
2016-III SERIES INDENTURE

between

COLORADO HOUSING AND FINANCE AUTHORITY

and

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

DATED AS OF AUGUST 1, 2016

securing

Federally Insured Multi-Family Housing Loan Program
Pass-Through Revenue Bonds
(Willow Street Residences Project), Series 2016-III

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This 2016-III Series Indenture, dated as of August 1, 2016 (this "Series Indenture"), between the Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado, and The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a corporate trust office located in San Francisco, California, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Authority has entered into a Master Indenture of Trust, dated as of June 1, 2013 (as amended, the "Master Indenture"), with the Trustee, for the purposes set forth therein; and

WHEREAS, the Master Indenture authorizes the Authority to issue Bonds (as defined therein) pursuant to the Master Indenture and one or more Series Indentures; and

WHEREAS, this Series Indenture is supplemental to, and is entered into in accordance with, the Master Indenture; and

WHEREAS, the Authority has determined to authorize the issuance of its Bonds hereunder, to be designated Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (Willow Street Residences Project), Series 2016-III (the "Series 2016-III Bonds"); and

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

WHEREAS, all things necessary to make the Series 2016-III 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 2016-III SERIES INDENTURE WITNESSETH:

ARTICLE I
AUTHORITY AND DEFINITIONS

Section 1.1 Authority. This Series Indenture is executed and delivered pursuant to the authority contained in the Act, Section 8.1(e) of the Master Indenture and the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, Colorado Revised Statutes.

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

“2016-III Housing Facility” means the 80-unit Housing Facility located at 1351 South Willow Street, in unincorporated Arapahoe County, Colorado.

“2016-III Loan” means the Loan made to the Borrower from the proceeds of the Series 2016-III Bonds to finance a portion of the costs of the acquisition, rehabilitation and equipping of the 2016-III Housing Facility.

“Authorized Denominations” means \$1.00 or any integral multiple thereof.

“Borrower” means Willow Street Residences LLLP, a Colorado limited liability limited partnership.

“Closing Date” means the date of initial issuance and delivery of the Series 2016-III Bonds.

“Debt Service Reserve Fund Requirement” with respect to the Series 2016-III Bonds, means, as of any date of calculation, an amount equal to one-half of the maximum principal and interest payment due in any calendar year with respect to the Series 2016-III Bonds maturing on October 1, 2052, based on the receipt of scheduled Loan Repayments on the 2016-III Loan. The Debt Service Reserve Fund Requirement may be satisfied in whole or in part by the available amount of a Loan Payment Enhancement Facility with respect to such Series 2016-III Bonds upon receipt of a Confirmation from the Rating Agency that funding the Debt Service Reserve Fund Requirement in whole or in part with such Loan Payment Enhancement Facility will not, in and of itself, impair, or cause the Series 2016-III Bonds to fail to retain, the then existing rating assigned to the Series 2016-III Bonds by the Rating Agency.

“HUD” means the U.S. Department of Housing and Urban Development.

“Interest Payment Date” the first day of each month, commencing November 1, 2016.

“Loan Agreement” means the Risk Share Program Loan Agreement dated August 1, 2016 between the Authority and the Borrower.

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

“Prepayment,” with respect to the 2016-III Loan, shall have the meaning set forth in the Master Indenture, and shall include, without limitation, amounts received (i) as a consequence of the damage, destruction or condemnation of part or all of the 2016-III Housing Facility, to the extent that such amounts are required to be used to prepay the 2016-III Loan pursuant to the Loan Agreement, (ii) in the event of a default by the Borrower under the Loan Agreement, from the proceeds of an insurance claim to the Federal Housing Administration, or (iii) from a mandatory prepayment required by the Federal Housing Administration or the United States Department of Housing and Urban Development in order to avoid such a default.

“Rating Agency” means Moody’s Investors Service, Inc.

“Record Date” means, with respect to each Bond Payment Date, the Bond Registrar’s close of business on the fifteenth day of the month immediately preceding such Bond Payment Date or, if such date is not a Business Day, the next preceding day which is a Business Day.

“Series 2016-III Bonds” means the Colorado Housing and Finance Authority Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (Willow Street Residences Project), Series 2016-III authorized by, and at any time Outstanding pursuant to, the Indenture.

“Special Authority Fee” means the amount set forth in Section 6.1(d) hereof.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF SERIES 2016-III BONDS

Section 2.1 Authorization of Series 2016-III Bonds; Principal Amounts, Maturities, Designation and Series. (a) A Series of Bonds to be issued under this Series Indenture in order to obtain moneys to carry out the purposes of the Indenture is hereby created. Such Bonds shall be designated as the “Colorado Housing and Finance Authority Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (Willow Street Residences Project), Series 2016-III.” The Aggregate Principal Amount of the Series 2016-III Bonds which may be issued and Outstanding under the Indenture shall not exceed \$7,500,000. The Series 2016-III Bonds shall be issued only in fully registered form, without coupons. In addition to the conditions precedent to the delivery of the Series 2016-III Bonds set forth in Section 2.2 of the Master Indenture, the Series 2016-III Bonds shall be executed by the Authority for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority upon its order, only upon the closing of the 2016-III Loan in accordance with the Loan Agreement on the Closing Date.

(b) The Series 2016-III Bonds shall mature, subject to the right of prior redemption as set forth in Article III hereof, on the dates and in the principal amounts, and shall bear interest, payable on each Interest Payment Date, at the rates per annum, as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
October 1, 2017	\$ 4,000,000	2.15%
October 1, 2052	3,500,000	3.10%

(c) The Series 2016-III Bonds are hereby designated as a Stand-Alone Series.

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

(a) Each Series 2016-III 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 the Closing 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 Series 2016-III Bonds, in which event such Bond shall bear interest from the Closing Date.

(b) The Series 2016-III Bonds shall be issued only in the form of fully registered Bonds in Authorized Denominations.

(c) The principal of and interest on the Series 2016-III Bonds shall be payable in lawful money of the United States of America. The interest on each Series 2016-III Bond shall be paid by the Paying Agent on the Interest Payment Dates by check or draft mailed by the Paying Agent to the Person whose name appears on the registration records kept by the Bond Registrar as the registered owner thereof on the Record Date, at such Person's address as it appears on the applicable Record Date in the registration records, except that in the case of an Owner of \$1,000,000 or more in Aggregate Principal Amount of Series 2016-III Bonds, upon the written request of such Owner to the Paying Agent, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the Interest Payment Date following such Record Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Paying Agent. The principal of each Bond shall be payable on the Bond Payment Date, upon surrender thereof at the designated corporate trust operations or agency office of the Paying Agent.

(d) The Series 2016-III Bonds shall be dated the Closing Date and shall bear interest until the entire Aggregate Principal Amount of the Series 2016-III Bonds has been paid. Interest on the Series 2016-III Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) Unless the Authority shall otherwise direct, the Series 2016-III Bonds shall be numbered separately from 1 upward preceded by the legend RIII- prefixed to the number.

Section 2.3 Forms of Bonds and Certificates of Authentication. The form of the Series 2016-III Bonds, including the Bond Registrar's Certificate of Authentication thereon, shall be substantially as set forth in Exhibit A to this Series Indenture. Any Series 2016-III Bond may contain or have endorsed thereon such provisions, specifications and descriptive words and such opinions and certifications not inconsistent with the provisions of the Master Indenture and this Series Indenture as may be necessary or desirable, as determined by an Authorized Officer prior to their authentication and delivery.

Section 2.4 Execution of Series 2016-III Bonds. The Chair, the Chair pro tem and the Executive Director of the Authority and each of them is hereby authorized and directed to execute the Series 2016-III Bonds, and the Secretary/Treasurer, Executive Director or other officer named in this Section 2.4 (other than the officer executing the Series 2016-III Bonds) is hereby authorized and directed to attest the seal of the Authority impressed or imprinted thereon, all in the manner prescribed in Section 2.8 of the Master Indenture.

Section 2.5 Purpose. The Series 2016-III Bonds are authorized to provide moneys for the making of the 2016-III Loan.

Section 2.6 Supplemental Public Securities Act Provisions. Pursuant to the resolution of the Authority authorizing the issuance of the Bonds, the Authority has elected to apply Sections 11-57-205, 11-57-207 (other than Section 11-57-207(1)(a)), 11-57-208, 11-57-209, 11-57-210, 11-57-211, 11-57-212 and 11-57-214 of the Supplemental Public Securities Act, being

Part 2 of Article 57 of Title 11, Colorado Revised Statutes (the “Supplemental Act”) to the Series 2016-III Bonds. Pursuant to said Section 11-57-210, each Series 2016-III Bond shall recite that it is issued under the authority of such resolution and the Supplemental Act and that it is the intention of the Authority that such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Series 2016-III Bonds after their delivery for value. Pursuant to said Section 11-57-208, the assets pledged under the Indenture for the payment of the Series 2016-III Bonds, as received by or otherwise credited to the Authority, shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge and the obligation to perform the contractual provisions made in such resolution and the Indenture shall have priority over any or all other obligations and liabilities of the Authority. The lien of such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such persons have notice of such lien.

(End of Article II)

ARTICLE III
REDEMPTION OF THE SERIES 2016-III BONDS

Section 3.1 Redemption from Unexpended Proceeds. In accordance with and for purposes of Sections 5.2(e) hereof, the Series 2016-III Bonds maturing on October 1, 2052 are subject to special redemption prior to maturity, in whole or in part on November 1, 2017, at a Redemption Price equal to 100% of the Aggregate Principal Amount of the Series 2016-III Bonds maturing on October 1, 2052 or portions thereof to be so redeemed, together with accrued interest to the date of redemption, from amounts transferred to the Series 2016-III subaccount of the Special Redemption Fund from the Series 2016-III subaccount of the Acquisition Account pursuant to Section 5.2(d) hereof.

Section 3.2 Mandatory Redemption of Series 2016-III Bonds. Except as provided in the following sentence, the Series 2016-III Bonds are subject to mandatory redemption in whole or in part, on each Interest Payment Date, at a Redemption Price equal to 100% of the Aggregate Principal Amount of such Bonds to be redeemed, without premium, in an amount equal to all principal of Prepayments and Loan Repayments related to the 2016-III Loan, including amounts paid pursuant to any applicable Loan Payment Enhancement Facility, received by or on behalf of the Authority on or before the 20th day of the calendar month immediately preceding such Interest Payment Date, as such amount is transferred from the Series 2016-III subaccount of the Revenue Fund to the Series 2016-III subaccount of the Special Redemption Fund pursuant to Section 6.1(b) hereof. Amounts representing principal of Loan Repayments related to the 2016-III Loan received on or before the 20th day of any calendar month from HUD pursuant to an insurance claim with respect to the 2016-III Loan shall not be used to redeem Series 2016-III Bonds on the following Interest Payment Date pursuant to this Section 3.2 to the extent that Series 2016-III Bonds have been previously redeemed from amounts received pursuant to any Loan Payment Enhancement Facility with respect to such Loan Repayments. While any Series 2016-III Bonds maturing on October 1, 2017 remain Outstanding, if less than all of the Series 2016-III Bonds are to be redeemed in accordance with this Section 3.2, the Series 2016-III Bonds shall be redeemed on a pro rata by maturity basis, or on any other basis determined by the Authority after giving effect to expected Cash Flows in the Trust Estate; provided, that Prepayments resulting from the Borrower's exercise of its Pre-conversion Prepayment Option (as defined in the Loan Agreement) under the Loan Agreement, together with all amounts transferred from the Construction Loan Reserve and Costs Subaccount to the Series 2016-III subaccount of the Special Redemption Fund pursuant to Section 5.2(d) hereof, shall be used to redeem Series 2016-III Bonds maturing on October 1, 2017 (but in no event shall such redemption occur prior to July 1, 2017).

Section 3.3 Optional Redemption.

(a) The Series 2016-III Bonds maturing on October 1, 2017 are not subject to redemption at the option of the Authority prior to maturity.

(b) The Series 2016-III Bonds maturing on October 1, 2052 are subject to redemption at the option of the Authority, from any source other than Prepayments and Loan Repayments related to the 2016-III Loan, in whole or in part at any time on or after October 1, 2027, at a Redemption Price equal to 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

Section 3.4 Selection of Bonds for Redemption. If less than all of the Series 2016-III Bonds of the same maturity are to be redeemed on any date pursuant to this Article III, each of the Series 2016-III Bonds of such maturity then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding Aggregate Principal Amount of each such Series 2016-III Bond to the Outstanding Aggregate Principal Amount of all Outstanding Series 2016-III Bonds of such maturity, notwithstanding any provisions of the Master Indenture to the contrary. To effect this pro rata redemption occurs while the Series 2016-III Bonds are held in the book-entry-only system, such mandatory redemption is to be made as a “Pro-Rata Pass-Through Distribution of Principal” by the Securities Depository.

Section 3.5 Notice of Redemption. Notice of redemption pursuant to Section 3.1 or Section 3.3 hereof shall be given as provided in this Article III upon notice as provided in Section 3.2 of the Master Indenture and to the MSRB. Notwithstanding Section 3.2 of the Master Indenture, no notice of mandatory redemption pursuant to Section 3.2 hereof shall be required.

Section 3.6 Purchase in Lieu of Redemption. The Authority shall not exercise its authority pursuant to Section 3.6 of the Master Indenture to purchase Series 2016-III Bonds in lieu of mandatory redemption pursuant Section 3.2 hereof.

(End of Article III)

ARTICLE IV

APPLICATION OF BOND PROCEEDS AND OTHER ASSETS

Section 4.1 Proceeds of the Series 2016-III Bonds. The proceeds of the sale and delivery of the Series 2016-III Bonds shall be applied as follows on the Closing Date:

(a) to the Construction Loan Reserve and Costs Subaccount of the Series 2016-III subaccount of the Acquisition Account, \$392,576.74; and

(b) to the Series 2016-III subaccount of the Acquisition Account, the remainder of the proceeds of the sale and delivery of the Series 2016-III Bonds.

Section 4.2 Application of Other Moneys. On the Closing Date, there shall also be deposited (a) from moneys received from the Borrower, \$63,927.91 into the Series 2016-III subaccount of the Cost of Issuance Account, and (b) from moneys received from the Authority, (i) \$90,739.16 into the Series 2016-III subaccount of the Debt Service Reserve Fund and (ii) \$10,135.42 into the Series 2016-III subaccount of the Revenue Fund.

Section 4.3 No Additional Authority Contribution. Other than as provided in Section 4.2 hereof, the Authority shall make no contribution of funds to the Trustee in connection with the delivery of the Series 2016-III Bonds.

(End of Article IV)

ARTICLE V

ESTABLISHMENT OF CERTAIN SUBACCOUNTS; APPLICATION OF THE SERIES 2016-III SUBACCOUNT OF THE ACQUISITION ACCOUNT; LIMITATIONS ON EXPENSES

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

- (a) the Series 2016-III subaccount of the Acquisition Account, which shall include the Construction Loan Reserve and Costs Subaccount;
- (b) the Series 2016-III subaccount of the Cost of Issuance Account;
- (c) the Series 2016-III subaccount of the Revenue Fund;
- (d) the Series 2016-III subaccount of the Debt Service Reserve Fund;
- (e) the Series 2016-III subaccount of the Debt Service Fund; and
- (f) the Series 2016-III subaccount of the Special Redemption Fund.

Section 5.2 Series 2016-III Subaccount of the Acquisition Account.

(a) There shall be paid into the Series 2016-III subaccount of the Acquisition Account the amounts specified in Section 4.1 hereof. There may also be paid into the Series 2016-III subaccount of the Acquisition Account, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the Indenture.

(b) The proceeds of the Series 2016-III Bonds and any other moneys deposited in the Series 2016-III subaccount of the Acquisition Account shall be used to make the 2016-III Loan to finance the acquisition, rehabilitation and equipping of the 2016-III Housing Facility, including the costs enumerated in subsection (d) of this Section 5.2.

(c) The Authority hereby certifies that the requirements of Section 5.7 of the Master Indenture have been satisfied with respect to the 2016-III Loan.

(d) The 2016-III Loan shall be considered to be fully disbursed upon deposit of the proceeds of the Series 2016-III Bonds pursuant to Section 4.1 hereof. Amounts on deposit in the Series 2016-III subaccount of the Acquisition Account shall be disbursed from time to time by the Trustee on and after the date that the Borrower's promissory note to the Authority (the "Note") has been initially endorsed for insurance by HUD under Section 542(c) of the Housing and Community Development Act of 1992, as amended, for the purpose of paying costs of the 2016-III Housing Facility that are approved by the Authority pursuant to the terms, conditions

and provisions of the Loan Agreement, provided that moneys in the Construction Loan Reserve and Costs Subaccount of the Series 2016-III subaccount of the Acquisition Account shall be used only upon Authority Request to pay the following costs for the period from the Closing Date to (except as provided in the following sentence) October 1, 2017: (i) to the extent provided in Section 4.6 of the Loan Agreement with respect to payment of interest on the 2016-III Loan, interest on the Series 2016-III Bonds, by transfer to the Series 2016-III subaccount of the Debt Service Fund on each Interest Payment Date, (ii) Servicing Fees with respect to the 2016-III Loan, (iii) an Authority fee equal to 0.25% of the aggregate principal amount of the Series 2016-III Bonds, (iv) the mortgage insurance premium, equal to 0.125% of the principal amount of the Note, with respect to such insurance by HUD and (v) upon transfer to the Series 2016-III subaccount of the Cost of Issuance Account in accordance with one or more Authority Requests, Costs of Issuance of the Series 2016-III Bonds, provided that the aggregate amount of such transfers to the Series 2016-III subaccount of the Cost of Issuance Account shall not exceed \$150,000. If Series 2016-III Bonds maturing on October 1, 2017 are redeemed prior to maturity pursuant to Section 3.2 hereof, an amount in the Construction Loan Reserve and Costs Subaccount equal to (a) the interest that would have been payable on the Series 2016-III Bonds maturing on October 1, 2017 being redeemed for the period from the redemption date to October 1, 2017 and (b) the portion of the amount therein that will not be needed to pay costs described in clauses (ii), (iii) and (iv) of the preceding sentence as a result of such redemption, shall be transferred to the Series 2016-III subaccount of the Special Redemption Fund to be applied to the payment of the principal portion of the redemption price of the Series 2016-III Bonds maturing on October 1, 2017 being redeemed on such redemption date.

(e) Any moneys credited to the Series 2016-III subaccount of the Acquisition Account that are not used to pay the costs of the 2016-III Housing Facility in accordance with subsection (b) of this Section 5.2, shall be transferred by the Trustee on October 1, 2017 to the Series 2016-III subaccount of the Special Redemption Fund to redeem Series 2016-III Bonds maturing on October 1, 2052 pursuant to Section 3.1 hereof.

(f) Upon final disbursement of all amounts on deposit in the Series 2016-III subaccount of the Acquisition Account, the Trustee shall close the Series 2016-III subaccount of the Acquisition Account.

Section 5.3 Series 2016-III Subaccount of the Cost of Issuance Account. Moneys in the Series 2016-III Subaccount of the Cost of Issuance Account shall be applied as provided in Section 4.3 of the Master Indenture. Moneys in such subaccount transferred from the Construction Loan Reserve and Costs Subaccount pursuant to Section 5.2(d) hereof shall be spent before moneys deposited in such subaccount pursuant to Section 4.2 hereof are spent. Notwithstanding Section 4.3 of the Master Indenture, any amount remaining upon payment of all Costs of Issuance of the Series 2016-III Bonds shall be transferred by the Trustee to the Borrower upon receipt by the Trustee of an Authority Certificate delivered at the direction of the Borrower stating that such moneys are no longer needed for the payment of Costs of Issuance of the Series 2016-III Bonds, whereupon the Series 2016-III Subaccount of the Cost of Issuance Account shall be closed.

Section 5.4 Limitation on Payment of Fiduciary and Administrative Expenses.

(a) Fiduciary Expenses which may be paid from the Series 2016-III subaccount of the Revenue Fund pursuant to Section 4.5(c)(i)(H) of the Master Indenture may not exceed the maximum amount consistent with the most recent Cash Flow Statement.

(b) Administrative Expenses and Fiduciary Expenses which may be paid from the Series 2016-III subaccount of the Revenue Fund pursuant to Section 4.5(c)(i)(J) of the Master Indenture may not exceed the maximum amount consistent with the most recent Cash Flow Statement.

Section 5.5 Debt Service Reserve Fund and Revenue Fund. Notwithstanding Section 4.7(b) of the Master Indenture, if on any date of calculation, the amount in the Series 2016-III subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investment Securities) is in excess of the Debt Service Reserve Fund Requirement, the Trustee shall, unless otherwise instructed by an Authority Request, transfer such excess amount to the Authority, free and clear of the lien and pledge of the Indenture. Upon the final payment or defeasance of the Series 2016-III Bonds, any remaining balances in the Series 2016-III subaccounts of the Debt Service Reserve Fund and the Revenue Fund shall be transferred to the Authority, free and clear of the lien and pledge of the Indenture.

(End of Article V)

ARTICLE VI
ADDITIONAL COVENANTS

Section 6.1 Loan Payments.

(a) The Trustee shall promptly deposit in the Series 2016-III subaccount of the Revenue Fund all Prepayments and Loan Repayments allocable to the 2016-III Loan received on and after the Closing Date.

(b) On the Business Day prior to each Interest Payment Date, the Trustee shall transfer, pursuant to Section 4.5(c)(i)(D) of the Master Indenture, (i) amounts received as interest on the 2016-III Loan on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2016-III subaccount of the Revenue Fund to the Series 2016-III subaccount of the Debt Service Fund to be applied to the payment of interest on the Series 2016-III Bonds (except to the extent that amounts are transferred from the Construction Loan Reserve and Costs Subaccount to the Series 2016-III subaccount of the Debt Service Fund pursuant to clause (i) of Section 5.2(d) hereof or otherwise paid out of the Revenue Fund pursuant to the Master Indenture), and (ii) amounts received as principal of such Prepayments and Loan Repayments on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2016-III subaccount of the Revenue Fund to the Series 2016-III subaccount of the Special Redemption Fund to be applied to the payment of principal of the Series 2016-III Bonds upon the redemption thereof pursuant to Section 3.2 hereof or Section 3.3 hereof, as applicable, and to pay the principal of the Series 2016-III Bonds upon the maturity thereof.

(c) After the transfers required by subsection (b) of this Section 6.1, on the Business Day prior to each Interest Payment Date, the Trustee shall transfer remaining amounts received as interest on the 2016-III Loan on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2016-III subaccount of the Revenue Fund toward the making of payments required by Section 4.5(c)(i)(F), (H) and (J) of the Master Indenture, other than the Special Authority Fee, except to the extent that such payments are made from amounts in the Construction Loan Reserve and Costs Subaccount pursuant to Section 5.2(d) hereof.

(d) After the transfers required by subsections (b) and (c) of this Section 6.1, on the Business Day prior to each Interest Payment Date after October 1, 2017, the Trustee shall pay remaining amounts received as interest on the 2016-III Loan on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2016-III subaccount of the Revenue Fund to the Authority as the Special Authority Fee; provided, however, that (i) the amount remaining in the Series 2016-III subaccount of the Revenue Fund remaining after payment of the Special Authority Fee shall be not less than one-month's interest on the Series 2016-III Bonds Outstanding on the date of such payment, (ii) the amount of the Special Authority Fee shall be subject to reduction at the option of the Authority, and (iii) the

Special Authority Fee shall for all purposes of this Series Indenture be considered as an Administrative Expense related to the Series 2016-III Bonds payable in accordance with Section 4.5(c)(i)(J) of the Master Indenture.

Section 6.2 Defeasance. The Series 2016-III Bonds maturing on October 1, 2017 shall not be subject to defeasance pursuant to Section 10.2 of the Master Indenture or economic defeasance. The Series 2016-III Bonds maturing on October 1, 2052 shall be subject to defeasance pursuant to Section 10.2 of the Master Indenture or economic defeasance on and after October 1, 2027 to the earliest practicable redemption date (after giving effect to the notice requirements of Section 3.5 hereof).

Section 6.3 Servicing Fees. Servicing Fees with respect to the 2016-III Loan shall not exceed 1.00% per annum of the principal balance of such Loan being serviced, unless the most recently filed Related Cash Flow Statement takes into account higher servicing fees.

Section 6.4 Loan Information Reporting. The Authority shall provide to the MSRB the following information with respect to the 2016-III Loan on a monthly basis:

- (a) the current monthly payment number (x/432);
- (b) the loan status (on watch list, number of days or months late, bankruptcy);
- (c) the performing or non-performing status of the loan;
- (d) the monthly loan balance;
- (e) the monthly reserve balance;
- (f) the monthly principal and interest paid and remaining; and
- (g) the monthly occupancy data (with one month lag).

The Authority shall also file with the MSRB the annual financial statements for the 2016-III Housing Facility upon receipt of such statements from the Borrower.

Section 6.5 Trustee Reports. The Trustee shall, on or before the 20th day of each month, file with the Authority a statement setting forth with respect to the preceding calendar month:

- (a) the amount withdrawn or transferred and the amount deposited within or on account of each subaccount created by Section 5.1 of this Series Indenture, including the amount of interest income earned on amounts in each such subaccount and deposited therein;
- (b) the amount on deposit at the end of such month to the credit of each such subaccount;

(c) a brief description of all obligations held as an investment of moneys in each such subaccount;

(d) the amount applied to the redemption of the Series 2016-III Bonds and a description of the Series 2016-III Bonds or portions thereof so redeemed; and

(e) any other information which the Authority may reasonably request.

No monthly statement for any such subaccount need to rendered if no activity occurred in that subaccount during such month.

Section 6.6 Amendment of 2016-III Loan. Notwithstanding the provisions of Section 5.10 of the Master Indenture, (a) the Authority shall not consent or agree to or permit any amendment or modification of the financial terms of the 2016-III Loan if as a result of such amendment or modification, together with any previous amendment or modification of the financial terms of the 2016-III Loan, the reduction of scheduled interest payments on the 2016-III Loan in each month is greater than the Special Authority Fee and (b) the Authority shall not consent or agree to or permit any modification of the final maturity date of the 2016-III Loan.

Section 6.7 No Sale or Assignment of 2016-III Loan. Notwithstanding the provisions of the Master Indenture to the contrary, the Authority shall not sell, assign, endorse or otherwise dispose of the 2016-III Loan, except as provided pursuant to Government insurance.

Section 6.8 Government Insurance.

(a) To the extent permitted by law, including applicable HUD regulations, while the Series 2016-III Bonds are Outstanding, the Authority agrees to name the Trustee as payee with respect to any claims for Government insurance proceeds relating to the 2016-III Loan or to otherwise provide that such proceeds are delivered to the Trustee for deposit under the Indenture.

(b) Notwithstanding the provisions of Section 5.8 of the Master Indenture, in the event of a default on the 2016-III Loan, the Authority shall file a claim under Government insurance pursuant to the terms of such Government insurance, the proceeds of which shall be used to redeem the Series 2016-III Bonds pursuant to Section 3.2 hereof.

(End of Article VI)

ARTICLE VII
MISCELLANEOUS

Section 7.1 Deed of Trust. The Authority is a beneficiary of the Construction Deed of Trust to Public Trustee, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of the Closing Date (the “Deed of Trust”), made by the Borrower to the Public Trustee of Arapahoe County, Colorado. The Trustee is identified in the Deed of Trust as an additional beneficiary to the Deed of Trust, and shall be afforded its rights and protections in the Master Indenture under the Deed of Trust. The Trustee shall not be required to take any foreclosure action pursuant to the Deed of Trust if the approval of a government regulator shall be a condition precedent to taking such action, and such approval cannot be obtained. Notwithstanding anything to the contrary in the Master Indenture, in the Deed of Trust or herein, the Trustee shall not be required to enter, take possession of or take any other action whatsoever with respect to the failure to initiate foreclosure proceedings with respect to the Mortgaged Property (as defined in the Deed of Trust) unless the Trustee is satisfied that the Trustee will not be subject to any liability under any Environmental Laws (as defined in the Loan Agreement). Any modifications or amendments to the Deed of Trust shall be made in the same manner that Supplemental Indentures are entered into, in accordance with Article VIII of the Master Indenture.

Section 7.2 Severability and Invalid Provisions. If any one or more of the covenants or agreements provided in this Series Indenture on the part of the Authority to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Series Indenture.

Section 7.3 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Series Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Series Indenture.

Section 7.4 Counterparts; Electronic Transactions. This Series Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 7.5 Effective Date; Execution and Delivery. This Series Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

(End of Article VII)

[Signature page follows]

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

COLORADO HOUSING AND FINANCE
AUTHORITY

By: Patricia Hippe
Chief Financial Officer

Attest:

By: Alan K. Kurt
Assistant Secretary

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

By: _____
Watson T. Barger, Vice President

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

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____
Chief Financial Officer

Attest:

By: _____
Assistant Secretary

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

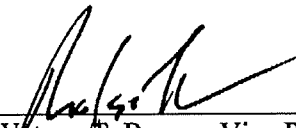
By:  _____
Watson T. Barger, Vice President

EXHIBIT A

(FORM OF SERIES 2016-III BOND)

No. RIII-_____

\$ _____

COLORADO HOUSING AND FINANCE AUTHORITY
FEDERALLY INSURED MULTI-FAMILY HOUSING LOAN PROGRAM
PASS-THROUGH REVENUE BONDS
(WILLOW STREET RESIDENCES PROJECT) SERIES 2016-III

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>
August 31, 2016	October 1, 20__	19647P __	__%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colorado Housing and Finance Authority (the “Authority”), a body corporate and political subdivision of the State of Colorado (the “State”), created and existing by virtue of the laws of the State, particularly the Colorado Housing and Finance Authority Act, constituting Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the “Act”), for value received hereby promises to pay (but only from the funds, accounts and other security provided therefor) to the Registered Owner specified above, or to such Registered Owner’s registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is redeemed prior thereto as provided in the Indenture (as defined below), upon its presentation and surrender as provided under the Master Indenture of Trust dated as of June 1, 2013, as amended, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the 2016-III Series Indenture dated as of August 1, 2016, between the Authority and the Trustee (collectively, the “Indenture”), and to pay to the Registered Owner interest on such Principal Amount at the

Interest Rate per annum above. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (Willow Street Residences Project), Series 2016-III" (the "Bonds"), issued under and pursuant to the Act, the Indenture and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11, Colorado Revised Statutes. It is the intention of the Authority that this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value and that all of the Bonds issued are incontestable for any cause whatsoever after their delivery for value. This Bond is secured solely by the pledge and lien of the Trust Estate 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 A SPECIAL LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM, AND SECURED ONLY BY, THE REVENUES AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

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

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of \$1.00 or any integral multiple thereof ("Authorized Denominations"). The owner of any Bonds may surrender the same at the above mentioned office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of the same maturity of any of the Authorized Denominations, in the manner, subject to the conditions and upon the payment of the

charges provided in the Indenture. Pursuant to Section 29-4-722 of the Act, Bonds issued under the Act shall be negotiable instruments under the laws of the State, subject only to applicable provisions for registration.

This Bond bears interest on the Principal Amount specified above, payable to the Registered Owner hereof on each Interest Payment Date (the first such date being November 1, 2016) 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 San Francisco, California.

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

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

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

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

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

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

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____
Chair

(SEAL)

Attest:

Executive Director

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds 2016-III described in the within-mentioned Indenture of the Colorado Housing and Finance Authority.

Date of Authentication: _____

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

By: _____
Authorized Officer

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.