
2018C SERIES INDENTURE

between

COLORADO HOUSING AND FINANCE AUTHORITY

and

ZB, NATIONAL ASSOCIATION DBA ZIONS BANK, AS TRUSTEE

DATED AS OF AUGUST 1, 2018

securing

Single Family Mortgage Class I Bonds, 2018 Series C

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This 2018 C Series Indenture, dated as of August 1, 2018 (this “Series Indenture”), between the Colorado Housing and Finance Authority (the “Authority”), a body corporate and political subdivision of the State of Colorado, and ZB, National Association dba Zions Bank (formerly, Zions First National Bank), as Trustee (the “Trustee”), a national banking association, duly organized and existing under the laws of the United States of America, with a corporate trust office located in Denver, Colorado, and authorized under such laws to accept and execute trusts of the character herein set forth,

WITNESSETH:

WHEREAS, the Authority has entered into a Master Indenture of Trust dated as of October 1, 2001 (as amended, the “Master Indenture”) with the Trustee for the purposes set forth therein; and

WHEREAS, the Master Indenture authorizes the Authority to issue Bonds pursuant to the Master Indenture and one or more Series Indentures; and

WHEREAS, in order to accomplish the purposes set forth in the Master Indenture, the Authority has determined it appropriate and necessary to issue bonds under this Series Indenture; and

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

WHEREAS, all things necessary to make the 2018 Series C Bonds, when executed by the Authority and authenticated by the Bond Registrar, valid and binding legal obligations of the Authority and to make this Series Indenture a valid and binding agreement have been done;

NOW THEREFORE, THIS SERIES INDENTURE WITNESSETH:

ARTICLE I
AUTHORITY AND DEFINITIONS

Section 1.1 Authority. This Series Indenture is executed and delivered pursuant to the authority contained in the Act, Section 10.1(e) of the Master Indenture and the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, Colorado Revised Statutes.

Section 1.2 Definitions. All terms which are defined in Section 1.1 of the Master Indenture shall have the same meanings, respectively, in this Series Indenture, and, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2018 Series C Ginnie Mae MBS” means, collectively, the Ginnie Mae Certificates purchased by the Trustee backed by 2018 Series C Mortgage Loans.

“2018 Series C Bonds” means the Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds, 2018 Series A authorized by, and at any time Outstanding pursuant to, the Indenture.

“2018 Series C Mortgage Loan” means a Mortgage Loan which satisfies the requirements of Section 6.1 of this Series Indenture, financed with moneys in the 2018 Series C subaccount of the Acquisition Fund.

“2018 Series C Class I Asset Requirement” means the requirement that, as of any date of calculation, the sum of (a) amounts held in the 2018 Series C subaccount of the Acquisition Account, the 2018 Series C subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of 2018 Series C Bonds), the 2018 Series C subaccount of the Redemption Fund (to the extent such amounts are required to be used to redeem 2018 Series C Bonds) and the 2018 Series C subaccount of the Revenue Fund after all transfers and payments made pursuant to Section 5.5(d)(i) of the Master Indenture, (b) the amounts held in the respective subaccounts of the Accounts and Funds listed in clause (a) above that are Unrelated to the 2018 Series C Bonds (including amounts in such subaccounts of the Class I Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Bonds) plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to the 2018 Series C Bonds to the extent the aggregate amount held in such subaccounts for each Series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds 113.75% of the Aggregate Principal Amount of the other Class I Bonds of such Series of Unrelated Bonds then Outstanding, or such other different percentage as shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the “Class I Asset Requirement” for any other Series of Bonds Unrelated to the 2018 Series C Bonds other than the Series of Bonds to which each respective “Class I Asset Requirement” relates, and (c) the aggregate unpaid principal balance of Mortgage Loans Related to the 2018 Series C Bonds, be at least equal to 113.75% of the Aggregate Principal Amount of

all 2018 Series C Bonds then Outstanding, or such different percentage as shall be approved or required by each Rating Agency in writing.

“Authorized Denominations” means \$5,000 and any integral multiple thereof.

“Closing Date” means the date of initial issuance and delivery of the 2018 Series C Bonds.

“Debt Service Reserve Fund Requirement” means, as of each determination date, an amount equal to \$-0-.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Electronic Means” means telecopy, telegraph, telex, facsimile transmission, e-mail transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under the Act and the Indenture and will not impair the exclusion of interest on the 2018 Series C Bonds from gross income for purposes of Federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered on the Closing Date).

“Ginnie Mae Certificates” means the Ginnie Mae Certificates purchased by the Trustee backed by 2018 Series C Mortgage Loans.

“Interest Payment Date” means each date on which interest on the 2018 Series C Bonds is to be paid and is each Stated Interest Payment Date and each Maturity Date.

“Maturity Date” means the respective dates set forth in Section 2.1 of this Series Indenture.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“MSRB” means the Municipal Securities Rulemaking Board, the current required method of filing of which is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“PAC Bonds” means the 2018 Series C Bonds maturing on November 1, 2048.

“Rating Confirmation Notice” means a notice from each Rating Agency confirming that the rating on the 2018 Series C Bonds will not be reduced or withdrawn as a result of the action proposed to be taken.

“Record Date” means the fifteenth day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

“S&P” means S&P Global Ratings, and its successors and assigns.

“Stated Interest Payment Dates” means each May 1 and November 1, commencing November 1, 2018.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF 2018 SERIES C BONDS

Section 2.1 Authorization of 2018 Series C Bonds; Principal Amounts, Maturities, Designations and Series. (a) A Series of Bonds to be issued under this Series Indenture in order to obtain moneys to carry out the Program is hereby created. Such Bonds shall be issued as Class I Bonds in a single subseries designated as the “Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds, 2018 Series C.

(b) The Aggregate Principal Amount of 2018 Series C Bonds which may be issued and Outstanding under the Indenture shall not exceed \$95,000,000. The 2018 Series C Bonds shall be issued only in fully registered form, without coupons.

(c) The 2018 Series C Bonds shall mature, subject to the right of prior redemption as set forth in Article III of this Series Indenture, on the dates and in the principal amounts and shall bear interest payable on each Interest Payment Date, at the respective rates per annum set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 2019	\$ 770,000	1.500%
November 1, 2019	780,000	1.650
May 1, 2020	790,000	1.750
November 1, 2020	805,000	1.850
May 1, 2021	820,000	1.950
November 1, 2021	830,000	2.050
May 1, 2022	845,000	2.100
November 1, 2022	860,000	2.200
May 1, 2023	875,000	2.300
November 1, 2023	890,000	2.375
May 1, 2024	910,000	2.450
November 1, 2024	925,000	2.550
May 1, 2025	945,000	2.600
November 1, 2025	965,000	2.650
May 1, 2026	985,000	2.800
November 1, 2026	1,005,000	2.800
May 1, 2027	1,025,000	2.900
November 1, 2027	1,050,000	2.950
May 1, 2028	1,070,000	3.000
November 1, 2028	1,095,000	3.050
May 1, 2029	1,120,000	3.150
November 1, 2029	1,145,000	3.200
May 1, 2030	1,170,000	3.250
November 1, 2030	1,200,000	3.250

November 1, 2033	7,840,000	3.375
November 1, 2038	15,930,000	3.600
November 1, 2042	15,985,000	3.700
November 1, 2048	32,370,000	4.250

Section 2.2 Denominations, Medium, Method and Place of Payment, Dating and Numbering.

(a) Each 2018 Series C Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the 2018 Series C Bonds in which event such Bond shall bear interest from its dated date. Payment of interest on any 2018 Series C Bond shall be made to the Person whose name appears on the registration records kept by the Bond Registrar as the registered owner thereof on the Record Date, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration records or at such other address as it may have filed with the Bond Registrar for that purpose, and the Bond Registrar shall keep a record in such registration records or at such other address as it appears on such registration records or at such other address as it may have filed with the Bond Registrar for that purpose.

(b) The principal of and premium, if any, and interest on the 2018 Series C Bonds shall be payable in lawful money of the United States of America. The interest on the 2018 Series C Bonds shall be paid by the Paying Agent on the Interest Payment Dates by check mailed by the Paying Agent to the respective Owners of record thereof on the applicable Record Date at their addresses as they appear on the applicable Record Date in the registration records, except that in the case of such an Owner of \$1,000,000 or more in Aggregate Principal Amount of such 2018 Series C Bonds, upon the written request of such Owner to the Paying Agent, specifying the account or accounts located in the United States of America to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the Interest Payment Date following such Record Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Paying Agent. The principal of and premium, if any, on each 2018 Series C Bond shall be payable on the Payment Date, upon surrender thereof at the office of the Paying Agent.

(c) The 2018 Series C Bonds shall be dated the Closing Date and shall bear interest until the entire principal amount of the Bonds has been paid. Interest on the 2018 Series C Bonds shall be completed on the basis of a 360-day year of twelve 30-day months.

(d) Unless the Authority shall otherwise direct, the 2018 Series C Bonds shall be numbered separately from 1 upward preceded by the legend RCI- prefixed to the number.

Section 2.3 Forms of Bonds and Certificates of Authentication. The forms of the 2018 Series C Bonds, including the Bond Registrar's Certificate of Authentication thereon, shall be substantially as set forth in Exhibit A to this Series Indenture. Any 2018 Series C Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words and such opinions and certifications not inconsistent with the provisions of the Master Indenture and this Series Indenture as may be necessary or desirable, as determined by an Authorized Officer prior to their authentication and delivery.

Section 2.4 Execution of 2018 Series C Bonds. The Chair, the Chair pro tem and the Executive Director of the Authority and each of them is hereby authorized and directed to execute the 2018 Series C Bonds, and the Secretary/Treasurer, Executive Director or other officer named in this Section 2.4 (other than the officer executing the 2018 Series C Bonds) is hereby authorized and directed to attest the seal of the Authority impressed or imprinted thereon, all in the manner prescribed in Section 2.8 of the Master Indenture.

Section 2.5 Purposes. The 2018 Series C Bonds are authorized to provide moneys to finance the purchase of Ginnie Mae Certificates backed by Mortgage Loans for Eligible Borrowers purchasing Residential Housing and Second Mortgage Loans.

(End of Article II)

ARTICLE III
REDEMPTION OF THE 2018 SERIES C BONDS

Section 3.1 Special Redemption.

(a) *Unexpended Proceeds.* The 2018 Series C Bonds are subject to redemption prior to their respective Maturity Dates as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, except that the PAC Bonds shall be redeemed at a Redemption Price that maintains the original yield on the PAC Bonds (as calculated by the Authority, which calculation, once made and the Redemption Price communicated to the Trustee, shall be conclusive on all parties) plus accrued interest thereon to the date of redemption, on any date from amounts equal to proceeds of the 2018 Series C Bonds transferred from the 2018 Series C subaccount of the Acquisition Account to the 2018 Series C subaccount of the Redemption Fund pursuant to Section 5.2(d) of this Series Indenture.

(b) *Mortgage Repayments and Prepayments and Excess Revenues.* The 2018 Series C Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption, without premium, on any date, from amounts deposited in the 2018 Series C subaccount of the Class I Redemption Account pursuant to Section 5.5(d) of the Master Indenture.

Moneys deposited in or transferred to the 2018 Series C subaccount of the Class I Special Redemption Account shall be applied to redeem 2018 Series C Bonds as follows:

FIRST: such amounts shall be applied to redeem the PAC Bonds until the Aggregate Principal Amount of the Outstanding PAC Bonds is equal to the amount shown in the column entitled "100% SIFMA Outstanding Balance of PAC Bonds" (the "100% SIFMA Outstanding Balance") for the applicable semiannual period as set forth in the table below;

SECOND: after applying the amounts as described in clause FIRST above, any remaining amounts may be applied to the redemption of 2018 Series C Bonds other than PAC Bonds, of such maturities and in such amounts as directed by the Authority (or, in the absence of such direction, on a pro rata by maturity basis) until the Aggregate Principal Amount of the 2018 Series C Bonds Outstanding is equal to the amount shown in the column "400% SIFMA Outstanding Balance of 2018 Series C Bonds" (the "400% SIFMA Outstanding Balance") for the applicable semiannual period as set forth in the table below; and

THIRD: after applying the amounts as described in clauses FIRST and SECOND above, any remaining amounts may be applied to the redemption of any 2018 Series C Bonds, including the PAC Bonds; provided that the percentage of such remaining amounts so applied to redeem PAC Bonds may not exceed the ratio of the Aggregate

Principal Amount of Outstanding PAC Bonds to the Aggregate Principal Amount of Outstanding 2018 Series C Bonds prior to such redemption (unless otherwise required by Federal tax law).

Such redemptions may occur at such times and with such frequency as the Authority elects; provided that any redemptions described in clause FIRST above must occur at least once during each semiannual period commencing with the semiannual period ending on November 1, 2018 to the extent moneys in the 2018 Series C subaccount of the Class I Special Redemption Account are legally available therefor. To the extent PAC Bonds are to be redeemed on a date that is not a Stated Interest Payment Date, the 100% SIFMA Outstanding Balance of PAC Bonds and the 400% SIFMA Outstanding Balance of 2018 Series C Bonds as set forth in the table below shall be deemed to be the respective amounts determined by interpolating such respective Outstanding Balances, using the straight line method, by reference to the respective Outstanding Balances for the Semi-Annual Period Ending dates listed in the table below which are immediately prior to and immediately subsequent to such redemption date, and the number of calendar days elapsed since the Semi-Annual Period Ending date which is immediately prior to such redemption date.

<u>Semi-Annual Period Ending</u>	<u>100% SIFMA Outstanding Balance of PAC Bonds</u>	<u>400% SIFMA Outstanding Balance of 2018 Series C Bonds</u>
Closing Date	\$32,370,000	\$95,000,000
November 1, 2018	32,355,000	94,945,000
May 1, 2019	31,885,000	92,615,000
November 1, 2019	30,915,000	88,255,000
May 1, 2020	29,370,000	81,855,000
November 1, 2020	27,345,000	73,785,000
May 1, 2021	24,840,000	64,535,000
November 1, 2021	22,325,000	55,815,000
May 1, 2022	19,890,000	48,040,000
November 1, 2022	17,595,000	41,275,000
May 1, 2023	15,415,000	35,400,000
November 1, 2023	13,335,000	30,320,000
May 1, 2024	11,385,000	25,915,000
November 1, 2024	9,520,000	22,095,000
May 1, 2025	7,780,000	18,790,000
November 1, 2025	6,120,000	15,920,000
May 1, 2026	4,585,000	13,430,000
November 1, 2026	3,120,000	11,270,000
May 1, 2027	1,775,000	9,390,000
November 1, 2027	510,000	7,760,000
May 1, 2028	-	6,340,000
November 1, 2028	-	5,125,000

May 1, 2029	-	4,080,000
November 1, 2029	-	3,165,000
May 1, 2030	-	2,375,000
November 1, 2030	-	1,695,000
May 1, 2031	-	1,095,000
November 1, 2031	-	575,000
May 1, 2032	-	125,000
November 1, 2032	-	-

If 2018 Series C Bonds are redeemed from unexpended proceeds pursuant to Section 3.1(a) hereof, then (A) each amount set forth in the 100% SIFMA Outstanding Balance of PAC Bonds column in the table above shall be reduced by a fraction (i) the numerator of which is the principal amount of the PAC Bonds remaining Outstanding after such redemption and (ii) the denominator of which is the original principal amount of the PAC Bonds, rounded to the nearest \$5,000 denomination, and (B) each amount set forth in the 400% SIFMA Outstanding Balance of 2018 Series C Bonds column in the table above shall be reduced by a fraction (i) the numerator of which is the principal amount of the 2018 Series C Bonds remaining Outstanding after such redemption and (ii) the denominator of which is the original principal amount of the 2018 Series C Bonds, rounded to the nearest \$5,000 denomination.

(c) Notwithstanding the provisions of paragraph (E) of Section 5.5(d)(i) of the Master Indenture, no moneys in the 2018 Series C subaccount of the Revenue Fund shall be deposited into the 2018 Series C subaccount of the Loan Recycling Account until there has been deposited into the 2018 Series C subaccount of the Class I Special Redemption Account amounts sufficient to redeem PAC Bonds pursuant to clause FIRST of paragraph (b) of this Section 3.1 for the applicable semiannual period.

(d) Notwithstanding, the provisions of Section 5.8(f) of the Master Indenture or Section 6.3 hereof, Mortgage Repayments or Prepayments received in respect of the 2018 Series C Mortgage Loans shall not be applied to the payment of Class I Bonds other than the 2018 Series C Bonds until there has been deposited into the 2018 Series C subaccount of the Class I Special Redemption Account amounts sufficient to redeem PAC Bonds pursuant to clause FIRST of paragraph (b) of this Section 3.1 for the applicable semiannual period.

(e) Notwithstanding the provisions of Section 5.8(b) of the Master Indenture, moneys transferred to the 2018 Series C subaccount of the Class I Special Redemption Account pursuant to Section 5.5(d)(iii) of the Master Indenture shall not be required to be used on the earliest practicable date to redeem 2018 Series C Bonds pursuant to paragraph (b) of this Section 3.1, but shall be used to redeem 2018 Series C Bonds only upon Authority Request.

(f) Prior to each special redemption date for the 2018 Series C Bonds, the Trustee shall notify the Paying Agent and Bond Registrar of the estimated amounts of moneys available for special redemption in order to allow the Bond Registrar sufficient time to select Bonds for redemption and to mail redemption notices within the time periods required by the Indenture.

Section 3.2 Sinking Fund Redemption of 2018 Series C Bonds.

(a) The 2018 Series C Bonds maturing on November 1, 2033 shall be redeemed prior to their maturity, in part, by payment of 2018 Series C Class I Sinking Fund Installments, upon notice as provided in Section 3.5 of this 2018C Series Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of such 2018 Series C Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
May 1, 2031	\$1,230,000
November 1, 2031	1,260,000
May 1, 2032	1,290,000
November 1, 2032	1,320,000
May 1, 2033	1,355,000
November 1, 2033*	1,385,000

*Maturity Date

(b) The 2018 Series C Bonds maturing on November 1, 2038 shall be redeemed prior to their maturity, in part, by payment of 2018 Series C Class I Sinking Fund Installments, upon notice as provided in Section 3.5 of this 2018C Series Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of such 2018 Series C Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
May 1, 2034	\$1,420,000
November 1, 2034	1,455,000
May 1, 2035	1,490,000
November 1, 2035	1,530,000
May 1, 2036	1,570,000
November 1, 2036	1,610,000
May 1, 2037	1,650,000
November 1, 2037	1,690,000
May 1, 2038	1,735,000
November 1, 2038*	1,780,000

*Maturity Date

(c) The 2018 Series C Bonds maturing on November 1, 2042 shall be redeemed prior to their maturity, in part, by payment of 2018 Series C Class I Sinking Fund Installments, upon notice as provided in Section 3.5 of this 2018C Series Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of such 2018 Series C Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
May 1, 2039	\$1,825,000
November 1, 2039	1,870,000
May 1, 2040	1,920,000
November 1, 2040	1,970,000
May 1, 2041	2,020,000
November 1, 2041	2,075,000
May 1, 2042	2,125,000
November 1, 2042*	2,180,000

*Maturity Date

(d) The PAC Bonds shall be redeemed prior to their maturity, in part, by payment of 2018 Series C Class I Sinking Fund Installments, upon notice as provided in Section 3.5 of this 2018C Series Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of the PAC Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
May 1, 2043	\$2,240,000
November 1, 2043	2,300,000
May 1, 2044	2,360,000
November 1, 2044	2,425,000
May 1, 2045	2,495,000
November 1, 2045	2,565,000
May 1, 2046	2,635,000
November 1, 2046	2,705,000
May 1, 2047	2,780,000
November 1, 2047	2,860,000
May 1, 2048	2,935,000
November 1, 2048*	4,070,000

*Maturity Date

Section 3.3 Optional Redemption of 2018 Series C Bonds. The 2018 Series C Bonds maturing on and after May 1, 2028 shall be subject to redemption prior to maturity at the option of the Authority, from any source, on any day on or after November 1, 2027 in whole or in part, in Authorized Denominations at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption.

Section 3.4 Selection of Bonds for Redemption. In the event of a partial redemption of 2018 Series C Bonds, the Authority shall direct the series, maturity or maturities, and the amounts thereof, so to be redeemed. If less than all the 2018 Series C Bonds of like maturity are to be redeemed on any one date pursuant to this Article III, the particular 2018 Series C Bonds or the respective portions thereof to be redeemed shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate.

Section 3.5 Notice of Redemption. The 2018 Series C Bonds shall be redeemed as provided in this Article III upon notice as provided in Section 3.2 of the Master Indenture and to the MSRB, provided that notices of redemption shall be given not more than 60 days nor less than 25 days prior to the redemption date.

(End of Article III)

ARTICLE IV

APPLICATION OF BOND PROCEEDS AND OTHER ASSETS

Section 4.1 Proceeds of the 2018 Series C Bonds. On the Closing Date, the proceeds of the sale and delivery of the 2018 Series C Bonds shall be applied as follows:

(a) \$97,223,495.30 shall be deposited into the 2018 Series C subaccount of the Acquisition Account of which \$64,643,363.52 will be immediately transferred to the Federal Home Loan Bank of Topeka and immediately upon such transfer \$64,643,363.52 (which may be a combination of Ginnie Mae Certificates, cash and investments) shall be transferred from the Federal Home Loan Bank of Topeka to the Acquisition Account;

(b) \$-0- shall be deposited into the 2018 Series C subaccount of the Cost of Issuance Account; and

(c) \$-0- shall be deposited into the 2018 Series C subaccount of the Revenue Account.

Section 4.2 No Interest Reserve Account Deposit. None of the moneys to be deposited into the 2018 Series C subaccount of the Debt Service Reserve Fund shall be deposited into a subaccount of the Interest Reserve Account.

Section 4.3 Application of Other Moneys. Moneys and/or Investment Securities that are identified in an Authority Request delivered to the Trustee on the Closing Date shall be transferred on the Closing Date to such Funds or Accounts as shall be designated in such Authority Request, in the amounts and as otherwise provided in such Authority Request.

(End of Article IV)

ARTICLE V
ESTABLISHMENT OF CERTAIN SUBACCOUNTS

Section 5.1 Establishment of Subaccounts. The following subaccounts are hereby created and established as special trust funds within the Funds and Accounts created and established pursuant to the Master Indenture:

- (a) the 2018 Series C subaccount of the Acquisition Account;
- (b) the 2018 Series C subaccount of the Cost of Issuance Account;
- (c) the 2018 Series C subaccount of the Loan Recycling Account;
- (d) the 2018 Series C subaccount of the Revenue Fund;
- (e) the 2018 Series C subaccount of the Debt Service Reserve Fund;
- (f) the 2018 Series C subaccount of the Class I Debt Service Fund; and
- (g) the 2018 Series C subaccount of the Class I Special Redemption Account.

Section 5.2 Program Fund and Acquisition Account.

(a) Deposits. There shall be deposited into the 2018 Series C subaccount of the Acquisition Account the amounts specified by Section 4.1 hereof.

(b) Set-Asides. Amounts in the 2018 Series C subaccount of the Acquisition Account may be reserved for designated periods for (1) the purchase of 2018 Series C GNMA MBS backed by Mortgage Loans on Residential Housing located within designated areas within the State, (2) Eligible Borrowers meeting designated requirements and (3) Residential Housing meeting designated requirements, all as may be set forth in the Authority's Program directives from time to time.

(c) Disbursements from Acquisition Account. The portion of the proceeds of the sale and delivery of the 2018 Series C Bonds deposited into the 2018 Series C subaccount of the Acquisition Account pursuant to Section 4.1 hereof shall be applied to purchase (i) Ginnie Mae Certificates backed by 2018 Series C Mortgage Loans, and (ii) Second Mortgage Loans. Such Ginnie Mae Certificates shall be purchased on or after the Closing Date at a purchase price of par plus accrued interest thereon. The par amount of such Ginnie Mae Certificates shall be paid from the 2018 Series C subaccount of the Acquisition Account and any accrued interest on such Ginnie Mae Certificates shall be paid from the 2018 Series C subaccount of the Revenue Fund.

(d) Unexpended Bond Proceeds. Subject to the requirements of Section 5.2(b) hereof, moneys in the 2018 Series C subaccount of the Acquisition Account that are not used to purchase 2018 Series C Mortgage Loans shall be withdrawn by the Trustee and transferred to the

2018 Series C subaccount of the Class I Special Redemption Account pursuant to an Authority Request filed with the Trustee stating that the Authority no longer reasonably expects to apply the amount to be transferred for any such purpose, such amount to be transferred not later than February 1, 2019; provided, that if on the date of transfer, the amount to be withdrawn by the Trustee shall be less than \$250,000, such amount shall be transferred on such date to the 2018 Series C subaccount of the Revenue Fund rather than to the 2018 Series C subaccount of the Class I Special Redemption Account; provided, however, that, subject to the Authority's covenants in Section 6.17 of the Master Indenture and Section 6.5 of this Series Indenture, the date set forth above may be extended to a later date or dates not later than February 1, 2022 as to all or any part of such moneys, if the Authority shall have filed with the Trustee, with a copy to Moody's and S&P, an Authority Request specifying such later date or dates for such withdrawal, accompanied by a Cash Flow Statement (unless the principal amount and term of such extension shall be covered by a previous Cash Flow Statement), in which case such withdrawal shall occur on the later specified date or dates.

(End of Article V)

ARTICLE VI
ADDITIONAL COVENANTS

Section 6.1 Mortgage Loans. The Authority covenants and agrees that each 2018 Series C Mortgage Loan will meet the following requirements:

(a) Each such Mortgage Loan must comply with Section 6.7 of the Master Indenture, with the tax covenant of Section 6.5 hereof and the Act, provided, however, that no mortgage insurance or guaranty is required for any Second Mortgage Loan financed with the proceeds of the 2018 Series C Bonds.

(b) Each such Mortgage Loan will be an FHA Insured Mortgage Loan, a VA Mortgage Loan or other Mortgage Loan insured or guaranteed by a Governmental Insurer.

(c) Except to the extent, if any, that a variance is required as a condition to the mortgage insurance or guaranty of a Mortgage Loan, each such Mortgage Loan must comply with the following additional requirements:

(i) The Related Mortgage shall be executed and recorded in accordance with the requirements of existing laws.

(ii) The Related Mortgage (except for any Second Mortgage) must be the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of such Mortgage Loan, insuring that such Mortgage constitutes a first lien, subject only to liens for taxes and assessments and Permitted Liens and Encumbrances on the real property with respect to which the Mortgage Loan is secured; provided, however, that the Authority may finance such a Mortgage Loan prior to the issuance of such title insurance policy so long as there shall have been issued by the title insurance company a commitment therefor in customary form. As used in this Series Indenture, "Permitted Liens and Encumbrances" means liens, encumbrances, reservations, easements and other imperfections of title normally acceptable to any applicable Governmental Insurer or private insurer insuring or guaranteeing such Mortgage Loan and to prudent mortgage lenders, or which, in the judgment of the Authority, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Authority, have been taken to secure the interest of the Authority.

(iii) Either (i) the Mortgage Loan requires escrow payments with respect to all taxes, assessments, insurance premiums (including premiums for the applicable governmental mortgage insurance or guaranty) and other charges, to the extent actually charged or assessed, and any prior liens now or hereafter assessed or liens on or levied against the premises or any part thereof, and in case of default in the payment thereof when the same shall be due and payable, it shall be lawful for the Authority to pay the same or any of them (in which event the moneys paid by the Authority in discharge of taxes, assessments, insurance premiums (including premiums for the applicable governmental mortgage insurance or guaranty) and other charges and prior liens shall be

added to the amount of the Mortgage Loan and secured by the Related Mortgage payable on demand with interest at the rate applicable under the Mortgage Loan from and after maturity, from time of payment of the same); or (ii) reasonable alternative arrangements for the payment of such taxes, assessments, insurance premiums (including premiums for the applicable governmental mortgage insurance or guaranty) and other charges and prior liens are made which are satisfactory to the Authority.

(iv) The Mortgage Loan (other than any Second Mortgage Loan) must require equal monthly payments to be applied to accrued interest and then to principal which commence no more than sixty days following origination of the Mortgage Loan.

(v) The Residential Housing (and other buildings on the premises) with respect to which the Mortgage Loan is made must be insured with respect to fire, lightning and other hazards as and to the extent required by any applicable Governmental Insurer or private insurer.

Section 6.2 Limitation on Payment of Fiduciary, Program Expenses and Servicing Fees.

(a) Fiduciary Expenses which may be paid from the 2018 Series C subaccount of the Revenue Fund pursuant to Section 5.5(d)(i)(M) of the Master Indenture may not exceed the maximum amount consistent with the most recent Cash Flow Statement.

(b) Program Expenses and Fiduciary Expenses which may be paid from the 2018 Series C subaccount of the Revenue Fund pursuant to Section 5.5(d)(i)(Q) of the Master Indenture may not exceed the maximum amount consistent with the most recent Cash Flow Statement.

(c) The Authority covenants and agrees that Servicing Fees with respect to 2018 Series C Mortgage Loans shall not exceed the maximum amount consistent with the most recent Cash Flow Statement.

Section 6.3 Cross Calls of 2018 Series C Bonds. In accordance with the Master Indenture, the Authority and the Trustee may apply any Mortgage Repayments or Prepayments received in respect of the 2018 Series C Mortgage Loans to the payment of any Related Series of Bonds, including the 2018 Series C Bonds, whether at maturity or prior redemption. In addition, Mortgage Repayments or Prepayments received in respect of Mortgage Loans securing any Series of Bonds other than the 2018 Series C Bonds may be applied to the prior redemption of the 2018 Series C Bonds; provided, however that no such Mortgage Repayments or Prepayments may be applied to the redemption of the PAC Bonds so as to reduce the Aggregate Principal Amount of the Outstanding PAC Bonds below the amount shown in the column entitled "100% SIFMA Outstanding Balance of PAC Bonds" (the "100% SIFMA Outstanding Balance") for the applicable semiannual period as set forth in the table in Section 3.1(b) hereof.

Section 6.4 Tax Covenant. The Authority covenants for the benefit of the owners of the 2018 Series C Bonds that it will not take any action or omit to take any action with respect to

the 2018 Series C Bonds, the proceeds thereof, any other funds of the Authority or any assets financed with the proceeds of the 2018 Series C Bonds or the Refunded Bond Series if such action or omission would cause the interest on the 2018 Series C Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of any 2018 Series C Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met.

Section 6.5 Covenant Regarding Targeted Areas. The Authority covenants to take such action with respect to making available funds for the purchase of Mortgage Loans in Targeted Areas as, in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on the 2018 Series C Bonds from gross income for federal income tax purposes under Section 103 of the Code.

(End of Article VI)

ARTICLE VII

MISCELLANEOUS

Section 7.1 Severability and Invalid Provisions. If any one or more of the covenants or agreements provided in this Series Indenture on the part of the Authority 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 shall in no way affect the validity of the other provisions of this Series Indenture.

Section 7.2 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Series 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 Series Indenture.

Section 7.3 Counterparts; Electronic Transactions. This Series 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. In addition, the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 7.4 Effective Date; Execution and Delivery. This Series Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

(End of Article VII)

(Signature page follows)

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

COLORADO HOUSING AND FINANCE
AUTHORITY

By: *Pamela Hepp*
Chief Financial Officer

Attest:

By: *John K. Kurt*
Assistant Secretary



ZB, NATIONAL ASSOCIATION DBA ZIONS
BANK, as Trustee

By: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Series 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

ZB, NATIONAL ASSOCIATION DBA ZIONS
BANK, as Trustee

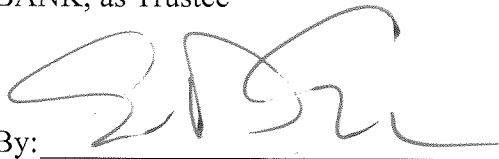
By: 
Title: _____
Sandra Stevens
Vice President

EXHIBIT A

(FORM OF 2018 SERIES C BOND)

No. RCI-_____

\$_____

COLORADO HOUSING AND FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE CLASS I BONDS
2018 SERIES C

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>	<u>INTEREST RATE</u>
_____, 2018	_____, 20__		____%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colorado Housing and Finance Authority (the “Authority”), a body corporate and political subdivision of the State of Colorado (the “State”), created and existing by virtue of the laws of the State, particularly the Colorado Housing and Finance Authority Act, constituting Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the “Act”), for value received hereby promises to pay to the Registered Owner specified above, or to such Registered Owner’s registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is redeemed prior thereto as provided in the Indenture (as defined below), upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, as amended, between the Authority and ZB, National Association dba Zions Bank (formerly, Zions First National Bank), as trustee (the “Trustee”) and the 2018 C Series Indenture dated as of August 1, 2018, between the Authority and the Trustee (collectively, the “Indenture”), and to pay to the Registered Owner interest on such Principal Amount at the Interest Rate per annum above. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated “Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds, 2018 Series C” (the “Bonds”), issued under and pursuant to the Act, the Indenture and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11, Colorado Revised Statutes. It is the intention of the Authority that this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value and that all of the Bonds issued are incontestable for any cause whatsoever after their delivery for value. This Bond constitutes a Class I Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE 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 OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

This Bond is transferable, as provided in the Indenture, only upon the records of the Authority kept for that purpose at the Corporate Trust Office of the Trustee by the Registered Owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, and in the same series, maturity and aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof (“Authorized Denominations”). The

owner of any Bonds may surrender the same at the above mentioned office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of the same series and maturity of any of the Authorized Denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture. Pursuant to Section 29-4-722 of the Act, Bonds issued under the Act shall be negotiable instruments under the laws of the State, subject only to applicable provisions for registration.

This Bond bears interest on the Principal Amount specified above, payable to the Registered Owner hereof on each Interest Payment Date (the first such date being November 1, 2018) until maturity or earlier redemption. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the Bonds, as the case may be, in which event such Bond shall bear interest from its dated date. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal or Redemption Price of and interest on the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Paying Agent in Denver, Colorado.

The Bonds are subject to special, sinking fund and optional redemption in the manner, at the prices, at the times and under the circumstances provided in the Indenture.

If any moneys held by the Trustee or Paying Agent in trust for the payment of interest, principal, premium or Purchase Price of any Bonds remain unclaimed for a period of three years after the date on which such moneys were payable, the Trustee or Paying Agent will, upon written notice from the Authority, pay such amounts to the Authority, as provided in the Indenture. Thereafter, such Registered Owners must look to the Authority for payment of such moneys.

The Indenture provides that the occurrences of certain events constitute Events of Default. If certain Events of Default occur, the Trustee may, and upon the written request of the Registered Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), give 30 days' notice in writing to the Authority of its intention to declare all Outstanding Bonds immediately due and payable. At the end of such 30-day period, the Trustee may, and upon the written consent of the Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), declare all Outstanding Bonds immediately due and payable. An Event of Default and its consequences may be waived as provided in the Indenture. Registered Owners may not enforce the Indenture or the Bonds except as provided in the Indenture.

The Act provides that neither the members of the Authority nor any authorized person executing bonds issued pursuant to the Act shall be personally liable for such bonds by reason of the execution or issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Colorado Housing and Finance Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon and attested by the manual or facsimile signature of its Executive Director.

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____
Chair

(SEAL)

Attest:

Executive Director

(FORM OF CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds described in the within-mentioned Indenture of the Colorado Housing and Finance Authority.

Date of Authentication: _____

ZB, NATIONAL ASSOCIATION DBA ZIONS
BANK,
as Trustee

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please insert social security or other identifying Number of transferee)

(Please print or type name and address of transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ Attorney to transfer the within

bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.