
2017-II SERIES INDENTURE

between

COLORADO HOUSING AND FINANCE AUTHORITY

and

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

DATED AS OF JUNE 1, 2017

securing

Federally Insured Multi-Family Housing Loan Program
Pass-Through Revenue Bonds
(Peakview Trails Apartments Project), Series 2017-II

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I AUTHORITY AND DEFINITIONS	2
Section 1.1 Authority.....	2
Section 1.2 Definitions.	2
ARTICLE II AUTHORIZATION AND ISSUANCE OF SERIES 2017-II BONDS.....	4
Section 2.1 Authorization of Series 2017-II Bonds; Principal Amounts, Maturities, Designation and Series.	4
Section 2.2 Denominations, Medium, Method and Place of Payment, Dating and Numbering.	4
Section 2.3 Forms of Bonds and Certificates of Authentication.	5
Section 2.4 Execution of Series 2017-II Bonds.....	5
Section 2.5 Purpose.	5
Section 2.6 Supplemental Public Securities Act Provisions.....	5
ARTICLE III REDEMPTION OF THE SERIES 2017-II BONDS.....	7
Section 3.1 Redemption from Unexpended Proceeds.	7
Section 3.2 Mandatory Redemption of Series 2017-II Bonds.....	7
Section 3.3 Optional Redemption.....	7
Section 3.4 Selection of Bonds for Redemption.....	8
Section 3.5 Notice of Redemption.....	8
Section 3.6 Purchase in Lieu of Redemption.	8
ARTICLE IV APPLICATION OF BOND PROCEEDS AND OTHER ASSETS.....	9
Section 4.1 Proceeds of the Series 2017-II Bonds.....	9
Section 4.2 Application of Other Moneys.	9
Section 4.3 No Additional Authority Contribution.	9
ARTICLE V ESTABLISHMENT OF CERTAIN SUBACCOUNTS; APPLICATION OF THE SERIES 2017-II SUBACCOUNT OF THE ACQUISITION ACCOUNT; LIMITATIONS ON EXPENSES.....	10
Section 5.1 Establishment of Subaccounts.	10
Section 5.2 Series 2017-II Subaccount of the Acquisition Account.	10
Section 5.3 Series 2017-II Subaccount of the Cost of Issuance Account.....	11
Section 5.4 Limitation on Payment of Fiduciary and Administrative Expenses.....	12
Section 5.5 Debt Service Reserve Fund and Revenue Fund.	12
ARTICLE VI ADDITIONAL COVENANTS	13
Section 6.1 Loan Payments.	13
Section 6.2 Defeasance.....	14
Section 6.3 Servicing Fees.....	14
Section 6.4 Loan Information Reporting.....	14
Section 6.5 Trustee Reports.....	14

Section 6.6	Amendment of 2017-II Loan.....	15
Section 6.7	No Sale or Assignment of 2017-II Loan.	15
Section 6.8	Government Insurance.....	15
ARTICLE VII MISCELLANEOUS		16
Section 7.1	Deed of Trust.	16
Section 7.2	Severability and Invalid Provisions.	16
Section 7.3	Table of Contents and Section Headings Not Controlling.	16
Section 7.4	Counterparts; Electronic Transactions.....	16
Section 7.5	Effective Date; Execution and Delivery.	17
EXHIBIT A FORM OF SERIES 2017-II BONDS.....		A-1

This 2017-II Series Indenture, dated as of June 1, 2017 (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 (Peakview Trails Apartments Project), Series 2017-II (the "Series 2017-II 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 2017-II 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 2017-II 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:

“2017-II Housing Facility” means the 96-unit Housing Facility to be located at 1512 60th Avenue, in Greeley, Colorado.

“2017-II Loan” means the Loan made to the Borrower from the proceeds of the Series 2017-II Bonds to finance a portion of the costs of the construction and equipping of the 2017-II Housing Facility.

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

“Borrower” means Peakview Trails, LLLP, a Colorado limited liability limited partnership.

“Closing Date” means the date of initial issuance and delivery of the Series 2017-II Bonds.

“Debt Service Reserve Fund Requirement” with respect to the Series 2017-II 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 2017-II Bonds maturing on August 1, 2057, based on the receipt of scheduled Loan Repayments on the 2017-II 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 2017-II 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 2017-II Bonds to fail to retain, the then existing rating assigned to the Series 2017-II 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 August 1, 2017.

“Loan Agreement” means the Risk Share Program Loan Agreement dated June 15, 2017 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 2017-II 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 2017-II Housing Facility, to the extent that such amounts are required to be used to prepay the 2017-II 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 2017-II Bonds” means the Colorado Housing and Finance Authority Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (Peakview Trails Apartments Project), Series 2017-II 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 2017-II BONDS

Section 2.1 Authorization of Series 2017-II 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 (Peakview Trails Apartments Project), Series 2017-II.” The Aggregate Principal Amount of the Series 2017-II Bonds which may be issued and Outstanding under the Indenture shall not exceed \$14,100,000. The Series 2017-II Bonds shall be issued only in fully registered form, without coupons. In addition to the conditions precedent to the delivery of the Series 2017-II Bonds set forth in Section 2.2 of the Master Indenture, the Series 2017-II 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 2017-II Loan in accordance with the Loan Agreement on the Closing Date.

(b) The Series 2017-II 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>
August 1, 2019	\$ 7,550,000	1.15%
August 1, 2057	6,550,000	3.76%

(c) The Series 2017-II 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 2017-II 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 2017-II Bonds, in which event such Bond shall bear interest from the Closing Date.

(b) The Series 2017-II Bonds shall be issued only in the form of fully registered Bonds in Authorized Denominations.

(c) The principal of and interest on the Series 2017-II Bonds shall be payable in lawful money of the United States of America. The interest on each Series 2017-II 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 2017-II 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 2017-II Bonds shall be dated the Closing Date and shall bear interest until the entire Aggregate Principal Amount of the Series 2017-II Bonds has been paid. Interest on the Series 2017-II 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 2017-II Bonds shall be numbered separately from 1 upward preceded by the legend RII- prefixed to the number.

Section 2.3 Forms of Bonds and Certificates of Authentication. The form of the Series 2017-II 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 2017-II 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 2017-II 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 2017-II Bonds, and the Secretary/Treasurer, Executive Director or other officer named in this Section 2.4 (other than the officer executing the Series 2017-II 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 2017-II Bonds are authorized to provide moneys for the making of the 2017-II 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 2017-II Bonds. Pursuant to said Section 11-57-210, each Series 2017-II 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 2017-II 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 2017-II 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 2017-II BONDS

Section 3.1 Redemption from Unexpended Proceeds. In accordance with and for purposes of Sections 5.2(e) hereof, the Series 2017-II Bonds maturing on August 1, 2057 are subject to special redemption prior to maturity, in whole or in part on September 1, 2019, at a Redemption Price equal to 100% of the Aggregate Principal Amount of the Series 2017-II Bonds maturing on August 1, 2057 or portions thereof to be so redeemed, together with accrued interest to the date of redemption, from amounts transferred to the Series 2017-II subaccount of the Special Redemption Fund from the Series 2017-II subaccount of the Acquisition Account pursuant to Section 5.2(d) hereof.

Section 3.2 Mandatory Redemption of Series 2017-II Bonds. Except as provided in the following sentence, the Series 2017-II 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 2017-II 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 2017-II subaccount of the Revenue Fund to the Series 2017-II subaccount of the Special Redemption Fund pursuant to Section 6.1(b) hereof. Amounts representing principal of Loan Repayments related to the 2017-II Loan received on or before the 20th day of any calendar month from HUD pursuant to an insurance claim with respect to the 2017-II Loan shall not be used to redeem Series 2017-II Bonds on the following Interest Payment Date pursuant to this Section 3.2 to the extent that Series 2017-II Bonds have been previously redeemed from amounts received pursuant to any Loan Payment Enhancement Facility with respect to such Loan Repayments. While any Series 2017-II Bonds maturing on August 1, 2019 remain Outstanding, if less than all of the Series 2017-II Bonds are to be redeemed in accordance with this Section 3.2, the Series 2017-II 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.

Section 3.3 Optional Redemption.

(a) The Series 2017-II Bonds maturing on August 1, 2019 are not subject to redemption at the option of the Authority prior to maturity.

(b) The Series 2017-II Bonds maturing on August 1, 2057 are subject to redemption at the option of the Authority, from any source other than Prepayments and Loan Repayments related to the 2017-II Loan, in whole or in part at any time on or after June 1, 2029, 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 2017-II Bonds of the same maturity are to be redeemed on any date pursuant to this Article III, each of the Series 2017-II 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 2017-II Bond to the Outstanding Aggregate Principal Amount of all Outstanding Series 2017-II Bonds of such maturity, notwithstanding any provisions of the Master Indenture to the contrary. To effect this pro rata redemption occurs while the Series 2017-II 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 2017-II 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 2017-II Bonds. The proceeds of the sale and delivery of the Series 2017-II Bonds shall be applied as follows on the Closing Date:

(a) to the Construction Loan Reserve and Costs Subaccount of the Series 2017-II subaccount of the Acquisition Account, \$819,410.08;

(b) to the Series 2017-II subaccount of the Cost of Issuance Account, \$275,749.33;
and

(c) to the Series 2017-II subaccount of the Acquisition Account, the remainder of the proceeds of the sale and delivery of the Series 2017-II Bonds (\$13,004,840.59).

Section 4.2 Application of Other Moneys. On the Closing Date, there shall also be deposited from moneys received from the Authority, (i) \$181,968.21 into the Series 2017-II subaccount of the Debt Service Reserve Fund and (ii) \$23,116.04 into the Series 2017-II 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 2017-II Bonds.

(End of Article IV)

ARTICLE V

ESTABLISHMENT OF CERTAIN SUBACCOUNTS; APPLICATION OF THE SERIES 2017-II 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 2017-II subaccount of the Acquisition Account, which shall include the Construction Loan Reserve and Costs Subaccount;
- (b) the Series 2017-II subaccount of the Cost of Issuance Account;
- (c) the Series 2017-II subaccount of the Revenue Fund;
- (d) the Series 2017-II subaccount of the Debt Service Reserve Fund;
- (e) the Series 2017-II subaccount of the Debt Service Fund; and
- (f) the Series 2017-II subaccount of the Special Redemption Fund.

Section 5.2 Series 2017-II Subaccount of the Acquisition Account.

(a) There shall be paid into the Series 2017-II subaccount of the Acquisition Account the amounts specified in Section 4.1 hereof. There may also be paid into the Series 2017-II 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 2017-II Bonds and any other moneys deposited in the Series 2017-II subaccount of the Acquisition Account shall be used to make the 2017-II Loan to finance the construction and equipping of the 2017-II 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 2017-II Loan.

(d) The 2017-II Loan shall be considered to be fully disbursed upon deposit of the proceeds of the Series 2017-II Bonds pursuant to Section 4.1 hereof. Amounts on deposit in the Series 2017-II 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 2017-II 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 2017-II subaccount of the Acquisition Account shall be used only upon Authority Request to pay the following costs for the period from the Closing Date through and including (except as provided in the following sentence) July 1, 2019: (i) to the extent provided in Section 4.6 of the Loan Agreement with respect to payment of interest on the 2017-II Loan, interest on the Series 2017-II Bonds, by transfer to the Series 2017-II subaccount of the Debt Service Fund on each Interest Payment Date, (ii) Servicing Fees with respect to the 2017-II Loan, (iii) an Authority fee equal to 0.35% of the aggregate principal amount of the Series 2017-II Bonds, and (iv) the mortgage insurance premium, equal to 0.125% of the principal amount of the Note, with respect to such insurance by HUD. If Series 2017-II Bonds maturing on August 1, 2019 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 2017-II Bonds maturing on August 1, 2019 being redeemed for the period from the redemption date through and including July 1, 2019 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 2017-II subaccount of the Special Redemption Fund to be applied to the payment of the principal portion of the redemption price of the Series 2017-II Bonds maturing on August 1, 2019 being redeemed on such redemption date.

(e) Any moneys credited to the Series 2017-II subaccount of the Acquisition Account that are not used to pay the costs of the 2017-II Housing Facility in accordance with subsection (b) of this Section 5.2, shall be transferred by the Trustee on August 1, 2019 to the Series 2017-II subaccount of the Special Redemption Fund to redeem Series 2017-II Bonds maturing on August 1, 2057 pursuant to Section 3.1 hereof.

(f) Upon final disbursement of all amounts on deposit in the Series 2017-II subaccount of the Acquisition Account, the Trustee shall close the Series 2017-II subaccount of the Acquisition Account.

Section 5.3 Series 2017-II Subaccount of the Cost of Issuance Account. Moneys in the Series 2017-II Subaccount of the Cost of Issuance Account shall be applied as provided in Section 4.3 of the Master Indenture. Moneys deposited in such subaccount pursuant to Section 4.1 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 2017-II 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 2017-II Bonds, whereupon the Series 2017-II 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 2017-II 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 2017-II 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 2017-II 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 2017-II Bonds, any remaining balances in the Series 2017-II 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 2017-II subaccount of the Revenue Fund all Prepayments and Loan Repayments allocable to the 2017-II 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 2017-II Loan on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2017-II subaccount of the Revenue Fund to the Series 2017-II subaccount of the Debt Service Fund to be applied to the payment of interest on the Series 2017-II Bonds (except to the extent that amounts are transferred from the Construction Loan Reserve and Costs Subaccount to the Series 2017-II 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 2017-II subaccount of the Revenue Fund to the Series 2017-II subaccount of the Special Redemption Fund to be applied to the payment of principal of the Series 2017-II 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 2017-II 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 2017-II Loan on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2017-II 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 July 1, 2019, the Trustee shall pay remaining amounts received as interest on the 2017-II Loan on or before the 20th day of the calendar month immediately preceding such Interest Payment Date in the Series 2017-II subaccount of the Revenue Fund to the Authority as the Special Authority Fee; provided, however, that (i) the amount remaining in the Series 2017-II 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 2017-II 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 2017-II Bonds payable in accordance with Section 4.5(c)(i)(J) of the Master Indenture.

Section 6.2 Defeasance. The Series 2017-II Bonds maturing on August 1, 2019 shall not be subject to defeasance pursuant to Section 10.2 of the Master Indenture or economic defeasance. The Series 2017-II Bonds maturing on August 1, 2057 shall be subject to defeasance pursuant to Section 10.2 of the Master Indenture or economic defeasance on and after June 1, 2029 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 2017-II 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 2017-II Loan on a monthly basis:

- (a) the current monthly payment number (x/480);
- (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 2017-II 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 2017-II Bonds and a description of the Series 2017-II 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 be rendered if no activity occurred in that subaccount during such month.

Section 6.6 Amendment of 2017-II 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 2017-II Loan if as a result of such amendment or modification, together with any previous amendment or modification of the financial terms of the 2017-II Loan, the reduction of scheduled interest payments on the 2017-II 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 2017-II Loan.

Section 6.7 No Sale or Assignment of 2017-II Loan. Notwithstanding the provisions of the Master Indenture to the contrary, the Authority shall not sell, assign, endorse or otherwise dispose of the 2017-II 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 2017-II Bonds are Outstanding, the Authority agrees to name the Trustee as payee with respect to any claims for Government insurance proceeds relating to the 2017-II 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 2017-II 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 2017-II Bonds pursuant to Section 3.2 hereof.

(End of Article VI)