
2018AA SERIES INDENTURE

between

COLORADO HOUSING AND FINANCE AUTHORITY

and

ZB, NATIONAL ASSOCIATION dba ZIONS BANK, AS TRUSTEE

DATED AS OF FEBRUARY 1, 2018

securing

Colorado Housing and Finance Authority
Homeownership Class I Bonds
(GNMA Securities Monthly Pass-Through Program)
Series 2018AA

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

WITNESSETH:

WHEREAS, the Authority has entered into a Master Indenture of Trust dated as of December 1, 2009 (as amended, the “Master Indenture”) with the Trustee for the purposes set forth therein; and

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

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

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

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

NOW THEREFORE, THIS SERIES INDENTURE WITNESSETH:

ARTICLE I
AUTHORITY AND DEFINITIONS

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

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:

“2018AA Ginnie Mae Certificates” means the fully modified mortgage-backed pass-through securities guaranteed as to timely payment by the Government National Mortgage Association financed with moneys in the Series 2018AA subaccount of the Acquisition Account, as specified in an Authority Request.

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

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

“Debt Service Reserve Fund Requirement” means, with respect to the Series 2018AA Bonds, an amount equal to zero.

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

“Indenture” means the Master Indenture as supplemented by this Series Indenture.

“Interest Payment Date” means the first day of each month, commencing April 1, 2018.

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

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

“Refunded Bonds” means the \$75,295,000 of the Authority’s Homeownership Class I Adjustable Rate Bonds, 2017 Series BB which will be redeemed with the proceeds from the sale of the Series 2018AA Bonds.

“Series 2018AA Bonds” means the Colorado Housing and Finance Authority Homeownership Class I Bonds (GNMA Securities Monthly Pass-Through Program), Series 2018AA, authorized by, and at any time Outstanding pursuant to, the Indenture.

(End of Article I)

ARTICLE II
AUTHORIZATION AND ISSUANCE OF SERIES 2018AA BONDS

Section 2.1 Authorization of Series 2018AA Bonds; Principal Amount, Maturity, Designation and Series. (a) A Series of Bonds to be issued under this Series Indenture is hereby created. Such Series 2018AA Bonds shall be issued as Class I Bonds, and shall be of a single subseries, designated as the “Colorado Housing and Finance Authority Homeownership Class I Bonds (GNMA Securities Monthly Pass-Through Program), Series 2018AA.”

(b) The initial Aggregate Principal Amount of the Series 2018AA Bonds is \$73,115,747. The Series 2018AA Bonds shall be issued only in fully registered form, without coupons, in Authorized Denominations.

(c) The Series 2018AA Bonds shall mature, subject to the right of prior redemption as set forth in Article III of this Series Indenture, on March 1, 2048, and shall bear interest payable on each Interest Payment Date, at the rate of 3.70% per annum.

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

(a) Each Series 2018AA 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 Series 2018AA Bonds, in which event such Bond shall bear interest from its dated date. Payment of principal of and interest on any Series 2018AA Bond on any Bond Payment Date 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 immediately preceding such Bond Payment Date.

(b) The principal of and interest on the Series 2018AA Bonds shall be payable in lawful money of the United States of America. The interest on and principal and Redemption Price of the Series 2018AA Bonds shall be paid by the Paying Agent on the Interest Payment Dates by wire transfer of immediately available funds to an account specified by the Owner of record thereof on the applicable Record Date in a writing delivered to the Paying Agent.

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

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

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

Section 2.4 Execution of Series 2018AA 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 2018AA Bonds, and the Secretary/Treasurer, Executive Director or other officer named in this Section 2.4 (other than the officer executing the Series 2018AA 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 2018AA Bonds are authorized to provide proceeds to refund the Refunded Bonds and thus provide funds to finance the purchase (or reimburse the Authority for the purchase) of Second Mortgage Loans and 2018AA Ginnie Mae Certificates backed by Mortgage Loans for Eligible Borrowers purchasing Residential Housing.

(End of Article II)

ARTICLE III
REDEMPTION OF THE SERIES 2018AA BONDS

Section 3.1 Mandatory Special Redemption. Commencing April 1, 2018, the Series 2018AA Bonds are subject to mandatory special redemption, in whole or in part, on the first day of each month, without premium, in the principal amount equal to all repayments and prepayments of mortgage principal received by the Trustee from the Mortgage Loans backing 2018AA Ginnie Mae Certificates and the Second Mortgage Loans financed by the proceeds of the Bonds in the immediately preceding calendar month. If the Series 2018AA Bonds are to be redeemed in part upon any such mandatory redemption, each of the Series 2018AA Bonds then outstanding shall be redeemed in part, pro rata, in proportion to the outstanding principal amount of such Series 2018AA Bonds to the aggregate outstanding principal amounts of all outstanding Series 2018AA Bonds, notwithstanding any provisions of the Master Indenture requiring selection of Bonds by lot. To effect this pro rata redemption while the Series 2018AA Bonds are held in the DTC book-entry-only system, such mandatory redemption is to be made as a “Pro-Rata Pass-Through Distribution of Principal” by DTC. Notwithstanding the provisions of Section 3.2 of the Master Indenture to the contrary no notice of redemption will be given to any Owners of the Series 2018AA Bonds of the date or amount of the mandatory redemption of any Series 2018AA Bonds pursuant to this Section 3.1.

Section 3.2 Optional Redemption. The Series 2018AA Bonds are subject to redemption prior to their maturity at the option of the Authority, in whole or in part, in Authorized Denominations, on any date on or after May 1, 2027, from any moneys available to the Authority for that purpose, at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued thereon to date of redemption, without premium. The Series 2018AA Bonds redeemed pursuant to this Section 3.2 shall be redeemed upon notice as provided in Section 3.2 of the Master Indenture and to the MSRB, provided that notices of redemption shall be given not more than 60 days nor less than 25 days prior to the redemption date.

Section 3.3 Purchase in Lieu of Redemption. The Authority shall not exercise its authority pursuant to Section 3.6 of the Master Indenture to purchase Series 2018AA Bonds in lieu of mandatory redemption pursuant to Section 3.1 hereof. The Authority shall not exercise its authority pursuant to Section 3.6 of the Master Indenture to purchase Series 2018AA Bonds in lieu of optional redemption pursuant to Section 3.2 hereof from moneys held in the Trust Estate unless such Series 2018AA Bonds are immediately canceled.

(End of Article III)

ARTICLE IV
APPLICATION OF BOND PROCEEDS AND OTHER ASSETS

Section 4.1 Proceeds of the Series 2018AA Bonds. On the Closing Date, the proceeds of the sale and delivery of the Series 2018AA Bonds shall be deposited into the Series 2018AA Refunding Account and, together with other available funds deposited into the Series 2018AA Refunding Account, shall be immediately transferred to the 2017 Series BB subaccount of the Class I Special Redemption Account.

Section 4.2 Application of Other Moneys. Other amounts to be deposited into the funds and account established under the Indenture and the amount available to pay Costs of Issuance with respect to the Series 2018AA Bonds shall be set forth in an Authority Certificate and delivered to the Trustee on or before the Closing Date.

Section 4.3 No Authority Contribution. The Authority shall make no contribution of funds to the Trustee in connection with the delivery of the Series 2018AA Bonds.

(End of Article IV)

ARTICLE V
ESTABLISHMENT OF CERTAIN SUBACCOUNTS

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

- (a) the Series 2018AA subaccount of the Acquisition Account;
- (b) the Series 2018AA subaccount of the Costs of Issuance Account;
- (c) the Series 2018AA subaccount of the Revenue Fund;
- (d) the Series 2018AA subaccount of the Class I Debt Service Fund;
- (e) the Series 2018AA subaccount of the Class I Special Redemption Account; and
- (f) the Series 2018AA Refunding Account, created as a special temporary account in the Program Fund pursuant to Section 5.1(f) of the Master Indenture.

Section 5.2 Creation of Surplus Account.

(a) The Master Indenture was previously amended by establishing within the Revenue Fund a special trust fund known as the Surplus Account. The Surplus Account is not related to the Series 2018AA Bonds or any other Series of Bonds.

(b) Notwithstanding anything in Section 5.6(d)(iii) of the Master Indenture, following the transfers made from the Series 2018AA subaccount of the Revenue Fund pursuant to Section 5.6(d)(i) of the Master Indenture on each Interest Payment Date, the balance, if any, in such subaccount in excess of \$25,000 shall be transferred to the Surplus Account, unless and to the extent otherwise provided in an Authority Request.

(c) Notwithstanding anything in Section 5.6(d)(iii) of the Master Indenture, following the transfers made from any other subaccount of the Revenue Fund pursuant to Section 5.6(d)(i) of the Master Indenture, the balance, if any, in such subaccount shall be transferred in whole or in part to the Surplus Account only upon an Authority Request.

(d) Moneys in the Surplus Account shall be paid to the Authority for any purpose free and clear of the lien and pledge of the Indenture, or shall be otherwise transferred and allocated, as may be provided in an Authority Request.

Section 5.3 Acquisition Account.

(a) There shall be paid into the Series 2018AA subaccount of the Acquisition Account an amount, and from the Account or subaccount, specified by an Authority Request.

