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2001 SERIES AA INDENTURE

BETWEEN

COLORADO HOUSING AND FINANCE AUTHORITY

AND

ZIONS FIRST NATIONAL BANK, AS TRUSTEE

DATED AS OF OCTOBER 1, 2001

SECURING

\$50,000,000

TAXABLE SINGLE FAMILY MORTGAGE CLASS I ADJUSTABLE RATE BONDS  
2001 SERIES AA-1

and

\$46,840,000

SINGLE FAMILY MORTGAGE CLASS I ADJUSTABLE RATE BONDS  
2001 SERIES AA-2

and

\$25,000,000

SINGLE FAMILY MORTGAGE CLASS I ADJUSTABLE RATE BONDS  
2001 SERIES AA-3

and

\$10,000,000

SINGLE FAMILY MORTGAGE CLASS II BONDS  
2001 SERIES AA-4

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This Series Indenture, dated as of October 1, 2001, 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, a national banking association, duly organized and existing under the laws of the United States of America, with a corporate trust office located in Denver, Colorado, and authorized under such laws to accept and execute trusts of the character herein set forth,

**WITNESSETH:**

WHEREAS, the Authority has entered into a Master Indenture of Trust dated as of October 1, 2001 (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 2001 Series AA 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 and Section 10.1(e) of the Master Indenture.

**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:

"Adjustable Rate Bonds" means the Adjustable Rate Tax-Exempt Bonds and the Adjustable Rate Taxable Bonds, collectively.

"Adjustable Rate Tax-Exempt Bonds" means the 2001 Series AA-2 Class I Bonds and the 2001 Series AA-3 Class I Bonds during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, a Quarterly Mode Period, a Semiannual Mode Period, a Term Mode Period or a SAVRS Mode Period.

"Adjustable Rate Taxable Bonds" means the 2001 Series AA-1 Class I Bonds during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, a Quarterly Mode Period, a Semiannual Mode Period, a Term Mode Period or a SAVRS Mode Period.

"Alternate Interest Rate Contract" means any Interest Rate Contract or similar agreement delivered by the Authority, pursuant to the terms of this Series Indenture subsequent to the Initial Interest Rate Contract; provided, however, that the delivery of such Alternate Interest Rate Contract shall result in a short-term rating of the Adjustable Rate Bonds of not less than "A-1+" or "VMIG-1" (in the case of S&P and Moody's, respectively) as evidenced by rating letters delivered in connection with the delivery of such Alternate Interest Rate Contract.

"Alternate Liquidity Facility" means any Liquidity Facility providing liquidity for the Adjustable Rate Bonds delivered by the Authority, pursuant to the terms of this Series Indenture other than the Initial Liquidity Facility; provided, however, that the delivery of such Alternate Liquidity Facility shall result in a short-term rating on the Adjustable Rate Bonds of not less than "A-1+" or "VMIG-1" (in the case of S&P and Moody's, respectively) as evidenced by rating letters delivered when each such Alternate Liquidity Facility is delivered.

"Bank Bonds" means Adjustable Rate Bonds purchased with funds provided by the Liquidity Facility Provider pursuant to the Liquidity Facility.

"Bank Interest Rate" means the rate of interest on any Adjustable Rate Bonds held by and payable to the Liquidity Facility Provider at any time as determined and calculated in accordance with the provisions of the Liquidity Facility.

"BMA Index" means the rate determined on the basis of an index based upon the weekly interest rate resets of tax-exempt variable issues included in a database maintained by Municipal Market Data which meet specific criteria established by The Bond Market Association, formerly known as the Public Securities Association.

"Bond Year" means a twelve-month period ending on May 1 of each year, except that the first Bond Year shall commence on the date of delivery of the 2001 Series AA Bonds and shall end on May 1, 2002.

"Book-Entry Bonds" means the Bonds held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 2.17 of the Master Indenture.

"Broker-Dealer" means any broker-dealer or other entity selected by the Authority to perform the functions required of a broker-dealer on behalf of existing owners and potential owners of SAVRS Rate Bonds.

"Conversion Date" means the Business Day on which the interest rate on any of the Adjustable Rate Bonds is Converted to a Fixed Interest Rate.

"Convert," "Converted" or "Conversion," as appropriate, means or refers to the conversion of the interest rate on any of the Adjustable Rate Bonds to Fixed Interest Rates pursuant to Section 3.7 of this Series Indenture.

"Daily Mode Period" means the period of time during which any of the Adjustable Rate Bonds bear interest at a Daily Rate.

"Daily Rate" means the rate of interest so designated to be borne by the Adjustable Rate Bonds as described in Section 2.2(f) of this Series Indenture.

"Debt Service Reserve Fund Requirement" means, with respect to the 2001 Series AA Bonds and as of each determination date, an amount equal to 5% of the Aggregate Principal Amount of all 2001 Series AA Bonds then Outstanding.

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

"Effective Rate" means the rate of interest (which rate shall be less than or equal to the Maximum Rate) payable on any of the Adjustable Rate Bonds prior to Conversion, as determined for each Effective Rate Period pursuant to the terms of this Series Indenture.

"Effective Rate Date" means each date on which any of the Adjustable Rate Bonds begin to bear interest at the applicable Effective Rate as described in the Mode Period Chart.

"Effective Rate Period" means, with respect to any Adjustable Rate Bonds, each period during which interest accrues under a particular Mode from one Effective Rate Date to and including the day preceding the next Effective Rate Date.

"FHA" means the Federal Housing Administration and any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

"Fixed Interest Rate" means a long-term interest rate fixed to maturity of any Adjustable Rate Bond, established in accordance with Section 3.7 of this Series Indenture.

"Fixed Rate Bonds" means the 2001 Series AA Bonds other than the Adjustable Rate Bonds.

"Funds Exchange Agreement" means the Funds Exchange Agreement dated as of October 1, 2001 between the Authority and Zions First National Bank, as Trustee and as trustee in connection with the 1991A Bonds and the 1996AA Bonds.

"GMI" means governmental mortgage insurance or guaranty issued by a Governmental Insurer and providing primary mortgage insurance or guaranty coverage of a Mortgage Loan in accordance with the requirements of Section 6.2 of this Series Indenture.

"Governmental Insurer" means FHA, VA or RHS.

"Initial Interest Rate Contract" means the Interest Rate Contract between the Authority and the Interest Rate Contract Provider, dated as of September 13, 2001.

"Initial Liquidity Facility" means the Standby Bond Purchase Agreement among the Authority, the Liquidity Facility Provider and the Tender Agent, dated as of October 1, 2001.

"Interest Payment Date," with respect to the 2001 Series AA Bonds and except as is otherwise provided in the Mode Period Chart, means each May 1 and November 1, commencing May 1, 2002, and after a Conversion, the first of such dates occurring at least two months after the Conversion Date and each May 1 and November 1 thereafter.

"Interest Rate Contract" means any Interest Rate Contract delivered pursuant to the terms of this Series Indenture, including the Initial Interest Rate Contract and any Alternate Interest Rate Contract.

"Interest Rate Contract Provider" means, initially, with respect to the Adjustable Rate Bonds, Lehman Brothers Financial Products Inc., a party to the Initial Interest Rate Contract, and its respective successors and assigns, or, with respect to an Alternate Interest Rate Contract, the Interest Rate Contract Provider thereunder.



"Liquidity Expiration Event" means either (i) the Authority has determined to terminate (other than in connection with an Alternate Liquidity Facility) the Liquidity Facility in accordance with its terms, (ii) the Trustee has received notice from the Liquidity Facility Provider that an event with respect to the Liquidity Facility has occurred which gives the Liquidity Facility Provider the option to terminate the Liquidity Facility upon notice or (iii) the Trustee has not received notice from the Liquidity Facility Provider or, in the case of the replacement of the Liquidity Facility, the Authority, on or prior to 30 days prior to the scheduled expiration of a Liquidity Facility that such Liquidity Facility will be extended, renewed, or replaced.

"Liquidity Facility" means any Liquidity Facility delivered pursuant to the terms of this Series Indenture, including the Initial Liquidity Facility and any Alternate Liquidity Facility.

"Liquidity Facility Provider" means, initially, with respect to the Adjustable Rate Bonds, Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch, as obligor under the Initial Liquidity Facility, and its respective successors and assigns, or, with respect to an Alternate Liquidity Facility, the obligor thereunder.

"Liquidity Facility Provider Fee" means the fee payable by the Authority to the Liquidity Facility Provider pursuant to Section 2.7 of the Initial Liquidity Facility, and with respect to an Alternate Liquidity Facility, the similar fee thereunder.

"Mandatory Tender Date" means each date on which any of the Adjustable Rate Bonds are subject to mandatory tender pursuant to Section 3.9 of this Series Indenture.

"Maximum Rate" means 10% per annum in the case of Adjustable Rate Tax-Exempt Bonds while covered by the Initial Liquidity Facility (if such Bonds are covered by an Alternate Liquidity Facility, the Authority may direct that such rate be increased up to a maximum of 15% per annum) and 12% per annum in the case of Adjustable Rate Taxable Bonds while covered by the Initial Liquidity Facility (if such Bonds are covered by an Alternate Liquidity Facility, the Authority may direct that such rate be increased up to a maximum of 25% per annum) or, with respect to Bank Bonds, the lesser of (A) the maximum non-usurious lawful rate of interest permitted by applicable law and (B) 25% per annum.

"Mode" means the manner in which the interest rate on any of the Adjustable Rate Bonds is determined on each Rate Determination Date, consisting of a Daily Rate, Weekly Rate, Monthly Rate, Quarterly Rate, Semiannual Rate, Term Rate or SAVRS Rate.

"Mode Change" means a change in Mode Period.

"Mode Change Date" means the date of effectiveness of a Mode Change.

"Mode Period" means each period beginning on the first Effective Rate Date for any of the Adjustable Rate Bonds, or the first Effective Rate Date following a change from one Mode to

another, and ending on the date immediately preceding the first Effective Rate Date following the next such change in Mode with respect to such Adjustable Rate Bonds.

"Mode Period Chart" means the chart entitled "Mode Periods" as set forth in Section 2.2(g) of this Series Indenture.

"Monthly Mode Period" means each period of time during which any of the Adjustable Rate Bonds bear interest at a Monthly Rate.

"Monthly Rate" means the rate of interest so designated to be borne by any of the Adjustable Rate Bonds as described in Section 2.2(f) of this Series Indenture.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"1991A Bonds" means the Authority's Single-Family Housing Revenue Refunding Bonds, 1991 Series A.

"1996AA Bonds" means the Authority's Single-Family Housing Revenue Refunding Bonds, 1996 Series AA.

"Notice Parties" means the Authority, the Remarketing Agent, the Liquidity Facility Provider, the Tender Agent and the Trustee.

"One-Month LIBOR" means the rate of interest per annum equal to the rate per annum at which United States dollar deposits having a maturity of one month are offered to prime banks in the London interbank market that appear on the Telerate Page 3750 as of approximately 11:00 a.m., London time, on the second Business Day immediately preceding the Rate Determination Date. If at least two such quotations appear, One-Month LIBOR will be determined at approximately 11:00 a.m., London time, on such calculation date on the basis of the rate at which deposits in United States dollars having a maturity of one month are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Remarketing Agent and in a principal amount of not less than U.S. \$1,000,000 and that is representative for a single transaction in such market at such time. The Remarketing Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two quotations are provided, One-Month LIBOR will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of the rates quoted at approximately 11:00 a.m., New York City time, on the second Business Day immediately preceding the Rate Determination Date by three major banks in New York, New York, selected by the Remarketing Agent for loans in United States dollars to leading European banks having a comparable maturity as the duration of then existing Mode of the Bonds and in a principal amount equal to an amount of not less than U.S. \$1,000,000 and that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, One-Month LIBOR will be One-Month LIBOR in effect for the immediately preceding Weekly Mode Period.

"PMI" means private mortgage insurance or guaranty issued by a Private Insurer and providing primary mortgage insurance or guaranty coverage of all or a portion of a Mortgage Loan.

"Prior Mortgage Loans" means the mortgage loans held under the Authority's Single-Family Housing Revenue Bonds Amended and Restated General Bond Resolution, and deposited into the 2001 Series AA subaccount of the Acquisition Account upon payment in full of all of the outstanding 1991A Bonds and 1996AA Bonds on November 2, 2001.

"Private Insurer" means a private mortgage insurance company approved by the Authority and (i) qualified to transact business in the State, (ii) qualified to provide insurance on mortgages purchased by the Federal Home Loan Mortgage Corporation or Fannie Mae and (iii) rated by each Rating Agency then rating the 2001 Series AA Bonds, at the time each 2001 Series AA Mortgage Loan subject to PMI provided by such Private Insurer is made or originated, AA- or better by S&P and Aa3 or better by Moody's.

"PSA Experience" means the prepayment rate on a cumulative basis set forth for thirty-year mortgage loans in The Bond Market Association (formerly the Public Securities Association) prepayment standard or model, which assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgage lives and then assumes a constant prepayment rate of 6% of the unpaid principal balance for the remaining life of each of the mortgage loans.

"Purchase Date" means any date that Adjustable Rate Bonds are to be purchased pursuant to Sections 3.8 and 3.9 of this Series Indenture.

"Purchase Price" means an amount equal to 100% of the principal amount of any Adjustable Rate Bond tendered or deemed tendered for purchase as provided herein, plus accrued interest from the previous Interest Payment Date to the day preceding the Purchase Date.

"Quarterly Mode Period" means each period of time during which any of the Adjustable Rate Bonds bears interest at a Quarterly Rate.

"Quarterly Rate" means the rate of interest so designated to be borne by any of the Adjustable Rate Bonds as described in Section 2.2(f) of this Series Indenture.

"Rate Determination Date" means the date on which the Effective Rate is determined for the Effective Rate Period following each such Rate Determination Date, as described in the Mode Period Chart.

"Rating Agency" means each of S&P and Moody's.

"Remarketing Agent" means Lehman Brothers Inc. and its successors and assigns, unless another remarketing agent shall be duly appointed in accordance with this Series Indenture.

**"Remarketing Agreement"** means the Remarketing Agreement between the Authority and the Remarketing Agent regarding the remarketing of tendered (or deemed tendered) Adjustable Rate Bonds.

**"RHS"** means the Rural Housing Service (formerly, the Rural Housing and Community Development Service, the successor to the Farmers Home Administration) and any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

**"SAVRS Mode Period"** means the period of time during which any of the Adjustable Rate Bonds are in a SAVRS Rate Mode.

**"SAVRS Rate"** means the rate of interest so designated to be borne by any of the Adjustable Rate Bonds as described in Article VIII of this Series Indenture.

**"SAVRS Rate Bonds"** means any of the Adjustable Rate Bonds in any period during which such Adjustable Rate Bonds are in a SAVRS Rate Mode.

**"SAVRS Rate Conversion Date"** means the date on which any of the Adjustable Rate Bonds are converted to SAVRS Rate Bonds, which date shall be an Interest Payment Date.

**"SAVRS Rate Mode"** means the Mode during which any of the Adjustable Rate Bonds bear interest at rates determined by auction procedures described in the Supplemental Indenture to be entered into in connection with the SAVRS Rate Conversion Date.

**"Semiannual Mode Period"** means each period of time during which any of the Adjustable Rate Bonds bear interest at a Semiannual Rate.

**"Semiannual Rate"** means the rate of interest so designated to be borne by any of the Adjustable Rate Bonds as described in Section 2.2(f) of this Series Indenture.

**"S&P"** means Standard & Poor's, a division of the McGraw-Hill Companies, Inc., and its successors and assigns.

**"Tender Agent"** means Zions First National Bank, a national banking association organized and existing under the laws of the United States of America, and its successors and assigns.

**"Term Mode Period"** means each period of time, not less than 180 days as designated by the Authority, during which any of the Adjustable Rate Bonds bears interest at a Term Rate.

**"Term Rate"** means the rate of interest so designated to be borne by any of the Adjustable Rate Bonds as described in Section 2.2(f) of this Series Indenture.

"Treasury Regulations" means the regulations of the Department of the Treasury, Internal Revenue Service under the applicable sections of the Code or predecessor Code sections.

"2001 Series AA Bonds" means the 2001 Series AA Class I Bonds and the 2001 Series AA Class II Bonds.

"2001 Series AA Class I Asset Requirement" means the requirement that, as of any date of calculation, the sum of (a) amounts held in the 2001 Series AA subaccount of the Acquisition Account, the 2001 Series AA subaccount of the Loan Recycling Account, the 2001 Series AA subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of 2001 Series AA Class I Bonds), the 2001 Series AA subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem 2001 Series AA Class I Bonds) and the 2001 Series AA subaccount of the Debt Service Reserve Fund, and (b) the aggregate unpaid principal balance of Mortgage Loans Related to the 2001 Series AA Bonds, be at least equal to 117.5% of the aggregate principal amount of 2001 Series AA Class I Bonds then Outstanding, or such different percentage as shall be approved or required by each Rating Agency in writing.

"2001 Series AA Class I Bonds" means the 2001 Series AA-1 Class I Bonds, the 2001 Series AA-2 Class I Bonds and the 2001 Series AA-3 Class I Bonds.

"2001 Series AA Class II Asset Requirement" means the requirement that, as of any date of calculation, the sum of (a) amounts in the 2001 Series AA subaccount of the Acquisition Account, the 2001 Series AA subaccount of the Loan Recycling Account, the 2001 Series AA subaccounts of the Class I Debt Service Fund and Class II Debt Service Fund (to the extent such amounts are required to be used to pay principal of 2001 Series AA Class I Bonds or 2001 Series AA Class II Bonds), the 2001 Series AA subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem 2001 Series AA Class I Bonds or 2001 Series AA Class II Bonds) and the 2001 Series AA subaccount of the Debt Service Reserve Fund, and (b) the aggregate unpaid principal balance of Mortgage Loans Related to the 2001 Series AA Bonds, be at least equal to 109% of the Aggregate Principal Amount of 2001 Series AA Class I Bonds then Outstanding plus 109% of the Aggregate Principal Amount of 2001 Series AA Class II Bonds then Outstanding, or such different percentages as shall be approved or required by each Rating Agency in writing.

"2001 Series AA Class II Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class II Bonds, 2001 Series AA-4 authorized by, and at any time Outstanding pursuant to, the Indenture.

"2001 Series AA Mortgage Loan" means a Mortgage Loan which satisfies the requirements of Section 6.2 of this Series Indenture and which is Related to the 2001 Series AA Bonds. The term "2001 Series AA Mortgage Loans" also includes the Prior Mortgage Loans.

"2001 Series AA Tax-Exempt Bonds" means the 2001 Series AA Bonds other than the 2001 Series AA-1 Class I Bonds, the interest on which is intended to be excluded from gross income of the owners thereof for federal income tax purposes.

"2001 Series AA-1 Class I Bonds" means the Colorado Housing and Finance Authority Taxable Single Family Mortgage Class I Adjustable Rate Bonds, 2001 Series AA-1 authorized by, and at any time Outstanding pursuant to, the Indenture.

"2001 Series AA-2 Class I Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class I Adjustable Rate Bonds, 2001 Series AA-2 authorized by, and at any time Outstanding pursuant to, the Indenture.

"2001 Series AA-3 Class I Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class I Adjustable Rate Bonds, 2001 Series AA-3 authorized by, and at any time Outstanding pursuant to, the Indenture.

"VA" means the Department of Veterans Affairs and any agency or instrumentality of the United States of America succeeding to the mortgage guaranty function thereof.

"Weekly Mode Period" means each period of time during which any of the Adjustable Rate Bonds bear interest at a Weekly Rate.

"Weekly Rate" means the rate of interest so designated to be borne by any of the Adjustable Rate Bonds as described in Section 2.2(f) of this Series Indenture.

(End of Article I)

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF 2001 SERIES AA BONDS

Section 2.1 Authorization of 2001 Series AA Bonds. 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 2001 Series AA Bonds shall be issued in two classes: Class I Bonds and Class II Bonds. The Class I Bonds shall be of three tenors: 2001 Series AA-1, 2001 Series AA-2 and 2001 Series AA-3. The 2001 Series AA Bonds shall be designated as the "Colorado Housing and Finance Authority Taxable Single Family Mortgage Class I Adjustable Rate Bonds, 2001 Series AA-1," "Colorado Housing and Finance Authority Single Family Mortgage Class I Adjustable Rate Bonds, 2001 Series AA-2," "Colorado Housing and Finance Authority Single Family Mortgage Class I Adjustable Rate Bonds, 2001 Series AA-3" and "Colorado Housing and Finance Authority Single Family Mortgage Class II Bonds, 2001 Series AA-4."

The Aggregate Principal Amount of 2001 Series AA-1 Class I Bonds which may be issued and Outstanding under the Indenture shall not exceed \$50,000,000; the Aggregate Principal Amount of 2001 Series AA-2 Class I Bonds which may be issued and Outstanding under the Indenture shall not exceed \$46,840,000; the Aggregate Principal Amount of 2001 Series AA-3 Class I Bonds which may be issued and Outstanding under the Indenture shall not exceed \$25,000,000; and the Aggregate Principal Amount of 2001 Series AA Class II Bonds which may be issued and Outstanding under the Indenture shall not exceed \$10,000,000. The 2001 Series AA Bonds shall be issued only in fully registered form, without coupons. The 2001 Series AA Bonds shall be dated the date of delivery thereof.

Section 2.2 Terms of 2001 Series AA Bonds. The 2001 Series AA Bonds shall mature and bear interest as follows:

(a) The 2001 Series AA-1 Class I Bonds in the Aggregate Principal Amount of \$50,000,000 mature, subject to the right of prior redemption as set forth below, on May 1, 2041, and shall bear interest, payable on each Interest Payment Date, at the rate of 2.75% per annum to and including October 9, 2001, and from October 10, 2001 and thereafter at the rate to be determined as set forth in Section 2.2(f) of this Series Indenture.

(b) The 2001 Series AA-2 Class I Bonds in the Aggregate Principal Amount of \$46,840,000 mature, subject to the right of prior redemption as set forth below, on May 1, 2031, and shall bear interest, payable on each Interest Payment Date, at the rate of 2.10% per annum to and including October 9, 2001, and from October 10, 2001 and thereafter at the rate to be determined as set forth in Section 2.2(f) of this Series Indenture.

(c) The 2001 Series AA-3 Class I Bonds in the Aggregate Principal Amount of \$25,000,000 mature, subject to the right of prior redemption as set forth below, on May 1, 2036, and shall bear interest, payable on each Interest Payment Date, at the rate of 2.15%

per annum to and including September 17, 2002, and from September 18, 2002 and thereafter at the rate to be determined as set forth in Section 2.2(f) of this Series Indenture.

(d) The 2001 Series AA Class II Bonds in the Aggregate Principal Amount of \$10,000,000 mature, subject to the right of prior redemption as set forth below, on May 1, 2036, and shall bear interest, payable on each Interest Payment Date, at the rate of 5.25% per annum.

(e) The Fixed Rate Bonds shall be issued in the denomination of \$5,000 or any integral multiple thereof. The Adjustable Rate Bonds, prior to a Conversion Date, shall be issued in denominations of (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period or a Quarterly Mode Period, \$100,000 or integral multiples of \$5,000 in excess of \$100,000, (ii) during a SAVRS Mode Period, \$25,000 or integral multiples of \$5,000 in excess of \$25,000, and (iii) during a Semiannual Mode Period or a Term Mode Period, \$5,000 or any integral multiple thereof. The 2001 Series AA-1 Class I Bonds shall be numbered consecutively from 1 upwards with the prefix RAA1- preceding each number. The 2001 Series AA-2 Class I Bonds shall be numbered consecutively from 1 upwards with the prefix RAA2- preceding the number. The 2001 Series AA-3 Class I Bonds shall be numbered consecutively from 1 upwards with the prefix RAA3- preceding the number. The 2001 Series AA Class II Bonds shall be numbered consecutively from 1 upwards with the prefix RAA4- preceding each number.

(f) Interest on the 2001 Series AA Bonds shall be payable on each Interest Payment Date until maturity or earlier redemption. Interest on the Fixed Rate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Adjustable Rate Bonds shall bear interest from and including their date of delivery until payment of the principal thereof shall have been made or provided for in accordance with the provisions of this Series Indenture, whether at maturity, upon redemption or otherwise. Interest accrued on the Adjustable Rate Bonds prior to the Conversion Date and during any Mode Period (other than a SAVRS Mode Period, a Term Mode Period or a Semiannual Mode Period) shall be computed on the basis of a 365-day year or a 366-day year, as applicable, for the number of days actually elapsed. Interest accrued on the Adjustable Rate Bonds during a SAVRS Mode Period (other than a semiannual SAVRS Mode Period) shall be computed on the basis of a 360-day year for the number of days actually elapsed and, for each semiannual SAVRS Mode Period, on the basis of a 360-day year consisting of twelve 30-day months. Interest accrued on the Adjustable Rate Bonds during a Semiannual Mode Period or a Term Mode Period and after Conversion shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

The Adjustable Rate Bonds or any portion thereof shall bear interest, commencing on the applicable Effective Rate Date (such first Effective Rate Date being October 10, 2001 for the 2001 Series AA-1 Class I Bonds and the 2001 Series AA-2 Class I Bonds, and



September 18, 2002 for the 2001 Series AA-3 Class I Bonds), at the rate determined by the Remarketing Agent based on the current Mode for the new Effective Rate Period (except for Adjustable Rate Bonds during a SAVRS Mode Period and except for Bank Bonds which shall bear interest at the Bank Interest Rate payable in accordance with Section 3.13 of this Series Indenture and the applicable provisions of the Liquidity Facility) as set forth below:

(i) During each Mode Period, the Effective Rate with respect to any of the Adjustable Rate Tax-Exempt Bonds and the Effective Rate with respect to any of the Adjustable Rate Taxable Bonds shall be that rate which (a) in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of such Adjustable Rate Tax-Exempt Bonds and Adjustable Rate Taxable Bonds, respectively, on the Effective Rate Date being 100% of the principal amount thereof and (b) is less than or equal to the Maximum Rate. The Effective Rate with respect to the Adjustable Rate Tax-Exempt Bonds and the Adjustable Rate Taxable Bonds shall be determined separately.

(ii) In determining the Effective Rate the Remarketing Agent shall take into account, to the extent applicable, (a) market interest rates for comparable securities held by tax-exempt or taxable (as applicable) open-end municipal bond funds or other institutional or private investors with substantial portfolios (i) with interest rate adjustment periods and demand purchase options substantially identical to the Adjustable Rate Bonds, (ii) bearing interest at a variable rate intended to maintain par value, and (iii) rated by a national credit rating agency in the same category as the Adjustable Rate Bonds; (b) other financial market rates and indices that may have a bearing on the Effective Rate (including, but not limited to, rates borne by commercial paper, Treasury Bills, commercial bank prime rates, certificate of deposit rates, federal fund rates, the London Interbank Offered Rate (LIBOR), indices maintained by The Bond Buyer and other publicly available tax-exempt or taxable interest rate indices); (c) general financial market conditions; and (d) factors particular to the Authority and the Adjustable Rate Bonds.

(iii) The determination by the Remarketing Agent in accordance with this Section 2.2(f) of the Effective Rate to be borne by the Adjustable Rate Bonds shall be conclusive and binding on the Owners of the Adjustable Rate Bonds and the Notice Parties, except as otherwise provided herein. Failure by the Remarketing Agent or the Trustee to give any notice required under this Series Indenture, or any defect therein, shall not affect the interest rate borne by the Adjustable Rate Bonds or the rights of the Owners thereof.

(iv) (A) If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Adjustable Rate Tax-Exempt Bonds shall be the interest rate as determined or caused to be determined

weekly by the Trustee, at the expense of the Authority, to be the lesser of (i) the BMA Index plus .20% or (ii) the Maximum Rate.

(B) If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Adjustable Rate Taxable Bonds shall be the interest rate as determined or caused to be determined weekly by the Trustee, at the expense of the Authority, to be the lesser of (i) One-Month LIBOR plus .20% or (ii) the Maximum Rate.

(v) In making or causing such determination in the preceding subparagraph (iv) to be made, the Trustee may engage, at the expense of the Authority, such calculation agents or experts as necessary to make such determination and rely on such agents and experts.

(g) The Mode Period from the delivery date of the Adjustable Rate Bonds other than the 2001 Series AA-3 Class I Bonds, until further designation by the Authority, shall be a Weekly Mode Period. The Mode Period from the delivery date of the 2001 Series AA-3 Class I Bonds, until further designation by the Authority, shall be a Term Mode Period ending on September 17, 2002. Thereafter, unless Conversion has occurred, the Authority may designate an alternate Mode Period with respect to any Adjustable Rate Bonds. The Authority shall give written notice of an alternate Mode Period to the other Notice Parties and the Trustee shall give written notice of such Mode Change to the Owners, each in accordance with the provisions of the Mode Period Chart; provided, however, that each Mode Change Date must be an Effective Rate Date for such alternate Mode Period. An alternate Mode Period (other than with respect to a SAVRS Mode) shall not take effect unless on the Mode Change Date there shall have been delivered to the Trustee and the Remarketing Agent a Liquidity Facility providing for purchase of such Adjustable Rate Bonds in the applicable Mode.

Promptly upon receipt of such notice from the Authority, in accordance with the provisions of the Mode Period Chart, the Trustee shall notify each Owner of the new designated Mode Period and of the applicable Rate Determination Date, Effective Rate Date, Statement of Effective Rate, Irrevocable Notice of Tender by Owners/Tender and Purchase Date (within Mode Period) and Written Mode Change Notice and Notice of Mandatory Tender, each of which shall be determined in accordance with the following chart (the "Mode Period Chart"):

**MODE PERIODS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAVRS RATE MODE</b>
<b>Interest Payment Date</b>	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	The Business Day next succeeding the expiration of any auction period.
<b>Rate Determination Date</b>	Each Business Day by 9:30 a.m. New York City time.	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	SAVRS Rate determined not later than 4:00 p.m. New York City time on the auction date
<b>Effective Rate Date</b>	Daily	Wednesday following the Rate Determination Date	First day of each calendar month	February 1, May 1, August 1 and November 1 of each year	May 1 and November 1 of each year	As designated by the Authority	First Business Day of each auction period
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Owner monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner notice of Effective Rate for each month within 7 Business Days following each Rate Determination Date	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Broker-Dealer advises existing and potential owner as to SAVRS Rate determined on auction date
<b>Irrevocable Notice of Tender by Owner to Remarketing Agent or Tender Agent/ Tender and Purchase Date (Within Mode Period)</b>	Notice by Owner to Remarketing Agent prior to 10:30 a.m. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on any Business Day at least 7 calendar days prior to the Purchase Date, which shall be any Business Day, and shall be set forth in the Tender Notice	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	No optional tender of Bonds in SAVRS Mode Period

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAV. DATE MODE</b>
<b>Written Mode Change Notice and Notice of Mandatory Tender</b>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Weekly Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Weekly Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Daily Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Daily Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date at least 30 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners on or before third Business Day after receipt of Authority's notice</p>

The Authority may not designate a new Mode Period from the date on which (a) the Authority gives notice to the Trustee of its election to Convert any Adjustable Rate Bonds pursuant to Section 3.7 of this Series Indenture, or (b) the Trustee gives notice of Mandatory Tender pursuant to Section 3.9 of this Series Indenture, to the date such Conversion or tender and purchase is scheduled to occur.

(h) The principal or Redemption Price of and interest on the 2001 Series AA 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, or its successors as Paying Agent under this Series Indenture or, in the case of the Adjustable Rate Bonds, at the Corporate Trust Office of the Tender Agent. At the written request of any Bondowner of at least \$1,000,000 aggregate principal amount of 2001 Series AA Bonds delivered to the Bond Registrar during any time while 2001 Series AA Bonds are not in book-entry form, specifying the account or accounts to which such payment shall be made, the principal or Redemption Price of and interest on the 2001 Series AA Bonds may be paid by wire transfer of immediately available funds within the United States to the bank account number specified by such Bondowner. In case of any such payment by wire transfer, the CUSIP number or numbers of Bonds being paid shall be included in the wire transfer.

(i) Each 2001 Series AA Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the 2001 Series AA Class I Bonds or the 2001 Series AA Class II Bonds, as the case may be, in which event such Bond shall bear interest from its dated date. Payment of interest on any 2001 Series AA 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.

(j) The 2001 Series AA Bonds shall be subject to tender, Conversion and redemption as provided in Article III of this Series Indenture.

Section 2.3 Forms of Bonds and Certificate of Authentication. The forms of the 2001 Series AA-1 Class I Bonds, the 2001 Series AA-2 Class I Bonds, the 2001 Series AA-3 Class I Bonds and the 2001 Series AA Class II Bonds, including the Bond Registrar's Certificate of Authentication thereon, shall be substantially as set forth in Exhibits A, B, C and D, respectively,

to this Series Indenture. Any 2001 Series AA 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. Upon any change in Mode of the Adjustable Rate Tax-Exempt Bonds and the Adjustable Rate Taxable Bonds, a new form of 2001 Series AA-1 Class I Bond, 2001 Series AA-2 Class I Bond or 2001 Series AA-3 Class I Bond, as applicable, shall be prepared, if and to the extent necessary, which contains the terms of the 2001 Series AA-1 Class I Bonds, 2001 Series AA-2 Class I Bonds or 2001 Series AA-3 Class I Bonds applicable in the new Mode.

Section 2.4 Purposes. The 2001 Series AA-1 Class I Bonds are authorized to provide moneys to finance 2001 Series AA Mortgage Loans for Eligible Borrowers purchasing Residential Housing. The 2001 Series AA Tax-Exempt Bonds are authorized to provide moneys (a) to refund, together with other moneys legally available therefor, the 1991A Bonds maturing on November 1, 2014 and November 1, 2031 and (b) to pay at maturity and to redeem prior to maturity the remaining 1991A Bonds and the 1996AA Bonds as set forth in the Funds Exchange Agreement, and with the amounts received in exchange therefor and with other moneys, to finance 2001 Series AA Mortgage Loans for Eligible Borrowers purchasing Residential Housing. The 2001 Series AA Bonds are also authorized to fund the Debt Service Reserve Fund Requirement and to pay a portion of the Costs of Issuance.

(End of Article II)

## ARTICLE III

### REDEMPTION, TENDER, CONVERSION AND PAYMENT OF TENDERED BONDS

Section 3.1 General. The 2001 Series AA Bonds shall be subject to redemption and/or tender prior to maturity pursuant to this Article III at such Redemption Prices and the Purchase Price, respectively, from such moneys and upon such terms as specified below. The Adjustable Rate Bonds shall be subject to Conversion prior to maturity pursuant to this Article III upon such terms as specified below.

Section 3.2 Special Redemption: Redemption of Bank Bonds.

(a) The 2001 Series AA Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, at any time from amounts equal to moneys transferred from the 2001 Series AA subaccount of the Acquisition Account to the 2001 Series AA subaccounts of the Redemption Fund.

Moneys deposited in or transferred to the 2001 Series AA subaccounts of the Redemption Fund as described in the preceding paragraph shall be applied to redeem 2001 Series AA Class I Bonds and 2001 Series AA Class II Bonds as follows: first, there shall be transferred to the 2001 Series AA subaccount of the Class I Special Redemption Account the amount necessary to satisfy the 2001 Series AA Class I Asset Requirement, calculated upon such transfer; second, there shall be transferred to the 2001 Series AA subaccount of the Class II Special Redemption Account the amount necessary to satisfy the 2001 Series AA Class II Asset Requirement, calculated upon such transfer; and third, the remainder of funds to be transferred shall be allocated to the 2001 Series AA subaccount of the Class I Special Redemption Account and the 2001 Series AA subaccount of the Class II Special Redemption Account on the basis of the respective ratios represented by the Aggregate Principal Amount of Outstanding 2001 Series AA Class I Bonds and the Aggregate Principal Amount of Outstanding 2001 Series AA Class II Bonds, respectively, to the Aggregate Principal Amount of all 2001 Series AA Bonds Outstanding.

If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with the preceding paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

(b) The 2001 Series AA Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any May 1 or November 1, from amounts on deposit in the 2001 Series AA subaccount of the Class I Special Redemption

Account and the 2001 Series AA subaccount of the Class II Special Redemption Account, respectively.

If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with the preceding paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

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

(d) Bank Bonds are subject to optional and mandatory redemption in accordance with the terms of the Liquidity Facility, at a Redemption Price equal to the principal amount thereof plus interest accrued thereon to the date of redemption. The obligation of the Authority to pay the Redemption Price of Bank Bonds to be redeemed pursuant to this Section 3.2 is set forth in Section 3.13(b) of this Series Indenture.

**Section 3.3 2001 Series AA Class I Sinking Fund Installments.**

(a) The 2001 Series AA-2 Class I Bonds shall be redeemed prior to their maturity, in part, by lot by payment of 2001 Series AA Class I Sinking Fund Installments, to the extent moneys available therefor are deposited or expected to be deposited in the 2001 Series AA subaccount of the Class I Debt Service Fund upon notice as provided in Section 3.2 of the Master Indenture and Section 3.6 of this Series Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each date, in each case at a Redemption Price equal to 100% of the principal amount of such Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
May 1, 2014	\$ 940,000
November 1, 2014	960,000
May 1, 2015	975,000
November 1, 2015	995,000
May 1, 2016	1,015,000
November 1, 2016	1,035,000
May 1, 2017	1,055,000
November 1, 2017	1,080,000
May 1, 2018	1,100,000
November 1, 2018	1,120,000





Indenture and Section 3.6 of this Series Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each date, in each case at a Redemption Price equal to 100% of the principal amount of such Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
November 1, 2031	\$ 890,000
May 1, 2032	910,000
November 1, 2032	935,000
May 1, 2033	960,000
November 1, 2033	985,000
May 1, 2034	1,010,000
November 1, 2034	1,035,000
May 1, 2035	1,065,000
November 1, 2036	1,090,000
May 1, 2036*	1,120,000

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\*Maturity Date

(b) If the amount on deposit in the 2001 Series AA subaccount of the Class II Debt Service Fund is not sufficient on any Payment Date to pay the scheduled 2001 Series AA Class II Sinking Fund Installment for such date, the amount of the insufficiency is to be added to the next scheduled 2001 Series AA Class II Sinking Fund Installment until paid. Failure to pay a 2001 Series AA Class II Sinking Fund Installment is not an Event of Default under the Indenture if sufficient moneys for such payment are not available in the 2001 Series AA subaccount of the Class II Debt Service Fund on the date that notice of redemption is given.

(c) Upon any purchase pursuant to Section 3.6 of the Master Indenture or redemption (other than pursuant to this Section 3.4) of 2001 Series AA Class II Bonds for which 2001 Series AA Class II Sinking Fund Installments have been established, there shall be credited toward each 2001 Series AA Class II Sinking Fund Installment thereafter to become due for such Bonds an amount bearing the same ratio to such 2001 Series AA Class II Sinking Fund Installment as (i) the total principal amount of such Bonds so purchased or redeemed bears to (ii) the aggregate principal amount of such Bonds Outstanding prior to such redemption or purchase.

### Section 3.5 Optional Redemption.

(a) The 2001 Series AA Class II Bonds are subject to redemption at the option of the Authority, on or after November 1, 2011, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

(b) Prior to Conversion, the Adjustable Rate Bonds are subject to redemption, at the option of the Authority, on any Effective Rate Date at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

(c) On or after Conversion, the Converted 2001 Series AA Class I Bonds shall be subject to redemption, at the option of the Authority, (1) on the Conversion Date, in whole or in part, at a redemption price of 100% of the principal amount thereof, and (2) thereafter, during the periods specified below or, subject to delivery to the Trustee of an opinion of Bond Counsel to the effect that any different periods specified by the Authority will not cause the interest on the 2001 Series AA Tax-Exempt Bonds to be subject to inclusion in gross income under Section 103 of the Code, during such periods specified by the Authority, in whole at any time or in part from time to time, at a redemption price of 100% of the principal amount thereof, in each case plus accrued interest, if any, to the redemption date:

<u>Length of Time From Conversion Date To Maturity Date (expressed in years)</u>	<u>First Optional Redemption Date</u>
greater than 15	after 10 years
less than or equal to 15 and greater than 10	after 7 years
less than or equal to 10 and greater than 7	after 5 years
less than or equal to 7 and greater than 5	after 3 years
less than or equal to 5	not optionally callable

In the event that the Conversion Date is not an Interest Payment Date, then the date on which the Converted 2001 Series AA Class I Bonds shall first be subject to redemption pursuant to the foregoing table (after the Conversion Date) shall be the first Interest Payment Date next succeeding the date on which the such Converted 2001 Series AA Class I Bonds otherwise would be subject to redemption.

(d) In the event of an optional redemption in part, the Authority shall direct the Class, tenor, series, maturity or maturities, and the amounts thereof, so to be redeemed.

Section 3.6 Selection of Bonds to be Redeemed; Notice of Redemption. If less than all the 2001 Series AA Class I Bonds of like maturity are to be redeemed, the particular 2001 Series AA

Bonds or the respective portions thereof to be redeemed will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate; provided, however, in the event of any redemption under this Series Indenture, Bank Bonds shall be redeemed prior to any other Bonds of the same Class, tenor, series and maturity.

The Trustee shall cause notice of the redemption of Adjustable Rate Bonds being redeemed under this Article III to be given in the form and manner described in Section 3.2 of the Master Indenture, not less than 15 days nor more than 30 days prior to the redemption date. The Trustee shall cause notice of the redemption of Fixed Rate Bonds being redeemed under this Article III to be given in the form and manner described in Section 3.2 of the Master Indenture, not less than 30 days nor more than 60 days prior to the redemption date.

**Section 3.7    Conversion to Fixed Interest Rate.**

(a)    The Authority may at its option convert the interest rate on all or a portion of the Adjustable Rate Bonds on any Effective Rate Date to Fixed Interest Rates as described herein upon written notice to the other Notice Parties that the Authority will cause a Conversion of the Adjustable Rate Bonds (or such portion thereof) on the Conversion Date set forth in such written notice, which Conversion Date shall not occur sooner than 45 days after the date of such notice; provided that if only a portion of the Adjustable Rate Bonds are to be Converted, the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld) shall be obtained prior to such Conversion, and provided, further, that no partial Conversion of SAVRS Rate Bonds shall cause the Outstanding principal amount of SAVRS Rate Bonds to be (i) less than \$10,000,000 without the approval of the Broker-Dealers and (ii) other than in multiples of \$25,000.

(b)    Prior to the Conversion of any of the Adjustable Rate Bonds, the Trustee shall deliver a notice to the Owners of the Adjustable Rate Bonds to be Converted, not less than 30 days prior to the Conversion Date, setting forth the following information:

(i)    that the interest rate on such Adjustable Rate Bonds will be converted to a Fixed Interest Rate;

(ii)   the proposed Conversion Date;

(iii)   that such Adjustable Rate Bonds will be remarketed by the Remarketing Agent or purchased by the Trustee on the Conversion Date; and

(iv)   that the Authority may elect to cancel such Conversion, notice of which shall be given to Bondowners at least 15 days prior to the proposed Conversion Date.

If the Authority elects not to proceed with such Conversion, the Authority shall give notice of the cancellation of the Conversion to the Notice Parties not less than 20 days prior to the proposed Conversion Date and, thereafter, the Trustee shall give notice to each Owner of the Adjustable Rate

Bonds of such cancellation of the proposed Conversion not later than the 15th day prior to the proposed Conversion Date for which the foregoing notice was given.

(c) Upon any Conversion, the Adjustable Rate Bonds to be Converted shall be subject to mandatory tender in accordance with this Section 3.7 and Section 3.9 of this Series Indenture, and the Owners thereof shall be notified of such Conversion as provided herein. No Adjustable Rate Bonds to be Converted shall be remarketed by the Remarketing Agent subsequent to the date of notice of such Conversion except to purchasers who agree to accept the Fixed Interest Rate.

(d) Any Adjustable Rate Bonds that are Converted will bear interest at Fixed Interest Rates determined upon such Conversion until the maturity or prior redemption thereof. The Remarketing Agent shall determine the Fixed Interest Rates as those rates which, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the Converted Adjustable Rate Bonds on the Conversion Date being 100% of the principal amount thereof. The determination by the Remarketing Agent of the Fixed Interest Rates to be borne by the Bonds in accordance with this Section 3.7 shall be conclusive and binding on the Owners of the Bonds and the other Notice Parties, except as otherwise provided herein. The Adjustable Rate Bonds tendered but not Converted shall bear interest in such Mode as determined by the Authority in accordance with Section 2.2(f) of this Series Indenture.

(e) Notwithstanding the preceding paragraph, no Fixed Interest Rate shall be established unless, on or before the Rate Determination Date for such Fixed Interest Rate Period, a Counsel's Opinion has been delivered to the Trustee to the effect that the Conversion to a Fixed Interest Rate in accordance with the provisions of this Series Indenture is lawful under the Act and is permitted by this Series Indenture and will not cause interest on the 2001 Series AA Tax-Exempt Bonds to be included in gross income of the owners thereof for federal income tax purposes.

(f) On any Conversion Date, all Adjustable Rate Bonds subject to Conversion on such Conversion Date shall automatically, upon such Conversion, bear a subseries designation determined by the Authority and the Trustee. The Trustee, with the cooperation of the Authority and at the Authority's expense, shall cause the preparation, execution, issuance, authentication and delivery of replacement Bonds in connection with a Conversion.

Section 3.8 Owners' Election to Tender. Prior to Conversion, Owners of Adjustable Rate Bonds (other than SAVRS Rate Bonds) may elect to tender their Adjustable Rate Bonds, which, if so tendered upon proper notice to the Remarketing Agent or Tender Agent, as applicable, in the manner set forth in the Mode Period Chart, will be purchased on such next Effective Rate Date (or, in the case of Adjustable Rate Bonds in a Daily Mode or a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. Such notice of tender for purchase of Adjustable Rate Bonds by the Owners thereof shall be in writing and shall be irrevocable once such notice is given to the Remarketing Agent or the Tender Agent, as directed in the Mode Period Chart.

**Section 3.9 Mandatory Tender.**

(a) The Adjustable Rate Bonds or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date, (ii) with respect to a Liquidity Expiration Event, not less than five days prior to the expiration of the Liquidity Facility, and (iii) on any Conversion Date (each a "Mandatory Tender Date"), at the Purchase Price, subject to the conditions described herein.

(b) In connection with any mandatory tender of Adjustable Rate Bonds upon a Mandatory Tender Date, the Trustee shall deliver a notice of mandatory tender to Owners, within such time period as provided in this Series Indenture, stating the reason for the mandatory tender, the date of mandatory tender, and that all Owners subject to such mandatory tender shall be deemed to have tendered their Adjustable Rate Bonds upon such date. So long as all of the Adjustable Rate Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice will be delivered to DTC or its nominee as registered owner of such Adjustable Rate Bonds. DTC is responsible for notifying Participants, and Participants (and indirect participants in DTC) are responsible for notifying beneficial owners of the Adjustable Rate Bonds. Neither the Trustee nor the Authority is responsible for sending notices to beneficial owners. The Trustee shall give notice of any Mandatory Tender Date to Moody's and S&P at least 15 days prior to such date.

(c) If the book-entry system has been discontinued and replacement bonds have been issued or if DTC has exercised its option to surrender and exchange its Adjustable Rate Bond certificates, any Adjustable Rate Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of such Adjustable Rate Bonds plus accrued interest shall be deemed to have been tendered and purchased on such Mandatory Tender Date. Owners of Untendered Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Owners shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds pursuant to the Indenture and, after the issuance of the replacement Adjustable Rate Bond certificates, such Untendered Bonds will be deemed purchased, canceled, and no longer Outstanding under the Indenture.

**Section 3.10 Liquidity Facility Provider Purchase of Adjustable Rate Bonds.** On each date on which Adjustable Rate Bonds (other than SAVRS Rate Bonds) are required to be tendered and purchased, the Remarketing Agent shall use its best efforts as described herein to sell such Adjustable Rate Bonds. In the event the Remarketing Agent is unable to remarket the Adjustable Rate Bonds so tendered, the Liquidity Facility Provider shall, pursuant to Section 7.3, of this Series Indenture purchase such Bonds ("Bank Bonds") in accordance with the Liquidity Facility.

**Section 3.11 Failure of Liquidity Facility Provider to Purchase Adjustable Rate Bonds.** The Authority is not responsible for any failure by the Liquidity Facility Provider to purchase Adjustable Rate Bonds tendered at the option of the Owner or subject to mandatory tender for purchase pursuant to this Series Indenture. In the event that the Liquidity Facility Provider fails to purchase Adjustable Rate Bonds tendered or deemed tendered for purchase by the Owners thereof, (i) the Adjustable Rate Taxable Bonds shall automatically bear interest in a Weekly Mode Period at an interest rate reset on a weekly basis to be the lesser of (a) One-Month LIBOR plus .20% or (b) the Maximum Rate, and the Owners of such Adjustable Rate Taxable Bonds shall not have the right to tender their Bonds during the period that the interest rate is so determined and (ii) the Adjustable Rate Tax-Exempt Bonds shall automatically bear interest in a Weekly Mode Period at an interest rate reset on a weekly basis to be the lesser of (a) the BMA Index plus .20% or (b) the Maximum Rate, and the Owners of such Adjustable Rate Tax-Exempt Bonds shall not have the right to tender their Bonds during the period that the interest rate is so determined.

In the event that the Liquidity Facility Provider fails to purchase Adjustable Rate Bonds tendered or deemed tendered for purchase by the Owners thereof, the Adjustable Rate Bonds shall bear interest as described in the preceding paragraph until the earlier of (i) a related maturity date, (ii) a redemption date, (iii) a Mandatory Tender Date, (iv) the date on which such failure to purchase is cured by the Liquidity Facility Provider or (v) the date of delivery by the Authority of an Alternate Liquidity Facility.

**Section 3.12 Payment of Tendered Adjustable Rate Bonds.** Adjustable Rate Bonds that are tendered or deemed tendered under the terms of this Series Indenture shall be purchased by the Remarketing Agent or the Tender Agent, as appropriate, upon surrender of such Adjustable Rate Bonds, but only from the sources listed below, from the Owners thereof by 4:30 p.m., New York City time, on the date such Bonds are required to be purchased at the Purchase Price. Funds for the payment of such Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of Adjustable Rate Bonds furnished to the Remarketing Agent by the purchasers thereof pursuant to Section 7.7 of this Series Indenture; and

(b) moneys furnished to the Tender Agent pursuant to Section 7.3 of this Series Indenture, representing the proceeds of a draw under the Liquidity Facility.

**Section 3.13 Liquidity Facility.**

(a) The Authority covenants to deliver the Initial Liquidity Facility simultaneously with the authentication and delivery of the Adjustable Rate Bonds and to use its best efforts to obtain an Alternate Liquidity Facility to replace the Liquidity Facility or cause the Adjustable Rate Bonds to be Converted to Fixed Rate Bonds or to bear interest at an interest rate mode which does not require a Liquidity Facility in the event (i) the Liquidity Facility Provider shall decide not to extend the term

of such Liquidity Facility beyond the expiration date thereof pursuant to the terms of the Liquidity Facility, (ii) the Authority terminates the Liquidity Facility pursuant to its terms, or (iii) the Liquidity Facility Provider furnishes a notice of termination to the Trustee. The Tender Agent is hereby authorized and directed to execute the Initial Liquidity Facility. Any Liquidity Facility shall provide for the Liquidity Facility Provider to provide funds for the purchase of Adjustable Rate Bonds that have been tendered and not remarketed. The Authority covenants and agrees with the Owners of the Adjustable Rate Bonds that it shall pay all obligations, fees or charges necessary to maintain the Liquidity Facility.

(b) The Authority hereby covenants that it will pay the principal of, and interest at the Bank Interest Rate on, the Bank Bonds in accordance with the Liquidity Facility. Pursuant to Section 5.5(d)(ii) of the Master Indenture, the Authority hereby directs the Trustee make quarterly payments of Liquidity Facility Provider Fees on the first day of each February, May, August and November, commencing November 1, 2001. The Liquidity Facility Provider Fee shall not exceed the amounts set forth in the most recent Cash Flow Statement prepared or caused to be prepared by the Authority in connection with the 2001 Series AA Bonds.

To the extent that payment obligations of the Authority under the Liquidity Facility constitute Liquidity Facility Provider Fees, principal of Bank Bonds (to the extent of scheduled principal payments and redemptions pursuant to Sections 3.2(a), 3.2(b) and 3.3 of this Series Indenture) and interest on Bank Bonds (in amounts not to exceed the amounts received by the Authority during the related period under the Interest Rate Contract and related to such Bank Bonds or, if such Interest Rate Contract is terminated and not replaced, the fixed amount that would have been payable during such period under such contract and related to such Bonds), such payment obligations are Class I Obligations of the Authority. To the extent of any principal of or interest on Bank Bonds in excess of such respective amounts, such portion of the Bank Bonds shall constitute Class III Bonds and shall also constitute General Obligation Bonds.

(c) Promptly upon receipt by the Trustee and the Authority of a written notice of termination of the Liquidity Facility (other than a termination of the Liquidity Facility for which no prior notice is required) by the Liquidity Facility Provider, which termination shall not occur less than 30 days following receipt by the Trustee of such written notice, the Trustee shall give notice to the Owners of Adjustable Rate Bonds that the Adjustable Rate Bonds will be subject to mandatory tender for purchase, with no right to retain, not less than 20 days from the date of such notice to such Bondowners, at the Purchase Price (payable by the Liquidity Facility Provider) on the date set forth for purchase in such notice.

(d) Unless the Trustee shall have received (1) written notice from the Liquidity Facility Provider that it elects to extend or renew the Liquidity Facility or (2) written notice from the Authority that it has determined to provide or cause to be provided an Alternate Liquidity Facility, which notices shall be received not less than 30 days prior to the stated expiration date of the Liquidity Facility, the Trustee shall give notice to the Owners of Adjustable Rate Bonds that the Adjustable Rate Bonds will be subject to mandatory tender for purchase, with no right to retain, not



less than 20 days from the date of such notice to such Bondowners, at the Purchase Price (payable by the Liquidity Facility Provider) on the date set forth for purchase in such notice.

**Section 3.14 Requirements for Delivery of an Alternate Liquidity Facility.**

(a) At least 45 days prior to any date upon which the Authority intends to deliver an Alternate Liquidity Facility to the Trustee, the Authority shall notify the Notice Parties of its intent to deliver an Alternate Liquidity Facility, and the Trustee shall promptly thereafter notify the Owners of the Adjustable Rate Bonds, that the Authority shall provide for delivery to the Trustee of an Alternate Liquidity Facility as permitted by this Section 3.14. In the event that the Authority gives such notice as provided above, such notice shall specify the name of the entity providing the Alternate Liquidity Facility and shall advise that the then existing Liquidity Facility will terminate on the date stated in such notice. The Authority shall deliver such Alternate Liquidity Facility to the Trustee on or before the date of expiration of the then existing Liquidity Facility or on the date of its intent to deliver .

(b) On or prior to the date of delivery of an Alternate Liquidity Facility to the Trustee, the Authority shall furnish or cause to be furnished to the Trustee a Counsel's Opinion satisfactory to the Authority stating that the delivery of such Alternate Liquidity Facility to the Trustee is authorized under the Indenture and complies with the terms of the Indenture. In addition, no Alternate Liquidity Facility may be delivered to the Trustee for any purpose under this Series Indenture unless accompanied by the following documents:

(i) opinions of counsel reasonably satisfactory to the Authority to the effect that, (1) as applicable, the Liquidity Facility Provider under such Alternate Liquidity Facility is duly organized and existing under the laws of the jurisdiction of its organization and, if applicable, is duly qualified to do business in the United States of America, and (2) the Alternate Liquidity Facility is a legal, valid and binding obligation of the Liquidity Facility Provider thereunder enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief.

(ii) letters from Moody's and S&P evidencing that the replacement of the Liquidity Facility with the Alternate Liquidity Facility will result in the reconfirmation of the then existing rating or the assignment of a new short-term rating of not less than "A-1+" or "VMIG-1" (in the case of S&P and Moody, respectively) on the Adjustable Rate Bonds.

(iii) copies of any other documents, agreements or arrangements entered into directly or indirectly between the Authority and the Liquidity Facility Provider issuing the Alternate Liquidity Facility with respect to the transactions contemplated by the Alternate Liquidity Facility; and

(iv) such other documents and opinions as the Authority may reasonably request, including evidence that all amounts due and payable to the Liquidity Facility Provider providing the then existing Liquidity Facility have been paid.

(End of Article III)

## ARTICLE IV

### APPLICATION OF BOND PROCEEDS AND OTHER ASSETS

**Section 4.1 Proceeds of the 2001 Series AA-1 Class I Bonds.** The proceeds of the sale and delivery of the 2001 Series AA-1 Class I Bonds shall be applied as follows:.

- (a) To the 2001 Series AA subaccount of the Acquisition Account, \$47,156,781;
- (b) To the 2001 Series AA subaccount of the Debt Service Reserve Fund, \$2,500,000 and
- (c) To the Cost of Issuance Account, \$343,219.

**Section 4.2 Proceeds of the 2001 Series AA Tax-Exempt Bonds.** From the proceeds of the sale and delivery of the 2001 Series AA Tax-Exempt Bonds, \$4,092,000 shall be deposited in the 2001 Series AA subaccount of the Debt Service Reserve Fund and \$30,875,000 shall be deposited in the 2001 Series AA subaccount of the Acquisition Account, to be applied solely to the redemption on November 2, 2001 of the 1991A Bonds maturing on November 1, 2014 and November 1, 2031. The remaining proceeds of the sale and delivery of the 2001 Series AA Tax-Exempt Bonds shall be deposited in the 2001 Series AA subaccount of the Acquisition Account and shall be used (together with the proceeds of the 200 Series AA Tax-Exempt Bonds deposited in the 2001 Series AA subaccount of the Debt Service Reserve Fund) solely to exchange pursuant to, on the respective dates and in the manner provided in the Funds Exchange Agreement for respective equal amounts of funds available in connection with the 1991A Bonds maturing November 1, 2001 through November 1, 2006 and the 1996AA Bonds and to be used solely to pay at maturity or to pay or redeem prior to maturity such outstanding 1991A Bonds and 1996AA Bonds on the respective dates and in the respective amounts set forth in the Funds Exchange Agreement. Amounts received in exchange therefor shall be applied on November 2, 2001 as follows:

- (a) To the 2001 Series AA subaccount of the Acquisition Account, \$46,873,000;  
and
- (b) To the 2001 Series AA subaccount of the Debt Service Reserve Fund, \$4,092,000.

**Section 4.3 No Interest Reserve Account Deposit.** None of the moneys to be deposited into the 2001 Series AA subaccount of the Debt Service Reserve Fund shall be deposited into a subaccount of the Interest Reserve Account.

**Section 4.4 No Authority Contribution.** The Authority shall make no contribution of funds to the Trustee in connection with the delivery of the 2001 Series AA Bonds.

Section 4.5 Deposit of Additional Moneys and Prior Mortgage Loans. Upon payment in full of all of the outstanding 1991A Bonds and 1996AA Bonds on November 2, 2001, (a) the Prior Mortgage Loans shall be deposited into the 2001 Series AA subaccount of the Acquisition Account, (b) \$561,781 of the moneys previously held under the Authority's Single-Family Housing Revenue Bonds Amended and Restated General Bond Resolutions shall be deposited into the Cost of Issuance Account, and (c) such amount of the moneys previously held under the Authority's Single-Family Housing Revenue Bonds Amended and Restated General Bond Resolutions as shall be designated in writing by the Authority (currently estimated to be \$4,065,054) shall be deposited into the 2001 Series AA subaccount of the Acquisition Account.

(End of Article IV)

## ARTICLE V

### ESTABLISHMENT OF CERTAIN SUBACCOUNTS

#### Section 5.1 Establishment of Subaccounts.

(a) 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:

- (i) the 2001 Series AA subaccount of the Acquisition Account;
  - (ii) the 2001 Series AA subaccount of the Cost of Issuance Account;
  - (iii) the 2001 Series AA subaccount of the Loan Recycling Account;
  - (iv) the 2001 Series AA subaccount of the Revenue Fund;
  - (v) the 2001 Series AA subaccount of the Rebate Fund;
  - (vi) the 2001 Series AA subaccount of the Excess Earnings Fund;
  - (vii) the 2001 Series AA subaccount of the Debt Service Reserve Fund;
  - (viii) the 2001 Series AA subaccount of the Class I Debt Service Fund which shall include the 2001 Series AA subaccount of the Authority Payment Account;
  - (ix) the 2001 Series AA subaccount of the Class II Debt Service Fund;
  - (x) the 2001 Series AA subaccount of the Class I Special Redemption Account;
- and
- (xi) the 2001 Series AA subaccount of the Class II Special Redemption Account.

(b) There is also hereby created and established a Bond Purchase Fund to be held by the Tender Agent.

For purposes of this Series Indenture, the 2001 Series AA subaccounts of the Redemption Fund include the 2001 Series AA subaccounts of the Class I Special Redemption Account and the Class II Special Redemption Account.

## Section 5.2 Program Fund and Acquisition Account

(a) Disbursements from Acquisition Account. The proceeds of the sale and delivery of the 2001 Series AA Tax-Exempt Bonds deposited into the 2001 Series AA subaccount of the Acquisition Account pursuant to Section 4.2 hereof shall be used to pay at maturity or to redeem prior to maturity the 1991A Bonds and the 1996AA Bonds as provided in Section 4.2 hereof and in the Funds Exchange Agreement. A portion of the proceeds of the sale and delivery of the 2001 Series AA-1 Class I Bonds and amounts received in exchange for a portion of the proceeds of the sale and delivery of the 2001 Series AA Tax-Exempt Bonds and deposited into the 2001 Series AA subaccount of the Acquisition Account pursuant to Section 4.1 and Section 4.2 hereof, respectively, shall be applied to make or purchase 2001 Series AA Mortgage Loans. The 2001 Series AA Mortgage Loans shall bear interest at such rate or rates and shall be purchased at such price or prices specified by the Authority as shall be consistent with the then current Cash Flow Statement and an Authority Certificate demonstrating that the 2001 Series AA Class I Asset Requirement and the 2001 Series AA Class II Asset Requirement will be met after taking into account such rate or rates and/or purchase price or prices.

(b) Unexpended Bond Proceeds. Any moneys deposited in the 2001 Series AA subaccount of the Acquisition Account that the Authority certifies from time to time will not be used to purchase 2001 Series AA Mortgage Loans shall be withdrawn by the Trustee and transferred to the 2001 Series AA subaccounts of the Redemption Fund for application in accordance with Section 3.2(a) of this Series Indenture; provided, that if the amount to be withdrawn by the Trustee shall be less than \$50,000, such amount shall be transferred on such date to the 2001 Series AA subaccount of the Revenue Fund rather than to the 2001 Series AA subaccounts of the Redemption Fund.

## Section 5.3 Limitation on Payment of Fiduciary and Program Expenses.

(a) Fiduciary Expenses which may be paid from the 2001 Series AA 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 2001 Series AA 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.

## Section 5.4 Investments.

(a) The Authority covenants and agrees that no investment of moneys allocated to the 2001 Series AA Tax-Exempt Bonds shall be made at a "yield" in excess of the maximum yield, if any, stated with respect to the source of moneys therefor in any arbitrage or other similar certificate delivered by the Authority pursuant to Section 148 of the Code in connection with the issuance of such Bonds except during any "temporary period" stated in such arbitrage or other similar certificate or as otherwise authorized therein, and the Trustee shall make and keep appropriate records of such

investments. Notwithstanding the foregoing, investments may be made at a higher "yield" and/or for a different "temporary period" in accordance with an opinion of Bond Counsel filed with the Trustee.

(b) The Trustee shall make and keep appropriate records identifying all amounts credited to all Accounts and subaccounts that are specified by the Authority as being subject to a limited investment yield, identifying the respective investment yields provided by the investment of such amounts in Investment Securities and containing copies of all Authority Requests or Certificates filed with the Trustee and all opinions of Bond Counsel filed with the Trustee pursuant to this Section 5.4.

**Section 5.5 Bond Purchase Fund.**

(a) All moneys deposited in or transferred to the Bond Purchase Fund shall be applied to the purposes, and administered and distributed by the Tender Agent, solely as provided in Section 3.12 of this Series Indenture. The Tender Agent shall deposit in the Bond Purchase Fund (1) proceeds of the remarketing of Adjustable Rate Bonds (other than SAVRS Rate Bonds) remitted to the Tender Agent by the Remarketing Agent, if any, and (2) all amounts remitted to the Tender Agent by the Liquidity Facility Provider to pay the Purchase Price of Adjustable Rate Bonds, which amounts shall be deposited in separate subaccounts established by the Tender Agent, as necessary, for each Series of such Bonds. The Tender Agent shall apply amounts on deposit in the Bond Purchase Fund exclusively to pay the Purchase Price of the Adjustable Rate Bonds purchased in accordance with the provisions of this Series Indenture to the former Owners of such Bonds upon presentation thereof to the Tender Agent.

(b) Moneys deposited in the Bond Purchase Fund shall be held by the Tender Agent uninvested.

(End of Article V)

## ARTICLE VI

### ADDITIONAL COVENANTS; EXERCISE OF OPTION TO REDEEM CERTAIN 1991A BONDS

#### Section 6.1 Additional Program Covenants.

(a) The Authority shall file with the Trustee upon delivery of each Authority Request to purchase 2001 Series AA Mortgage Loans, a schedule of Mortgage Loans to be purchased by the Trustee identifying the same by reference to Authority loan number, the name of the borrower, the party from whom such Mortgage Loans will be purchased, the principal amount due on such Mortgage Loans, the date through which interest has been paid by each Mortgagor, the term of such Mortgage Loans and the interest rate or rates on such Mortgage Loans.

(b) The Authority shall maintain an account for each Mortgage Lender having entered into a Mortgage Purchase Agreement with the Authority and shall record therein a description of each 2001 Series AA Mortgage Loan purchased from such Mortgage Lender.

(c) Nothing in the Indenture shall be construed to prohibit the Authority from causing a Mortgage Lender to repurchase a 2001 Series AA Mortgage Loan in accordance with the applicable Mortgage Purchase Agreement.

Section 6.2 2001 Series AA Mortgage Loans. The Authority covenants and agrees that each 2001 Series AA Mortgage Loan made or purchased by the Authority with moneys in the 2001 Series AA subaccount of the Acquisition Account must meet the following requirements as conditions precedent to its acquisition:

(a) Each 2001 Series AA Mortgage Loan must comply with Section 6.7 of the Master Indenture and the Act.

(b) Each 2001 Series AA Mortgage Loan must be either:

(i) subject to GMI issued by FHA, VA or RHS in the amount required pursuant to the terms of the Mortgage Purchase Agreement; provided, however, that (A) the Authority may finance a 2001 Series AA Mortgage Loan prior to its insurance or guaranty by a Governmental Insurer as set forth above so long as: (1) such 2001 Series AA Mortgage Loan complies with all rules, regulations and requirements of the Governmental Insurer and is eligible for GMI; and (2) the 2001 Series AA Mortgage Loan satisfies all other requirements of this Section 6.2; (B) no 2001 Series AA Mortgage Loan subject to a VA guaranty or a RHS guarantee shall be purchased by the Authority if such purchase would result in the sum of the aggregate principal amount of all 2001 Series AA Mortgage Loans subject to VA guaranties or RHS guaranties and the aggregate principal amount of all 2001 Series



AA Mortgage Loans subject to PMI in accordance with paragraph (iii) below exceeding 20% of the outstanding aggregate principal amount of all 2001 Series AA Mortgage Loans; and (C) no 2001 Series AA Mortgage Loan subject to a VA guaranty or a RHS guarantee, subject to PMI or not subject to GMI or PMI in accordance with paragraph (iii) below be purchased by the Authority if such purchase would result in the sum of the aggregate principal amount of all 2001 Series AA Mortgage Loans subject to GMI issued by FHA being less than 60% of the outstanding aggregate principal amount of all 2001 Series AA Mortgage Loans; provided, that the percentages set forth in clause (B) or clause (C) above may be changed in an Authority Request accompanied by confirmation from each Rating Agency that such change will not adversely affect such Rating Agency's then current rating on any Bonds; or

(ii) subject to PMI and has an original principal balance not less than 80% of the appraised value (at the time of origination of the 2001 Series AA Mortgage Loan) or purchase price, whichever is less, of the property securing the 2001 Series AA Mortgage Loan, which PMI, except as otherwise required by law, shall be required to remain in force until the outstanding principal balance of the 2001 Series AA Mortgage Loan is reduced to 80% or less of the appraised value (at the time of origination of the 2001 Series AA Mortgage Loan) or purchase price, whichever is less, of the property securing the 2001 Series AA Mortgage Loan, at which time the PMI shall be cancelable by the Authority; provided, however, that (A) the Authority may finance a 2001 Series AA Mortgage Loan prior to its insurance by a Private Insurer as set forth above so long as: (1) there shall have been issued by the Private Insurer a commitment in customary form to issue PMI with respect to such 2001 Series AA Mortgage Loan to the extent referred to above; and (2) the 2001 Series AA Mortgage Loan satisfies all other requirements of this Section 6.2; and (B) no 2001 Series AA Mortgage Loan subject to PMI shall be purchased by the Authority if such purchase would result in the sum of the aggregate principal amount of all 2001 Series AA Mortgage Loans subject to PMI and all 2001 Series AA Mortgage Loans subject to VA guaranties or RHS guaranties exceeding 20% of the outstanding aggregate principal amount of all 2001 Series AA Mortgage Loans; provided, that the percentage set forth in clause (B) above may be changed in an Authority Request accompanied by confirmation from each Rating Agency that such change will not adversely affect such Rating Agency's then current rating on any Bonds; or

(iii) not subject to PMI or GMI and has an original principal amount less than 80% of the appraised value (at the time of origination of the 2001 Series AA Mortgage Loan) or purchase price, whichever is less, of the property securing the 2001 Series AA Mortgage Loan; provided, however, that no such 2001 Series AA Mortgage Loan not subject to PMI or GMI shall be purchased by the Authority if such purchase would result in the aggregate principal amount of all such 2001 Series

AA Mortgage Loans not subject to GMI or PMI exceeding 20% of the outstanding aggregate principal amount of all 2001 Series AA Mortgage Loans; provided, that such percentage may be changed in an Authority Request accompanied by confirmation from each Rating Agency that such change will not adversely affect such Rating Agency's then current rating on any Bonds; or

(iv) not described in paragraph (i), (ii) or (iii) above, subject to receipt of a confirmation from each Rating Agency that the purchase of such 2001 Series AA Mortgage Loan will not adversely affect such Rating Agency's then current rating on any Bonds.

(c) Except to the extent, if any, that a variance is required as a condition to the mortgage insurance or guaranty of a Mortgage Loan, each 2001 Series AA Mortgage Loan must comply with the following additional requirements:

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

(ii) The Related Mortgage must be the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of the 2001 Series AA Mortgage Loan, insuring that such Mortgage constitutes a first lien, subject only to liens for taxes and assessments and Permitted Liens and Encumbrances on the real property with respect to which the Mortgage Loan is secured; provided, however, that the Authority may finance a 2001 Series AA Mortgage Loan prior to the issuance of such title insurance policy so long as there shall have been issued by the title insurance company a commitment therefor in customary form. As used in this Indenture, "Permitted Liens and Encumbrances" means liens, encumbrances, reservations, easements and other imperfections of title normally acceptable to the Governmental Insurer or Private Insurer insuring or guaranteeing such Mortgage Loan and to prudent mortgage lenders, or which, in the judgment of the Authority, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Authority, have been taken to secure the interest of the Authority.

(iii) The Mortgage Loan must be secured by a Mortgage, the terms of which, in light of the applicable law in effect at the time such Mortgage is executed, are reasonably designed to assure the ability of the Authority to satisfy applicable requirements, if any, under the Code as applicable with respect to such Mortgage Loan.

(iv) Either (i) the Mortgage Loan requires escrow payments with respect to all taxes, assessments, insurance premiums (including premiums for any applicable GMI or PMI) and other charges, to the extent actually charged or assessed,

and any prior liens now or hereafter assessed or liens on or levied against the premises or any part thereof, and in case of default in the payment thereof when the same shall be due and payable, it shall be lawful for the Authority to pay the same or any of them (in which event the moneys paid by the Authority in discharge of taxes, assessments, insurance premiums (including GMI or PMI premiums) and other charges and prior liens shall be added to the amount of the Mortgage Loan and secured by the Related Mortgage payable on demand with interest at the rate applicable under the Mortgage Loan from and after maturity, from time of payment of the same); or (ii) reasonable alternative arrangements for the payment of such taxes, assessments, insurance premiums (including GMI or PMI premiums) and other charges and prior liens are made which are satisfactory to the Authority.

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

(vi) The Residential Housing (and other buildings on the premises) with respect to which the Mortgage Loan is made must be insured with respect to fire, lightning and other hazards as and to the extent required by the Governmental Insurer or the Private Insurer, as applicable, or, with respect to any Mortgage Loan not subject to GMI or PMI, in accordance with guidelines of Fannie Mae.

(d) Not more than 10% of the 2001 Series AA Mortgage Loans shall be made for the purpose of assisting Eligible Borrowers with a portion of their closing costs to the extent such Mortgage Loans are secured by second Mortgages; provided, that such percentage may be changed in an Authority Request accompanied by confirmation from each Rating Agency that such change will not adversely affect such Rating Agency's then current rating on any Bonds.

Section 6.3 Servicing Fees. The Authority covenants and agrees that Servicing Fees with respect to 2001 Series AA Mortgage Loans shall not exceed the maximum amount consistent with the most recent Cash Flow Statement.

Section 6.4 Tax Covenants and Findings.

(a) The Authority shall not use or direct or permit the use of the proceeds of any Bonds or any other moneys in its possession or control (including without limitation the proceeds of any insurance or condemnation award received in connection with Mortgage Loans) directly or indirectly in any manner that, if such use reasonably had been expected on the date of delivery of the 2001 Series AA Bonds, would cause any 2001 Series AA Tax-Exempt Bonds to be "arbitrage bonds" within the meaning ascribed to such quoted term in Section 148 of the Code.

(b) The Authority shall not use or direct or permit the use of the proceeds of any Bonds or any other moneys in its possession or control (including without limitation the proceeds of any insurance or condemnation award received in connection with Mortgage Loans) in any manner that would cause the 2001 Series AA Tax-Exempt Bonds to fail to comply with the provisions of Section 103 of the Code.

(c) (i) The Authority hereby further covenants to take all steps and actions necessary to assure the successful operation of the Program in a manner consistent with the preservation of the exclusion from gross income of the interest payable on the 2001 Series AA Tax-Exempt Bonds under Section 103 of the Code; to take all steps and actions necessary to preserve the exclusion from gross income of the interest payable on the 2001 Series AA Tax-Exempt Bonds under Section 103 of the Code; and to refrain from taking any steps or actions that would impair or call into question the exclusion from gross income of the interest payable on the 2001 Series AA Tax-Exempt Bonds under Section 103 of the Code.

(ii) In connection therewith, the Authority hereby further covenants as follows:

(A) The Authority will enforce, and will not waive or consent to the noncompliance by any Person of, any material provisions of the Rules and Regulations, the Mortgages, the Mortgage Purchase Agreements and other documents related thereto and in connection with the 2001 Series AA Mortgage Loans;

(B) The Authority will not amend any material provision of the Mortgages or Mortgage Purchase Agreements except upon filing with the Trustee a certified copy of any such amendment and an opinion of Bond Counsel to the effect that such amendment will not cause the interest on the 2001 Series AA Tax-Exempt Bonds to be subject to inclusion in gross income under Section 103 of the Code and will not impair the security of the 2001 Series AA Bonds;

(C) The Authority will not purchase any 2001 Series AA Mortgage Loan with amounts credited to the 2001 Series AA subaccount of the Acquisition Account unless it reasonably believes that the origination terms and procedures followed with respect to such Mortgage Loan and its origination by a Mortgage Lender and purchase by the Authority are in conformity with the applicable provisions of the Mortgage Purchase Agreements and the Rules and Regulations; and

For the purposes of subsections (c)(ii)(A) and (B) of this Section 6.4, the Authority and the Trustee shall be entitled to rely conclusively upon a Counsel's Opinion to the effect that any particular provision in any of the documents listed in such subsections, which provision is proposed to be waived or amended, is not "material" for purposes of assuring the exclusion from gross income of the interest payable on the 2001 Series AA Tax-Exempt Bonds under Section 103 of the Code.

Section 6.5 Exercise of Option. The Authority has elected and hereby exercises its option, to redeem the 1991A Bonds maturing on November 1, 2014 and November 1, 2031, in accordance with the optional redemption provisions in the trust indenture authorizing the issuance of the 1991A Bonds, on November 2, 2001.

Section 6.6 Notice of Redemption. The Authority hereby authorizes and directs the Trustee to request the paying agent for the 1991A Bonds to give notice of redemption of the 1991A Bonds maturing on November 1, 2014 and November 1, 2031, in substantially the following form, in the name and on behalf of the Authority forthwith upon issuance of the 2001 Series AA Bonds. The notice shall be given by mailing a copy of such notice by first-class mail, postage prepaid, to each registered owner of the 1991A Bonds maturing on November 1, 2014 and November 1, 2031 at their last addresses appearing on the registration records for the 1991A Bonds.

(Form of Notice)

NOTICE OF REDEMPTION  
OF  
COLORADO HOUSING FINANCE AUTHORITY  
SINGLE-FAMILY HOUSING REVENUE REFUNDING BONDS, 1991 SERIES A

CUSIP #    Maturity Date

November 1, 2014

November 1, 2031

Publication Date: \_\_\_\_\_, 2001

NOTICE IS HEREBY GIVEN that the Colorado Housing and Finance Authority (the "Authority") has exercised the Authority's option to redeem on November 2, 2001, its outstanding Single-Family Housing Revenue Refunding Bonds, 1991 Series A maturing on November 1, 2014 and November 1, 2031 (the "Refunded Bonds") at a redemption price equal to 102% of the principal amount of the Refunded Bonds, at Zions First National Bank, in Denver, Colorado (the "Trustee"). On such date there shall become due and payable upon each Refunded Bond the redemption price thereof, and from and after such date, interest thereon shall cease to accrue.

Payment of the Refunded Bonds to be redeemed will be made on and after November 2, 2001, upon presentation and surrender of said Refunded Bonds at the Corporate Trust Offices of:

Hand Delivery/Overnight Delivery

Zions First National Bank  
10 East South Temple, 3<sup>rd</sup> Floor  
Attn: Corporate Trust Operations  
Salt Lake City, UT 84111

Mail

Zions First National Bank  
P.O. Box 30880  
Attn: Corporate Trust Operations  
Salt Lake City, UT 84130

If delivery is by mail, registered mail with return receipt requested is recommended.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, as amended (the "Act"), a paying agent may be obligated to withhold 31% of the redemption price from any Bondholder who has failed to furnish that paying agent with a valid taxpayer identification number and a certification that such Bondholder is not subject to backup withholding under the Act. Bondholders who wish to avoid the application of these provisions should submit a completed Form

W-9 when presenting their Bonds. If you have any questions, please call Zions First National Bank, at 1-800-789-8833.

The Trustee shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in this redemption notice or on any Refunded Bond. They are included solely for convenience of the Bondholders.

**COLORADO HOUSING AND  
FINANCE AUTHORITY**

**By Zions First National Bank, as Trustee**

**(End of Form of Notice)**

**(End of Article VI)**

## ARTICLE VII

### THE TENDER AGENT; THE REMARKETING AGENT

#### Section 7.1 Appointment of Tender Agent, Acceptance and Successors.

(a) The Authority hereby appoints Zions First National Bank as Tender Agent. The Tender Agent shall designate to the Trustee its principal office, and signify its acceptance of the duties and obligations imposed on it under this Series Indenture by a written instrument of acceptance delivered to the other Notice Parties. One or more additional Tender Agents may be appointed by the Authority to the extent necessary to effectuate the rights of the Owners to tender Bonds for purchase as provided herein. The Tender Agent shall be entitled to compensation from the Authority for its services provided under this Series Indenture in accordance with the schedule of fees provided to, and agreed upon by, the Authority.

(b) The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Series Indenture by giving at least 30 days' written notice to the other Notice Parties, except that such resignation shall not take effect until the appointment of a successor Tender Agent under this Series Indenture. The Tender Agent may be removed at any time by the Authority by a written instrument filed with the other Notice Parties. Upon the resignation or removal of the Tender Agent, the Tender Agent shall pay over, deliver and assign any moneys and Adjustable Rate Bonds held by it in such capacity to its successor.

(c) If the position of Tender Agent shall become vacant for any reason, or if any bankruptcy, insolvency or similar proceeding shall be commenced by or against the Tender Agent, the Authority shall appoint a successor Tender Agent to fill the vacancy and provide notice of such appointment to the Notice Parties. A written acceptance of office shall be filed by the successor Tender Agent in the manner set forth in subsection (a) above. Any successor Tender Agent shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock or surplus of at least \$30,000,000 (or, alternatively, maintains a line of credit with a commercial bank of at least \$30,000,000) and authorized by law to perform all of the duties imposed on it by this Series Indenture.

#### Section 7.2 General Responsibilities of Tender Agent.

(a) Prior to the Conversion of any Adjustable Rate Bond, the Tender Agent shall perform the duties and obligations set forth in this Series Indenture, and in particular:

(i) On each Purchase Date on which Adjustable Rate Bonds are to be purchased pursuant to the Liquidity Facility, the Tender Agent shall direct the Liquidity Facility Provider thereunder pursuant to Section 7.3 of this Series Indenture to provide immediately available funds to be used for the purpose of purchasing tendered Adjustable Rate Bonds that



have not been remarketed on such Purchase Date. The Tender Agent shall remit immediately to the Liquidity Facility Provider such funds that are not so used to purchase tendered Bonds.

(ii) The Tender Agent shall hold all moneys delivered to it pursuant to the Liquidity Facility, as agent and bailee of, and in escrow for the benefit of the Bondowners, in the Bond Purchase Fund until such moneys (i) if purchasing unremarketed Adjustable Rate Bonds pursuant to such Liquidity Facility, have been delivered to or for the account of the tendering Bondowners, or (ii) if remitting to the Liquidity Facility Provider such funds which are not so used to purchase tendered Adjustable Rate Bonds, have been so remitted to or for the account of the Liquidity Facility Provider. Such moneys held by the Tender Agent under this subsection (ii) shall be segregated from other funds.

(b) In performing its duties and obligations under this Series Indenture, the Tender Agent shall perform only such duties specifically set forth in this Series Indenture and shall be entitled to the protections limitations from liability and indemnities afforded to the Trustee under the Indenture. The Tender Agent shall not be liable in connection with the performance of its duties under this Series Indenture except for its own willful misconduct or negligence.

(c) The Tender Agent may deal in Adjustable Rate Bonds and with the Authority to the same extent and with the same effect as provided with respect to the Trustee and any Paying Agent.

(d) The Notice Parties shall each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein and in the Liquidity Facility will be made available for the purchase of Bonds presented at the principal office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties under this Series Indenture.

(e) The Tender Agent and the Remarketing Agent shall cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Tender Agent of replacement Bonds in connection with the tender and remarketing of Bonds under this Series Indenture.

### Section 7.3 Sources of Funds for the Purchase of Tendered Bonds.

(a) The Tender Agent shall only make such payments called for under this Series Indenture from funds transferred to it or directed by it for payment pursuant to this Series Indenture and the Liquidity Facility, which funds are immediately available to the Tender Agent for purposes of making such payments. Under no circumstances shall the Tender Agent be obligated to expend any of its own funds in connection with this Series Indenture or the performance of its duties under this Series Indenture. The Tender Agent shall have no liability for interest on any moneys received or held by it.

(b) On each Purchase Date, in the event that any Adjustable Rate Bonds tendered for purchase on such date are not remarketed, the Tender Agent shall, by no later than 10:30 p.m., New York City time, give the Liquidity Facility Provider electronic notice of the aggregate Purchase Price of the tendered Adjustable Rate Bonds less the proceeds received from the Remarketing Agent pursuant to Section 3.12(a) of this Series Indenture, if any, required to be purchased by the Tender Agent pursuant to this Series Indenture, and the amount of principal and interest, respectively, comprising such Purchase Price. As soon as the Liquidity Facility Provider makes such funds available to the Tender Agent for purchase of such Adjustable Rate Bonds, but in any event not later than 3:30 p.m., New York City time, the Tender Agent is required to purchase therewith, for the account of the Liquidity Facility Provider, that portion of the tendered Adjustable Rate Bonds for which immediately available funds are not otherwise then available for such purchases under this Series Indenture.

(c) If, on each Purchase Date, the Remarketing Agent fails for any reason to comply with its requirement under the Remarketing Agreement to deliver notice by not later than 10:00 a.m., New York City time, of the aggregate principal amount of tendered Adjustable Rate Bonds that it has remarketed on such date, then the Tender Agent shall direct the Liquidity Facility Provider to make available, in immediately available funds, an amount equal to 100% of the aggregate principal amount of all Adjustable Rate Bonds tendered on such Purchase Date, plus accrued interest to such date. Such moneys shall be held, used for purchase and remitted as necessary in accordance with Section 7.3(b) of this Series Indenture.

#### Section 7.4 Tender Agent and Trustee.

(a) The Tender Agent shall have those rights, duties, powers and obligations conferred on the Trustee under the Indenture which are necessary to enable the Tender Agent to effectuate the right of the Owners to tender Adjustable Rate Bonds for purchase in accordance with this Article VII and shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee under this Series Indenture.

(b) The Trustee in conjunction with the Tender Agent shall take all actions necessary to maintain books and records as required under the Indenture. In no event shall the Trustee be liable for any actions or omissions of the Tender Agent.

#### Section 7.5 Appointment of Remarketing Agent, Acceptance and Successors.

(a) The Authority hereby appoints Lehman Brothers Inc. as Remarketing Agent. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed on it under this Series Indenture by duly executing and delivering the Remarketing Agreement.

(b) The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Series Indenture by giving at least 30 days written notice to the Notice Parties, except that such resignation shall not take effect until the appointment of a successor

Remarketing Agent under this Series Indenture. The Remarketing Agent may be removed at any time by the Authority by a written notice filed with such parties, except that the Authority shall not remove the Remarketing Agent until the appointment of a successor Remarketing Agent under this Series Indenture. Upon the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, deliver and assign any monies and Adjustable Rate Bonds held by it in such capacity to its successor.

(c) If the position of Remarketing Agent shall become vacant for any reason, or if any bankruptcy, insolvency or similar proceeding shall be commenced by or against the Remarketing Agent, the Authority shall appoint a successor Remarketing Agent to fill the vacancy and provide notice of such appointment to the Notice Parties. A written acceptance of office shall be filed by the successor Remarketing Agent in the manner set forth in subsection (a) of this Section 7.5. Any successor Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$15,000,000 (or, alternatively, maintaining a line of credit from a commercial bank of at least \$15,000,000) and authorized by law to perform all of the duties imposed on it under this Series Indenture.

(d) The Authority hereby directs the Trustee to make quarterly payments of remarketing fees to the Remarketing Agent on the first day of each February, May, August and November, commencing November 1, 2001, as permitted by Section 5.5(d)(ii) of the Master Indenture,

Section 7.6 General Responsibilities of Remarketing Agent.

(a) The Remarketing Agent shall perform the duties and obligations set forth in the Remarketing Agreement and this Series Indenture, and in particular shall:

(i) solicit purchases of Adjustable Rate Bonds from investors able to purchase municipal bonds, effectuate and process such purchases, bill and receive payment for Adjustable Rate Bonds purchased, and perform related functions in connection with the remarketing of Adjustable Rate Bonds under this Series Indenture;

(ii) provide notice to the Tender Agent that the Remarketing Agent has received notices of tender pursuant to Section 3.8 of this Series Indenture, the date of such tenders and the principal amount of Adjustable Rate Bonds to be tendered;

(iii) keep such books and records as shall be consistent with prudent industry practice and which will document its action taken under this Series Indenture, and make such books and records available for inspection by the Notice Parties; and

(iv) comply at all times with all applicable state and federal securities laws and other statutes, rules and regulations applicable to the offering and sale of the Bonds.

(b) In performing its duties and obligations under this Series Indenture, the Remarketing Agent shall use the same degree of care and skill as a prudent person would exercise under the same circumstances in the conduct of his own affairs. The Remarketing Agent shall not be liable in connection with the performance of its duties under this Series Indenture except for its own willful misconduct or negligence.

(c) The Remarketing Agent may deal in Adjustable Rate Bonds and with the Authority to the same extent and with the same effect as provided with respect to the Trustee and any Paying Agent.

(d) The Notice Parties shall each cooperate to cause the necessary arrangements to be made and thereafter continued whereby Adjustable Rate Bonds prepared, executed, authenticated and issued under the Indenture shall be made available to the Remarketing Agent to the extent necessary for delivery pursuant to Section 3.7(f) of this Series Indenture upon any Conversion.

**Section 7.7 Remarketing and Sale of Tendered Bonds.**

(a) On any Purchase Date, the Remarketing Agent shall offer for sale and use its best efforts to sell all such Adjustable Rate Bonds tendered or deemed tendered at a price equal to 100% of the principal amount thereof plus accrued interest. The Adjustable Rate Bonds so sold shall bear interest from the date of sale at the Effective Rate. The Remarketing Agent shall, not later than 10:00 a.m., New York City time, on any Purchase Date provide notice to the Tender Agent in accordance with the Remarketing Agreement of the aggregate principal amount of the Adjustable Rate Bonds that have been sold and the aggregate principal amount of Adjustable Rate Bonds that will be tendered but have not been sold.

(b) The Remarketing Agent shall not offer for sale or sell any Adjustable Rate Bonds upon the occurrence and continuation of any Event of Default of which the Remarketing Agent has received notice pursuant to the Remarketing Agreement.

(c) The Remarketing Agent shall offer for sale and use its best efforts to sell all such Adjustable Rate Bonds that are held by the Liquidity Facility Provider pursuant to the Liquidity Facility at a price equal to the principal amount thereof plus accrued interest. The Adjustable Rate Bonds so sold shall bear interest from the date of sale at the Effective Rate.

(d) The Remarketing Agent shall not remarket Adjustable Rate Bonds to the Authority.

**Section 7.8 Application of Proceeds from Sale of Tendered Bonds.** The proceeds of sale of any Adjustable Rate Bonds sold by the Remarketing Agent pursuant to this Article VII shall be transferred by the Tender Agent, by no later than 12:00 noon., New York City time, on the Purchase Date of such Bonds, by or at the direction of the Remarketing Agent by wire transfer in immediately available funds to DTC for distribution to the accounts established thereunder for Beneficial Owners of such Adjustable Rate Bonds. Transfers of ownership interests in such Adjustable Rate Bonds,

while such Bonds are Book-Entry Bonds, are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners of the Adjustable Rate Bonds.

**Section 7.9 Determination and Notice of Interest Rate.** The Remarketing Agent shall immediately give notice of the Effective Rate or the Fixed Interest Rate by telephone to the Trustee and the Authority, and shall promptly thereafter confirm the same in writing to the Notice Parties.

(End of Article VII)

## ARTICLE VIII

### SAVRS RATE CONVERSION

**Section 8.1 Application of this Article.** This Article VIII shall be applicable to any of the Adjustable Rate Bonds on and after the SAVRS Rate Conversion Date for such Adjustable Rate Bonds. Any Liquidity Facility then in effect shall automatically terminate with respect to such Adjustable Rate Bonds at the close of business on the SAVRS Rate Conversion Date for such Adjustable Rate Bonds.

**Section 8.2 Conversion to SAVRS Rate Bonds.**

(a) Any Adjustable Rate shall be converted to SAVRS Rate Bonds on any Mode Change Date if the Authority shall have delivered to the Trustee and the Remarketing Agent (i) a written notice specifying the SAVRS Rate Conversion Date, which shall be not less than 45 days after such notice is delivered, which notice may be revoked by the delivery of written notice of revocation by the Authority to the Trustee and the Remarketing Agent on or before the date provided in subsection (h) of this Section 8.2, and (ii) an opinion of Bond Counsel to the effect that such conversion to SAVRS Rate Bonds in accordance with the provisions hereof is authorized or permitted by the terms hereof and will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on any of the 2001 Series AA Tax-Exempt Bonds.

(b) The Trustee shall give notice by first-class mail or transmitted in such other manner as may be customary for the industry, to the Owners of such Adjustable Rate Bonds, at least 30 days before the SAVRS Rate Conversion Date, of the SAVRS Rate Conversion Date. Such notice shall include or be accompanied by the notice required by subsection (c) of this Section 8.2.

(c) Each such Adjustable Rate Bond shall be subject to mandatory purchase on the SAVRS Rate Conversion Date at the Purchase Price. The Trustee shall include in the notice transmitted to the Owners of such Bonds a further notice of mandatory purchase which in substance shall state: (i) the SAVRS Rate Conversion Date; (ii) if such is the case, that any ratings of any of such Bonds may be withdrawn or reduced; (iii) that subsequent to the SAVRS Rate Conversion Date, no owner of any such Adjustable Rate Bond will have any right to demand purchase of such Bond under the Master Indenture and this Series Indenture and such Owner will not be entitled to the benefits of the Liquidity Facility; and (iv) that all the Owners of such Bonds shall be required to tender or be deemed to have tendered their Bonds to the Paying Agent for purchase by 11:00 a.m., New York City time on the SAVRS Rate Conversion Date.

(d) Owners of such Adjustable Rate Bonds shall be required to tender their Bonds for payment on the SAVRS Rate Conversion Date at the Purchase Price. Any such Bonds on the SAVRS Rate Conversion Date for which there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the Purchase Price of such Bonds shall be deemed to have been tendered in accordance herewith.

(e) Upon presentation of such Adjustable Rate Bonds on the SAVRS Rate Conversion Date, or any Business Day thereafter, the Paying Agent shall purchase, but only from the proceeds of the remarketing of such Bonds or from amounts drawn under the Liquidity Facility, all Adjustable Rate Bonds required to be purchased and deemed tendered pursuant to this Section 8.2 at the Purchase Price, payable by electronic transfer in immediately available funds to the account designated to the Paying Agent by the Owner of such Bonds deemed tendered, and if not so designated, by check or draft.

(f) On and after the SAVRS Rate Conversion Date for any Adjustable Rate Bonds, such Bonds shall be in substantially the forms provided in the Supplemental Indenture to be entered into in connection with the SAVRS Rate Conversion Date.

(g) On and after the SAVRS Rate Conversion Date for any Adjustable Rate Bonds, the provisions of the Supplemental Indenture to be entered into in connection with the SAVRS Rate Conversion Date shall be deemed to be an integral part of this Series Indenture. In the event that any provision of such Supplemental Indenture shall be inconsistent with any provision of the Master Indenture or this Series Indenture, such provisions of such Supplemental Indenture shall supersede such inconsistent provisions.

(h) Notwithstanding any provisions to the contrary contained in this Series Indenture or in the Master Indenture, (i) if the Authority has elected to convert any Adjustable Rate Bonds to SAVRS Rate Bonds pursuant to subsection (a) of this Section 8.2, the Authority shall have the right to revoke such election on or before the proposed SAVRS Rate Conversion Date, whereupon the rate of interest on such Bonds shall automatically become or remain a Weekly Rate as of the proposed SAVRS Rate Conversion Date, and (ii) if, on the proposed SAVRS Rate Conversion Date, the Remarketing Agent has not received the Purchase Price for all such Adjustable Rate Bonds being tendered or deemed tendered as provided in this Section 8.2, the rate of interest on all such Adjustable Rate Bonds shall automatically become or remain a Weekly Rate as of the proposed SAVRS Rate Conversion Date.

(i) The foregoing provisions shall be conclusive and binding upon the Authority, the Trustee and the Owners of the Adjustable Rate Bonds.

**Section 8.3 Draw on the Liquidity Facility on the SAVRS Rate Conversion Date.** On any SAVRS Rate Conversion Date for any Adjustable Rate Bonds, the Trustee shall draw under the Liquidity Facility in an amount equal to the Purchase Price thereof for which sufficient remarketing proceeds to pay the Purchase Price have not been received.

(End of Article VIII)

## ARTICLE IX

### 2001 SERIES AA INTEREST RATE CONTRACT

Section 9.1 Interest Rate Contract. The Authority has executed and delivered the Initial Interest Rate Contract having an effective date corresponding to the date of authentication and delivery of the Adjustable Rate Bonds, and may provide an Alternate Interest Rate Contract upon the termination of any Interest Rate Contract.

Section 9.2 Obligation to Make Interest Rate Contract Payments. The obligation of the Authority to make fixed rate interest payments to the Interest Rate Contract Provider under the Interest Rate Contract is a Class I Auxiliary Obligation under the Indenture and the obligation of the Authority to make other payments under the Interest Rate Contract is a General Obligation of the Authority and is not secured by the Trust Estate.

Section 9.3 Requirements for Delivery of an Alternate Interest Rate Contract. On or prior to the date of delivery of an Alternate Interest Rate Contract to the Trustee, the Authority shall furnish or cause to be furnished to the Trustee an opinion of counsel satisfactory to the Authority stating that the delivery of such Alternate Interest Rate Contract to the Trustee is authorized under the Indenture and complies with the terms of this Series Indenture. In addition, no Alternate Interest Rate Contract may be delivered to the Trustee for any purpose under this Series Indenture unless accompanied by the following documents:

(i) letters from Moody's and S&P evidencing that the replacement of the Interest Rate Contract with the Alternate Interest Rate Contract will result in the reconfirmation of the then existing rating or the assignment of a new short-term rating of not less than "A-1+" or "VMIG-1" (in the case of S&P and Moody's, respectively) on the Adjustable Rate Bonds; and

(ii) copies of any other documents, agreements or arrangements entered into directly or indirectly between the Authority and the Interest Rate Contract Provider entering into the Alternate Interest Rate Contract with respect to the transactions contemplated by the Alternate Interest Rate Contract.

(End of Article IX)



ARTICLE X

MISCELLANEOUS

Section 10.1 Approval of Investment Agreement. The Investment Agreement, dated as of October 4, 2001, between the Trustee and Trinity Funding Company, LLC, is hereby approved as provided in paragraph (e) of the definition of "Investment Securities" in the Master Indenture.

Section 10.2 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.

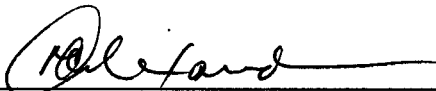
Section 10.3 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Series Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Series Indenture.

Section 10.4 Counterparts. 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.

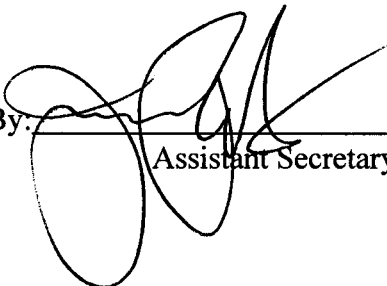
Section 10.5 Effective Date; Execution and Delivery. This Series Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

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:  \_\_\_\_\_  
Executive Director

:  
Attest:

By:  \_\_\_\_\_  
Assistant Secretary

ZIONS FIRST NATIONAL BANK, as Trustee

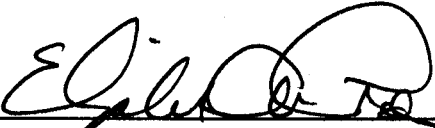
By:   
Title: ASSISTANT VICE PRESIDENT

EXHIBIT A

(FORM OF 2001 SERIES AA-1 CLASS I BOND)

No. RAA1-\_\_\_\_\_

\$\_\_\_\_\_

COLORADO HOUSING AND FINANCE AUTHORITY  
TAXABLE SINGLE FAMILY MORTGAGE CLASS I ADJUSTABLE RATE BONDS  
2001 SERIES AA-1

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.

INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME  
FOR FEDERAL INCOME TAX PURPOSES

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>MODE</u>	<u>CUSIP</u>
October 4, 2001	May 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 below, upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, between the Authority

and Zions First National Bank, as trustee (the "Trustee") and the 2001 Series AA Indenture of Trust dated as of October 1, 2001, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the Registered Owner interest on such Principal Amount at the applicable interest rate, as more fully discussed below.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Taxable Single Family Mortgage Class I Adjustable Rate Bonds 2001 Series AA-1" (the "Bonds"), issued under and pursuant to the Act and the Indenture. This Bond constitutes a Class I Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

1. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

2. Liquidity Facility. The Authority has caused to be delivered to the Trustee a standby bond purchase agreement (the "Liquidity Facility") issued by Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (together with its successors and assigns or any issuer of any Alternate Liquidity Facility, the "Liquidity Facility Provider"). The initial Liquidity Facility will expire on October 2, 2002 unless earlier terminated in accordance with its terms. The Paying Agent, as provided in the Indenture, will draw on the Liquidity Facility in order to receive amounts sufficient to pay (a) the principal of the Bonds when due upon purchase pursuant to a tender; and (b) the interest portion of the purchase price of Bonds, as provided in the Indenture.

The Authority, upon the conditions specified in the Indenture, may provide for the extension of the Liquidity Facility prior to its expiration date or for the delivery to the Paying Agent of an Alternate Liquidity Facility.

3. Interest Rate. Interest on this Bond will be paid at a Daily Rate when the Bond is in the Daily Mode Period, at a Weekly Rate when the Bond is in the Weekly Mode Period, at a Monthly Rate when the Bond is in the Monthly Mode Period, at a Quarterly Rate when the Bond is in the Quarterly Mode Period, at a Semiannual Rate when the Bond is in the Semiannual Mode Period, at a Term Rate when the Bond is in the Term Mode Period, at a SAVRS Rate when the Bond is in the SAVRS Mode Period, and at a Fixed Interest Rate upon Conversion, all as determined in accordance with the Indenture; provided, however, that no Bond shall bear interest at a rate higher than the Maximum Rate. Bank Bonds shall bear interest at the Bank Rate, provided that Bank Bonds shall not bear interest at the Bank Rate after such Bonds have been remarketed unless such Bonds shall again become Bank Bonds. The Authority may change any Bond in a Mode Period to any other Mode Period; provided that any Bond which has been converted to a Fixed Interest Rate may not be changed to another Mode Period.

When a Daily Mode Period, Weekly Mode Period, Monthly Mode Period or a Quarterly Mode Period is in effect, interest will be calculated on the basis of a 365/366 day year for the actual number of days elapsed. When a Semiannual Mode Period or a Term Mode Period is in effect or a Conversion has occurred, interest shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. When a SAVRS Mode Period is in effect (other than a semiannual SAVRS Mode Period), interest shall be computed on the basis of a 360-day year for the number of days actually elapsed and, for each semiannual SAVRS Mode Period, on the basis of a 360-day year consisting of twelve 30-day months. Interest on Bank Bonds shall be calculated based upon a 360 day year for the actual number of days elapsed.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the Bonds, as the case may be, in which event such Bond shall bear interest from its dated date.

4. Determination of Interest Rate. The Mode Period on the Bonds from the Delivery Date shall be a Weekly Mode Period until further designated by the Authority pursuant to the Indenture. Thereafter, unless Conversion has occurred, the Authority may designate an alternate Mode Period with respect to any Bonds. The Authority shall give written notice of an alternate Mode Period to the other Notice Parties and the Trustee shall give written notice of such Mode Change to the Owners, each in accordance with the provisions of the Mode Period Chart below;

provided, however, that each Mode Change Date must be an Effective Rate Date for such alternate Mode Period.

Promptly upon receipt of such notice from the Authority, in accordance with the provisions of the Mode Period Chart below, the Trustee shall notify each Owner of the new designated Mode Period and of the applicable Rate Determination Date, Effective Rate Date, Statement of Effective Rate, Irrevocable Notice of Tender by Owners/Tender and Purchase Date (within Mode Period) and Written Mode Change Notice and Notice of Mandatory Tender, each of which shall be determined in accordance with the following chart (the "Mode Period Chart"):

**MODE PERIODS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAVRS RATE MODE</b>
<b>Interest Payment Date</b>	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	The Business Day next succeeding the expiration of any auction period.
<b>Rate Determination Date</b>	Each Business Day by 9:30 a.m. New York City time.	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	SAVRS Rate determined not later than 4:00 p.m. New York City time on the auction date
<b>Effective Rate Date</b>	Daily	Wednesday following the Rate Determination Date	First day of each calendar month	February 1, May 1, August 1 and November 1 of each year	May 1 and November 1 of each year	As designated by the Authority	First Business Day of each auction period
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Owner monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner notice of Effective Rate for each month within 7 Business Days following each Rate Determination Date	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Broker-Dealer advises existing and potential owner as to SAVRS Rate determined on auction date
<b>Irrevocable Notice of Tender by Owner to Remarketing Agent or Tender Agent/ Tender and Purchase Date (Within Mode Period)</b>	Notice by Owner to Remarketing Agent prior to 10:30 a.m. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on any Business Day at least 7 calendar days prior to the Purchase Date, which shall be any Business Day, and shall be set forth in the Tender Notice	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	No optional tender of Bonds in SAVRS Mode Period

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAVINGS RATE MODE</b>
<b>Written Mode Change Notice and Notice of Mandatory Tender</b>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Weekly Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Weekly Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Daily Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Daily Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date at least 30 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners on or before third Business Day after receipt of Authority's notice</p>



The new Mode Period for a Bond shall commence on the Effective Rate Date for such Bond as set forth above and the interest rate shall be determined by the Remarketing Agent in the manner provided in the Indenture.

If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Bonds shall be the interest rate as determined or caused to be determined weekly by the Trustee, at the expense of the Authority, to be the lesser of (i) One-Month LIBOR plus .20% or (ii) the Maximum Rate.

5. Method of Payment. Payment of interest on any 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. 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 Tender Agent. At the written request of any Bondowner of at least \$1,000,000 aggregate principal amount of Bonds delivered to the Bond Registrar during any time while Bonds are not in book-entry form, specifying the account or accounts to which such payment shall be made, the principal or Redemption Price of and interest on the Bonds may be paid by wire transfer of immediately available funds within the United States to the bank account number specified by such Bondowner. In case of any such payment by wire transfer, the CUSIP number or numbers of Bonds being paid shall be included in the wire transfer.

6. Redemptions.

a. Special Redemption.

i. The Bonds are subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, at any time, from amounts equal to moneys transferred from the 2001 Series AA subaccount of the Acquisition Account to the 2001 Series AA subaccounts of the Redemption Fund. Moneys on deposit in the subaccounts of the Redemption Fund shall be used pursuant to this paragraph to redeem bonds according to Class as provided in the Indenture. If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with this paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

ii. The Bonds are also subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest

thereon to the date of redemption, without premium, on any May 1 or November 1, from amounts on deposit in the 2001 Series AA subaccount of the Class I Special Redemption Account. If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with this paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

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

b. Optional Redemptions.

i. Prior to Conversion, the Bonds are subject to redemption, at the option of the Authority, on any Effective Rate Date at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

ii. On or after Conversion, the Converted Bonds shall be subject to redemption, at the option of the Authority, (1) on the Conversion Date, in whole or in part, at a redemption price of 100% of the principal amount thereof, and (2) thereafter, during the periods specified below or, subject to delivery to the Trustee of an opinion of Bond Counsel to the effect that any different periods specified by the Authority will not cause the interest on the 2001 Series AA Tax-Exempt Bonds to be subject to inclusion in gross income under Section 103 of the Code, during such periods specified by the Authority, in whole at any time or in part from time to time, at a redemption price of 100% of the principal amount thereof, in each case plus accrued interest, if any, to the redemption date:

Length of Time From Conversion Date To Maturity Date ( <u>expressed in years</u> )	<u>First Optional Redemption Date</u>
greater than 15	after 10 years
less than or equal to 15 and greater than 10	after 7 years
less than or equal to 10 and greater than 7	after 5 years
less than or equal to 7 and greater than 5	after 3 years

less than or equal to 5

not optionally callable

In the event that the Conversion Date is not an Interest Payment Date, then the date on which the Converted 2001 Bonds shall first be subject to redemption pursuant to the foregoing table (after the Conversion Date) shall be the first Interest Payment Date next succeeding the date on which the such Converted Bonds otherwise would be subject to redemption.

In the event of an optional redemption in part, the Authority shall direct the Class, tenor, series, maturity or maturities, and the amounts thereof, so to be redeemed.

7. Redemption of Bank Bonds. Bank Bonds are subject to optional and mandatory redemption in accordance with the terms of the Liquidity Facility, at a Redemption Price equal to the principal amount thereof plus interest accrued thereon to the date of redemption.

8. Notice of Redemption. Notice of redemption of Adjustable Rate Bonds shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 15 nor more than 30 days prior to the Redemption Date. Notice of redemption of Fixed Rate Bonds shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 30 nor more than 60 days prior to the Redemption Date. The failure to mail such notice with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond with respect to which notice was so given. If notice of redemption is given as required and money for the payment of the Redemption Price is held by the Paying Agent, then interest on the Bonds or portions thereof called for redemption shall cease to accrue on the Redemption Date.

9. Tenders.

a. Owner's Election to Tender. Prior to Conversion, Owners of Bonds (other than SAVRS Rate Bonds) may elect to tender their Bonds, which, if so tendered upon proper notice to the Remarketing Agent or Tender Agent, as applicable, in the manner set forth in the Mode Period Chart, will be purchased on such next Effective Rate Date (or, in the case of Bonds in a Daily Mode or a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. Such notice of tender for purchase of Bonds by the Owners thereof shall be in writing and shall be irrevocable once such notice is given to the Remarketing Agent or the Tender Agent, as directed in the Mode Period Chart.

b. Mandatory Tender. The Bonds or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date, (ii) with respect to a Liquidity Expiration Event, not less than five days prior to the expiration of the Liquidity Facility, and (iii) on any Conversion Date (each a "Mandatory Tender Date"), at the Purchase Price, subject to the conditions described in the Indenture.

In connection with any mandatory tender of Bonds upon a Mandatory Tender Date, the Trustee shall deliver a notice of mandatory tender to Owners, within such time period as provided the Indenture, stating the reason for the mandatory tender, the date of mandatory tender, and that all Owners subject to such mandatory tender shall be deemed to have tendered their Bonds upon such date. So long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice will be delivered to DTC or its nominee as registered owner of such Bonds. DTC is responsible for notifying Participants, and Participants (and indirect participants in DTC) are responsible for notifying beneficial owners of the Bonds. Neither the Trustee nor the Authority is responsible for sending notices to beneficial owners.

If the book-entry system has been discontinued and replacement bonds have been issued or if DTC has exercised its option to surrender and exchange its Bond certificates, any Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of such Bonds plus accrued interest shall be deemed to have been tendered and purchased on such Mandatory Tender Date. Owners of Untendered Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Owners shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds pursuant to the Indenture and, after the issuance of the replacement Bond certificates, such Untendered Bonds will be deemed purchased, canceled and no longer Outstanding under the Indenture.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER AGREES TO TENDER THIS BOND FOR PURCHASE ON ANY MANDATORY TENDER DATE DESCRIBED ABOVE AND ACKNOWLEDGES THAT INTEREST WILL CEASE TO ACCRUE ON THE BOND ON SUCH MANDATORY PURCHASE DATE, PROVIDED THAT FUNDS FOR SUCH PURCHASE ARE ON DEPOSIT WITH THE PAYING AGENT ON SUCH MANDATORY TENDER DATE.

10. Conversion to Fixed Interest Rate.

a. The Authority may at its option convert the interest rate on all or a portion of the Bonds on any Effective Rate Date to Fixed Interest Rates upon written notice to the other Notice Parties that the Authority will cause a Conversion of the Bonds (or such portion thereof) on the Conversion Date set forth in such written notice, which Conversion Date shall not occur sooner than 45 days after the date of such notice; provided that if only a portion of the Bonds are to be Converted, the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld) shall be obtained prior to such Conversion, and provided, further, that no partial Conversion of SAVRS Rate Bonds shall cause the Outstanding principal amount of SAVRS Rate Bonds to be (i) less than \$10,000,000 without the approval of the Broker-Dealers and (ii) other than in multiples of \$25,000.

b. Prior to the Conversion of any of the Bonds, the Trustee shall deliver a notice to the Owners of the Bonds to be Converted, not less than 30 days prior to the Conversion Date, setting forth the certain information required by the Indenture. Pursuant to the terms of the Indenture, the Authority has the right to elect not to proceed with a proposed Conversion.

c. Upon any Conversion, the Bonds to be Converted shall be subject to mandatory tender as more fully described above. Any Bonds that are Converted will bear interest at Fixed Interest Rates determined upon such Conversion until the maturity or prior redemption thereof. The Remarketing Agent shall determine the Fixed Interest Rates in the manner and subject to restrictions contained in the Indenture.

11. Denominations, Transfer and Exchange. The Bonds are in registered form without coupons and, prior to a Conversion Date, shall be issued in denominations of: (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period or a Quarterly Mode Period, \$100,000 or integral multiples of \$5,000 in excess of \$100,000, (ii) during a SAVRS Mode Period, \$25,000 or integral multiples of \$5,000 in excess of \$25,000, and (iii) during a Semiannual Mode Period or a Term Mode Period, \$5,000 or any integral multiple thereof. Upon Conversion, the Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. A Registered Owner may transfer or exchange Bonds in accordance with the Indenture. The Paying Agent may require the payment by any Registered Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. 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.

12. Persons Deemed Owners. The Registered Owner of this Bond may be treated as its owner for all purposes.

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

14. Defaults and Remedies. 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.

15. No Personal Liability. 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

(SEAL)

By: \_\_\_\_\_  
Chair

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 2001 SERIES AA-2 CLASS I BOND)

No. RAA2-\_\_\_\_\_

\$ \_\_\_\_\_

COLORADO HOUSING AND FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE CLASS I ADJUSTABLE RATE BONDS  
2001 SERIES AA-2

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

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>MODE</u>	<u>CUSIP</u>
October 4, 2001	May 1, 2031		

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 below, upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, between the Authority and Zions First National Bank, as trustee (the "Trustee") and the 2001 Series AA Indenture of Trust dated as of October 1, 2001, between the Authority and the Trustee (collectively, the "Indenture"),

and to pay to the Registered Owner interest on such Principal Amount at the applicable interest rate, as more fully discussed below.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Single Family Mortgage Class I Adjustable Rate Bonds 2001 Series AA-2" (the "Bonds"), issued under and pursuant to the Act and the Indenture. This Bond constitutes a Class I Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

1. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

2. Liquidity Facility. The Authority has caused to be delivered to the Trustee a standby bond purchase agreement (the "Liquidity Facility") issued by Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (together with its successors and assigns or any issuer of any Alternate Liquidity Facility, the "Liquidity Facility Provider"). The initial Liquidity Facility will expire on October 2, 2002 unless earlier terminated in accordance with its terms. The Paying Agent, as provided in the Indenture, will draw on the Liquidity Facility in order to receive amounts sufficient to pay (a) the principal of the Bonds when due upon purchase pursuant to a tender; and (b) the interest portion of the purchase price of Bonds, as provided in the Indenture.

The Authority, upon the conditions specified in the Indenture, may provide for the extension of the Liquidity Facility prior to its expiration date or for the delivery to the Paying Agent of an Alternate Liquidity Facility.

3. Interest Rate. Interest on this Bond will be paid at a Daily Rate when the Bond is in the Daily Mode Period, at a Weekly Rate when the Bond is in the Weekly Mode Period, at a Monthly Rate when the Bond is in the Monthly Mode Period, at a Quarterly Rate when the Bond is in the Quarterly Mode Period, at a Semiannual Rate when the Bond is in the Semiannual Mode Period, at a Term Rate when the Bond is in the Term Mode Period, at a SAVRS Rate when the Bond is in the SAVRS Mode Period, and at a Fixed Interest Rate upon Conversion, all as determined in accordance with the Indenture; provided, however, that no Bond shall bear interest at a rate higher than the Maximum Rate. Bank Bonds shall bear interest at the Bank Rate, provided that Bank Bonds shall not bear interest at the Bank Rate after such Bonds have been remarketed unless such Bonds shall again become Bank Bonds. The Authority may change any Bond in a Mode Period to any other Mode Period; provided that any Bond which has been converted to a Fixed Interest Rate may not be changed to another Mode Period.

When a Daily Mode Period, Weekly Mode Period, Monthly Mode Period or a Quarterly Mode Period is in effect, interest will be calculated on the basis of a 365/366 day year for the actual number of days elapsed. When a Semiannual Mode Period or a Term Mode Period is in effect or a Conversion has occurred, interest shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. When a SAVRS Mode Period is in effect (other than a semiannual SAVRS Mode Period), interest shall be computed on the basis of a 360-day year for the number of days actually elapsed and, for each semiannual SAVRS Mode Period, on the basis of a 360-day year consisting of twelve 30-day months. Interest on Bank Bonds shall be calculated based upon a 360 day year for the actual number of days elapsed.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the Bonds, as the case may be, in which event such Bond shall bear interest from its dated date.

4. Determination of Interest Rate. The Mode Period on the Bonds from the Delivery Date shall be a Weekly Mode Period until further designated by the Authority pursuant to the Indenture. Thereafter, unless Conversion has occurred, the Authority may designate an alternate Mode Period with respect to any Bonds. The Authority shall give written notice of an alternate Mode Period to the other Notice Parties and the Trustee shall give written notice of such Mode Change to the Owners, each in accordance with the provisions of the Mode Period Chart below;

provided, however, that each Mode Change Date must be an Effective Rate Date for such alternate Mode Period.

Promptly upon receipt of such notice from the Authority, in accordance with the provisions of the Mode Period Chart below, the Trustee shall notify each Owner of the new designated Mode Period and of the applicable Rate Determination Date, Effective Rate Date, Statement of Effective Rate, Irrevocable Notice of Tender by Owners/Tender and Purchase Date (within Mode Period) and Written Mode Change Notice and Notice of Mandatory Tender, each of which shall be determined in accordance with the following chart (the "Mode Period Chart"):

**MODE PERIODS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAVRS RATE MODE</b>
<b>Interest Payment Date</b>	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	The Business Day next succeeding the expiration of any auction period.
<b>Rate Determination Date</b>	Each Business Day by 9:30 a.m. New York City time.	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	SAVRS Rate determined not later than 4:00 p.m. New York City time on the auction date
<b>Effective Rate Date</b>	Daily	Wednesday following the Rate Determination Date	First day of each calendar month	February 1, May 1, . August 1 and November 1 of each year	May 1 and November 1 of each year	As designated by the Authority	First Business Day of each auction period
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Owner monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner notice of Effective Rate for each month within 7 Business Days following each Rate Determination Date	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Broker-Dealer advises existing and potential owner as to SAVRS Rate determined on auction date
<b>Irrevocable Notice of Tender by Owner to Remarketing Agent or Tender Agent/ Tender and Purchase Date (Within Mode Period)</b>	Notice by Owner to Remarketing Agent prior to 10:30 a.m. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on any Business Day at least 7 calendar days prior to the Purchase Date, which shall be any Business Day, and shall be set forth in the Tender Notice	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	No optional tender of Bonds in SAVRS Mode Period

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAV. RATE MODE</b>
<b>Written Mode Change Notice and Notice of Mandatory Tender</b>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Weekly Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Weekly Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Daily Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Daily Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date at least 30 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners on or before third Business Day after receipt of Authority's notice</p>

The new Mode Period for a Bond shall commence on the Effective Rate Date for such Bond as set forth above and the interest rate shall be determined by the Remarketing Agent in the manner provided in the Indenture.

If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Bonds shall be the interest rate as determined or caused to be determined weekly by the Trustee, at the expense of the Authority, to be the lesser of (i) the BMA Index plus .20% or (ii) the Maximum Rate.

5. Method of Payment. Payment of interest on any 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. 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 Tender Agent. At the written request of any Bondowner of at least \$1,000,000 aggregate principal amount of Bonds delivered to the Bond Registrar during any time while Bonds are not in book-entry form, specifying the account or accounts to which such payment shall be made, the principal or Redemption Price of and interest on the Bonds may be paid by wire transfer of immediately available funds within the United States to the bank account number specified by such Bondowner. In case of any such payment by wire transfer, the CUSIP number or numbers of Bonds being paid shall be included in the wire transfer.

6. Redemptions.

a. Special Redemption.

i. The Bonds are subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, at any time, from amounts equal to moneys transferred from the 2001 Series AA subaccount of the Acquisition Account to the 2001 Series AA subaccounts of the Redemption Fund. Moneys on deposit in the subaccounts of the Redemption Fund shall be used pursuant to this paragraph to redeem bonds according to Class as provided in the Indenture. If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with this paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

ii. The Bonds are also subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest

thereon to the date of redemption, without premium, on any May 1 or November 1, from amounts on deposit in the 2001 Series AA subaccount of the Class I Special Redemption Account. If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with this paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

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

b. Mandatory Redemptions. The Bonds shall be redeemed prior to their maturity, in part, by lot by payment of 2001 Series AA Class I Sinking Fund Installments, to the extent moneys available therefor are deposited or expected to be deposited in the 2001 Series AA subaccount of the Class I Debt Service Fund, on each of the dates set forth below and in the respective principal amounts set forth opposite each date, in each case at a Redemption Price equal to 100% of the principal amount of such Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
May 1, 2014	\$ 940,000
November 1, 2014	960,000
May 1, 2015	975,000
November 1, 2015	995,000
May 1, 2016	1,015,000
November 1, 2016	1,035,000
May 1, 2017	1,055,000
November 1, 2017	1,080,000
May 1, 2018	1,100,000
November 1, 2018	1,120,000
May 1, 2019	1,145,000
November 1, 2019	1,165,000
May 1, 2020	1,190,000
November 1, 2020	1,215,000
May 1, 2021	1,235,000
November 1, 2021	1,260,000
May 1, 2022	1,285,000
November 1, 2022	1,310,000
May 1, 2023	1,340,000
November 1, 2023	1,365,000
May 1, 2024	1,390,000



November 1, 2024	1,420,000
May 1, 2025	1,450,000
November 1, 2025	1,475,000
May 1, 2026	1,505,000
November 1, 2026	1,535,000
May 1, 2027	1,565,000
November 1, 2027	1,600,000
May 1, 2028	1,630,000
November 1, 2028	1,660,000
May 1, 2029	1,695,000
November 1, 2029	1,730,000
May 1, 2030	1,765,000
November 1, 2030	1,800,000
May 1, 2031*	1,835,000

**\*Maturity Date**

The Authority may receive a credit against its sinking fund redemption obligation under certain circumstances described in the Indenture.

**c. Optional Redemptions.**

i. Prior to Conversion, the Bonds are subject to redemption, at the option of the Authority, on any Effective Rate Date at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

ii. On or after Conversion, the Converted Bonds shall be subject to redemption, at the option of the Authority, (1) on the Conversion Date, in whole or in part, at a redemption price of 100% of the principal amount thereof, and (2) thereafter, during the periods specified below or, subject to delivery to the Trustee of an opinion of Bond Counsel to the effect that any different periods specified by the Authority will not cause the interest on the 2001 Series AA Tax-Exempt Bonds to be subject to inclusion in gross income under Section 103 of the Code, during such periods specified by the Authority, in whole at any time or in part from time to time, at a redemption price of 100% of the principal amount thereof, in each case plus accrued interest, if any, to the redemption date:

Length of Time From Conversion Date To Maturity Date ( <u>expressed in years</u> )	First Optional <u>Redemption Date</u>
greater than 15	after 10 years

less than or equal to 15 and greater than 10	after 7 years
less than or equal to 10 and greater than 7	after 5 years
less than or equal to 7 and greater than 5	after 3 years
less than or equal to 5	not optionally callable

In the event that the Conversion Date is not an Interest Payment Date, then the date on which the Converted 2001 Bonds shall first be subject to redemption pursuant to the foregoing table (after the Conversion Date) shall be the first Interest Payment Date next succeeding the date on which the such Converted Bonds otherwise would be subject to redemption.

In the event of an optional redemption in part, the Authority shall direct the Class, tenor, series, maturity or maturities, and the amounts thereof, so to be redeemed.

7. Redemption of Bank Bonds. Bank Bonds are subject to optional and mandatory redemption in accordance with the terms of the Liquidity Facility, at a Redemption Price equal to the principal amount thereof plus interest accrued thereon to the date of redemption.

8. Notice of Redemption. Notice of redemption of Adjustable Rate Bonds shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 15 nor more than 30 days prior to the Redemption Date. Notice of redemption of Fixed Rate Bonds shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 30 nor more than 60 days prior to the Redemption Date. The failure to mail such notice with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond with respect to which notice was so given. If notice of redemption is given as required and money for the payment of the Redemption Price is held by the Paying Agent, then interest on the Bonds or portions thereof called for redemption shall cease to accrue on the Redemption Date.

9. Tenders.

a. Owner's Election to Tender. Prior to Conversion, Owners of Bonds (other than SAVRS Rate Bonds) may elect to tender their Bonds, which, if so tendered upon proper notice to the Remarketing Agent or Tender Agent, as applicable, in the manner set forth in the Mode Period Chart, will be purchased on such next Effective Rate Date (or, in the case of Bonds in a Daily Mode or a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. Such notice of tender for purchase of Bonds by the Owners thereof shall be in writing and shall be irrevocable once such notice is given to the Remarketing Agent or the Tender Agent, as directed in the Mode Period Chart.

b. Mandatory Tender. The Bonds or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date, (ii) with respect to a Liquidity Expiration Event, not less than five days prior to the expiration of the Liquidity Facility, and (iii) on any Conversion Date (each a "Mandatory Tender Date"), at the Purchase Price, subject to the conditions described in the Indenture.

In connection with any mandatory tender of Bonds upon a Mandatory Tender Date, the Trustee shall deliver a notice of mandatory tender to Owners, within such time period as provided the Indenture, stating the reason for the mandatory tender, the date of mandatory tender, and that all Owners subject to such mandatory tender shall be deemed to have tendered their Bonds upon such date. So long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice will be delivered to DTC or its nominee as registered owner of such Bonds. DTC is responsible for notifying Participants, and Participants (and indirect participants in DTC) are responsible for notifying beneficial owners of the Bonds. Neither the Trustee nor the Authority is responsible for sending notices to beneficial owners.

If the book-entry system has been discontinued and replacement bonds have been issued or if DTC has exercised its option to surrender and exchange its Bond certificates, any Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of such Bonds plus accrued interest shall be deemed to have been tendered and purchased on such Mandatory Tender Date. Owners of Untendered Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Owners shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds pursuant to the Indenture and, after the issuance of the replacement Bond certificates, such Untendered Bonds will be deemed purchased, canceled and no longer Outstanding under the Indenture.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER AGREES TO TENDER THIS BOND FOR PURCHASE ON ANY MANDATORY TENDER DATE DESCRIBED ABOVE AND ACKNOWLEDGES THAT INTEREST WILL CEASE TO ACCRUE

ON THE BOND ON SUCH MANDATORY PURCHASE DATE, PROVIDED THAT FUNDS FOR SUCH PURCHASE ARE ON DEPOSIT WITH THE PAYING AGENT ON SUCH MANDATORY TENDER DATE.

10. Conversion to Fixed Interest Rate.

a. The Authority may at its option convert the interest rate on all or a portion of the Bonds on any Effective Rate Date to Fixed Interest Rates upon written notice to the other Notice Parties that the Authority will cause a Conversion of the Bonds (or such portion thereof) on the Conversion Date set forth in such written notice, which Conversion Date shall not occur sooner than 45 days after the date of such notice; provided that if only a portion of the Bonds are to be Converted, the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld) shall be obtained prior to such Conversion, and provided, further, that no partial Conversion of SAVRS Rate Bonds shall cause the Outstanding principal amount of SAVRS Rate Bonds to be (i) less than \$10,000,000 without the approval of the Broker-Dealers and (ii) other than in multiples of \$25,000.

b. Prior to the Conversion of any of the Bonds, the Trustee shall deliver a notice to the Owners of the Bonds to be Converted, not less than 30 days prior to the Conversion Date, setting forth the certain information required by the Indenture. Pursuant to the terms of the Indenture, the Authority has the right to elect not to proceed with a proposed Conversion.

c. Upon any Conversion, the Bonds to be Converted shall be subject to mandatory tender as more fully described above. Any Bonds that are Converted will bear interest at Fixed Interest Rates determined upon such Conversion until the maturity or prior redemption thereof. The Remarketing Agent shall determine the Fixed Interest Rates in the manner and subject to restrictions contained in the Indenture.

11. Denominations, Transfer and Exchange. The Bonds are in registered form without coupons and, prior to a Conversion Date, shall be issued in denominations of: (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period or a Quarterly Mode Period, \$100,000 or integral multiples of \$5,000 in excess of \$100,000, (ii) during a SAVRS Mode Period, \$25,000 or integral multiples of \$5,000 in excess of \$25,000, and (iii) during a Semiannual Mode Period or a Term Mode Period, \$5,000 or any integral multiple thereof. Upon Conversion, the Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. A Registered Owner may transfer or exchange Bonds in accordance with the Indenture. The Paying Agent may require the payment by any Registered Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. 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.

12. Persons Deemed Owners. The Registered Owner of this Bond may be treated as its owner for all purposes.

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

14. Defaults and Remedies. 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.

15. No Personal Liability. 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

(SEAL)

By: \_\_\_\_\_  
Chair

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

(FORM OF 2001 SERIES AA-3 CLASS I BOND)

No. RAA3-\_\_\_\_\_

\$\_\_\_\_\_

COLORADO HOUSING AND FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE CLASS I ADJUSTABLE RATE BONDS  
2001 SERIES AA-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.

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>MODE</u>	<u>CUSIP</u>
October 4, 2001	May 1, 2036		

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 below, upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, between the Authority and Zions First National Bank, as trustee (the "Trustee") and the 2001 Series AA Indenture of Trust dated as of October 1, 2001, between the Authority and the Trustee (collectively, the "Indenture"),



and to pay to the Registered Owner interest on such Principal Amount at the applicable interest rate, as more fully discussed below.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Single Family Mortgage Class I Adjustable Rate Bonds 2001 Series AA-3" (the "Bonds"), issued under and pursuant to the Act and the Indenture. This Bond constitutes a Class I Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

1. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

2. Liquidity Facility. The Authority has caused to be delivered to the Trustee a standby bond purchase agreement (the "Liquidity Facility") issued by Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (together with its successors and assigns or any issuer of any Alternate Liquidity Facility, the "Liquidity Facility Provider"). The initial Liquidity Facility will expire on October 2, 2002 unless earlier terminated in accordance with its terms. The Paying Agent, as provided in the Indenture, will draw on the Liquidity Facility in order to receive amounts sufficient to pay (a) the principal of the Bonds when due upon purchase pursuant to a tender; and (b) the interest portion of the purchase price of Bonds, as provided in the Indenture.

The Authority, upon the conditions specified in the Indenture, may provide for the extension of the Liquidity Facility prior to its expiration date or for the delivery to the Paying Agent of an Alternate Liquidity Facility.

3. Interest Rate. Interest on this Bond will be paid at a Daily Rate when the Bond is in the Daily Mode Period, at a Weekly Rate when the Bond is in the Weekly Mode Period, at a Monthly Rate when the Bond is in the Monthly Mode Period, at a Quarterly Rate when the Bond is in the Quarterly Mode Period, at a Semiannual Rate when the Bond is in the Semiannual Mode Period, at a Term Rate when the Bond is in the Term Mode Period, at a SAVRS Rate when the Bond is in the SAVRS Mode Period, and at a Fixed Interest Rate upon Conversion, all as determined in accordance with the Indenture; provided, however, that no Bond shall bear interest at a rate higher than the Maximum Rate. Bank Bonds shall bear interest at the Bank Rate, provided that Bank Bonds shall not bear interest at the Bank Rate after such Bonds have been remarketed unless such Bonds shall again become Bank Bonds. The Authority may change any Bond in a Mode Period to any other Mode Period; provided that any Bond which has been converted to a Fixed Interest Rate may not be changed to another Mode Period.

When a Daily Mode Period, Weekly Mode Period, Monthly Mode Period or a Quarterly Mode Period is in effect, interest will be calculated on the basis of a 365/366 day year for the actual number of days elapsed. When a Semiannual Mode Period or a Term Mode Period is in effect or a Conversion has occurred, interest shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. When a SAVRS Mode Period is in effect (other than a semiannual SAVRS Mode Period), interest shall be computed on the basis of a 360-day year for the number of days actually elapsed and, for each semiannual SAVRS Mode Period, on the basis of a 360-day year consisting of twelve 30-day months. Interest on Bank Bonds shall be calculated based upon a 360 day year for the actual number of days elapsed.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the Bonds, as the case may be, in which event such Bond shall bear interest from its dated date.

4. Determination of Interest Rate. The Mode Period on the Bonds from the Delivery Date shall be a Term Mode Period ending on September 17, 2002 until further designated by the Authority pursuant to the Indenture. Thereafter, unless Conversion has occurred, the Authority may designate an alternate Mode Period with respect to any Bonds. The Authority shall give written notice of an alternate Mode Period to the other Notice Parties and the Trustee shall give written notice of such Mode Change to the Owners, each in accordance with the provisions of the

Mode Period Chart below; provided, however, that each Mode Change Date must be an Effective Rate Date for such alternate Mode Period.

Promptly upon receipt of such notice from the Authority, in accordance with the provisions of the Mode Period Chart below, the Trustee shall notify each Owner of the new designated Mode Period and of the applicable Rate Determination Date, Effective Rate Date, Statement of Effective Rate, Irrevocable Notice of Tender by Owners/Tender and Purchase Date (within Mode Period) and Written Mode Change Notice and Notice of Mandatory Tender, each of which shall be determined in accordance with the following chart (the "Mode Period Chart"):

**MODE PERIODS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAVRS RATE MODE</b>
<b>Interest Payment Date</b>	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	May 1 and November 1 of each year	The Business Day next succeeding the expiration of any auction period.
<b>Rate Determination Date</b>	Each Business Day by 9:30 a.m. New York City time.	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	First Business Day preceding Effective Rate Date by 11:00 a.m., New York City time	SAVRS Rate determined not later than 4:00 p.m. New York City time on the auction date
<b>Effective Rate Date</b>	Daily	Wednesday following the Rate Determination Date	First day of each calendar month	February 1, May 1, August 1 and November 1 of each year	May 1 and November 1 of each year	As designated by the Authority	First Business Day of each auction period
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Owner monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each Calendar month	Trustee to provide or cause to be provided to Owner notice of Effective Rate for each month within 7 Business Days following each Rate Determination Date	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Broker-Dealer advises existing and potential owner as to SAVRS Rate determined on auction date
<b>Irrevocable Notice of Tender by Owner to Remarketing Agent or Tender Agent/ Tender and Purchase Date (Within Mode Period)</b>	Notice by Owner to Remarketing Agent prior to 10:30 a.m. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on any Business Day at least 7 calendar days prior to the Purchase Date, which shall be any Business Day, and shall be set forth in the Tender Notice	Notice by Owner to Remarketing Agent not later than 5:00 p.m. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	No optional tender of Bonds in SAVRS Mode Period

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>TERM MODE</b>	<b>SAVINGS RATE MODE</b>
<b>Written Mode Change Notice and Notice of Mandatory Tender</b>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Weekly Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Weekly Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 20 days prior to change to Daily Mode, and 45 days prior to change to Monthly or longer Mode</p> <p>Trustee to give notice to Owners 15 days prior to change to Daily Mode and 30 days prior to change to Monthly or longer Mode</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date 45 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners 30 days prior to Mode Change Date</p>	<p>Authority to give notice to Notice Parties of Mode Change Date at least 30 days prior to Mode Change Date</p> <p>Trustee to give notice to Owners on or before third Business Day after receipt of Authority's notice</p>

The new Mode Period for a Bond shall commence on the Effective Rate Date for such Bond as set forth above and the interest rate shall be determined by the Remarketing Agent in the manner provided in the Indenture.

If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Bonds shall be the interest rate as determined or caused to be determined weekly by the Trustee, at the expense of the Authority, to be the lesser of (i) the BMA Index plus .20% or (ii) the Maximum Rate.

5. Method of Payment. Payment of interest on any 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. 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 Tender Agent. At the written request of any Bondowner of at least \$1,000,000 aggregate principal amount of Bonds delivered to the Bond Registrar during any time while Bonds are not in book-entry form, specifying the account or accounts to which such payment shall be made, the principal or Redemption Price of and interest on the Bonds may be paid by wire transfer of immediately available funds within the United States to the bank account number specified by such Bondowner. In case of any such payment by wire transfer, the CUSIP number or numbers of Bonds being paid shall be included in the wire transfer.

6. Redemptions.

a. Special Redemption.

i. The Bonds are subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, at any time, from amounts equal to moneys transferred from the 2001 Series AA subaccount of the Acquisition Account to the 2001 Series AA subaccounts of the Redemption Fund. Moneys on deposit in the subaccounts of the Redemption Fund shall be used pursuant to this paragraph to redeem bonds according to Class as provided in the Indenture. If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with this paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

ii. The Bonds are also subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest

thereon to the date of redemption, without premium, on any May 1 or November 1, from amounts on deposit in the 2001 Series AA subaccount of the Class I Special Redemption Account. If less than all of the 2001 Series AA Class I Bonds are to be redeemed in accordance with this paragraph, then, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Cash Flow Statement Related to the 2001 Series AA Bonds, the 2001 Series AA Class I Bonds shall be redeemed on a pro rata by maturity basis.

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

b. Optional Redemptions.

i. Prior to Conversion, the Bonds are subject to redemption, at the option of the Authority, on any Effective Rate Date at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

ii. On or after Conversion, the Converted Bonds shall be subject to redemption, at the option of the Authority, (1) on the Conversion Date, in whole or in part, at a redemption price of 100% of the principal amount thereof, and (2) thereafter, during the periods specified below or, subject to delivery to the Trustee of an opinion of Bond Counsel to the effect that any different periods specified by the Authority will not cause the interest on the 2001 Series AA Tax-Exempt Bonds to be subject to inclusion in gross income under Section 103 of the Code, during such periods specified by the Authority, in whole at any time or in part from time to time, at a redemption price of 100% of the principal amount thereof, in each case plus accrued interest, if any, to the redemption date:

Length of Time From Conversion Date To Maturity Date (expressed in years)	First Optional Redemption Date
greater than 15	after 10 years
less than or equal to 15 and greater than 10	after 7 years
less than or equal to 10 and greater than 7	after 5 years
less than or equal to 7 and greater than 5	after 3 years

less than or equal to 5

not optionally callable

In the event that the Conversion Date is not an Interest Payment Date, then the date on which the Converted 2001 Bonds shall first be subject to redemption pursuant to the foregoing table (after the Conversion Date) shall be the first Interest Payment Date next succeeding the date on which the such Converted Bonds otherwise would be subject to redemption.

In the event of an optional redemption in part, the Authority shall direct the Class, tenor, series, maturity or maturities, and the amounts thereof, so to be redeemed.

7. Redemption of Bank Bonds. Bank Bonds are subject to optional and mandatory redemption in accordance with the terms of the Liquidity Facility, at a Redemption Price equal to the principal amount thereof plus interest accrued thereon to the date of redemption.

8. Notice of Redemption. Notice of redemption of Adjustable Rate Bonds shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 15 nor more than 30 days prior to the Redemption Date. Notice of redemption of Fixed Rate Bonds shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 30 nor more than 60 days prior to the Redemption Date. The failure to mail such notice with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond with respect to which notice was so given. If notice of redemption is given as required and money for the payment of the Redemption Price is held by the Paying Agent, then interest on the Bonds or portions thereof called for redemption shall cease to accrue on the Redemption Date.

9. Tenders.

a. Owner's Election to Tender. Prior to Conversion, Owners of Bonds (other than SAVRS Rate Bonds) may elect to tender their Bonds, which, if so tendered upon proper notice to the Remarketing Agent or Tender Agent, as applicable, in the manner set forth in the Mode Period Chart, will be purchased on such next Effective Rate Date (or, in the case of Bonds in a Daily Mode or a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. Such notice of tender for purchase of Bonds by the Owners thereof shall be in writing and shall be irrevocable once such notice is given to the Remarketing Agent or the Tender Agent, as directed in the Mode Period Chart.

b. Mandatory Tender. The Bonds or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date, (ii) with respect to a Liquidity Expiration Event, not less than five days prior to the expiration of the Liquidity Facility, and (iii) on any Conversion Date (each a "Mandatory Tender Date"), at the Purchase Price, subject to the conditions described in the Indenture.



In connection with any mandatory tender of Bonds upon a Mandatory Tender Date, the Trustee shall deliver a notice of mandatory tender to Owners, within such time period as provided the Indenture, stating the reason for the mandatory tender, the date of mandatory tender, and that all Owners subject to such mandatory tender shall be deemed to have tendered their Bonds upon such date. So long as all of the Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice will be delivered to DTC or its nominee as registered owner of such Bonds. DTC is responsible for notifying Participants, and Participants (and indirect participants in DTC) are responsible for notifying beneficial owners of the Bonds. Neither the Trustee nor the Authority is responsible for sending notices to beneficial owners.

If the book-entry system has been discontinued and replacement bonds have been issued or if DTC has exercised its option to surrender and exchange its Bond certificates, any Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of such Bonds plus accrued interest shall be deemed to have been tendered and purchased on such Mandatory Tender Date. Owners of Untendered Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Owners shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds pursuant to the Indenture and, after the issuance of the replacement Bond certificates, such Untendered Bonds will be deemed purchased, canceled and no longer Outstanding under the Indenture.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER AGREES TO TENDER THIS BOND FOR PURCHASE ON ANY MANDATORY TENDER DATE DESCRIBED ABOVE AND ACKNOWLEDGES THAT INTEREST WILL CEASE TO ACCRUE ON THE BOND ON SUCH MANDATORY PURCHASE DATE, PROVIDED THAT FUNDS FOR SUCH PURCHASE ARE ON DEPOSIT WITH THE PAYING AGENT ON SUCH MANDATORY TENDER DATE.

10. Conversion to Fixed Interest Rate.

a. The Authority may at its option convert the interest rate on all or a portion of the Bonds on any Effective Rate Date to Fixed Interest Rates upon written notice to the other Notice Parties that the Authority will cause a Conversion of the Bonds (or such portion thereof) on the Conversion Date set forth in such written notice, which Conversion Date shall not occur sooner than 45 days after the date of such notice; provided that if only a portion of the Bonds are to be Converted, the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld) shall be obtained prior to such Conversion, and provided, further, that no partial Conversion of SAVRS Rate Bonds shall cause the Outstanding principal amount of SAVRS Rate Bonds to be (i) less than \$10,000,000 without the approval of the Broker-Dealers and (ii) other than in multiples of \$25,000.

b. Prior to the Conversion of any of the Bonds, the Trustee shall deliver a notice to the Owners of the Bonds to be Converted, not less than 30 days prior to the Conversion Date, setting forth the certain information required by the Indenture. Pursuant to the terms of the Indenture, the Authority has the right to elect not to proceed with a proposed Conversion.

c. Upon any Conversion, the Bonds to be Converted shall be subject to mandatory tender as more fully described above. Any Bonds that are Converted will bear interest at Fixed Interest Rates determined upon such Conversion until the maturity or prior redemption thereof. The Remarketing Agent shall determine the Fixed Interest Rates in the manner and subject to restrictions contained in the Indenture.

11. Denominations, Transfer and Exchange. The Bonds are in registered form without coupons and, prior to a Conversion Date, shall be issued in denominations of: (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period or a Quarterly Mode Period, \$100,000 or integral multiples of \$5,000 in excess of \$100,000, (ii) during a SAVRS Mode Period, \$25,000 or integral multiples of \$5,000 in excess of \$25,000, and (iii) during a Semiannual Mode Period or a Term Mode Period, \$5,000 or any integral multiple thereof. Upon Conversion, the Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. A Registered Owner may transfer or exchange Bonds in accordance with the Indenture. The Paying Agent may require the payment by any Registered Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. 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.

12. Persons Deemed Owners. The Registered Owner of this Bond may be treated as its owner for all purposes.

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

14. Defaults and Remedies. 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.

15. No Personal Liability. 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

(SEAL)

By: \_\_\_\_\_  
Chair

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:

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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.

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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 D

(FORM OF 2001 SERIES AA-4 CLASS II BOND)

No. RAA4-\_\_\_\_\_

\$ \_\_\_\_\_

COLORADO HOUSING AND FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE CLASS II BONDS  
2001 SERIES AA-4

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

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>	<u>INTEREST RATE</u>
October 4, 2001	May 1, 2036		5.25%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado (the "State"), created and existing by virtue of the laws of the State, particularly the Colorado Housing and Finance Authority Act, constituting Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the "Act"), for value received hereby promises to pay to the Registered Owner specified above, or to such Registered Owner's registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is redeemed prior thereto as provided below, upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, between the Authority and Zions First National Bank, as trustee (the "Trustee") and the 2001 Series AA Indenture of Trust dated as of October 1, 2001, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the Registered Owner interest on such Principal Amount at the Interest Rate per annum above.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Single Family Mortgage Class II Bonds 2001 Series AA-4" (the "Bonds"), issued under and pursuant to the Act and the Indenture. This Bond constitutes a Class II Obligation under the Indenture and is secured by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

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

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral multiples of \$5,000 ("Authorized Denominations"). The owner of any Bonds may surrender the same at the above mentioned office of the Trustee, in

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

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

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

The Bonds are subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, at any time, from amounts equal to moneys transferred from the 2001 Series AA subaccount of the Acquisition Account to the 2001 Series AA subaccounts of the Redemption Fund. Moneys on deposit in the subaccounts of the Redemption Fund shall be used pursuant to this paragraph to redeem bonds according to Class as provided in the Indenture.

The Bonds are also subject to special redemption prior to maturity, in whole or in part, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any May 1 or November 1, from amounts on deposit in the 2001 Series AA subaccount of the Class II Special Redemption Account.

The Bonds are also subject to redemption at the option of the Authority, on or after November 1, 2011, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

The Bonds shall be redeemed prior to their maturity, in part, by lot by payment of 2001 Series AA Class II Sinking Fund Installments, to the extent moneys therefor are deposited or expected to be deposited in the 2001 Series AA subaccount of the Class II Debt Service Fund upon notice as provided in the Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each date, in each case at a Redemption Price equal



to 100% of the principal amount of such Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

<u>Date</u>	<u>Principal Amount</u>
November 1, 2031	\$ 890,000
May 1, 2032	910,000
November 1, 2032	935,000
May 1, 2033	960,000
November 1, 2033	985,000
May 1, 2034	1,010,000
November 1, 2034	1,035,000
May 1, 2035	1,065,000
November 1, 2035	1,090,000
May 1, 2036*	1,120,000

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\*Maturity Date

The Authority may receive a credit against its sinking fund redemption obligation under certain circumstances described in the Indenture.

If the amount on deposit in the 2001 Series AA subaccount of the Class II Debt Service Fund is not sufficient on any Payment Date to pay the scheduled 2001 Series AA Class II Sinking Fund Installment for such date, the amount of the insufficiency is to be added to the next scheduled 2001 Series AA Class II Sinking Fund Installment until paid. Failure to pay a 2001 Series 1 Class II Sinking Fund Installment is not an Event of Default under the Indenture if sufficient moneys for such payment are not available in the 2001 Series AA subaccount of the Class II Debt Service Fund on the date that notice of redemption is given.

Notice of redemption shall be given by the Trustee to the Registered Owner of any Bond designated for redemption in whole or in part no less than 30 nor more than 60 days prior to the Redemption Date. The failure to mail such notice with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond with respect to which notice was so given. If notice of redemption is given as required and money for the payment of the Redemption Price is held by the Paying Agent, then interest on the Bonds or portions thereof called for redemption shall cease to accrue on the Redemption Date.

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

(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.

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