

FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of December 1, 2001, is between the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "Authority"), and WELLS FARGO BANK WEST, NATIONAL ASSOCIATION, 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 (the "Trustee").

WITNESSETH:

WHEREAS, the Authority and Norwest Bank Colorado, National Association, as predecessor to the Trustee, entered into a Master Indenture of Trust dated as of March 1, 2000 (the "Master Indenture"), and desire to amend and supplement the Master Indenture.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained and contained in the Master Indenture, the Authority and the Trustee agree as follows:

Section 1. Section 4.4 of the Master Indenture is hereby amended to read as follows:

Section 4.4. Program Fund: Negative Arbitrage Account.

(a) At such time or times as may be provided in the Related Series Indenture, the Trustee shall deposit in the Related subaccount or subaccounts of the Negative Arbitrage Account such moneys, if any, as shall be specified or otherwise provided for in the Related Series Indenture. The Authority may create a separate subaccount of the Negative Arbitrage Account for any Housing Facility or Project financed or refinanced in whole or in part with the proceeds of a Series of Bonds or with moneys in the Loan Recycling Account. Moneys in each such subaccount shall be subject to the lien and pledge of the Indenture until the withdrawal and application thereof in accordance with this Section 4.4 and the Related Series Indenture. The amount to be credited to each subaccount of the Negative Arbitrage Account shall be specified by the Authority in the Related Series Indenture or in an Authority Certificate. Any moneys collected by the Authority from a Borrower to reimburse the Authority for any Authority moneys deposited to the Related subaccount of the Negative Arbitrage Account shall be and remain the property of the Authority, and shall not be subject to the lien and pledge of the Indenture.

(b) Except as otherwise provided in the Related Series Indenture, moneys in each subaccount of the Negative Arbitrage Account shall be transferred to the Revenue Fund on any Bond Payment Date and/or upon completion of the Related Housing Facility or Project and/or the date that

amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture, in an amount specified in an Authority Request.

(c) The amount in any subaccount of the Negative Arbitrage Account with respect to a defaulted Loan shall be transferred to the Related subaccount of the Redemption Fund at the time that the Authority receives or recovers any Prepayment of such Loan, upon Authority Request.

(d) If a Loan is not closed on account of any failure to meet the conditions of the Authority's written commitment to provide the Loan or for any other reason (e.g., failure to meet the conditions of the firm commitment of a governmental insurer or guarantor to insure or guarantee such Loan), provided that the Authority has issued such written commitment with respect to such Loan and is ready and willing to close, and the Authority does not finance or refinance a substitute Housing Facility or Project, the amount in the Related subaccount of the Negative Arbitrage Account shall be transferred, upon Authority Request, to the Revenue Fund.

(e) Upon the completion of a Housing Facility or Project, the date that another Housing Facility or Project is substituted for such Housing Facility or Project or the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to such Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture, any amounts in the Related subaccount of the Negative Arbitrage Account that have not been transferred to the Revenue Fund pursuant to paragraph (b) of this Section 4.4 or to the Redemption Fund pursuant to paragraph (c) of this Section 4.4 shall be paid by the Authority to the related Borrower to the extent and under the circumstances provided in any agreement with such Borrower. Each subaccount of the Negative Arbitrage Account shall be terminated upon the earliest of the completion of the Related Housing Facility or Project, the date that another Housing Facility or Project is substituted for the Related Housing Facility or Project, the date that amounts in the Related subaccount of the Acquisition Account or the Loan Recycling Account, as the case may be, allocable to the Related Housing Facility or Project are transferred to the Redemption Fund or the Revenue Fund pursuant to Section 4.2(d) or Section 4.5(d), respectively, of this Master Indenture or the date on which there is no remaining balance in such subaccount of the Negative Arbitrage Account.

Section 2. The amendments to the Master Indenture made by this First Supplemental Indenture of Trust shall become effective as of the date hereof.

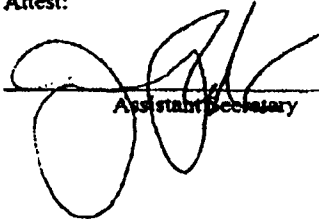
Section 3. Except as specifically amended hereby, all of the terms and conditions of the Master Indenture shall remain in full force and effect and unamended hereby. No reference to this First Supplemental Indenture of Trust need be made in any instrument or document at any time referring to the Master Indenture, a reference to the Master Indenture in any of such to be deemed to be reference to the Master Indenture as amended hereby. This First Supplemental Indenture of Trust may be executed in any number of counterparts and by separate parties hereto on separate counterparts, each of which when executed shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

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

COLORADO HOUSING AND FINANCE
AUTHORITY

By 
Executive Director

Attest:


Assistant Secretary

WELLS FARGO BANK WEST, NATIONAL
ASSOCIATION, as Trustee

By 
Title: Vice President