
SERIES 2009AA INDENTURE

between

COLORADO HOUSING AND FINANCE AUTHORITY

and

ZIONS FIRST NATIONAL BANK, AS TRUSTEE

DATED AS OF DECEMBER 1, 2009

securing

**Taxable Single Family Program Class I Bonds
Convertible Series 2009AA**

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This Series 2009AA Indenture, dated as of December 1, 2009 (this "Series Indenture"), between the Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado, and 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 December 1, 2009 (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 2009AA 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. To the extent that any defined terms contained in this Section 1.2 are inconsistent with any terms in the Master Indenture, the defined terms contained herein shall control with respect to the 2009AA Bonds.

"2009AA Bonds" or "Program Bonds" means the Colorado Housing and Finance Authority Taxable Single Family Program Class I Bonds, Convertible Series 2009AA authorized by, and at any time Outstanding pursuant to, the Indenture, and includes Pre-Conversion Bonds and Converted Bonds. On and after the Release Date for any 2009AA Bonds, if any, such 2009AA Bonds shall be designated as the Colorado Housing and Finance Authority Single Family Program Class I Bonds, Series 2009AA-[1][2][3] (as applicable).

"Administrator" means U.S. Bank National Association, as administrator pursuant to that certain Administration Agreement by and among U.S. Bank National Association, Fannie Mae and Freddie Mac and concerning the administration of the Housing Finance Agency Initiative announced by Treasury on October 19, 2009, together with its successors and assigns in such capacity.

"Annual Filing" means the annual financial information required to be provided by the Authority pursuant to a continuing disclosure undertaking of the Authority pursuant to Rule 15c2-12, which information shall be provided to the GSEs pursuant to Section 6.4 hereof as and when required by Rule 15c2-12, whether or not Rule 15c2-12 applies to the 2009AA Bonds.

"Authorized Denominations" means \$5,000 and integral multiples thereof and, for purposes of initial issuance and redemption of 2009AA Bonds, \$10,000 or any integral multiple of \$10,000 in excess thereof.

"Bond Counsel" means nationally recognized bond counsel selected by the Authority.

"Bond Rating" means the long-term credit rating (without regard to any bond insurance or any other form of credit enhancement on the Bonds) assigned to the 2009AA Bonds or Parity Debt by each Rating Agency then providing its long-term rating therefor. If more than one rating agency provides a rating, the "Bond Rating" is the lower or lowest such rating.

“Certificate of Adverse Change” means a written notice from or on behalf of the GSEs or the Authority stating that one or more of the certificates or opinions required to be delivered by the Authority pursuant to the Placement Agreement has been revised or withdrawn prior to the receipt by the Authority of proceeds of the 2009AA Bonds on the Settlement Date.

“Conversion” or “Converting” or “Converted” means the conversion or the converting of the interest rate on all or a portion of the Pre-Conversion Bonds from a Short-Term Rate to a Permanent Rate as provided herein.

“Conversion Date” means, with respect to all or a portion of Pre-Conversion Bonds that are converting to a Permanent Rate, the date two (2) months after the related Release Date; provided that there shall be no more than three (3) Conversion Dates.

“Converted Bonds” means 2009AA Bonds that have been through the process of Conversion.

“Debt” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all debt of others secured by a lien on any asset of such Person, whether or not such debt is assumed by such Person, and (f) all Guarantees by such Person of debt of other Persons.

“Debt Service Reserve Fund Requirement” means, with respect to the 2009AA Bonds, zero.

“Escrow Fund” means the fund created in Section 4.2 hereof as a separate, non-commingled fund in which the Trustee will hold the Pre-Conversion Bond proceeds until the applicable Release Date or until such Pre-Conversion Bonds are redeemed.

“Escrowed Proceeds” means the portion of the proceeds of the Pre-Conversion Bonds that, together with the Shortfall Amount, must be set aside in the Escrow Fund pending the related Release Date.

“Fannie Mae” means the Federal National Mortgage Association, a federally-chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq.

“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 Post-Release 2009AA Bonds from gross income for purposes of Federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered on the Release Date for such 2009AA Bonds).

"FHA" means the Federal Housing Administration or its successors.

"Four Week T-Bill Rate" means the interest rate for Four Week Treasury Bills (secondary market) as reported by the Federal Reserve on its website at the following internet address -<http://www.federalreserve.gov/releases/h15/update/h15upd.htm>.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

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

"GSE" means either Fannie Mae or Freddie Mac **"GSEs"** means both Fannie Mae and Freddie Mac collectively.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement condition or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

"Hedge" means any interest rate swap, interest rate cap, interest rate collar or other arrangement, contractual or otherwise, which has the effect of an interest rate swap, interest rate collar or interest rate cap or which otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt, or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

"HUD" means the United States Department of Housing and Urban Development.

"Interest Payment Date" means, with respect to Pre-Conversion Bonds, each Release Date (but such Release Date shall be an Interest Payment Date only for that portion of Pre-Conversion Bonds with respect to which Escrowed Proceeds are subject to release on such date), each Conversion Date (but such Conversion Date shall be an Interest Payment Date only with respect to those Pre-Conversion Bonds which are to become, as of such date, Converted Bonds), and each redemption date. Interest Payment Dates for each Converted Bond shall be each Stated Interest Payment Date and the Maturity Date.

"Market Bond Ratio Requirement" means the requirement that the Authority issue and deliver Market Bonds in conjunction with and as a condition to each Release Date, the principal

amount of such Market Bonds being not less than 2/3rds of the principal amount of Pre-Conversion Bonds the proceeds of which are proposed to be released on such Release Date.

“Market Bonds” means serial bonds and/or term bonds sold by the Authority to public or private investors in accordance with standard bond underwriting practices and that are issued under the Indenture in order to satisfy the conditions to the release of proceeds of some or all of the 2009AA Bonds.

“Material Event Filing” means the material event notices required to be provided by the Authority pursuant to a continuing disclosure undertaking of the Authority pursuant to Rule 15c2-12, which material event notices shall be provided to the GSEs pursuant to Section 6.4 hereof as and when required by Rule 15c2-12, whether or not Rule 15c2-12 applies to the 2009AA Bonds.

“Maturity Date” means November 1, 2041.

“MBS” means a mortgage-backed security or securities issued by either GSE or by GNMA.

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

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

“Notice Parties” means the Administrator, Fannie Mae, Freddie Mac and Treasury’s Financial Agent.

“Notice Parties’ Addresses” means the addresses of the Notice Parties set forth in Section 7.1 hereof as modified from time to time pursuant to Section 7.1 hereof.

“Official Statement” means an official statement or other offering document of the Authority with respect to either the 2009AA Bonds or the Market Bonds.

“Official Statement Supplement” means the supplement or amendment to the official statement of the Authority in connection with the Release Date and ultimate Conversion of any 2009AA Bonds.

“Parity Debt” means, at any given time, Debt, including the 2009AA Bonds, that is now or hereafter Outstanding under the terms of the Indenture; provided, that such Debt is secured and is otherwise payable on a parity with the 2009AA Bonds pursuant to the Indenture.

“Permanent Rate” means an interest rate per annum certified to the Trustee by the Special Permanent Rate Advisor on or prior to a Release Date, which shall be equal to the sum of (i) 3.61% plus (ii) the Spread.

“Permanent Rate Calculation Date” means the date on which the Permanent Rate is calculated with respect to all or a portion of the 2009AA Bonds, which shall be, with respect to each applicable portion of the Pre-Conversion Bonds, a date acceptable to the GSEs selected by the Authority on or prior to December 31, 2010 on which Market Bonds are priced, provided that a bond purchase agreement must be executed with respect to the Market Bonds on such date for such Permanent Rate to be effective.

“Permitted Escrow Investments” means the investments represented by and provided pursuant to that certain Global Escrow Agreement by and among the GSEs, the Trustee and U.S. Bank National Association, as escrow agent.

“Placement Agreement” means the Placement Agreement among the Authority and the GSEs, concerning the acquisition of the 2009AA Bonds from the Authority.

“Post-Release 2009AA Bonds” means the 2009AA Bonds Outstanding after the Release Date for such 2009AA Bonds.

“Pre-Conversion Bonds” means 2009AA Bonds for which the interest rate has not been the subject of a Conversion.

“Pre-Settlement Date” means December 30, 2009.

“Primarily Single Family Indenture” means an existing indenture having underlying single family Mortgage Loans and MBS constituting at least 70% of the underlying portfolio of Mortgage Loans held under the Indenture; said calculation to include underlying Mortgage Loans originated and anticipated to be originated in connection with the 2009AA Bonds and to be calculated on the relevant calculation date.

“Program Bonds” means the 2009AA Bonds.

“RDA” means the Rural Development Agency of the United States Department of Agriculture or its successors.

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

“Related Documents” means this Series Indenture, the 2009AA Bonds, the Master Indenture, any investment agreement or repurchase agreement relating to security for Parity Debt, any surety bond or other credit or liquidity support relative to Parity Debt, and any Hedge entered into with respect to Parity Debt and payable on a parity therewith, as the same may be amended or modified from time to time in accordance with their respective terms.

“Release Date” means such date or dates (not to exceed three (3) dates) on or prior to December 31, 2010 and which dates are acceptable to the GSEs, on which dates the proceeds of the related Market Bonds are delivered to the Trustee and the other requirements hereunder are

satisfied, including, without limitation, delivery of the Market Bond Ratio Requirement Compliance Certificate attached hereto as Exhibit D.

"Required Release Bond Opinion" has the meaning set forth in Section 2.3(b)(ii)(E) hereof.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Settlement Date" means January 12, 2010.

"Shortfall Amount" means the difference, as of the Settlement Date, between the proceeds of the 2009AA Bonds to be received on such Settlement Date and the initial principal amount of such 2009AA Bonds.

"Short-Term Rate" means, (i) for the period from the Settlement Date to the applicable Release Date, the interest rate which produces an interest payment on such Release Date relative to the 2009AA Bonds with respect to which Escrowed Proceeds are subject to release on such Release Date equal to Investment Earnings and (ii) from the Release Date to the Conversion Date, an interest rate equal to the sum of the Spread plus the lesser of (A) the Four Week T-Bill Rate as of the Business Day prior to the Release Date or (B) the Permanent Rate less the Spread. For purposes of this provision, "Investment Earnings" means total investment earnings on the portion of the Escrow Fund related to 2009AA Bonds with respect to which a Release Date is occurring.

"Single Family 2009AA Bond Limit" means the amount of \$275,219,374 that has been allocated to the Authority with respect to the 2009AA Bonds.

"Special Permanent Rate Advisor" means State Street Bank and Trust Company, and any successor or assign designated by Treasury.

"Spread" means additional per annum interest on the 2009AA Bonds based upon the lowest Bond Rating effective as of the Permanent Rate Calculation Date, as follows:

<u>Rating</u>	<u>Spread</u>
"Aaa"/"AAA"	0.60%
"Aa3" to "Aa1"/"AA-" to "AA+"	0.75
"A3" to "A1"/"A-" to "A+"	1.10
"Baa3" to "Baa1"/"BBB-" to "BBB+"	2.25

"Stated Interest Payment Date" means each May 1 and November 1, commencing on the first such date following the applicable Conversion Date.

"Treasury" means the United States Department of the Treasury.

“Treasury’s Financial Agent” means JPMorgan Chase Bank, N.A., as Treasury’s financial agent, or such other party as Treasury may appoint for such purpose from time to time.

“VA” means the United States Department of Veterans Administration or its successors.

“Volume Cap” means tax-exempt bond volume cap as described in Section 146 of the Code.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF 2009AA BONDS; CONVERSION; MARKET BONDS

Section 2.1 Authorization of 2009AA Bonds; Principal Amount, Maturity, Designation 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 2009AA Bonds shall be issued as Class I Bonds, and shall be of a single subseries, designated as the "Colorado Housing and Finance Authority Taxable Single Family Program Class I Bonds, Convertible Series 2009AA." On and after the Release Date for any 2009AA Bonds, such 2009AA Bonds shall be designated as the "Colorado Housing and Finance Authority Single Family Program Class I Bonds, Series 2009AA-[1][2][3]" (as applicable).

(b) The 2009AA Bonds shall be issued as Bonds bearing interest which is not to be excluded from gross income of the owner thereof for federal income tax purposes. On and after the Release Date for any 2009AA Bonds, such 2009AA Bonds shall be issued as Tax-exempt Bonds.

(c) The Aggregate Principal Amount of 2009AA Bonds which may be issued and Outstanding under the Indenture shall not exceed the Single Family 2009AA Bond Limit. The 2009AA Bonds shall be issued only in fully registered form, without coupons.

(d) The 2009AA Bonds shall mature, subject to the right of prior redemption as set forth in Article III of this Series Indenture, on the Maturity Date. Each Pre-Conversion Bond shall bear interest at the Short-Term Rate from the Settlement Date to the related Conversion Date. The interest rate on some or all of the Pre-Conversion Bonds may be Converted on a Conversion Date to a Permanent Rate in accordance with the provisions hereof.

(e) The 2009AA Bonds initially shall be issued bearing interest which is includable in gross income (i.e., taxable) for federal income tax purposes. On and after each Release Date for any 2009AA Bonds, interest on such 2009AA Bonds shall be excluded from gross income of the recipients thereof for federal income tax purposes. Interest on the 2009AA shall be payable on each Interest Payment Date. From and after the Release Date, the 2009AA Bonds shall bear interest on the basis of a 360-day year consisting of twelve 30-day months.

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

(a) Each 2009AA Bond shall bear interest from the Settlement Date. Payment of interest on any 2009AA 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 2009AA Bonds shall be issued only in the form of fully registered Bonds in Authorized Denominations, and each Release Date shall apply to 2009AA Bonds in Authorized Denominations.

(c) The principal of and premium, if any, and interest on the 2009AA Bonds shall be payable in lawful money of the United States of America. The interest on the 2009AA 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 2009AA Bonds, upon the written request of such Owner to the Paying Agent, specifying the account or accounts 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 Bond shall be payable on the Payment Date, upon surrender thereof at the office of the Paying Agent.

(d) The 2009AA Bonds shall be dated the Pre-Settlement Date and shall bear interest from the Settlement Date until the entire principal amount of the Bonds has been paid. After the Conversion Date, interest on the Converted 2009AA Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) Unless the Authority shall otherwise direct, the 2009AA Bonds shall be numbered separately from 1 upward preceded by the legend R-AA- prefixed to the number, provided, that the Post-Release 2009AA Bonds shall be numbered separately from 1 upward preceded by the legend R-AA[1][2][3]- prefixed to the number.

Section 2.3 Release and Conversion.

(a) *General.* A Conversion may involve all or only a portion of the Pre-Conversion Bonds, provided that such Pre-Conversion Bonds may only be Converted in integral multiples of \$10,000. Any particular Pre-Conversion Bond may be Converted to a Permanent Rate only once. The Authority may exercise its right of Conversion on no more than three (3) occasions and must cause each related Release Date to occur on or prior to December 31, 2010. If Pre-Conversion Bonds are Converted to Permanent Rates in part on different dates, each portion of such 2009AA Bond may bear interest at different Permanent Rates based on their respective Conversion Dates.

(b) *Release Requirements.*

(i) On or Prior to a Permanent Rate Calculation Date.

(A) On or prior to the date which is fourteen (14) days prior to a proposed Permanent Rate Calculation Date, the Authority shall notify the Trustee, the Notice Parties (at the Notice Parties' Addresses) and the Rating Agencies, pursuant to Exhibit C hereto, of (I) the proposed Release Date, (II) the proposed Conversion Date, (III) the principal amount of Pre-Conversion Bonds to be Converted on such Conversion Date, (IV) the proposed Permanent Rate Calculation Date and (V) the Bond Rating anticipated to be in effect on the Release Date.

(B) On the Permanent Rate Calculation Date, the Authority shall deliver to the Trustee, with copies to the Notice Parties, (I) a copy of the executed bond purchase agreement delivered with respect to the Market Bonds, and (II) the Preliminary Official Statement with respect to the Market Bonds (with the final Official Statement to be provided as soon as it is available).

(ii) *On or Prior to a Release Date.* The Authority shall deliver or cause to be delivered to the Trustee on or prior to any Release Date, the following:

(A) the certification of the Special Permanent Rate Advisor specifying the Permanent Rate Calculation Date and the Four Week T-Bill Rate, Spread and Permanent Rate applicable to the relevant Conversion;

(B) the Official Statement for the Market Bonds and the Official Statement or the Official Statement Supplement relative to the 2009AA Bonds;

(C) (I) an opinion or opinions of counsel and a certificate of an authorized officer of the Authority to the effect that nothing has come to their attention that the Official Statement Supplement or Official Statement relating to the 2009AA Bonds contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which there were made, not misleading and (II) a letter or letters from the counsel referenced in the foregoing clause (I) addressed to the GSEs stating that the GSEs may rely on such opinion as though it was addressed to them;

(D) confirmation by the Rating Agencies of the Bond Rating on the applicable 2009AA Bonds after giving effect to the Release Date and related Conversion;

(E) an opinion of Bond Counsel (the "Required Release Bond Opinion") dated as of the Release Date to the effect that the Related 2009AA Bonds have been duly and validly issued and are enforceable obligations of the Authority, and that on and after such Release Date the

interest payable on the Related 2009AA Bonds will be excluded from gross income of the recipients thereof for federal income tax purposes;

(F) net proceeds of the Market Bonds, which proceeds (together with any amounts deducted from proceeds for underwriting fees and expenses) shall be in an amount not less than two-thirds (2/3) of the applicable portion of the principal amount of the 2009AA Bonds being Converted;

(G) a certificate of the Authority, attached as Exhibit D hereto, specifying (I) the principal amount of the related 2009AA Bonds to be Converted, (II) the related Market Bonds and their maturity dates, interest rates and principal amounts, (III) the amount of the proceeds of the Market Bonds, and the amounts to be released from the Escrow Fund in connection with such Conversion, (IV) the applicable Conversion Date, (V) the Release Date and (VI) the principal amount of the Pre-Conversion Bonds which will not be Converted as part of the related Conversion; and

(H) a certificate of the GSEs, evidencing (I) their consent to the Release Date and (II) that the Authority has paid or made arrangements to pay the fees of the GSEs' counsel in connection with the Release Date.

The Trustee shall provide via e-mail and delivery by overnight mail (x) to the Notice Parties at the Notice Parties' Addresses copies of items (ii) (A) through (H) above and (y) to the Authority and the Notice Parties at the Notice Parties' Addresses, confirmation, as set forth in Exhibit E hereto, that the interest rate of the related 2009AA Bonds shall be Converted to the specified Permanent Rate as of the specified Conversion Date and that the related bond proceeds shall be released to the Authority on the specified Release Date in accordance with the provisions of this Series Indenture. The foregoing are in addition to, and not in lieu of, the requirements relating to the issuance of additional Bonds under the Master Indenture with respect to the Market Bonds.

(iii) *Exchange of Bonds on Release Date.* If a Release Date occurs, the Related 2009AA Bonds shall be subject to a mandatory exchange for new Post-Release 2009AA Bonds. The written notice to the owners of 2009AA Bonds setting a Release Date described in subsection (ii) of this Section 2.3 shall also include a notice that such 2009AA Bonds are subject to such mandatory exchange. Within ten days after the Release Date, such new Post-Release 2009AA Bonds shall be distributed to the owners of such 2009AA Bonds, as listed in the registration records, in exchange for the old 2009AA Bonds.

(iv) *Required Release Bond Opinion.*

(A) Notice from the Trustee setting a Release Date is dependent on the receipt by the Trustee of written notice from Bond Counsel that it believes it will be able to deliver the Required Release Bond Opinion. If

notice is given, but the Required Release Bond Opinion is not delivered, such Release Date will not occur, and interest on such 2009AA Bonds will continue to be included in gross income of the recipients thereof for federal income tax purposes.

(B) At least 30 days prior to a proposed Release Date, the Trustee will deliver a written request to Bond Counsel, asking whether Bond Counsel believes it can deliver its Required Release Bond Opinion on such date. Within ten days thereafter, Bond Counsel shall respond in writing to the request. If Bond Counsel responds negatively, no notice shall be delivered to the Owners of the 2009AA Bonds until and unless Bond Counsel sends a written notice (on or prior to the fifteenth day preceding the proposed Release Date) that it believes it can render the Required Release Bond Opinion, in which case notice proposing the Release Date shall be delivered as provided in subsection (b)(i) of this Section 2.3.

(C) The Authority agrees to take any and all lawful actions to support the delivery by Bond Counsel of the Required Release Bond Opinion, including without limitation, the filing of such reports and information returns and the holding of such public hearings as Bond Counsel may require in connection therewith.

Section 2.4 Taxable Bond Representation. The Authority hereby represents and warrants that (i) it reasonably expects to have Volume Cap, to the extent necessary for the 2009AA Bonds to be tax-exempt, on a timely basis and in a manner which shall permit Conversion of all 2009AA Bonds to a Permanent Rate, the release of all Escrowed Proceeds and the delivery of all Required Release Bond Opinions by December 31, 2010 and (ii) the Authority shall use its best efforts to obtain such Volume Cap, if necessary. The Authority further represents and warrants that all tax-exempt 2009AA Bonds issued hereunder shall be qualified mortgage bonds within the meaning of Section 143 of the Code. The Authority agrees and acknowledges that the adjustment of interest on 2009AA Bonds from taxable status to tax-exempt status may not be accomplished through a refunding and remarketing of the 2009AA Bonds, and the Authority represents and warrants that the conversion of such 2009AA Bonds to tax-exempt status will not be accomplished by such means.

Section 2.5 Forms of Bonds and Certificates of Authentication. The form of the 2009AA Bonds shall be substantially as set forth in Exhibit A to this Series Indenture, provided, that the form of the Post-Release 2009AA Bonds shall be substantially as set forth in Exhibit B to this Series Indenture. Any 2009AA 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 2.6 Execution of 2009AA 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 2009AA Bonds, and the Secretary/Treasurer, Executive Director or other officer named in this Section 2.6 (other than the officer executing the 2009AA 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 2.7 Purposes. The proceeds of the Program Bonds may not be released from the Escrow Fund unless and until the Required Release Bond Opinion is delivered to the Trustee and the GSEs. The proceeds received from the release of Escrowed Proceeds in connection with Program Bonds shall be used only to redeem Program Bonds or as follows:

(a) to acquire and finance the holding of single family loans or single-family MBS which are either newly originated or refinanced, so long as all such loans are eligible to be financed on a tax-exempt basis under applicable federal income tax law ("eligible loans");

(b) to refund, as fixed rate bonds, any of the Authority's variable rate debt (including, but not limited to, auction rate securities issued and outstanding on or prior to October 19, 2009 or refund an issue that did so, so long as such debt was, in turn, issued to acquire and finance the holding of eligible loans; the use of proceeds for such a refunding purpose shall be limited to 30% of the net proceeds of the Program Bonds); the restrictions on refundings herein shall not apply to either (A) the use of proceeds to repay "warehouse credit lines" used to acquire mortgage loans and MBS or (B) "replacement refundings" where proceeds of Program Bonds are exchanged dollar-for-dollar for unexpended tax-exempt bond proceeds and/or mortgage loan prepayments so long as all proceeds of related Market Bonds are exchanged first for such purpose; and

(c) to fund reasonably required reserves and pay costs of issuance of the Program Bonds in accordance with the requirements and limitations of applicable federal tax law.

The proceeds of the Program Bonds shall not be used for essential governmental functions within the meaning of Section 115 of the Code or qualified veterans mortgage bonds under Section 143 of the Code, or by Section 501(c)(3) organizations.

Section 2.8 Market Bond Requirements.

(a) *General.* The Authority is required to issue Market Bonds under the Indenture in connection with the 2009AA Bonds in order to cause the release of Escrowed Proceeds of 2009AA Bonds as described herein. All Market Bonds must be issued by December 31, 2010. The Authority hereby represents and warrants that it reasonably expects to issue Market Bonds on or before December 31, 2010 in a principal amount which will satisfy the Market Bond Ratio Requirement. The Authority further represents and warrants that it reasonably expects to meet all other requirements contained herein relative to the release of Escrowed Proceeds of all 2009AA Bonds issued hereunder.

(b) *Amortization.* The Authority shall not issue Market Bonds with “super sinkers,” planned amortization classes or other priority allocation class rights unless such provisions retain for application to the redemption of the 2009AA Bonds at least the portion of any prepayments or other recoveries of principal relative to Mortgage Loans funded or MBS purchased with proceeds of the 2009AA Bonds specified in Section 3.4 hereof.

(c) *Mortgage Loan Prepayments.* Prepayments received on the underlying Mortgage Loans financed with proceeds of the 2009AA Bonds and the related Market Bonds, if any, shall be applied at least on a pro rata basis to redemption of such 2009AA Bonds pursuant to Section 3.4 hereof.

(End of Article II)

ARTICLE III
REDEMPTION OF THE 2009AA BONDS

Section 3.1 Mandatory and Optional Redemption.

(a) *Special Mandatory Redemption.* Any Pre-Conversion Bonds with respect to which a Release Date has not occurred prior to January 1, 2011 are subject to mandatory redemption on February 1, 2011 at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption.

(b) *Withdrawal of Closing Certificates.* The 2009AA Bonds are subject to mandatory redemption in whole, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, on the first Business Day at least thirty (30) days after the Settlement Date, if there is delivered by mail or by electronic means to the Trustee on or prior to the Settlement Date a Certificate of Adverse Change and the GSEs have not, prior to the date 20 days following the Settlement Date, provided the Trustee a written waiver.

(c) *Pre-Conversion Bonds Not Meeting Minimum Rating Thresholds.* Within ten (10) Business Days of receipt by the Trustee of notice that the Bond Rating has been withdrawn or fallen below "Baa3" or "BBB-," all proceeds that are held in the Escrow Fund shall be used to mandatorily redeem a corresponding amount of Pre-Conversion Bonds, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest, to the redemption date. The Authority hereby covenants to provide such notice to the Trustee promptly upon receipt by the Authority of notice of any such withdrawal or downgrade.

(d) *Unexpended Proceeds.* The Post-Release 2009AA Bonds shall be subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption, at any time from amounts equal to moneys transferred from the 2009AA subaccount of the Acquisition Account to the 2009AA subaccount of the Redemption Fund pursuant to Section 5.2(e) hereof.

(e) With respect to the redemptions set forth in paragraphs (a), (b) and (c) above, moneys still on deposit in the Escrow Fund shall be used for any such redemption; if Escrow Fund moneys are not sufficient, then any available moneys under the Indenture shall also be used for any such redemption.

(f) *Optional Redemption.* The 2009AA Bonds are subject to redemption prior to maturity at the option of the Authority from any source of funds, in whole or in part on the first Business Day of each month, at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the date of redemption.

(g) *Mandatory Sinking Fund Redemption.* On and after a Release Date, the related Post-Release 2009AA Bonds shall be subject to mandatory sinking fund redemption as may be

set forth in the supplement to this Series Indenture delivered on such Release Date, on the dates and in the amounts specified therein, at a Redemption Price equal to 100% of the principal amount of each Post-Release 2009AA Bond so redeemed plus the accrued interest thereon to the date of redemption. The Authority hereby covenants to establish such sinking fund schedules as herein provided. The mandatory sinking fund redemption schedules shall take into account anticipated underlying Mortgage Loan amortization, and standard and customary practices of the Authority in connection with combined serial bond and term bond issuances.

(h) *Special Redemption.* On and after a Release Date, the related Post-Release 2009AA Bonds shall be subject to special mandatory redemption as may be set forth in the supplement to this Series Indenture delivered on such Release Date, in whole or in part at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption, on any date, from amounts deposited in the Redemption Fund pursuant to Section 5.5(d) of the Master Indenture. Redemptions pursuant to this paragraph (e) shall be made pro rata between such Post-Release 2009AA Bonds and the Market Bonds issued on such Release Date, based upon the then outstanding principal amounts, subject to any greater allocation in favor of the 2009AA Bonds over the Market Bonds required pursuant to Section 3.4.

Section 3.2 Notice of Redemption. The 2009AA 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 20 days prior to the redemption date. In addition to any other required notices under the Master Indenture, written notice of each redemption of 2009AA Bonds shall be provided by the Trustee to the Notice Parties, such notice to be provided by email or facsimile transmission to the Notice Parties' Addresses. Redemption of 2009AA Bonds shall not be conditioned on or delayed for the giving of such notice, which shall be provided to the Notice Parties at the Notice Parties' Addresses at least ten (10) days in advance of the date of such redemption. All redemptions of 2009AA Bonds shall be only in Authorized Denominations.

Section 3.3 Changes Permitted Upon Conversion. In conjunction with the Conversion of Pre-Conversion Bonds, on or prior to the Release Date, the Authority may add mandatory sinking fund redemption requirements to such 2009AA Bonds, may agree to pay the principal of such 2009AA Bonds prior to their stated maturity and may issue additional Market Bonds (whether or not as part of the same federal tax financing plan), which Market Bonds may mature before or after the 2009AA Bonds or be redeemed after the 2009AA Bonds.

Section 3.4 Redemption Restrictions and Recycling Prohibition. Notwithstanding anything to the contrary herein, except as limited by tax law requirements, the Authority shall apply the following exclusively to the redemption of Program Bonds: (i) all proceeds of the Program Bonds, to the extent not used to acquire Mortgage Loans or MBS, refund outstanding bond issues as herein provided, pay Program Bond issuance expenses or fund related reserve accounts and (ii) so long as any Market Bonds remain Outstanding, at least 60%, and after no Market Bonds remain Outstanding, 100%, of all principal prepayments and recoveries of

principal received with respect to the Mortgage Loans or MBS acquired or financed with the proceeds of the Program Bonds and the Market Bonds, to the extent not used to pay scheduled principal, interest or sinking fund redemptions on Program Bonds, Market Bonds or other bonds issued in conjunction with and secured by the Trust Estate on a parity with the Program Bonds. Amounts set forth in clause (ii) are required to be applied to the redemption of Program Bonds promptly and as provided above shall not be recycled into new Mortgage Loans or MBS.

(End of Article III)

ARTICLE IV
APPLICATION OF BOND PROCEEDS AND OTHER AMOUNTS

Section 4.1 Proceeds of the 2009AA Bonds and Other Amounts. The proceeds of the sale and delivery of the 2009AA Bonds and a contribution from the Authority in the amount of the Shortfall Amount shall be applied simultaneously with the delivery thereof to the Trustee, as follows:

(a) To the Escrow Fund, \$275,210,000, to be used in accordance with Section 4.2 hereof; and

(b) To the Cost of Issuance Account, \$-0-.

Section 4.2 Escrow Fund.

(a) *Creation of Escrow Fund.* A special trust account to be known as the "Escrow Fund" is hereby created.

(b) *Escrowed Proceeds.* If the Trustee has received a Certificate of Adverse Change, all the proceeds of the 2009AA Bonds, together with the Shortfall Amount, shall be retained in the Escrow Fund until either the written waiver referenced in Section 3.1(b) is delivered or the 2009AA Bonds are redeemed as provided in such section. In addition, the proceeds of the 2009AA Bonds and the Shortfall Amount shall be retained in the Escrow Fund until the requirements of Section 2.3 hereof are satisfied or until applied to the redemption of the 2009AA Bonds pursuant hereto. The Escrowed Proceeds and the Shortfall Amount held in the Escrow Fund shall be pledged exclusively to the repayment of the 2009AA Bonds. While such proceeds are held in the Escrow Fund, such proceeds may only be invested in Permitted Escrow Investments.

(c) *Conversion and Release of Escrowed Proceeds.* Upon the satisfaction of the requirements of Section 2.3 and to the extent provided therein, an amount of Escrowed Proceeds specified in the certificate delivered pursuant to Section 2.3(b)(ii)(G) hereof shall be transferred on the Release Date from the Escrow Fund to the 2009AA subaccount of the Acquisition Account.

Section 4.3 Application of Other Moneys. The Authority may at any time make deposits to the Cost of Issuance Account.

(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 2009AA subaccount of the Acquisition Account;
- (b) the 2009AA subaccount of the Cost of Issuance Account;
- (c) the 2009AA subaccount of the Revenue Fund;
- (d) the 2009AA subaccount of the Rebate Fund;
- (e) the 2009AA subaccount of the Excess Earnings Fund;
- (f) the 2009AA subaccount of the Class I Debt Service Fund which shall include the 2009AA subaccount of the Authority Payment Account; and
- (g) the 2009AA subaccount of the Class I Special Redemption Account.

Section 5.2 Program Fund and Acquisition Account.

(a) *Deposits.* There shall be paid into the 2009AA subaccount of the Acquisition Account amount transferred thereto from the Escrow Fund pursuant to Section 4.2 hereof. In addition, upon the payment or defeasance of any refunded bonds in accordance with Section 2.7 hereof, the Mortgage Loans released from the lien of the indenture of trust authorizing the issuance of the refunded bonds (or MBS representing an undivided interest in the Mortgage Loans) shall be transferred to the 2009AA subaccount of the Acquisition Account.

(b) *Targeted Area Set-Aside.* In accordance with Section 143 of the Code and unless otherwise approved by an opinion of Bond Counsel, 20% of the sum of amount in the 2009AA subaccount of the Acquisition Account and the net proceeds of the related Market Bonds shall be made available solely for the purchase of Mortgage Loans on Targeted Area Residences (or MBS backed by such Mortgage Loans) for a period of at least one year after the date on which the proceeds of the 2009AA Bonds are first made available for the financing by the Authority of Mortgage Loans on Targeted Area Residences.

(c) *Set-Asides.* Other amounts in the 2009AA subaccount of the Acquisition Account may be reserved for designated periods for (1) the purchase of Mortgage Loans on Residential Housing located within designated areas within the State (or MBS backed by such Mortgage Loans), (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.

(d) *Disbursements from Acquisition Account.* Amounts in the 2009AA subaccount of the Acquisition Account shall be used to acquire Mortgage Loans or MBS in accordance with Section 5.2(b) of the Master Indenture. The Ginnie Mae Certificate Purchase Price, the Fannie Mae Certificate Purchase Price, the Freddie Mac Certificate Purchase Price and each Pass-Through Rate, as applicable, shall be set forth in the supplement to this Series Indenture delivered on the applicable Release Date, which prices and rates shall be consistent with the then current Cash Flow Statement.

(e) *Unexpended Bond Proceeds.* Moneys deposited in the 2009AA subaccount of the Acquisition Account on a Release Date that are not used to purchase Mortgage Loans or MBS shall be withdrawn by the Trustee and transferred to the 2009AA subaccount of the Redemption Fund 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 three years after such Release Date; provided that, subject to the Authority's covenants in Section 6.17 of the Master Indenture and Section 6.1 of this Series Indenture, the date set forth above may be extended to a later date or dates as to all or any part of such moneys, if the Authority shall have filed with the Trustee, with a copy to Moody's, 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) and a Favorable Opinion of Bond Counsel, in which case such withdrawal shall occur on the later specified date or dates.

Section 5.3 Limitation on Payment of Fiduciary and Program Expenses.

(a) Fiduciary Expenses which may be paid from the 2009AA 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 2009AA 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.

(End of Article V)

ARTICLE VI
ADDITIONAL COVENANTS

Section 6.1 Tax Covenant. The Authority covenants for the benefit of the owners of the Post-Release 2009AA Bonds that it will not take any action or omit to take any action with respect to the Post-Release 2009AA Bonds or the proceeds thereof, any other funds of the Authority or any facilities financed with the proceeds of the Post-Release 2009AA Bonds if such action or omission would cause the interest on the Post-Release 2009AA 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 the Post-Release 2009AA Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met.

Section 6.2 Special Covenants. The Authority hereby covenants that, so long as the 2009AA Bonds are Outstanding, that it shall:

- (a) if any 2009AA Bonds are not issued on a tax-exempt basis, use its reasonable best efforts to obtain Volume Cap allocations as needed for such 2009AA Bonds in 2010;
- (b) not permit the aggregate principal amount of the 2009AA Bonds issued hereunder to exceed the Single Family 2009AA Bond Limit;
- (c) not allow the aggregate principal amount of Market Bonds and 2009AA Bonds to exceed the reasonable expectations requirement applicable to tax-exempt mortgage revenue bonds;
- (d) not issue new Bonds under the Indenture in a variable rate demand, adjustable rate or auction rate mode other than 2009AA Bonds during the period such 2009AA Bonds bear interest at the Short-Term Rate;
- (e) take all steps necessary to assure that all assets and revenues of any description pledged to the payment of the 2009AA Bonds and all other Bonds issued under the Indenture shall be applied strictly in accordance with, and solely for the purposes and in the amounts specified and permitted by, the terms of the Indenture;
- (f) not exercise any rights it may have to make voluntary withdrawals of cash or other assets from the lien of the Indenture except under the following circumstances and within the following limits:
 - (i) the Authority may withdraw cash from the Indenture to pay ordinary and customary administrative and operating expenses of the Authority, ordinary and customary operating expenses of any of the indentures of the Authority (such as, for example, fees and payments due on an interest rate swap

entered into by the Authority) and to fund or reimburse the cost of programs sponsored by the Authority, subject to each of the following requirements:

(A) either:

(1) the cumulative amount of such withdrawals does not exceed the cumulative withdrawals as projected to the date of such withdrawal in the cash flows most recently submitted to the rating agencies in connection with the then current long term rating of the 2009AA Bonds; or

(2) prior to and as a condition to such withdrawal, the Authority obtains and furnishes to the Administrator and to Treasury's Financial Agent a confirmation from each of the rating agencies maintaining ratings on the 2009AA Bonds that the proposed withdrawal will not adversely affect such ratings; and

(B) prior to and as a condition to such withdrawal, the Authority provides a written certification to the Administrator and to Treasury's Financial Agent specifying the amount and purpose of the withdrawal and that all requirements of this paragraph (f)(i) have been met with respect to such withdrawal.

In spite of anything to the contrary contained in this paragraph (f)(i), no withdrawals whatsoever shall be made under this paragraph (f)(i) during any period when any of the ratings on the 2009AA Bonds are below the level of "Baa3" or "BBB-" or has been suspended or withdrawn;

(ii) the Authority may withdraw cash or other assets from the Indenture for any purpose of the Authority other than as set out in paragraph (f)(i) above, subject to each of the following requirements:

(A) prior to and as a condition to such withdrawal, the Authority obtains and furnishes to the Administrator and to Treasury's Financial Agent a confirmation from each of the rating agencies maintaining ratings on the 2009AA Bonds that the rating on the 2009AA Bonds will be not less than "Aaa" with a rating outlook that is either "stable" or "positive" or the equivalent;

(B) the cash or other assets withdrawn from the lien of the Indenture pursuant to this paragraph (f)(ii) are retained by the Authority within its funds and accounts or are expended to further the mission or otherwise for the benefit of the Authority; and

(C) prior to and as a condition of such withdrawal, the Authority provides a written certification to the Administrator and to Treasury's Financial Agent specifying the amount and purpose of the withdrawal and that all requirements of this paragraph (f)(ii) have been met with respect to such withdrawal.

(g) with respect to the purchase, origination, enforcement and servicing of mortgage loans and MBS, the Authority shall:

(i) originate or cause to be originated, and, if applicable, purchased, mortgage loans and purchase, or cause to be purchased, MBS in a manner consistent with applicable state law, the Indenture and any supplements thereto, and such other related documents by which the Authority is bound,

(ii) cause all Mortgage Loans to be serviced pursuant to the servicing requirements of the Authority, GNMA, FHA, Fannie Mae and Freddie Mac, as applicable,

(iii) except as otherwise permitted by Treasury or the GSEs, diligently take all steps necessary or desirable to enforce all terms of the Mortgage Loans, MBS, loan program documents and all such other documents evidencing obligations to the Authority, and

(iv) diligently take all actions consistent with sound mortgage loan origination, purchase and servicing practices and principles as may be necessary to receive and collect sufficient revenues to pay debt service when due on the 2009AA Bonds;

(h) not issue any bonds senior in priority to the 2009AA Bonds and the Authority represents and warrants that the 2009AA Bonds are at least equal in priority with respect to payment and security to the most senior Outstanding Bonds under the Indenture.

Section 6.3 Negative Covenants Regarding Administration of Indenture and 2009AA Bonds. The Authority hereby covenants that, so long as the 2009AA Bonds are Outstanding, that it shall not:

(a) amend, supplement or otherwise modify in any material respect the Master Indenture, this Series Indenture or any other Related Document without the prior written consent of the GSEs; provided, however, that the consent of the GSEs shall not be required with respect to supplements entered into solely for the purpose of providing for the issuance of a series of Bonds pursuant to the Master Indenture, except as provided in Section 6.2(d) hereof. With respect to Indenture amendments, the determination of the GSEs as to the materiality of an amendment shall be controlling;

(b) permit any funds invested under the Indenture to be invested in obligations, securities or other investments of a type not included within the categories permitted for such purposes in the Indenture;

(c) enter into any Hedge relating to bonds issued under, or secured by revenues or other assets pledged under, the Indenture without the prior written consent of the GSEs;

(d) permit any swap termination fees to be payable on a basis senior to or on a parity with the 2009AA Bonds;

(e) permit any principal payment, principal prepayments and other recoveries of principal received with respect to that portion of any Mortgage Loans financed with the proceeds of 2009AA Bonds to be recycled into new Mortgage Loans; and

(f) permit the Indenture to fail to meet the definition of a "Primarily Single Family Indenture."

Section 6.4 Reporting Requirements.

(a) *Books and Records; GAAP.* The Authority covenants to keep proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Authority in accordance with generally accepted accounting principles applicable to governmental entities, consistently applied.

(b) *Non-Public Information.* As used in this Section, "Information" means any information described in Subsection (c) and "Non-Public Information" means any of the Information that, as of the date that such Information is due to be provided to the GSEs pursuant to subsection (c), the Authority has not released to the general public or otherwise is not in the public domain. To the extent that any of the Information described in Subsection (c) is Non-Public Information each of the following shall apply:

(i) The Authority may provide such Non-Public Information to the GSEs, but, subject to (ii) below, is not obligated to do so. If the Authority elects not to provide Non-Public Information, it shall identify the categories of Information that are then Non-Public Information and so inform the GSEs of that fact at the time such information is otherwise due to be provided under Subsection (c).

(ii) If the Authority elects not to provide Non-Public Information as stated in (i) above, but a GSE determines that the absence of any such information is a material impairment to its obligation to conduct its business in a safe and sound manner or is inconsistent with the requirements of applicable law or

regulation, then the Authority will provide such Information to that GSE at the times and as otherwise required by Subsection (c).

(iii) To the extent that the Authority actually provides Non-Public Information pursuant to Subsection (c), the Authority will label such information as Non-Public Information and will segregate all Non-Public Information so that a GSE which elects not to look at the Non-Public Information can do so;

(c) *Information.* The Authority agrees to furnish to each GSE a copy of each of the following:

(i) on the date that is the earlier of (A) ninety (90) days after the end of each quarter of each Fiscal Year of the Authority and (B) the day such information is first made available to the general public, the Authority shall provide to each GSE the financial statements of the Authority consisting of a balance sheet of the Authority as at the end of such period, a statement of operations and a statement of cash flows of the Authority for such period and, with respect to the report provided after the end of each Fiscal Year, there shall also be included a statement of the changes in net assets of the Authority for such period. The financial statements referred to above shall be set forth in reasonable detail and shall be accompanied by, in the case of the annual statements, an audit report of the Authority's auditor or nationally recognized independent certified public accountants stating that they have (except as noted therein) been prepared in accordance with generally accepted accounting principles consistently applied (provided that such audit report need not be submitted until one hundred eighty (180) days after the end of the relevant Fiscal Year);

(ii) on the date that is the earlier of (A) ninety (90) days after the end of each quarter of each Fiscal Year of the Authority and (B) the day such information is first made available to the general public, the Authority shall provide to each GSE financial statements of the Authority specific to the Indenture pursuant to which 2009AA Bonds are outstanding consisting of a statement of operations and a statement of cash flows under the Indenture for such period and, with respect to the report provided after the end of each Fiscal Year, there shall also be included a statement of the changes in net assets under the Indenture for such period. The financial statements referred to above shall be set forth in reasonable detail and shall be accompanied by, in the case of the annual statements, an audit report of the Authority's auditor or nationally recognized independent certified public accountants stating that they have (except as noted therein) been prepared in accordance with generally accepted accounting principles consistently applied (provided that such audit report need not be submitted until one hundred eighty (180) days after the end of the relevant Fiscal Year);

(iii) immediately after any officer of the Authority obtains knowledge thereof, a certificate of the Authority setting forth the occurrence of any default or Event of Default under the Indenture, the details thereof and the action which the Authority is taking or proposes to take with respect thereto;

(iv) quarterly, at the time each of the financial statements referenced in (i) above is provided, and otherwise at the request of a GSE, the information set forth in Schedule A hereto and a certificate of the Authority (A) stating whether there exists on the date of such certificate any default or Event of Default under the Indenture and, if so, the details thereof and the action which the Authority is taking or proposes to take with respect thereto and (B) setting forth a description in reasonable detail of the amounts held in the Revenue Fund and other accounts in the Indenture;

(v) simultaneously with their release to the general public, disclosure statements of any kind prepared by the Authority which disclose such matters as quarterly or other interim financial statements relating to the Indenture, portfolio composition information regarding the Indenture such as the percentage of Mortgage Loans insured under FHA, HUD, RDA and VA programs and any pooled mortgage issuance program or securitization by GNMA or a GSE, or portfolio performance information detailing such matters as delinquencies, foreclosures and real estate-owned properties;

(vi) promptly upon receipt of notice by the Authority of any such default, the occurrence of any material event of default by any counterparty to a Related Document;

(vii) at the request of a GSE, copies of any information or request for information concerning this Series Indenture or any of the Related Documents as and when provided to the Trustee;

(viii) promptly after the receipt or giving thereof, copies of all notices of resignation by or removal of the Trustee, which are received or given by the Authority;

(ix) promptly after the adoption thereof, copies of any amendments to the Indenture, any of the other Related Documents (including replacement of or any new Related Document), and the Official Statement relative to the 2009AA Bonds;

(x) within thirty (30) days of the issuance of any Debt of the Authority payable from the Revenues under the Indenture, copies of any disclosure documents distributed in connection therewith;

(xi) any Annual Filing or Material Event Filing shall be delivered to the GSEs on the day it becomes available to the general public or the Owners of the 2009AA Bonds or would be required to become available if Rule 15c2-12 were applicable to the 2009AA Bonds;

(xii) simultaneously with the delivery of each set of the financial statements and the annual filing referred to in clauses (i) and (xi) above and otherwise at the request of the GSEs, or with respect to (b)(iii) whenever prepared and available, (A) a copy of the most recent rating letter received relating to the Bond Rating and/or the Indenture rating, (B) a certificate of the Authority stating that the Authority is in compliance with all financial covenants set forth in the Indenture; and (C) a copy of the most recent cash flow certificates, financial reports and statements, and annual budget (including portfolio performance reports detailing delinquencies and foreclosure rates, and percentage of loans insured under FHA, HUD, RDA and VA programs and any pooled mortgage insurance program, and the percentage of uninsured loans);

(xiii) immediately upon receipt by the Authority, any rating report or other rating action relative to the Authority, the 2009AA Bonds or any other Bonds issued under the Indenture;

(xiv) immediately upon any such transfer, notice of any extraordinary payment or transfer of funds from the Indenture;

(xv) in a timely manner, at the request of a GSE, any data or information required by a GSE for use in calculating performance under the Federal Housing Finance Agency's housing goal regulations or for use in complying with any other regulatory or legal requirement; and

(xvi) such other information, whether such information is published or unpublished, respecting the affairs, condition and/or operations, financial or otherwise, of the Authority as a GSE may from time to time reasonably request (including, without limitation, data, including loan level data, required by the GSEs with respect to any asset management surveillance and/or disclosure requirement).

Section 6.5 Covenant Enforcement by GSEs. Only the GSEs may enforce, or cause the Trustee to enforce, the provisions of Sections 6.2, 6.3 and 6.4 hereof.

Section 6.6 Special Notices.

(a) *Request to Withdraw Indenture Funds.* The Trustee shall immediately deliver to the Notice Parties at the Notice Parties' Addresses notice of any request by the Authority to withdraw funds from the Indenture.

(b) *Events of Default.* The Trustee shall immediately deliver to the Notice Parties at the Notice Parties' Addresses notice of any default or Event of Default under the Indenture of which the Trustee has knowledge.

(c) *Exercise of Remedies.* The Trustee shall immediately deliver to the Notice Parties at the Notice Parties' Addresses notice of the exercise of any remedies under the Indenture.

Section 6.7 Special GSE Rights.

(a) *Removal of Trustee.* No successor Trustee under the Indenture shall be appointed under the Indenture without written notice to the Notice Parties at the Notice Parties' Addresses and without the prior written consent of the GSEs, which consent shall not be unreasonably withheld.

(b) *GSEs as Third-Party Beneficiaries.* Each GSE is intended to be and shall be a third-party beneficiary of this Series Indenture and the Master Indenture, and each GSE shall have the right (but not the obligation) to enforce, separately or jointly with the Trustee or cause the Trustee to enforce, the provisions of this Series Indenture.

Section 6.8 DTC Provisions.

(a) The Trustee shall take all actions reasonably required by the Authority, in accordance with the policies and procedures of the Depository Trust Company, New York, New York ("DTC") to assist the Authority in the DTC aspects of the settlement process in connection with the Pre-Settlement Date, the Settlement Date, each Release Date and each Conversion Date.

(b) The 2009AA Bonds shall initially be issued to Cede & Co., as nominee for DTC, as one fully registered Bond in the aggregate principal amount of each series of the 2009AA Bonds. In connection with a Release Date for any of the 2009AA Bonds, the Trustee may either accept a replacement bond certificate or make an appropriate notation thereon of the principal amount of such 2009AA Bond certificate and the interest rate(s) to which such Bonds are being Converted and the Release Date and Conversion Date applicable thereto.

If less than all of the Pre-Conversion Bonds are the subject of a particular Release Date, the Authority and the Trustee may arrange for the delivery of a new 2009AA Bond certificate in an aggregate principal amount equal to the principal amount of 2009AA Bonds for which a Release Date was established, as well as either a notation of a reduction of the principal amount of the 2009AA Bond representing Escrowed Proceeds or the delivery of a new Bond in such reduced principal amount representing Escrowed Proceeds. If a new 2009AA Bond at such a reduced principal amount representing Escrowed Proceeds is so delivered, it shall be exchanged for the existing 2009AA Bond representing Escrowed Proceeds. The Authority shall arrange for a CUSIP number applicable to each Release Date, which CUSIP number the Trustee shall also note on the 2009AA Bond certificate.

In the event DTC determines to discontinue providing its services and a successor securities depository for all the 2009AA Bonds is not designated, the Authority and the Trustee shall arrange for the delivery of a single certificate for each series of the 2009AA Bonds as fully registered bonds.

Section 6.9 Series Indenture to Control. To the extent that any provisions of this Series Indenture are inconsistent with any provisions of the Master Indenture, this Series Indenture shall control with respect to the 2009AA Bonds.

(End of Article VI)

ARTICLE VII
MISCELLANEOUS

Section 7.1 Notices. Unless otherwise specified in this Series Indenture, all notices, requests or other communications to or upon the Notice Parties or referred to in this Series Indenture shall be deemed to have been given (i) in the case of notice by letter, when delivered by hand or four (4) days after the same is deposited in the mails, first class postage prepaid, and (ii) in the case of notice by telecopier or e-mail, when sent, receipt confirmed, addressed to the Notice Parties as follows or at such other address as any of the Notice Parties may designate by written notice to the Issuer and the Trustee:

To Administrator: U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Structured Finance/HFA Program
E-mail: Julie.Kirby@usbank.com

To Fannie Mae: Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016
Attention: Carl W. Riedy, Jr.
Vice President for Public Entities
Channel, Housing and Community
Development
E-mail: Carl_W_Riedy@fanniemae.com

and

Attention: Barbara Ann Frouman
Vice President and Deputy General
Counsel, Housing and Community
Development
E-mail: Barbara_Ann_Frouman@fanniemae.com

To Freddie Mac: Freddie Mac
1551 Park Run Drive
Mail Stop D4F
McLean, Virginia 22102
Attention: Mark D. Hanson
Vice President Mortgage Funding
E-mail: Mark_Hanson@freddiemac.com

and

Attention: Joshua L. Schonfeld
Associate General Counsel
Email: Joshua_Schonfeld@freddiemac.com

For all notices pursuant to Section 6.4 hereof:

E-mail: HFA_Credit_Reporting@freddiemac.com

To Treasury's
Financial Agent:

JPMorgan Chase Bank, N.A.
1 Chase Manhattan Plaza, Floor 19
New York, New York 10005
Attention: Lillian G. White
Phone - 212-552-2392
Fax - 212-552-0551
E-mail: Lillian.G.White@jpmorgan.com

with a copy to:

Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220
Attention: Fiscal Assistant Secretary
re: Housing Finance Agencies Initiative

and

Attention: Assistant General Counsel
(Banking and Finance)
re: Housing Finance Agencies Initiative

Section 7.2 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 7.3 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 7.4 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 7.5 Effective Date; Execution and Delivery. This Series Indenture shall become effective upon its execution and delivery by the Authority and the Trustee and shall continue in full force and effect so long as the 2009AA Bonds remain Outstanding.

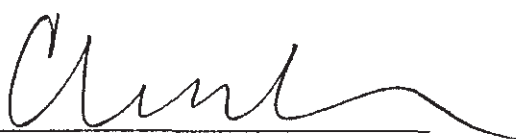
(End of Article VII)

[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: 
Chief Financial Officer

Attest:
By: 
Assistant Secretary

ZIONS FIRST NATIONAL BANK, as Trustee


By: 
Title: Sandra Stevens
Vice President

EXHIBIT A

(FORM OF 2009AA BOND)

No. R-AA-_____

\$_____

COLORADO HOUSING AND FINANCE AUTHORITY
TAXABLE SINGLE FAMILY MORTGAGE, CLASS I BONDS
CONVERTIBLE SERIES 2009AA

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.

UNTIL THE CONVERSION DATE, IF ANY, OF THIS BOND,
INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME
FOR FEDERAL INCOME TAX PURPOSES

<u>DATED DATE</u>	<u>INTEREST ACCRUAL DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
December 30, 2009	January 12, 2010	November 1, 2041	196479 ST7

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 (but only from the funds, accounts and other security provided therefor) to the Registered Owner specified above, or to such Registered Owner's registered assigns or personal representatives, the Principal Amount specified above (as such Principal Amount may be reduced by the principal amount of this Bond converted to Tax-exempt Bonds, as described below) 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 December 1, 2009, between the Authority and Zions First National Bank, as trustee (the "Trustee") and the Series 2009AA

Indenture dated as of December 1, 2009, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the Registered Owner interest on such Principal Amount on each Interest Payment Date, from the Interest Accrual Date identified above at the Short-Term Rate. 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 Taxable Single Family Program Class I Bonds, Convertible Series 2009AA" (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, and 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 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) OR OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR GINNIE MAE, FANNIE MAE OR FREDDIE MAC. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR GINNIE MAE, FANNIE MAE OR FREDDIE MAC. 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 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 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 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.

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 redemption in the manner, at the prices, at the times and under the circumstances provided in the Indenture.

The date, if any, on which this Bond is converted to a Tax-exempt Bond (the "Release Date") shall be set in a written notice mailed by first-class mail, postage prepaid, by the Trustee to the registered owners of the Bonds at least 15 days prior to the Release Date. The Release Date of this Bond, if it occurs, must occur on or before December 31, 2010; however, the Release Date will occur only upon the delivery by bond counsel of an opinion to the effect that on and after the Release Date interest on the Bonds will be excludable from gross income of the registered owners thereof. If a Release Date occurs, the Bonds shall be subject to mandatory exchange for new bonds. If a Release Date occurs, the Trustee shall send written notice, by first-class prepaid mail, to every Registered Owner of the Bonds that the Bonds are subject to mandatory exchange. Within ten days after the Release Date, new Bonds, reflecting the tax-exempt status thereof, shall be distributed to the Registered Owners of the Bonds in exchange for the old Bonds, as listed on the registration records maintained by the Trustee.

If any moneys held by the Trustee or Paying Agent in trust for the payment of interest, principal or premium 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: _____

ZIONS FIRST NATIONAL 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.

EXHIBIT B

(FORM OF CONVERTED 2009AA BOND)

No. R-AA[1][2][3]-_____

\$_____

COLORADO HOUSING AND FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE, CLASS I BONDS
SERIES 2009AA-[1][2][3]

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.

UNTIL THE CONVERSION DATE, IF ANY, OF THIS BOND,
INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME
FOR FEDERAL INCOME TAX PURPOSES

<u>DATED DATE</u>	<u>INTEREST ACCRUAL DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
December 30, 2009	January 12, 2010	November 1, 2041	

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 (but only from the funds, accounts and other security provided therefor) 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 December 1, 2009, between the Authority and Zions First National Bank, as trustee (the "Trustee") and the Series 2009AA Indenture dated as of December 1, 2009, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the

Registered Owner interest on such Principal Amount on each Interest Payment Date, from the Interest Accrual Date identified above (a) prior to the Conversion Date, at the Short-Term Rate specified above, equal to the Four Week T-Bill Rate as of the Business Day prior to the Release Date plus the Spread, and (b) on and after the Conversion Date, at the Permanent Rate specified 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 Program Class I Bonds, Series 2009AA-[1][2][3]" (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, and 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. 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) OR OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR GINNIE MAE, FANNIE MAE OR FREDDIE MAC. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR GINNIE MAE, FANNIE MAE OR FREDDIE MAC. 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 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 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 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.

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 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 or premium 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: _____

ZIONS FIRST NATIONAL 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.

EXHIBIT C

**NOTIFICATION OF
INTEREST RATE CONVERSION**

Reference is made to the Master Indenture of Trust dated as of December 1, 2009 (the "Master Indenture") between the Colorado Housing and Finance Authority (the "Authority") and Zions First National Bank, as Trustee (the "Trustee"), as supplemented by the Series 2009AA Indenture dated as of December 1, 2009 (the "2009AA Series Indenture") between the Authority and the Trustee (collectively, the "Indenture"). All capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Indenture.

I, _____, an authorized officer of the Authority, in connection with 2009AA Bonds to be Converted to a Permanent Rate pursuant to Section 2.3 of the Series Indenture, hereby notify the Trustee and the Notice Parties as follows:

- (i) the proposed Release Date is _____, 2010,
- (ii) the proposed Conversion Date is _____, 201[0],
- (iii) the principal amount of 2009AA Bonds to be Converted to a Permanent Rate on the proposed Conversion Date set forth in clause (ii) above is \$ _____,
- (iv) the proposed Permanent Rate Calculation Date is _____, 2010,
and
- (v) on the Release Date, it is anticipated that the Bond Rating will be "Aaa."

IN WITNESS WHEREOF, I have set forth my hand this _____ day of _____,
2010.

**COLORADO HOUSING AND FINANCE
AUTHORITY**

By: _____
Name: _____
Title: _____

EXHIBIT D

**MARKET BOND RATIO REQUIREMENT
COMPLIANCE CERTIFICATE**

Reference is made to the Master Indenture of Trust dated as of December 1, 2009 (the "Master Indenture") between the Colorado Housing and Finance Authority (the "Authority") and Zions First National Bank, as Trustee (the "Trustee"), as supplemented by the Series 2009AA Indenture dated as of December 1, 2009 (the "2009AA Series Indenture") between the Authority and the Trustee (collectively, the "Indenture"). All capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Indenture.

I, _____, an authorized officer of the Authority, in connection with the issuance of certain Market Bonds, hereby certify and direct as follows:

- (i) \$_____ principal amount of Market Bonds are to be issued on _____, 2010, net proceeds of which will be deposited with the Trustee on [date] in the amount of \$_____ (attached hereto are the bond purchase agreement and Official Statement relative to such Market Bonds),
- (ii) the above-referenced Market Bonds have the maturity dates, interest rates and principal amounts set forth in the attached Official Statement,
- (iii) the release amount pursuant to the Market Bond Ratio Requirement is \$_____,
- (iv) the principal amount of the related 2009AA Bonds to be Converted is \$_____,
- (v) the Release Date for the related 2009AA Bonds is _____,
- (vi) including this Release Date, the Authority has not established more than three (3) Release Dates in 2010,
- (vii) the Conversion Date for the related 2009AA Bonds is _____,
- (viii) the principal amount of the remaining Pre-Conversion Bonds, and
- (ix) the released Escrowed Proceeds shall be transferred to the 2009AA subaccount of the Acquisition Account.

IN WITNESS WHEREOF, I have herewith set forth my hand to this Certificate this _____ day of _____, 2010.

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____

Name: _____

Title: _____

EXHIBIT E

**INTEREST RATE
CONVERSION CERTIFICATE**

Reference is made to the Master Indenture of Trust dated as of December 1, 2009 (the "Master Indenture") between the Colorado Housing and Finance Authority (the "Authority") and Zions First National Bank, as Trustee (the "Trustee"), as supplemented by the Series 2009AA Indenture dated as of December 1, 2009 (the "2009AA Series Indenture") between the Authority and the Trustee (collectively, the "Indenture"). All capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Indenture.

I, _____, an authorized officer of Zions First National Bank (the "Trustee"), in connection with 2009AA Bonds Converted to a Permanent Rate pursuant to Section 2.3 of the 2009AA Series Indenture, hereby confirm as follows:

- (i) attached are the items required to be delivered pursuant to Section 2.3 of the 2009AA Series Indenture,
- (ii) the Short-Term Rate applicable from the Release Date to the Conversion Date, will be the total of (a) the Four Week T-Bill Rate (____%) plus (b) the Spread applicable to the referenced 2009AA Bonds as of the Release Date (____%), will be ____%;
- (iii) the Permanent Rate with respect to the referenced 2009AA Bonds will be ____% as of the specified Conversion Date of _____, 2010,
- (iv) the CUSIP number for the referenced 2009AA Bonds is _____; and
- iv) related 2009AA Bond proceeds will be released on the specified Release Date of _____, 2010.

IN WITNESS WHEREOF, I have herewith set forth my hand this _____ day of _____, 2010.

ZIONS FIRST NATIONAL BANK, as Trustee

By: _____
Name: _____
Title: _____

Schedule A

Quarterly Portfolio Performance Information

The information set forth in the table below should be delivered via email in Microsoft Excel.

Overall Population Unpaid Principal Balance (\$)

Current Loans (Loans with No Delinquency Status This Month)

Current Loans Unpaid Principal Balance (\$m):

Vintage (Year Originated)	Share of Current Book*	% With Primary Mortgage Insurance**	% With FHA or VA***
Pre-2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

sums to 100%

** Percent of loans within the vintage that has Primary Mortgage Insurance.

*** % of loans in each vintage that has Government Insurance.

Count of Missed Payments In Past 12 Month*	Share of Current Book**
None	
1	
2	
3	
> 3	

* In the past 12 months, any missed payment is counted once regardless if they are continuously missed or sporadically missed.

** % of Outstanding Balance of Current Loans. Sums to 100%.

Representative FICO Score	Share of Current Book
0-580	
580-620	
620-660	
660-700	
700-740	
740+	

* The minimum across borrowers, the median score for each borrower across bureaus.

** % of Outstanding Balance of Current Loans. Sums to 100%.

Delinquent Loans (Any Loan Past Due This Month)

Delinquent Loans Unpaid Principal Balance:

Vintage (Year Originated)	Share of Delinquent Book	% With Primary Mortgage Insurance	% With FHA or VA
Pre-2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

vintage. Column sums to 100%

** Percent of loans within the vintage that has Primary Mortgage Insurance.

*** % of loans in each vintage that has Government Insurance.

Delinquency Status	Share of Delinquent Book*
30	
60	
90	
120	
> 120	
Foreclosure	
Bankruptcy	
REO	

* % of Outstanding Balance of Delinquent Loans. Sums to 100%.

Cumulative Losses

Representative FICO Score	Share of Delinquent Book
0-580	
580-620	
620-660	
660-700	
700-740	
740+	

* The minimum across borrowers, the median score for each borrower across bureaus.

** % of Outstanding Balance of Delinquent Loans. Sums to 100%.