certificate may be waived, without the consent of the owners or beneficial owners of the Series Bonds upon the Authority's receipt of an opinion of counsel experienced in federal securities laws to the effect that such amendment or waiver will not adversely affect compliance with Rule 15c2-12. Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The Authority shall provide notice of such amendment or waiver to EMMA as required by Rule 15c2-12 and the Underwriter.

Section 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Underwriter and the owners (including beneficial owners) from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of June 26, 2013.

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____
Chief Financial Officer

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