

COLORADO HOUSING AND FINANCE AUTHORITY

and

ZIONS FIRST NATIONAL BANK,

as Trustee

MASTER INDENTURE OF TRUST

Dated as of October 1, 2001

securing

SINGLE FAMILY MORTGAGE BONDS

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This MASTER INDENTURE OF TRUST, dated as of October 1, 2001, between the Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado, and Zions First National Bank, as Trustee, a national banking association, duly organized and existing under the laws of the United States of America, with a corporate trust office located in Denver, Colorado, and authorized under such laws to accept and execute trusts of the character herein set forth,

WITNESSETH:

WHEREAS, the Colorado Housing and Finance Authority Act, being part 7 of article 4 of title 29, Colorado Revised Statutes (the "Act"), authorizes the Authority to issue bonds and other obligations to finance "housing facilities" for "low- or moderate-income families" (all as defined in the Act) to the end that decent, safe and sanitary dwelling accommodations for such families may be provided; and

WHEREAS, in order to provide funds to be used to redeem prior to maturity certain outstanding bonds of the Authority, to finance mortgage loans under the Single Family Mortgage Program of the Authority, to pay costs of issuance of the Bonds to be issued hereunder, to establish necessary reserves, and to otherwise attain the goals of the Authority pursuant to the Act, it has been deemed appropriate and necessary that the Authority authorize the issuance of Bonds pursuant to this Master Indenture and one or more series indentures ("Series Indentures" and together with this Master Indenture, the "Indenture") and prescribe and establish regulations, conditions and other appropriate matters with respect to the issuance of such Bonds; and

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

NOW, THEREFORE, THIS MASTER INDENTURE OF TRUST WITNESSETH:

That the Authority in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds Outstanding hereunder from time to time, according to their tenor and effect, and to secure the observance and performance by the Authority of all the covenants expressed or implied herein, in the Bonds and in Auxiliary Agreements, does hereby pledge and assign unto the Trustee, acting on behalf of the Bondowners, and to all present and future Auxiliary Agreement Providers and unto their successors and assigns forever subject to the rights granted the Authority herein to direct the use and application of moneys, including the release of moneys free from the lien of the Indenture, under the terms and conditions set forth herein (all terms not previously defined shall have the meanings provided in Section 1.1 of this Master Indenture):

GRANTING CLAUSE FIRST

All right, title and interest of the Authority in and to the proceeds derived from the sale of the Bonds until used as set forth herein; and

GRANTING CLAUSE SECOND

All right, title and interest of the Authority in and to the Revenues and all moneys and securities in the Funds and Accounts from time to time held by the Trustee under the terms of the Indenture (except moneys and securities in the Rebate Fund, the Excess Earnings Fund and a Bond Purchase Fund) and investments, if any, thereof (other than the Rebate Requirement which is to be deposited in the Rebate Fund, and other than any Excess Earnings which are to be deposited in the Excess Earnings Fund); and

GRANTING CLAUSE THIRD

All right, title and interest of the Authority in and to the Mortgage Loans, the right to make a claim for, collect and receive Revenues payable to or receivable by the Authority, to bring actions and proceedings under Mortgage Loans or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under Mortgage Loans; and

GRANTING CLAUSE FOURTH

All proceeds of mortgage insurance and guaranty benefits related to Mortgage Loans received by the Authority under the Program; and

GRANTING CLAUSE FIFTH

All moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone in its behalf, or with its written consent and to hold and apply such property.

TO HAVE AND TO HOLD all of the same, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future (i) Owners of the Bonds from time to time issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds and (ii) Auxiliary Agreement Providers, except as provided herein or in a Series Indenture;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Revenue Fund as required under the Indenture or shall provide, as permitted by Article XII hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture and all Auxiliary Agreements to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Bond Registrar, the Paying Agent, all agents of any of them for the registration, authentication, transfer or exchange of Bonds and all Auxiliary Agreement Providers, all sums of money due or to become due to it or them in accordance with the terms and provisions hereof and of the Auxiliary Agreements, then the Indenture and the rights hereby granted shall cease, determine and be void; otherwise the Indenture to be and remain in full force and effect.

THIS MASTER INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the property hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed herein, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee, with all Auxiliary Agreement Providers and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS, CONSTRUCTION, BOND CONTRACT AND PLEDGE

Section 1.1 Definitions. As used in this Master Indenture and, except as otherwise specified in a Series Indenture, unless the context otherwise shall require, the following terms shall have the following respective meanings:

"Account" or "Accounts" means one or more of the special trust accounts created and established pursuant to this Master Indenture or a Series Indenture.

"Acquisition Account" means the Account so designated, which is created and established in the Program Fund by Section 5.1 of this Master Indenture.

"Accreted Value" means, with respect to each Compound Interest Bond as of any date of calculation, an amount equal to the sum of (i) the principal amount of such Bond, plus (ii) any interest that has been compounded, i.e., any interest amount that is itself then bearing interest, all determined as of such date.

"Act" means the Colorado Housing and Finance Authority Act, being Part 7, Article 4, Title 29 of Colorado Revised Statutes.

"Adjustable Rate Bonds" means Bonds the interest rate on which is not fixed to maturity. Adjustable Rate Bonds may be designated as Class I, Class II, Class III or Class IV Bonds as provided in the Related Series Indenture.

"Aggregate Debt Service" means, for any particular period, Bonds and Auxiliary Obligations, the Debt Service Payments becoming due and payable on all Payment Dates during such period with respect to such Bonds and such Auxiliary Obligations.

"Aggregate Principal Amount" means, as of any date of calculation, the principal amount or Accreted Value of the Bonds referred to.

"Amortized Value" means, when used with respect to an Investment Security purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such Investment Security was purchased by the number of days remaining to the first call date (if callable) or the maturity date (if not callable) of such Investment Securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (a) in the case of an Investment Security purchased at a premium, by deducting the product thus obtained from the purchase price and (b) in the case of an Investment Security purchased at a discount, by adding the product thus obtained to the purchase price.

"Authority" means the Colorado Housing and Finance Authority, the body corporate and political subdivision of the State created pursuant to the Act, or any successor thereto under or with respect to the Act.

"Authority Certificate" means as the case may be, a document signed by the Chair, Vice Chair or an Authorized Officer either (a) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (b) setting forth matters to be determined by such Authorized Officer pursuant to the Indenture.

"Authority Payment Account" means the Account so designated, which is created and established in the Debt Service Fund with respect to General Obligations by Section 5.1 of this Master Indenture.

"Authority Request" means a written request or direction of the Authority signed by an Authorized Officer.

"Authorized Officer" means the Chair, Chair pro tem or Executive Director of the Authority, and any other officer designated from time to time as an Authorized Officer by resolution of the Authority and, when used with reference to any act or document, also means any other person authorized by resolution of the Authority to perform such act or sign such document.

"Auxiliary Agreements" means Interest Rate Contracts and Liquidity Facilities.

"Auxiliary Agreement Providers" means Interest Rate Contract Providers and Liquidity Facility Providers.

"Auxiliary Obligations" means obligations of the Authority for the payment of money under Auxiliary Agreements.

"Bond" or "Bonds" means any of the bonds, notes or other financial obligations (however denominated) of the Authority authorized and issued under the Indenture, including any Refunding Bonds.

"Bond Counsel" means any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by the Authority.

"Bondowner" or "Owner" or "Owner of Bonds" or similar term, when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

"Bond Purchase Fund" means the Fund so designated, which is created and established by a Series Indenture.

"Bond Registrar" means the bank, trust company or national banking association, appointed as Bond Registrar under Section 9.1 of this Master Indenture, and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other person at any time substituted in its place as Bond Registrar pursuant to the Indenture.

"Bond Year" means, with respect to each Series, the twelve-month period designated as such by the Related Series Indenture, except that the first Bond Year for any Bonds may commence on the date of issuance thereof and end on the date specified by such Series Indenture.

"Borrower" means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition or rehabilitation of Residential Housing, who is a person or family of "low or moderate income" qualifying as such under the Act and the Rules and Regulations and in accordance with the Code.

"Business Day" means, except as set forth in a Series Indenture, any day (a) on which banks in the cities in which the respective principal offices of the Paying Agent, the Bond Registrar, the Trustee and Related Auxiliary Obligation Providers are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open. For purposes of this definition, the principal office of a Liquidity Facility Provider shall be the office to which demands for payment are delivered.

"Cash Flow Statement" means, with respect to any particular Bonds and Auxiliary Obligations, an Authority Certificate (a) setting forth, for the then current and each future Bond Year during which such Bonds and Auxiliary Obligations will be Outstanding, and taking into account (i) any such Bonds expected to be issued or redeemed or purchased for cancellation in each such Bond Year upon or in connection with the filing of such Certificate (for which purpose, if such Authority Certificate is delivered as of a date prior to a scheduled mandatory tender date for any Adjustable Rate Bonds, the Purchase Price of all such Adjustable Rate Bonds subject to scheduled mandatory tender on such tender date shall be assumed to be due and payable on such mandatory tender date), (ii) any such Auxiliary Obligations expected to be incurred upon or in connection with the filing of such Certificate, (iii) the interest rate (if applicable), purchase price, discount points and other terms of any Related Mortgage Loans, and (iv) the application, withdrawal or transfer of any moneys expected to be applied, withdrawn or transferred upon or in connection with the filing of such Certificate:

(A) the amount of Mortgage Repayments and Prepayments reasonably expected to be received by the Authority in each such Bond Year from Related Mortgage Loans, together with Related Investment Revenues, Related Interest Rate Contract Revenues and other moneys (including without limitation moneys in any special escrows established with the Trustee) that are reasonably expected to be available to make Related Debt Service Payments and to pay Related Program Expenses and to pay the Purchase Price of any such Adjustable Rate Bonds subject to mandatory tender on any such tender date; and

(B) the Aggregate Debt Service for each such Bond Year on all such Bonds and Auxiliary Obligations reasonably expected to be Outstanding, together with the Related Program Expenses reasonably estimated for each such Bond Year;

and (b) showing that in each such Bond Year the aggregate of the amounts set forth in clause (a)(A) of this definition exceeds the aggregate of the amounts set forth in clause (a)(B) of this definition. Reference to a Cash Flow Statement with respect to a Series shall be taken to mean a Cash Flow Statement with respect to such Series and any Related Auxiliary Obligations and any other Series and Related Auxiliary Obligations to which such Series has been linked for Cash Flow Statement purposes.

"Class I Asset Requirement." with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class I Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class I Auxiliary Obligations in the Related Series Indenture.

"Class I Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class I Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class I Obligations" means the Class I Bonds and the Class I Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class I Bonds and any Related Class I Auxiliary Obligations.

"Class I Sinking Fund Installment" means the amount designated for any particular due date in the Related Series Indenture for the retirement of Class I Bonds on an unconditional basis, less any amount credited pursuant to Section 3.7 of this Master Indenture.

"Class I Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Class II Asset Requirement." with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class II Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class II Auxiliary Obligations in the Related Series Indenture

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

"Class II Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class II Obligations" means the Class II Bonds and the Class II Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class II Bonds and any Related Class II Auxiliary Obligations.

"Class II Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class II Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class II Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class II Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Class III Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class III Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class III Auxiliary Obligations in the Related Series Indenture

"Class III Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class III Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class III Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class III Obligations" means the Class III Bonds and the Class III Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class III Bonds and any Related Class III Auxiliary Obligations.

"Class III Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class III Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class III Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class III Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Class IV Asset Requirement." with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class IV Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class IV Auxiliary Obligations in the Related Series Indenture

"Class IV Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class IV Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class IV Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class IV Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class IV Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class IV Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class IV Obligations" means the Class IV Bonds and the Class IV Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class IV Bonds and any Related Class IV Auxiliary Obligations.

"Class IV Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, with respect to a Series, to the date of initial issuance of such Series, and the regulations of the United States Treasury Department promulgated thereunder.

"Compound Interest Bonds" means any Bond of a Series, tenor and maturity so designated in the Related Series Indenture for which certain determinations hereunder are made on the basis of Accreted Value rather than principal amount.

"Corporate Trust Office" means, when used with respect to any Fiduciary, the corporate trust office specified by such Fiduciary at which at any particular time, specified duties of such Fiduciary with respect to the Indenture are being administered.

"Costs of Issuance" means the items of expense payable or reimbursable directly or indirectly by the Authority and other costs incurred by the Authority, all related to the authorization, sale and issuance of Bonds, the execution and delivery of Auxiliary Agreements and the establishment of the Program, which costs and items of expense shall include, but not be limited to, underwriters' compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the Authority in relation to such issuance of Bonds or for the Program, initial fees, charges and expenses (including counsel's fees and expenses) of the Authority, the Trustee, the Bond Registrar and the Paying Agent, initial

premiums with respect to insurance required by the Indenture to be paid by the Authority or by the Trustee, legal fees and charges (including, without limitation, the fees and expenses of Bond Counsel, the Authority's disclosure counsel, counsel to the underwriter and counsel to the Authority), professional consultants' fees, accountants' fees, mortgagor counseling fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds and any other costs, charges and fees in connection with the foregoing.

"Cost of Issuance Account" means the Account so designated, which is created and established within the Program Fund by Section 5.1 of this Master Indenture.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys (who may be counsel to the Authority or an attorney or firm of attorneys retained by the Authority in other connections) licensed to practice in the state in which such attorney or firm of attorneys maintains an office, selected from time to time by the Authority.

"Debt Service Payment" means, when used with respect to any Payment Date, the sum of the (a) interest, if any, (b) Principal Installments, if any, and (c) Auxiliary Obligations, if any, due and payable on such date with respect to the Bonds and Auxiliary Agreements referred to.

"Debt Service Reserve Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Debt Service Reserve Fund Requirement," with respect to each Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Defeasance Securities" means any Investment Securities used to effect defeasance of Bonds in accordance with Article XII of this Master Indenture if upon such defeasance the Bonds so defeased are rated in the highest rating category by each Rating Agency rating such Bonds, and which are not subject to redemption by the issuer thereof prior to their maturity.

"Depository" means any bank, trust company, or savings and loan association (including any Fiduciary) selected by the Authority and approved by the Trustee as a depository of moneys, Mortgage Loans or Investment Securities held under the provisions of the Indenture, and its successor or successors.

"Eligible Borrower" means a person or a family qualifying as a mortgagor for a Mortgage Loan under determinations made by the Authority in accordance with the Act.

"Escrow Payment" means all payments made by or on behalf of the obligor of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with

respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

"Event of Default" means any of those events defined as Events of Default by Section 7.1 of this Master Indenture.

"Excess Earnings" means, with respect to Mortgage Loans held in any subaccount of the Acquisition Account or the Loan Recycling Account established in connection with a Series of Tax-exempt Bonds, the "excess earnings," as defined in Treasury Regulations §1.148-10T, with respect thereto.

"Excess Earnings Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Fiduciary" means the Trustee, the Bond Registrar, the Paying Agent or a Depository or any or all of them, as may be appropriate.

"Fiduciary Expenses" means the fees and expenses of Fiduciaries, including fees and expenses of Fiduciaries' counsel, but not including Servicing Fees payable to such Persons.

"Fiscal Year" means a period beginning on January 1 in any year and ending December 31, of the same year or such other twelve month period as may be adopted by the Authority in accordance with law.

"Fund" or "Funds" means one or more of the special trust funds created and established pursuant to this Master Indenture or a Series Indenture.

"General Obligation Bond" means a Bond, the payment of principal of and interest on which is a General Obligation of the Authority.

"General Obligation Bond Default" means the event specified in Section 8.1 of this Master Indenture.

"General Obligations" means Bonds or Auxiliary Obligations secured or additionally secured, as provided in the Related Series Indenture, by a pledge of general revenues or moneys of the Authority legally available therefor, subject only to agreements made or to be made with owners of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof and subject to the Authority's right at any time to apply such revenues and moneys to any lawful purpose.

"Indenture" means this Master Indenture authorized, executed and issued by an Authorized Officer and any amendments or supplements made in accordance with its terms, including all Series Indentures.

"Interest Payment Date" means, for each Bond, any date upon which interest on such Bond is due and payable in accordance with the Related Series Indenture.

"Interest Rate Contract" means an interest rate exchange or swap contract, a cash flow exchange or swap contract, any derivative of such contracts, including forward swaps and options to enter into swaps, and interest rate floors, caps or collars, entered into between the Authority and an Interest Rate Contract Provider.

"Interest Rate Contract Provider" means a Person that is a party to an Interest Rate Contract with the Authority with respect to specified Bonds and who satisfies the applicable requirements of the Interest Rate Exchange Agreements Act, being Article 59.3, Title 11 of Colorado Revised Statutes, and whose credit rating by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

"Interest Rate Contract Revenues" means all payments and receipts received by the Authority under an Interest Rate Contract.

"Interest Reserve Account" means the Account so designated, which is created and established within the Debt Service Reserve Fund by Section 5.1 of this Master Indenture.

"Investment Provider" means any commercial bank or trust company, bank holding company, investment company or other entity (which may include the Trustee, the Bond Registrar or the Paying Agent), whose credit rating (or the equivalent of such rating by virtue of guarantees or insurance arrangements) by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or is otherwise acceptable to each such Rating Agency in order to maintain the then current rating on such Bonds by such Rating Agency, which Investment Providers shall be approved by the Authority for the purpose of providing investment agreements.

"Investment Revenues" means amounts earned on investments (other than Mortgage Loans) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale or disposition of such investments), except the Rebate Requirement and any Excess Earnings.

"Investment Securities" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(a) Direct, general obligations, or obligations the timely payment of principal and interest of which are unconditionally guaranteed by, the United States of America;

(b) Obligations, debentures, notes, collateralized mortgage obligations, mortgage backed securities or other evidence of indebtedness issued or guaranteed by any of the following: Federal Farm Credit Banks; Federal Home Loan Bank System; Export-Import

Bank of the United States; Federal Land Banks; Fannie Mae (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Farmers Home Administration; Federal Home Loan Mortgage Corporation (including participation certificates only if they guarantee timely payment of principal and interest); Government National Mortgage Association (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Federal Financing Bank; or Federal Housing Administration; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America;

(c) Repurchase agreements, collateralized by Investment Securities described in clause (a) or clause (b) of this definition, with any institution, any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, and collateralized in such manner to meet all requirements for collateralized repurchase agreements of each Rating Agency rating the Class I Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(d) General obligations or revenue obligations (including bonds, notes or participation certificates) of, or "private activity bonds" (within the meaning of the Code) issued by any state of the United States of America or any political subdivision thereof, or any agency or instrumentality of any state of the United States of America or any political subdivision thereof, which obligations are rated by each Rating Agency then rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, or any money market or short term investment fund investing substantially in or consisting substantially of and secured by obligations described above in this item (d), which fund is rated by each Rating Agency then rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency and which fund, if the income from such investment is intended to be excluded from gross income for federal income tax purposes, is included in the definition of "tax-exempt bond" set forth in Treasury Regulation § 1.150-1(b);

(e) General obligations of Investment Providers under investment agreements approved in a Series Indenture or other investment agreements having substantially similar terms;

(f) Certificates of deposit, interest-bearing time deposits, or other similar banking arrangements with a bank or banks (i) rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or (ii) collateralized in such manner to meet all requirements for collateralized agreements of each Rating Agency rating the Class I Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(g) Commercial paper rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

(h) Shares in the statutory law trust known as the Colorado Local Government Liquid Asset Trust (COLOTRUST), created pursuant to part 7 of article 75 of title 24, Colorado Revised Statutes; and

(i) Units of a money market fund or a money market mutual fund which has a rating from each Rating Agency then rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

provided, that it is expressly understood that the definition of Investment Securities shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Indenture, thus permitting investments with different characteristics from those listed above which the Authority deems from time to time to be in the interest of the Authority to include as Investment Securities if at the time of inclusion the Trustee shall have received written confirmation from the Rating Agencies that such inclusion will not, in and of itself, impair, or cause any of the Bonds to fail to retain the then existing rating assigned to them by the Rating Agencies.

"Liquidity Facility" means a letter of credit, standby bond purchase agreement, security bond, reimbursement agreement or other agreement between the Authority and a Liquidity Facility Provider with respect to specified Bonds issued under this Master Indenture.

"Liquidity Facility Provider" means a Person that is a party to a Liquidity Facility with the Authority with respect to specified Bonds and whose credit rating by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

"Loan Recycling Account" means the Account so designated, which is created and established in the Program Fund by Section 5.1 of this Master Indenture.

"Mortgage" means a mortgage, deed of trust or other instrument constituting a valid lien on real property in the State and improvements constructed or to be constructed thereon or on a leasehold under a lease having a remaining term, at the time such instrument is acquired by the Authority, of not less than the term for repayment of the Mortgage Loan secured by such instrument.

"Mortgage Lender" means a "lender" as defined in the Act and which has been approved by the Authority pursuant to the Rules and Regulations.

"Mortgage Loan" means a permanent loan secured by a Mortgage for the purchase or rehabilitation of Residential Housing made to a Borrower either by the Authority or by an

originating Mortgage Lender which is purchased by the Authority pursuant to a Mortgage Purchase Agreement and which loan satisfies the requirements of Section 6.7 of this Master Indenture.

"Mortgage Purchase Agreement" means a written agreement between a Mortgage Lender and the Authority providing for the purchase of a Mortgage Loan by the Authority, including any related invitations to Lenders and commitment agreements, and any documents incorporated by reference therein.

"Mortgage Repayments" means, with respect to any Mortgage Loan, the amounts received by or for the account of the Authority as scheduled payments of principal of and interest (if any) on such Mortgage Loan by or on behalf of the Borrower to or for the account of the Authority and does not include Prepayments, Servicing Fees or Escrow Payments.

"Mortgage Revenues" means all Revenues other than Investment Revenues and Interest Rate Contract Revenues.

"Notice Parties" means the Authority, the Trustee, the Bond Registrar and the Paying Agent.

"Outstanding" means, when used with respect to all Bonds as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

(a) any Bond cancelled or delivered to the Bond Registrar for cancellation on or before such date;

(b) any Bond (or any portion thereof) (i) for the payment or redemption of which there shall be held in trust under the Indenture and set aside for such payment or redemption, moneys and/or Defeasance Securities maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Defeasance Securities prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any such Bond (or any portion thereof) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with the Indenture or provided for in a manner satisfactory to the Bond Registrar;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture; and

(d) any Bond deemed to have been paid as provided in Section 12.2 of this Master Indenture;

and, with respect to any Auxiliary Obligations, means Auxiliary Obligations which have not been paid or otherwise satisfied.

"Participant" means a broker-dealer, bank or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"Paying Agent" means the bank, trust company or national banking association, appointed as Paying Agent under Section 9.1 of this Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Paying Agent pursuant to the Indenture.

"Payment Date" means for each Bond, each date on which interest or a Principal Installment or both are payable on such Bond; and for each Auxiliary Obligation, each date on which an amount is payable with respect to such Auxiliary Obligation, and unless limited, means all such dates.

"Person" means an individual, partnership, corporation, trust or unincorporated organization or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

"Prepayment" means any moneys received or recovered by or for the account of the Authority from any unscheduled payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan, but excluding any Servicing Fees with respect to the collection of such moneys) on any Mortgage Loan prior to the scheduled payments of principal called for by such Mortgage Loan, whether (a) by voluntary prepayment made by the Borrower or (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof or (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Authority or (d) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Authority or by any other proceedings taken by the Authority.

"Principal Installment" means, as of any date of calculation, and for any Payment Date, (a) the principal amount or Accreted Value of all Bonds due and payable on such date, plus (b) any Class I, Class II, Class III, and Class IV Sinking Fund Installments due and payable on such date.

"Program" means the Authority's Single Family Mortgage Program pursuant to which the Authority has determined to purchase Mortgage Loans in accordance with the Act, the Rules and Regulations and the Indenture.

"Program Expenses" means all the Authority's expenses of administering the Program under the Indenture and the Act and shall include without limiting the generality of the foregoing; salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, including information processing equipment; software, insurance premiums, credit enhancement fees, legal, accounting, management, consulting and banking services and expenses; Fiduciary Expenses; remarketing fees; Costs of Issuance not paid from proceeds of Bonds; and

payments to pension, retirement, health and hospitalization funds; and any other expenses required or permitted to be paid by the Authority.

"Program Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Qualified Mortgage Loan Mortgage Backed Securities" means Investment Securities which constitute collateralized mortgage obligations issued by Fannie Mae, the Government National Mortgage Association or the Federal Home Loan Mortgage Corporation, the underlying mortgages of which would constitute Mortgage Loans for purposes of the Indenture if acquired by the Trustee from money in the Acquisition Account.

"Qualified Surety Bond" means any surety bond, letter of credit, insurance policy or other instrument which has liquidity features equivalent to a letter of credit, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for moneys on deposit therein, which shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency.

"Rating Agency" means, at any particular time, any nationally recognized credit rating service designated by the Authority, if and to the extent such service has at the time one or more outstanding ratings of Bonds. The Authority shall at all times have designated at least one such service as a Rating Agency hereunder.

"Rebate Fund" means the Account so designated, which is created and established in the Revenue Fund by Section 5.1 of this Master Indenture.

"Rebate Requirement" means the amount of arbitrage profits earned from the investment of gross proceeds of Tax-exempt Bonds in nonpurpose investments described in Section 148(f)(2) of the Code and defined as "Rebate Amount" in Section 1.148-3 of the Treasury Regulations, which is payable to the United States at the times and in the amounts specified in such provisions.

"Record Date," means, except as otherwise provided in a Series Indenture, with respect to each Payment Date, with respect to Bonds which are not Adjustable Rate Bonds, the Bond Registrar's close of business on the fifteenth day of the month immediately preceding such Payment Date or, if such date is not a Business Day, the next preceding day which is a Business Day and with respect to Adjustable Rate Bonds, the Bond Registrar's close of business on the Business Day immediately preceding such Payment Date; and, in the case of each redemption, such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than fifteen (15) calendar days before the transmission of such notice of redemption.

"Redemption Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Redemption Price" means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount or Accreted Value of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof as determined by the Series Indenture authorizing the Series of Bonds.

"Refunding Bonds" means Bonds authenticated and delivered pursuant to Section 2.3 of this Master Indenture.

"Related" (whether capitalized or not) means, with respect to any particular Bond, Class, Series, Series Indenture, Supplemental Indenture, Cash Flow Statement, Fund, Account, Mortgage Loan (or portion thereof), Auxiliary Agreement, moneys, Investment Securities, Mortgage Repayment or Prepayment, having been created in connection with the issuance of, or having been derived from the proceeds of, or having been reallocated to, or concerning, the same Series, as the case may be.

"Residential Housing" or "Residence" means a single-family, owner-occupied dwelling located within the State that qualifies for financing by the Authority within the meaning of the Act, the Rules and Regulations, the Code and related regulations.

"Revenue Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Revenues" means (a) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (b) Investment Revenues, (c) Interest Rate Contract Revenues and (d) all other payments and receipts received by the Authority with respect to Mortgage Loans, but shall not include (i) Escrow Payments, (ii) Servicing Fees, unless such fees are specifically pledged to the Trustee, (iii) any commitment, reservation, extension, or application fees charged by the Authority in connection with a Mortgage Loan or Mortgage Purchase Agreement, (iv) any commitment, reservation, extension or application fees charged by a Mortgage Lender in connection with a Mortgage Loan or (v) accrued interest received in connection with the purchase of any Investment Securities.

"Rules and Regulations" means the Authority's Single Family Mortgage Program Rules and Regulations adopted by the Authority pursuant to the Act, as the same may be amended and supplemented from time to time.

"Securities Depository" means The Depository Trust Company, New York, New York, and its successors and assigns, or any additional or other securities depository designated in a Series Indenture, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the Authority discontinues use of the Securities Depository pursuant to Section 2.17 of this Master Indenture, then any other securities depository which agrees to follow the procedures

required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with the consent of the Trustee.

"Serial Bonds," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Series" means and refers to all of the Bonds designated as such in the Related Series Indenture and authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in Class, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to this Master Indenture and the Related Series Indenture.

"Series Indenture" means a Supplemental Indenture authorizing a Series of Bonds and delivered pursuant to Section 10.1 of this Master Indenture.

"Servicer" means a state-chartered bank or national banking association, state or federal savings and loan association or mortgage banking or other financial institution which has been approved by the Authority as experienced and qualified to service Mortgage Loans, and any successor thereto.

"Servicing Agreement" means a written agreement between the Authority and a Servicer (other than the Authority) providing for the servicing of Mortgage Loans on behalf of the Authority.

"Servicing Fees" means (a) any fees paid to or retained by a Servicer in connection with the servicing obligations undertaken by the Servicer in accordance with the Related Servicing Agreement and (b) any fees and ancillary income retained by or expenses reimbursed to the Authority with respect to Mortgage Loans serviced by the Authority.

"Short Term Bond Account" means the Account so designated, which is created and established in the Program Fund by Section 5.1 of this Master Indenture.

"State" means the State of Colorado.

"Supplemental Indenture" means any supplemental indenture (including a Series Indenture) approved by the Authority in accordance with Article X of this Master Indenture amending or supplementing the Indenture.

"Tax-exempt Bonds" means Bonds the interest on which is intended to be excluded from gross income of the owner thereof for federal income tax purposes.

"Term Bonds" means Bonds for which Class I, Class II, Class III or Class IV Sinking Fund Installments have been established as provided in the Related Series Indenture.

"Trust Estate" means the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of this Master Indenture.

"Trustee" means the bank, trust company or national banking association, appointed as trustee under Section 9.1 of this Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Trustee pursuant to the Indenture.

"Unrelated" (whether capitalized or not) means not "Related," within the meaning of that term as defined in this Section.

Section 1.2 Construction. In the Indenture, unless the context otherwise requires:

(a) Words importing the singular number shall mean and include the plural number and vice versa.

(b) Any Fiduciary shall be deemed to have received delivery of and to hold an Investment Security in which moneys are invested pursuant to the provisions of the Indenture, even though such Investment Security is evidenced only by a book entry or similar record of investment.

(c) References in the Indenture to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes.

(d) The terms "receipt," "received," "recovery," "recovered" and any similar terms, when used in the Indenture with respect to moneys or payments due the Authority, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Authority, the Trustee, or the Paying Agent on its behalf.

Section 1.3 Indenture Constitutes a Contract: Obligation of Indenture and Bonds. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Indenture by those who shall own the same from time to time and in consideration for the execution and delivery of Auxiliary Agreements by Auxiliary Agreement Providers: the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, the Bond Registrar, the Paying Agent, the Auxiliary Agreement Providers and the Owners from time to time of the Bonds; the pledge of certain Funds, Accounts, Revenues and other moneys, rights and interests made in the Indenture and the covenants and agreements set forth in the Indenture to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Owners of any and all of the Bonds and Auxiliary Agreement Providers, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Bonds or Auxiliary Obligations over any other thereof, subject to the provisions respecting the priority of certain Classes of Bonds and Auxiliary Obligations over other Classes of Bonds and Auxiliary Obligations as set forth in Section 1.4 of this Master Indenture,

and except as expressly provided in or permitted by the Indenture. Unless otherwise specified in a Series Indenture (in which the Authority may designate one or more Classes of Related Bonds and Auxiliary Obligations as General Obligations) the Bonds and Auxiliary Obligations shall be special limited obligations of the Authority payable solely from the moneys, rights and interest pledged therefor in this Master Indenture. Except as provided herein and in Related Series Indentures with respect to General Obligations, the Authority shall not be required to advance for any purpose of the Indenture any moneys derived from any source other than the Revenues and other assets pledged under the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for such purpose any moneys of the Authority which may be available for such purpose. Neither the Class I Obligations, the Class II Obligations, the Class III Obligations nor the Class IV Obligations shall be in any way a debt or liability or obligation of the State or any political subdivision thereof (other than the Authority) nor constitute or give rise to a pecuniary liability of the State or of any such political subdivision (other than the Authority with respect to General Obligation Bonds) or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

Section 1.4 Pledge Effected by Indenture. The pledge and lien of the Indenture is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture; provided, however, that moneys and investments held in an Authority Payment Account are pledged solely for the payment of Principal Installments, Redemption Price of, interest on and other amounts payable with respect to General Obligations of the Related Series and Class with respect to which such account was created and are not pledged to pay principal, Redemption Price of, interest on and other amounts payable with respect to any other Bonds or Auxiliary Obligations and, provided, further, that moneys and securities held in a subaccount of the Short Term Bond Account may be pledged by the Related Series Indenture solely, or as a first priority, for the payment of the Related Series of Bonds or any portion thereof as set forth in such Series Indenture.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.1 Authorization of Bonds. Upon satisfaction of the conditions contained in Section 2.2 or Section 2.3 of this Master Indenture, Bonds may be issued hereunder, without limitation as to amount except as may be provided herein or by law, from time to time, in one or more Series pursuant to a Series Indenture or Indentures; provided, however, that such Bonds may be issued only to provide funds to: (a) make deposits in amounts, if any, required or authorized by the Series Indenture to be paid into Funds or Accounts established herein or in the Series Indenture and (b) refund Bonds issued hereunder or other bonds or obligations of the Authority. Auxiliary Agreements may only be executed and delivered by the Authority in connection with the issuance and delivery of a Series of Bonds hereunder or in connection with the renewal, substitution or extension of an existing Auxiliary Agreement which was so delivered.

Except as otherwise stated in the Related Series Indenture, the Bonds shall be designated as "Single Family Mortgage [Bonds] [Notes]." and in addition to the name "Single Family Mortgage [Bonds] [Notes]" (inserting identification of the particular Class and of the particular Series, including by year of issue and by Roman number and/or alphabetic and/or other reference and inserting reference to "Taxable," as applicable). In addition, each Series shall include such further appropriate particular designation, added to or incorporated in such title, as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Section 2.2 Conditions Precedent to Delivery of Bonds. The 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, but only upon receipt by the Trustee of the following:

- (a) An original executed copy of the Series Indenture authorizing such Bonds, which Series Indenture shall specify:
 - (i) the purpose or purposes for which such Series of Bonds is being issued which shall be one or more of the purposes listed in Section 2.1 hereof;
 - (ii) the Series and Class designation or designations of such Bonds, the date or dates, and the maturity date or dates, of such Bonds, each of which maturity dates shall fall upon an Interest Payment Date;
 - (iii) the amount of Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, and the amount of each maturity of such Bonds;
 - (iv) the interest rate or rates of such Bonds or the manner of determining such rate or rates and the Interest Payment Dates therefor, if any;

- (v) the denomination of, and the manner of dating and numbering such Bonds;
- (vi) the Record Dates, the place or places of payment of the principal or Redemption Price or Prices, if any, and the manner of payment of interest on, such Bonds;
- (vii) the Redemption Price or Prices, if any, of and, subject to the provisions of Article III, the redemption order and terms for such Bonds;
- (viii) the amount and due date of each Sinking Fund Payment, if any, for such Bonds of like Class, tenor and maturity, but the due date of each such Sinking Fund Payment shall fall upon an Interest Payment Date;
- (ix) the amounts to be deposited in the Funds and Accounts created and established by this Master Indenture and the Series Indenture authorizing such Bonds;
- (x) the Debt Service Reserve Fund Requirement applicable to such Series of Bonds and the timing and method of funding such requirement;
- (xi) the amount available for Costs of Issuance with respect to such Bonds;
- (xii) limitations on Program Expenses with respect to such Bonds;
- (xiii) any limitations or requirements with respect to Mortgage Loan interest rates, Mortgage Loan purchase prices and mortgage insurance;
- (xiv) provisions relating to any Auxiliary Agreements, including the extent to which any Related Auxiliary Obligations are Class I Obligations, Class II Obligations, Class III Obligations or Class IV Obligations and including provisions relating to the renewal, substitution and extension of any such Auxiliary Agreements, and the identity of the Auxiliary Agreement Providers;
- (xv) whether and the extent to which any particular Classes of such Bonds or Auxiliary Obligations are to be General Obligations;
- (xvi) if so determined by the Authority, provisions for the sale and/or tender of such Bonds; and
- (xvii) any other provisions deemed advisable by the Authority that are either (A) not in conflict with the provisions hereof or (B) necessary, in the opinion of Bond Counsel, for such Bonds to be Tax-exempt Bonds;

(b) A written order as to the delivery of such Bonds, signed by an Authorized Officer;

(c) A certificate of an Authorized Officer stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(d) A Cash Flow Statement with respect to such Series of Bonds (and any other Series to which it may be linked for Cash Flow Statement purposes) taking into account the proposed issuance of such Bonds, the application of the proceeds thereof and the execution and delivery of Related Auxiliary Agreements, if any; and

(e) Such further documents and moneys, including investment agreements, as are required by the provisions of the Related Series Indenture.

Section 2.3 Conditions Precedent to Delivery of Refunding Bonds.

(a) All Refunding Bonds shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(i) The documents and moneys, if any, referred to in Section 2.2 of this Master Indenture;

(ii) Irrevocable instructions to the Trustee to give due notice of the payment or redemption of all the bonds or other obligations to be refunded and the payment or redemption date or dates, if any, upon which such bonds or other obligations are to be paid or redeemed;

(iii) If the bonds or other obligations to be refunded are to be redeemed after the next succeeding forty-five days, irrevocable instructions to the Trustee to transmit notice of redemption of such bonds or other obligations on a specified date prior to their redemption date;

(iv) If the obligations to be refunded are Bonds, either (A) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment or redemption at the applicable redemption price of the bonds to be refunded, together with accrued interest on such bonds to the due date or redemption date, or (B) Defeasance Securities, the principal of and interest on which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the trustee or paying agent or escrow agent for the bonds to be refunded will be sufficient to pay when due the applicable principal or redemption price of the bonds to be refunded,

together with accrued interest on such bonds to the redemption date or redemption dates or date of maturity thereof, which moneys or Defeasance Securities shall be held by the trustee or paying agent or escrow agent for the bonds to be refunded in a separate account irrevocably in trust for and assigned to the owners of the bonds to be refunded; and

(v) Such further documents and moneys as are required by the provisions of the Related Series Indenture.

(b) Neither Defeasance Securities nor moneys deposited with the trustee or paying agent or escrow agent for the bonds to be refunded pursuant to paragraph (a)(iv) of this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than the payment of the applicable principal or redemption price of the bonds to be refunded, together with accrued interest on such bonds to the redemption date, and any cash received from such principal or interest payments, if not needed for such purpose, may be applied to the payment of any obligation issued to provide funds for the acquisition of such Defeasance Securities, but otherwise shall, to the extent practicable, be reinvested in such Defeasance Securities as are described in clause (B) of said paragraph maturing at times and in amounts sufficient to pay when due the principal or applicable redemption price of such bonds, together with such accrued interest.

Section 2.4 Ratings. Notwithstanding any other provision of Sections 2.2 and 2.3 of this Master Indenture, so long as there are Outstanding Bonds rated by a Rating Agency, the Authority will not issue any additional Bonds (including Bonds issued or to be issued on a forward purchase basis) if such issuance would result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

Section 2.5 Rating Information. In order to facilitate ratings or the confirmation or maintenance of ratings, the Authority agrees to provide each Rating Agency with whatever information it reasonably requests on a timely basis, including, but not limited to, notice of appointment of new Trustees, the substitution of providers of investment agreements, the termination, expiration, renewal, substitution or extension of Auxiliary Agreements and Related Auxiliary Obligations, the amendment or supplement of the Indenture and the delivery of Supplemental Indentures. If the Trustee draws upon the Debt Service Reserve Fund to pay Principal Installments or interest on the Bonds or if the amount in a subaccount of the Debt Service Reserve Fund is reduced below the Related Debt Service Reserve Fund Requirement, the Authority will immediately notify each Rating Agency of such fact if the Bonds are then rated by such Rating Agency.

Section 2.6 Form of Bonds and Certificate of Authentication. The forms of Bonds and the Bond Registrar's Certificate of Authentication shall be substantially as set forth in each Series Indenture.

Section 2.7 Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may be

necessary or desirable and as may be determined by the Authority prior to their authentication and delivery.

Section 2.8 Execution and Authentication.

(a) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of an Authorized Officer and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or any other Authorized Officer, other than the officer executing the Bonds. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been delivered by the Trustee, such Bonds may, nevertheless, be delivered as herein provided and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper offices in the Authority although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the Related Series Indenture, duly executed by the Bond Registrar by the manual signature of an authorized officer thereof and setting forth the date of authentication, and such certificate of the Bond Registrar upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly issued under the Indenture and that the Owner thereof is entitled to the benefits of the Indenture.

Section 2.9 Interchangeability of Bonds. All Bonds, upon surrender thereof at the Corporate Trust Office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered Owner or his duly authorized attorney, may be exchanged, at the option of the registered Owner thereof, for an equal aggregate principal amount of Bonds of the same interest rate, Series, Class, tenor and maturity of any other authorized denominations.

Section 2.10 Negotiability, Transfer and Registry. All the Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the Corporate Trust Office of the Bond Registrar, records for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at such Corporate Trust Office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Bond Registrar may prescribe, any Bond. As long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit, the exchange of Bonds at the Corporate Trust Office of the Bond Registrar.

Section 2.11 Transfer and Payment of Bonds.

(a) Each Bond shall be transferable only upon the registration records of the Bond Registrar, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof at the Corporate Trust Office of the Bond Registrar together with a written instrument of transfer, satisfactory to the Bond Registrar, duly executed by the registered Owner or his duly authorized attorney. Upon surrender for transfer of any Bond, the Authority shall execute and the Bond Registrar shall authenticate, specify the date of authentication and deliver, in the name of the transferee, one or more new Bonds of the same aggregate principal amount, Series, Class, tenor, maturity and rate of interest as the surrendered Bond.

(b) The Authority, the Trustee, the Paying Agent, the Bond Registrar and any remarketing agent appointed pursuant to a Series Indenture may treat the registered Owner of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Redemption Price of and interest on such Bond and for all other purposes whatsoever, and payment of the principal, Redemption Price of and interest on any such Bond shall be made only to, or upon the order of, such registered Owner. All such payments to such registered Owner shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Bond to the extent of the sum or sums so paid, and neither the Authority, the Trustee, the Paying Agent, the Bond Registrar nor any such remarketing agent shall be affected by any notice to the contrary.

Section 2.12 Regulations with Respect to Exchanges and Transfers. All Bonds surrendered in any exchanges or transfers shall be cancelled forthwith by the Bond Registrar. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar shall make a charge sufficient to reimburse it or them for their reasonable fees and expenses in connection with such exchange or transfer and any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Except for costs incurred in connection with the initial delivery of Bonds, the Authority or the Bond Registrar may charge for the cost, if any, of preparing any new Bond upon such exchange or transfer and may charge reasonable fees and expenses of the Bond Registrar. Neither the Authority nor the Bond Registrar shall be obligated to issue, exchange or transfer any Bond during a period beginning at the opening of business on any Record Date next preceding an Interest Payment Date and ending at the close of business on such Interest Payment Date, issue, exchange or transfer any Bond during a period beginning at the opening of business on the Record Date next preceding any selection of Bonds to be redeemed and ending on the date of the transmission of notice of such redemption, or transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 2.13 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered at the Corporate Trust Office of the Bond Registrar, or the Bond Registrar and the Authority receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Bond Registrar and the Authority such security or indemnity as may be required by them to save each of them harmless, then (in the absence of notice to the Bond Registrar or the Authority that such Bond has been acquired by a bona fide purchaser for value without notice) the Authority shall execute, and upon Authority Request, the Bond Registrar shall authenticate and deliver, in exchange for any such mutilated Bond, or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like original principal amount, interest rate, Series, Class, tenor and maturity, bearing a number not previously assigned to a Bond of the Related Series. The Bond Registrar thereupon shall cancel any such mutilated, destroyed, lost or stolen Bond. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Authority in its discretion and instead of issuing a new Bond, may direct the Paying Agent to pay such Bond. The Trustee, Bond Registrar and Paying Agent shall notify the Authority as soon as practicable upon learning of any mutilated, destroyed, lost or stolen Bond.

(b) As a condition precedent to the issuance of any new Bond under this Section 2.13, the Authority or the Bond Registrar may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, and any other expenses, including counsel fees and costs of preparing a new Bond, of the Authority or the Bond Registrar incurred in connection therewith.

(c) Each new Bond issued pursuant to this Section 2.13 in lieu of any destroyed, lost or stolen Bond, shall constitute an additional contractual obligation of the Authority, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued under the Indenture unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Authority may recover the substitute Bond from the Bondowner to whom it was issued or from anyone taking under the Bondowner except a bona fide purchaser for value without notice. All Bonds shall be held and owned upon the express condition that the provisions of this Section 2.13 are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude (to the extent lawful) any and all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.14 Cancellation and Destruction of Bonds. The Bond Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the Authority. No such Bonds shall be deemed Outstanding under the Indenture, and no Bonds shall be issued in lieu thereof.

Section 2.15 Payments Due on other than Business Days. In any case where the date of maturity of interest on or Principal Installments of any Bond or the date fixed for redemption of any Bonds is not a Business Day, then payment of interest on or Principal Installments or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 2.16 Authorization and Preparation of Temporary Bonds.

(a) Until definitive Bonds are prepared, the Authority may execute and, upon Authority Request, the Bond Registrar shall authenticate and deliver temporary Bonds (which may be typewritten, printed or otherwise reproduced) in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as of the initial date of such definitive Bonds, shall be in such denomination or denominations and shall be numbered as prepared and executed by the Authority, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as the officer executing the same in his discretion may determine, and may be issued in the form of a single Bond.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, the Authority shall cause definitive Bonds to be prepared, executed and delivered to the Bond Registrar. Temporary Bonds shall be exchangeable for definitive Bonds upon surrender to the Bond Registrar at its Corporate Trust Office (or any additional location designated by the Bond Registrar) of any such temporary Bond or Bonds, and upon such surrender, the Authority shall execute and, upon Authority Request, the Bond Registrar shall authenticate and deliver to the Owner of the temporary Bonds or Bonds, in exchange therefor, a like principal amount of definitive Bonds in authorized denominations or maturity payment amounts and forms. Until so exchanged, the temporary Bonds shall be entitled in all respects to the same benefits as definitive Bonds authenticated and issued pursuant to the Indenture.

(c) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds forthwith shall be canceled by the Bond Registrar.

Section 2.17 Book-Entry System.

(a) Unless otherwise determined in the Related Series Indenture authorizing the issuance of a Series, the registered Owner of all Bonds of such Series shall be a Securities Depository and such Bonds shall be registered in the name of the nominee for the Securities Depository. The "Bonds" referred to in this Section 2.17 shall refer to the Bonds registered in the name of the Securities Depository.

(b) The Bonds shall be initially issued in the form of separate, single, authenticated fully-registered Bonds in the amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration

records kept by the Bond Registrar in the name of the nominee of the Securities Depository. The Bond Registrar, the Paying Agent, the Trustee and the Authority may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (1) payment of the principal or Redemption Price of or interest on the Bonds, (2) selecting the Bonds or portions thereof to be redeemed, (3) giving any notice permitted or required to be given to Owners under this Master Indenture, (4) registering the transfer of Bonds, and (5) obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and neither the Bond Registrar, the Paying Agent, the Trustee nor the Authority shall be affected by any notice to the contrary (except as provided in paragraph (c) below). Neither Bond Registrar, the Paying Agent, the Trustee nor the Authority shall have any responsibility or obligation to any Participant, any beneficial owner or any other Person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other Person which is not shown on the registration records of the Bond Registrar as being an Owner, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, the payment to the Securities Depository of any amount in respect of the principal or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to Owners under this Master Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Securities Depository as Owner. The Paying Agent shall pay all principal and Redemption Price of and interest on the Bonds only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal, purchase price or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in (c) below, no Person other than the Securities Depository shall receive an authenticated Bond for each separate maturity evidencing the obligation of the Authority to make payments of principal or Redemption Price and interest pursuant to this Master Indenture. Upon delivery by the Securities Depository to the Bond Registrar of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Bonds will be transferable to such new nominee in accordance with paragraph (d) below.

(c) In the event the Authority determines that it is in the best interest of the Authority not to continue the book-entry system of transfer or that the interest of the Owners might be adversely affected if the book-entry system of transfer is continued, the Authority may notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants, of the availability through the Securities Depository of Bond certificates. In such event, the Trustee shall authenticate, transfer and exchange Bond certificates as requested by the Securities Depository in appropriate amounts in accordance with paragraph (d) below. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the Authority may determine that the Securities Depository is incapable of discharging its

responsibilities and may so advise the Securities Depository. In either such event, the Authority shall either establish its own book-entry system or use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Securities Depository), the Authority and the Trustee shall be obligated to deliver Bond certificates as described in this Master Indenture and in accordance with paragraph (d) below. In the event Bond certificates are issued, the provisions of this Master Indenture shall apply to such Bond certificates in all respects, including, among other things, the transfer and exchange of such certificates and the method of payment of principal or Redemption Price of and interest on such certificates. Whenever the Securities Depository requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with the Securities Depository in taking appropriate action after reasonable notice (A) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Master Indenture to the contrary, so long as any Bond is registered in the name of the nominee of the Securities Depository, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in its representation letter.

(e) In connection with any notice or other communication to be provided to Owners pursuant to this Master Indenture by the Authority or the Trustee or with respect to any consent or other action to be taken by Owners, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen calendar days in advance of such record date to the extent possible. Such notice to the Securities Depository shall be given only when the Securities Depository is the sole Owner.

(f) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) of this Section 2.17, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of this Master Indenture. In the event Bond certificates are issued to Owners other than the nominee of the Securities Depository, or another securities depository as Owner of all the Bonds, the provisions of this Master Indenture shall also apply to, among other things, the printing of such certificates and the methods of payment of principal or Redemption Price of and interest on such certificates.

(End of Article II)

ARTICLE III

REDEMPTION AND TENDER OF BONDS

Section 3.1 Authorization of Redemption and Tender. Bonds are subject to redemption prior to maturity, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such other terms as may be specified in this Master Indenture and in the Related Series Indenture authorizing such Bonds. Bonds may be subject to mandatory and optional tender upon such terms as may be specified in the Related Series Indenture.

Section 3.2 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Bond Registrar shall cause notice of any redemption of Bonds hereunder to be mailed, by first class mail, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry, to the registered owner of each Bond to be redeemed at such Owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar; provided, however, that failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any Bond with respect to which no such failure or defect has occurred. Each such notice shall be dated and shall be given in the name of the Authority and shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bond certificates and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice may state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of transmission of redemption notices, the Record Date and the redemption date;

(v) the Redemption Price;

(vi) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(vii) the place where such Bonds are to be surrendered for payment of the Redemption Price, designating the name and address of the redemption agent with the name of a contact person and telephone number; and

(viii) any conditions precedent to the redemption of such Bonds.

(b) Notice of redemption having been given as provided in paragraph (a) of this Section 3.2, the Bonds or the respective portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or the respective portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the Authority shall default in the payment of the Redemption Price and accrued interest), such Bonds or the respective portions thereof to be redeemed shall cease to bear or accrue interest, and such Bonds or the respective portions thereof to be redeemed shall no longer be considered as Outstanding under the Indenture. If at the time of transmission of any notice of redemption there shall not be on deposit with the Trustee or the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee or the Paying Agent not later than the redemption date and that such notice shall be of no effect unless such moneys are so deposited. If moneys sufficient to pay the Redemption Price and accrued interest have not been made available by the Authority to the Trustee and the Paying Agent on the redemption date, such Bonds or the respective portions thereof to be redeemed shall continue to bear or accrue interest at the respective rates specified thereon until such moneys are delivered to the Trustee.

(c) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Bond Registrar simultaneously with notice to Bondowners, by registered or certified mail or overnight delivery service, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry, to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in paragraph (a) of this Section 3.2. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(d) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear (i) the CUSIP(s) number identifying, by Series, Class, tenor and maturity of Bonds being redeemed (ii) the principal amount of the Bonds of each maturity being redeemed and (iii) if the redemption date is not an Interest Payment Date, the amount of accrued interest paid on the Bonds of each maturity being redeemed with the proceeds of such check or other transfer.

(e) Except as otherwise provided in a Series Indenture, notice of redemption shall be given, not more than 60 days nor less than 30 days prior to the redemption date, to registered owners

of the Bonds, or portions thereof, to be redeemed. A second notice of redemption provided in the same manner as the first notice of redemption, shall be given, not later than 90 days after the redemption date, to the registered owners of Bonds, or portions thereof redeemed but who failed to deliver Bond certificates for redemption prior to the 60th day following such redemption date. Any notice shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of any Bonds. The obligation of the Bond Registrar to give the notice required by this Section 3.2 shall not be conditioned upon the prior payment to the Trustee of moneys or Defeasance Securities sufficient to pay the Redemption Price of the Bonds or portions thereof to which such notice relates or the interest thereon to the redemption date.

(f) The provisions of this Section 3.2 may be changed or modified for any particular Series by the Related Series Indenture.

Section 3.3 Selection of Bonds to Be Redeemed.

(a) If less than all Bonds of like Series are to be redeemed, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Related Cash Flow Statement, and subject to any limitations in or requirements of the Related Series Indenture, the Bond Registrar shall select a pro rata amount of the Bonds of each Class, tenor and maturity of such Series for redemption. If less than all Bonds of like Series, Class, tenor and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed shall be selected by lot in such manner as the Bond Registrar in its discretion may deem fair and appropriate.

(b) The portion of any Bond of a denomination of larger than the minimum denomination provided for in the Related Series Indenture may be redeemed in the principal amount of such minimum denomination or a multiple thereof, and for purposes of selection and redemption, any such Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond by such minimum denomination. If there shall be selected for redemption less than all of a Bond, the Authority shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series, Class, interest rate, tenor and maturity in any of the authorized denominations.

(c) The Bond Registrar promptly shall notify the Authority, the Trustee and the Paying Agent in writing of the Bonds so selected for redemption.

Section 3.4 Deposit of Redemption Price. On or before any date fixed for redemption of any Bonds, moneys and/or Defeasance Securities maturing or redeemable at the option of the holder

thereof not later than the date fixed for redemption in an amount that, together with income to be earned on such Defeasance Securities prior to such date fixed for redemption, will be sufficient to provide moneys to pay the Redemption Price of and accrued interest on all Bonds or the respective portions thereof to be redeemed on such date, shall be deposited with the Trustee or the Paying Agent unless such amount shall have been previously deposited with the Trustee or the Paying Agent pursuant to the Indenture.

Section 3.5 Partial Redemption of Bonds. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond by the Owner thereof or his attorney duly authorized in writing (with, if the Authority or the Bond Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Bond Registrar duly executed by the Owner thereof or his attorney duly authorized in writing) to the Bond Registrar, the Authority shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds at the option of such Owner or such attorney, of any authorized denomination of like tenor. Bonds so presented and surrendered shall be canceled in accordance with Section 2.14 of this Master Indenture.

Section 3.6 Purchase in Lieu of Redemption.

(a) Prior to the transmission by the Bond Registrar of a notice of redemption with respect to Bonds of any particular Series, Class, tenor and maturity, the Authority may direct the Trustee or the Paying Agent to purchase, and upon receipt of an Authority Request to such effect the Trustee or the Paying Agent shall purchase, such Bonds, at a price (including any brokerage and other costs) not to exceed the principal amount or Accreted Value thereof plus accrued interest or any then applicable Redemption Price thereof, or any higher price consistent with the most recent Cash Flow Statement, for cancellation in lieu of redemption; provided, however, that neither the Trustee nor the Paying Agent shall be obligated to honor an Authority Request that directs the purchase of Bonds for future delivery on or after a date that is five (5) Business Days prior to the last date, if any, on which notice of redemption with respect to such Bonds is required to be transmitted in accordance with the provisions of the Indenture and neither the Trustee nor the Paying Agent shall be obligated to publish any notice of tender or other similar advertisement unless properly indemnified by the Authority for the cost thereof. Except as otherwise may be specified in such Authority Request, the Trustee and the Paying Agent shall make such purchases of Bonds in such manner as the Trustee or the Paying Agent shall determine. The Authority is expressly authorized, to tender, and to direct the Trustee and the Paying Agent to purchase from the Authority, any Bonds for cancellation in lieu of redemption. Neither the Trustee nor the Paying Agent shall be required to advance any of their own money to make any such purchase or purchases.

(b) The Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Redemption Fund in lieu of special redemption to pay the purchase price (exclusive of accrued interest) of Bonds purchased in lieu of special redemption pursuant to paragraph (a) of this Section 3.6. The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the

Revenue Fund in accordance with Section 5.5 of this Master Indenture, from the Class I Debt Service Fund in accordance with Section 5.6 of this Master Indenture, from the Class II Debt Service Fund in accordance with Section 5.9 of this Master Indenture, from the Class III Debt Service Fund in accordance with Section 5.10 of this Master Indenture, or from the Class IV Debt Service Fund in accordance with Section 5.11 of this Master Indenture to pay accrued interest on such Bonds purchased pursuant to paragraph (a) of this Section 3.6.

(c) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class I Debt Service Fund in accordance with Section 5.6 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class I Term Bonds purchased in lieu of redemption by Class I Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class I Term Bonds against such Class I Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(d) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class II Debt Service Fund in accordance with Section 5.9 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class II Bonds against such Class II Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(e) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class III Debt Service Fund in accordance with Section 5.10 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class III Bonds against such Class III Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(f) The Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class IV Debt Service Fund in accordance with Section 5.11 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class IV Bonds against such Class IV Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(g) The Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Revenue Fund in the order of priority and in amounts which do not exceed the amounts expected to be transferred to the respective Funds and Accounts pursuant to Section 5.5 of this Master Indenture prior to the next Payment Date to purchase Bonds in the manner provided in paragraphs (b), (c), (d), (e) and (f) of this Section 3.6. Any Bonds so purchased shall be credited in an amount equal to par plus accrued interest against amounts which would otherwise be required to be transferred pursuant to Section 5.5 of this Master Indenture to the various Funds and Accounts.

Section 3.7 Credits Against Sinking Fund Installments.

(a) Upon any redemption (other than by Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment) of Bonds for which Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments have been established, or any purchase in lieu thereof, there shall be credited by the Trustee and the Bond Registrar toward the Class I Sinking Fund Installments, Class II Sinking Fund Installment, Class III Sinking Fund Installments or Class IV Sinking Fund Installments thereafter to become due with respect thereto, on a proportionate basis and in increments of the applicable minimum denomination, an amount bearing the same ratio to each such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment as the total principal amount of such Class and maturity of Bonds so purchased or redeemed bears to the total amount of all such Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments to be credited; provided, however, that, if there shall be filed with the Trustee and the Bond Registrar an Authority Request specifying a different method for crediting Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments upon any such purchase or redemption of Bonds and certifying that such Authority Request is consistent with the most recently filed Related Cash Flow Statement and the Related Series Indenture, then such Sinking Fund Installments shall be so credited as shall be provided in such Authority Request. The portion of any such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment for the purpose of calculation of Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments and Class IV Sinking Fund Installments due on or scheduled for a future date.

(b) The provisions of this Section 3.7 may be changed or modified for any particular Series by the Related Series Indenture.

(End of Article III)

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 4.1 Application of Bond Proceeds. The proceeds of the sale of each Series of Bonds shall, as soon as practicable upon delivery of such Bonds by the Trustee pursuant to Sections 2.2 or 2.3, as applicable, be applied as set forth in the Related Series Indenture.

(End of Article IV)

ARTICLE V

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS,
APPLICATION THEREOF AND SECURITY THEREFOR

Section 5.1 Establishment of Funds and Accounts.

(a) The following Funds and Accounts are hereby created and established as special trust funds:

- (i) the Program Fund, consisting of:
 - (A) the Acquisition Account;
 - (B) the Short Term Bond Account;
 - (C) the Cost of Issuance Account; and
 - (D) the Loan Recycling Account;
- (ii) the Revenue Fund;
- (iii) the Debt Service Reserve Fund, which shall include the Interest Reserve Account;
- (iv) the Class I Debt Service Fund which may include an Authority Payment Account;
- (v) the Class II Debt Service Fund which may include an Authority Payment Account;
- (vi) the Class III Debt Service Fund which may include an Authority Payment Account;
- (vii) the Class IV Debt Service Fund which may include an Authority Payment Account;
- (viii) the Redemption Fund, consisting of:
 - (A) the Class I Special Redemption Account;
 - (B) the Class II Special Redemption Account;
 - (C) the Class III Special Redemption Account; and
 - (D) the Class IV Special Redemption Account;
- (ix) the Rebate Fund; and
- (x) the Excess Earnings Fund.

(b) All the Funds and Accounts listed in paragraph (a) of this Section 5.1 shall be held by the Trustee in trust for application only in accordance with the provisions of the Indenture.

(c) Subaccounts shall be created in all Funds and Accounts described in this Section 5.1 for each Series of Bonds. Except as otherwise provided in this Master Indenture or in a Series Indenture, bond proceeds and other moneys relating to a Series of Bonds shall be deposited in the Related subaccounts created with respect to such Series of Bonds.

(d) A Bond Purchase Fund may be created and established by a Series Indenture to be held by a fiduciary to provide for the payment of the tender price or purchase price of Bonds as provided therein.

(e) The Authority may reallocate moneys, investments and Mortgage Loans (or portions thereof or interests therein) among Series under any of the following circumstances:

(i) if and to the extent required by the Indenture (e.g., under Section 5.5, Section 5.7 or Article VII of this Master Indenture);

(ii) if and to the extent necessary to enable the Authority to deliver a Cash Flow Statement with respect to one or more Series;

(iii) in connection with an Authority Request filed pursuant to Section 5.8 of this Master Indenture; and

(iv) if and to the extent that the aggregate amount of moneys, investments and Mortgage Loans allocated to any particular Series exceeds the aggregate amount of Outstanding Bonds of such Series.

If the Authority determines to make such a reallocation of moneys, investments and Mortgage Loans among Series, the Authority shall deliver to the Trustee an Authority Request specifying such reallocations. Upon receipt of such request, the Trustee shall transfer moneys, investments and/or Mortgage Loans (or portions thereof or interests therein) among subaccounts Related to each Series as requested. Mortgage Loans (or portions thereof or interests therein) reallocated among Series are not required to meet the requirements of the Series Indenture Related to the Series to which such Mortgage Loans (or portions thereof or interests therein) are being reallocated, if such Mortgage Loans at the time of their original acquisition by the Authority met the requirements of Section 6.7 of this Master Indenture and the applicable requirements of the Series Indenture Related to such Mortgage Loans at the time of their purchase.

(f) Special temporary accounts in the Program Fund and the Debt Service Reserve Fund may be created and established to facilitate the refunding of the Authority's bonds and any exchange of funds related thereto.

Section 5.2 Program Fund: Acquisition Account

(a) Deposit of Moneys. There shall be paid into the Related subaccount of the Acquisition Account established within the Program Fund the respective amount of the proceeds of the Bonds and other moneys specified in each Series Indenture and any amounts transferred pursuant to Section 5.3(a) of this Master Indenture. There may also be paid into 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. Except as otherwise required or permitted by Section 5.1 of this Master Indenture and paragraph (f) of this Section 5.2, Mortgage Loans made or purchased in connection with a Series of Bonds shall be allocated to such Series. Mortgage Loans (or portions thereof) allocated to a Series of Bonds shall be held in the subaccount of the Acquisition Account which was created in connection with such Series of Bonds.

(b) Use of Acquisition Account. Proceeds of the Bonds and other moneys deposited in the Acquisition Account shall be applied to make or purchase Mortgage Loans in accordance with the provisions of the Indenture; provided, however, that such Mortgage Loans must satisfy the terms and conditions set forth in Section 6.7 of this Master Indenture and applicable provisions of the Related Series Indenture, and the Authority shall not use such proceeds or other moneys to finance a Mortgage Loan providing a yield that, in the aggregate with other Mortgage Loans credited or expected to be credited to the Acquisition Account or the Loan Recycling Account, exceeds any limitation on yield required by Section 103 of the Code, unless there shall be filed with the Trustee an opinion of Bond Counsel to the effect that the financing of Mortgage Loans providing a higher yield will not cause the interest on the Related Tax-exempt Bonds to be included in the gross income of the recipient thereof for federal income tax purposes.

(c) Disbursements from Acquisition Account. The Trustee shall withdraw moneys from the Acquisition Account for the purchase of a Mortgage Loan pursuant to paragraph (b) of this Section 5.2 upon receipt of an Authority Request stating (i) the name of the Person to be paid, (ii) the amount to be paid, including principal, premium, if any, unpaid accrued interest and prepaid discount fees, if any, and (iii) that all conditions precedent to the purchase of such Mortgage Loan have been fulfilled. If the Authority requires or permits the prepayment of Mortgage Loan discount amounts consistent with the Related Series Indenture, such prepaid discount amounts shall be transferred by or on behalf of the Authority to the Trustee for deposit in the Acquisition Account.

(d) Unexpended Moneys. Any moneys deposited in the Acquisition Account that the Authority certifies from time to time will not be used to purchase Mortgage Loans in accordance with this Master Indenture and the Related Series Indenture shall be withdrawn by the Trustee on the date specified in the Related Series Indenture or such other date or dates on or after such date as may be specified by the Authority, and transferred to the Related subaccount of the Redemption Fund for application in accordance with the Related Series Indenture; provided, however, that such transfer or transfers may be made on a later date as to all or any part of such moneys, if the Authority shall have filed with the Trustee an Authority Request specifying a later date or dates for such

withdrawal, and certifying that such Authority Request is consistent with the most recently filed Cash Flow Statement and the Related Series Indenture.

(e) Withdrawal of Assets upon Retirement of a Series. When no Bonds of a particular Series or Related Auxiliary Obligations remain Outstanding, upon receipt of an Authority Request to withdraw all or any portion of the Related moneys, investments and/or Mortgage Loans from the Related Funds, Accounts and subaccounts, the Trustee shall make such withdrawal and shall transfer such moneys, investments and/or Mortgage Loans, as the case may be, to or upon the order of, the Authority; provided, however, that the Authority Request must certify that such withdrawal is consistent with the most recently filed Cash Flow Statement for all Bonds and the most recently filed Cash Flow Statement for any Series to which such retired Series has been linked.

(f) Mortgage Loans Financed With More Than One Series of Bonds. The Authority may determine that a Mortgage Loan will be financed or refinanced with proceeds of more than one Series of Bonds. In such event, all provisions of the Indenture which relate to a Mortgage Loan, Mortgage Repayments and Prepayments, and moneys in any Fund or Account, shall be interpreted and applied to relate such Mortgage Loan, Mortgage Repayments, Prepayments and moneys to each Series furnishing proceeds for such Mortgage Loan in proportion to the respective principal amounts of Bonds of each such Series the proceeds of which were or will be used to finance or refinance such Mortgage Loan.

Section 5.3 Program Fund; Cost of Issuance Account and Short Term Bond Account.

(a) Upon the issuance, sale and delivery of Bonds, the Trustee shall deposit in the Related subaccount of the Cost of Issuance Account such moneys, if any, as shall be specified in the Related Series Indenture. There may also be paid into the Cost of Issuance 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. Moneys therein shall be used to pay Costs of Issuance and for no other purpose. The Trustee shall issue its checks for each disbursement from the Cost of Issuance Account (including to reimburse the Authority for its payment of Costs of Issuance, but not including any fees payable to the Trustee, which may be withdrawn directly by it) upon being furnished with an Authority Request setting forth: the Person to whom payment is to be made, the amount of payment, that the disbursement is for a proper Cost of Issuance, and that none of the items for which payment is to be made has been the basis for any prior disbursement from such Account. Any excess remaining upon payment of all Costs of Issuance shall be transferred by the Trustee to the Authority or to the Related subaccount in the Acquisition Account upon receipt by the Trustee of an Authority Certificate stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon the Cost of Issuance Account shall be closed.

(b) In the event that the moneys deposited in the Cost of Issuance Account are not sufficient to pay all Costs of Issuance. Costs of Issuance may be paid from any available moneys of the Authority.

(c) Provisions relating to the Short Term Bond Account and Related subaccounts shall be set forth in Related Series Indentures.

Section 5.4 Program Fund: Loan Recycling Account.

(a) There shall be paid into the Related subaccount of the Loan Recycling Account established within the Program Fund any amounts transferred pursuant to Section 5.5(d)(i)(E), (K), (S) or (W) of this Master Indenture. Except as otherwise required or permitted by Sections 5.1 and 5.2(f) of this Master Indenture, Mortgage Loans (or portions thereof) allocated to a Series of Bonds and financed or refinanced with moneys in the Related subaccount of the Loan Recycling Account shall be held in such subaccount of the Loan Recycling Account.

(b) Before any moneys are transferred to the Loan Recycling Account pursuant to Section 5.5(d)(i)(E), (K), (S) or (W) of this Master Indenture, the Authority shall file with the Trustee (a) a Cash Flow Statement, (b) an Authority Certificate demonstrating that the Related Class I Asset Requirement, Class II Asset Requirement, Class III Asset Requirement or Class IV Asset Requirement, as applicable, will be met, and (c) a letter from each Rating Agency then rating any Bonds confirming that such transfer will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds, except to the extent a previous Cash Flow Statement, Authority Certificate and rating confirmation shall apply to such transfer and the Mortgage Loans to be made with such amounts.

(c) Amounts deposited in the Loan Recycling Account shall be applied, upon Authority Request, to finance or refinance Mortgage Loans that satisfy the requirements of Section 6.7 of this Master Indenture and applicable provisions of the Related Series Indenture with respect to the Mortgage Loans to be financed or refinanced. The Trustee shall withdraw moneys from the Related subaccount of the Loan Recycling Account for the financing of a Mortgage Loan upon receipt of an Authority Request stating (i) the name of the Person to be paid, and (ii) the amount to be paid.

(d) Moneys remaining in the Related subaccount of the Loan Recycling Account on the date set forth in the Cash Flow Statement in connection with which such moneys were deposited in such subaccount shall be withdrawn therefrom by the Trustee on such date (or such earlier date or dates as may be specified by the Authority), and shall be transferred to the Revenue Fund.

Section 5.5. Revenue Fund.

(a) Deposit of Revenues. The Authority shall pay all Revenues or cause all Revenues to be paid to the Trustee at least once each month. Except as otherwise provided herein or in a Series Indenture, all Revenues Related to each Series of Bonds shall be deposited by the Trustee in the Related subaccount of the Revenue Fund amounts transferred thereto from the Related subaccount of the Loan Recycling Account pursuant to Section 5.4(d) of this Master Indenture, from the Related subaccount of the Class I Debt Service Fund pursuant to Section 5.6(b) of this Master Indenture, from the Related subaccount of the Debt Service Reserve Fund pursuant to Section 5.7(b) of this

Master Indenture, from the Related subaccount of the Class I Special Redemption Account pursuant to Section 5.8(b) of this Master Indenture, from the Related subaccount of the Class II Special Redemption Account pursuant to Section 5.8(c) of this Master Indenture, from the Related subaccount of the Class III Special Redemption Account pursuant to Section 5.8(d) of this Master Indenture, from the Related subaccount of the Class IV Special Redemption Account pursuant to Section 5.8(e) of this Master Indenture, from the Related subaccount of the Class II Debt Service Fund pursuant to Section 5.9(b) of this Master Indenture, from the Related subaccount of the Class III Debt Service Fund pursuant to Section 5.10(b) of this Master Indenture, from the Related subaccount of the Class IV Debt Service Fund pursuant to Section 5.11(b) of this Master Indenture, from the Related subaccount of the Rebate Fund pursuant to Section 5.12 of this Master Indenture, and from the Related subaccount of the Excess Earnings Fund pursuant to Section 5.13 of this Master Indenture. There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by the Indenture.

(b) Accrued Interest on Mortgage Loans. Promptly upon receipt of interest on a Mortgage Loan with respect to which moneys were withdrawn from the Acquisition Account to pay for interest accrued on such Mortgage Loan at the time of purchase from a Mortgage Lender, the Trustee shall withdraw from the Related subaccount of the Revenue Fund and transfer to the Related subaccount of the Acquisition Account an amount equal to such accrued interest paid. Alternatively, accrued interest on Mortgage Loans at the time of purchase may be paid from the Related subaccount of the Revenue Fund as the Authority shall direct in an Authority Request.

(c) Payment of Certain Fiduciary Expenses. The Trustee shall pay or transfer from the Related subaccount of the Revenue Fund (i) directly to the Fiduciaries, all Fiduciary Expenses, when and as payable and (ii) to the Authority or to its order other reasonable and necessary Program Expenses, respectively, only to the extent, if any, provided in the following paragraphs.

(d) Allocation of Revenues From Revenue Fund.

(i) On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, or on the other dates specifically provided below, the Trustee shall withdraw from each subaccount of the Revenue Fund and deposit into the Related subaccounts of the following Funds or Accounts and shall pay to the following parties the following amounts, in the following order of priority, the requirements of each such Fund, Account or party (including the making up of any deficiencies in any such Fund or Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(A) On each August 1, into the Related accounts of the Rebate Fund, an amount to be calculated by the Authority which, when added to the amount already within

such respective accounts, will equal the Rebate Requirement Related to the Tax-Exempt Bonds of each respective Series, as determined by the Authority;

(B) On each August 1, into the Related accounts of the Excess Earnings Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective accounts, will equal amount determined by the Authority to be required to be on deposit therein;

(C) Into the Related subaccount of the Class I Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class I Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on the Outstanding Related Class I Bonds on such Payment Date; plus (§) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class I Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class I Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class I Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class I Bonds on the next Payment Date;

(D) Into each Unrelated subaccount of the Class I Debt Service Fund, after making any transfer into such subaccount required by Section 5.7(c)(i) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (C) of this Section 5.5(d)(i) as of such date:

(E) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 5.4(b) of this Master Indenture, or (2) the Related subaccount of the Class I Special Redemption Account, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, needed to ensure that the Class I Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(F) Into each Unrelated subaccount of the Class I Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise

directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (E) of this Section 5.5(d)(i) as of such date;

(G) Into the Related subaccount of the Class II Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class II Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on Outstanding Related Class II Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class II Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class II Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class II Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class II Bonds on the next following Payment Date;

(H) Into each Unrelated subaccount of the Class II Debt Service Fund, after making any transfer into such subaccount required by Section 5.7(c)(iii) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (G) of this Section 5.5(d)(i) as of such date;

(I) Into the Related subaccount of the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in such subaccount (including the Related Interest Reserve Account), together with the available amount of any Qualified Surety Bond therein, to the Debt Service Reserve Fund Requirement of the Related Series of Bonds;

(J) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of Related Revenues sufficient to make the deposit required by paragraph (I) of this Section 5.5(d)(i) as of such date;

(K) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 5.4(b) of this Master Indenture, or (2) the

Related subaccount of the Class II Special Redemption Account, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, needed to ensure that the Class II Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(L) Into each Unrelated subaccount of the Class II Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (K) of this Section 5.5(d)(i) as of such date;

(M) To the Authority, the amount of any reasonable and necessary Fiduciary Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Authority or reasonably anticipated to be payable in the following six months (or directly to the Fiduciaries, Fiduciary Expenses with respect to the Related Series of Bonds, when and as payable); provided, however, that in no event shall the aggregate of all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries or to the Authority under this paragraph (M) exceed any limitation set forth in the Related Series Indenture for any period;

(N) To the Authority, the amount of any reasonable and necessary Fiduciary Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (M) of this Section 5.5(d)(i) as of such date;

(O) Into the Related subaccount of the Class III Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class III Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class III Bonds on such Payment Date; plus (§) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class III Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class III Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class III Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class III Bonds on the next following Payment Date;

(P) Into each Unrelated subaccount of the Class III Debt Service Fund, after making any transfer into such subaccount required by Section 5.7(c)(v) of this Master Indenture, on a proportionate basis with all such other Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (O) of this Section 5.5(d)(i) as of such date;

(Q) To the Authority, the amount of any reasonable and necessary Program Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Authority or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of such amounts paid to the Authority, plus amounts paid to the Authority with respect to such Series of Bonds pursuant to subsections (K) and (L) above and plus all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries exceed any limitations set forth in the Related Series Indenture;

(R) To the Authority, the amount of any reasonable and necessary Program Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (Q) of this Section 5.5(d)(i) as of such date;

(S) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 5.4(b) of this Master Indenture, or (2) the Related subaccounts of the Redemption Fund, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, necessary to satisfy the Class III Asset Requirement of the Related Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer;

(T) Into each Unrelated subaccount of the Redemption Fund, on a proportionate basis with all such other Unrelated subaccounts or as otherwise directed by Authority Request, the additional amount, if any, necessary (after the deposits required by subsection (S) above for the Related Series of Bonds) to satisfy the Class III Asset Requirement of such Unrelated Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer, which amount shall be allocated to the applicable subaccount of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amount Outstanding of the applicable Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all applicable Class I,

Class II, and Class III Bonds Outstanding (for purposes of this subsection (T), "applicable" means Related to such Unrelated Series);

(U) Into the Related subaccount of the Class IV Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class IV Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class IV Bonds on such Payment Date; plus (§) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class IV Auxiliary Obligations on such Payment Date;

(V) Into each Unrelated subaccount of the Class IV Debt Service Fund, after making the transfer into such subaccount required by Section 5.7(c)(vii) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccounts resulting from the lack of moneys sufficient to make the deposit required by subsection (U) of this Section 5.5(d)(i) as of such date; and

(W) Upon Authority Request, to the Related subaccount of the Loan Recycling Account, in order to finance or refinance Mortgage Loans, to the extent permitted by the applicable Series Indenture.

(ii) The Authority may direct the Trustee to make any of the above transfers more frequently than on the last Business Day prior to Payment Dates, in amounts proportionate to the frequency of transfers so directed.

(iii) Following such transfers, the balance, if any, in each subaccount of the Revenue Fund, or such lesser amount thereof as shall be requested by the Authority shall be paid to the Authority for the payment of Program Expenses or for any other purpose free and clear of the lien and pledge of the Indenture upon receipt of an Authority Request made within 30 days of such Payment Date. Any amount in each subaccount of the Revenue Fund not so paid to the Authority shall be transferred to the Related subaccounts of the Redemption Fund and allocated among the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account as provided in subsection (d)(i)(S) above or shall be transferred and allocated as set forth in an Authority Request, subject in each case to any limitations or requirements specified in the Related Series Indenture.

(iv) Prior to, but as close as practicable to, the latest date on which the Trustee would be permitted to give notice of a redemption to occur on a Payment Date from amounts deposited in the Redemption Fund pursuant to subsection (d)(i) of this Section, the Trustee

shall calculate the amounts then on deposit in each subaccount of the Revenue Fund which would be transferred to the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund and the Class IV Debt Service Fund, and the Related subaccounts of the Redemption Fund, in accordance with the priorities and provisions of such subsection. Such amounts may be withdrawn from such subaccount of the Revenue Fund for application on or prior to the next succeeding Payment Date (A) upon receipt of an Authority Request, to the purchase in lieu of redemption in accordance with Section 3.6 of Related Class I Bonds, Class II Bonds, Class III Bonds or Class IV Bonds in amounts determined in accordance with subsection (d)(i) of this Section, (B) to the payment of accrued interest on Bonds being purchased pursuant to Section 3.6 or redeemed pursuant to Section 5.8 of this Master Indenture, or (C) to the redemption of Related Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds on such Payment Date in the amounts determined in accordance with subsection (d)(i) of this Section.

(v) In the event Bonds are to be redeemed on a date other than a Payment Date, and to the extent moneys are not available in the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund or the Class IV Debt Service Fund to pay accrued interest on such redemption date for such Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, the Trustee shall apply or cause the Paying Agent to apply available moneys in the Related subaccount of the Revenue Fund for the payment of such interest.

Section 5.6 Application of Class I Debt Service Fund.

(a) Amounts in each subaccount of the Class I Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying the interest and Principal Installments on the Related Class I Bonds as the same shall become due and payable (including accrued interest on any Class I Bonds purchased or redeemed prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class I Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class I Bonds purchased in lieu of redemption by Related Class I Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class I Debt Service Fund after all the Related Class I Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.7 Debt Service Reserve Fund.

(a) Upon the issuance, sale and delivery of a Series of Bonds pursuant to the Indenture, the Trustee shall deposit in the Related subaccount of the Debt Service Reserve Fund and in the Related subaccount of the Interest Reserve Account therein such amounts, if any, as shall be required by the provisions of the Related Series Indenture, which aggregate amount, together with the

available amount of any Qualified Surety Bond or Bonds in the Debt Service Reserve Fund, shall be at least sufficient to equal the Debt Service Reserve Fund Requirement relating to such Series of Bonds, calculated after giving effect to the issuance of such Bonds. Moneys on deposit in the Related subaccount of the Interest Reserve Account shall at all times be deemed to be a part of the Related subaccount of the Debt Service Reserve Fund. Additional moneys may be deposited in the Related subaccount of the Debt Service Reserve Fund in accordance with Section 5.5(d) of this Master Indenture.

(b) On or prior to each Payment Date, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for each Series of Bonds as of the next succeeding Payment Date and shall determine the amount, if any, which would then be in the Related subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investment Securities) is in excess of such Requirement, shall notify the Authority of such excess amount and shall, unless otherwise instructed by an Authority Request, transfer such excess amount from the Related subaccount of the Debt Service Reserve Fund, other than the Related subaccount of the Interest Reserve Account therein, to the Related subaccount of the Revenue Fund; provided, however, that if such excess is attributable to amounts invested in Qualified Mortgage Loan Backed Securities, such excess may, at the option of the Authority, be retained in the Debt Service Reserve Fund.

(c) On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, and in each case in conjunction with the transfers, deposits and payments to be made pursuant to Section 5.5(d)(i), the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund (including from the Interest Reserve Account as provided below) to the specified subaccounts of other Funds or Accounts the following amounts (from any cash, Investment Securities or Qualified Surety Bonds therein), in the following order of priority, the requirements of each such transfer to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(i) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund pursuant to subsection 5.5(d)(i)(C) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class I Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(ii) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund pursuant to subsection 5.5(d)(i)(D) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class I Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts of the Interest Reserve Account, and then if and

to the extent necessary from subaccounts of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(iii) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to subsection 5.5(d)(i)(G) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund the amount of such insufficiency.

(iv) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to subsection 5.5(d)(i)(H) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund, on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts of the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund, the amount of such insufficiency.

(v) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to subsection 5.5(d)(i)(O) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(vi) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to subsection 5.5(d)(i)(P) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit

specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(vii) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to subsection 5.5(d)(i)(U) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any due on Related Class IV Obligations on the next succeeding Payment Date, the Trustee shall transfer from first the Related subaccount of the Interest Reserve Account and then if and to the extent necessary the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

(viii) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to subsection 5.5(d)(i)(V) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class IV Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

Section 5.8 Redemption Fund; Cross-Calls and Recycling.

(a) Moneys deposited in the subaccounts of the Redemption Fund shall be applied by the Trustee to the purchase or applied by the Paying Agent (if directed by the Trustee) to the redemption of Bonds in accordance with the provisions of Article III, this Section 5.8 and each Related Series Indenture.

(b) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class I Special Redemption Account pursuant to Section 5.5 of this Master Indenture or pursuant to the Related Series Indenture, shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class I Bonds. Any amounts remaining in such Class I Special Redemption Account after all Class I Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(c) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class II Special Redemption Account pursuant to Section 5.5 of the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class II Bonds. Any amounts remaining in such Class II Special Redemption Account after all Class II Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(d) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class III Special Redemption Account pursuant to Section 5.5 of the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class III Bonds. Any amounts remaining in such Class III Special Redemption Account after all Class III Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

(e) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class IV Special Redemption Account pursuant to Section 5.5 of the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class IV Bonds. Any amounts remaining in such Class IV Special Redemption Account after all Class IV Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

(f) Notwithstanding anything contained herein to the contrary, the Authority may by the delivery of an Authority Request to the Trustee at any time prior to the transmission of notices of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied as provided herein to the redemption of the same Class of Bonds of a different Series. Each such Authority Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement (which may, if necessary, link the Related Series) and not prohibited by the Related Series Indentures and (ii) shall be accompanied by evidence of the satisfaction of all Asset Requirements for the Related Series.

(g) In addition, notwithstanding anything contained herein to the contrary, the Authority may by the delivery of an Authority Request to the Trustee at any time prior to the giving of notice of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be applied as provided in Section 5.2. Each such Authority Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement and not prohibited by the Related Series Indenture and (ii) shall be accompanied by evidence of the satisfaction of all Asset Requirements for the Related Series.

Section 5.9 Application of Class II Debt Service Fund.

(a) Amounts in each subaccount of the Class II Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class II Bonds as the same become due and payable (including accrued interest on any such Class II Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class II Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class II Debt Service Fund after all the Related Class II Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.10 Application of Class III Debt Service Fund.

(a) Amounts in each subaccount of the Class III Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class III Bonds as the same become due and payable (including accrued interest on any such Class III Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class III Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class III Debt Service Fund after all the Related Class III Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.11 Application of Class IV Debt Service Fund.

(a) Amounts in each subaccount of the Class IV Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class IV Bonds as the same become due and payable (including accrued interest on any such Class IV Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class IV Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class IV Debt Service Fund after all the Related Class IV Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.12 Rebate Fund. To the extent required by Section 6.17 of this Master Indenture, all of the amounts on deposit in the Related subaccounts of the Funds and Accounts with respect to Tax-exempt Bonds and all amounts pledged to Debt Service Payments on the Related Series of Tax-exempt Bonds pursuant to the Indenture, (i) shall be invested in compliance with the procedures established by the Related Series Indentures and Authority Certificates delivered in connection therewith, and (ii) to the extent required by such Authority Certificates, the investment earnings thereon shall be deposited from time to time into the Related subaccount of the Rebate Fund for timely payment of the Related Rebate Requirement. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of the Indenture to the extent such amounts constitute the Rebate Requirement. The Authority shall verify or cause to be verified at least annually from the date of delivery of each Series of Tax-exempt Bonds that (i) all requirements of this Section 5.12 have been met on a continuing basis, (ii) the proper amounts are deposited into each subaccount of the Rebate Fund, and (iii) the timely payment of the Rebate Requirement from each subaccount of the Rebate Fund has been made. Upon receipt of an opinion of Bond Counsel that the balance in any subaccount of the Rebate Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Records of the determinations made with respect to the above covenant and each subaccount of the Rebate Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

Section 5.13 Excess Earnings Fund. All amounts in a subaccount of the Excess Earnings Fund, including all investment earnings thereon, shall remain therein until transferred or paid by the Trustee to such other Fund or the United States Department of the Treasury or for such other purpose, as the Authority shall specify, upon receipt by the Trustee of (a) an Authority Request directing the Trustee to so transfer or pay a specified amount, and (b) a written opinion of Bond Counsel to the effect that any such transfer or payment, upon satisfaction of any conditions set forth in such opinion (e.g., forgiveness of indebtedness on all or a portion of the Mortgage Loans), would not cause interest on such Bonds to be includable in the gross income of the Owners thereof for federal income tax purposes. Upon receipt of an opinion of Bond Counsel that the balance in a subaccount of the Excess Earnings Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Moneys in a subaccount of the Excess Earnings Fund may be used to purchase Mortgage Loans in the Related subaccount of the Acquisition Account or the Loan Recycling Account, at a purchase price equal to the unpaid balances of the principal amounts of such Mortgage Loans plus accrued interest, if any, thereon, and any unamortized premium; and any such Mortgage Loans so purchased shall be credited to such subaccount of the Excess Earnings Fund. Mortgage Loans in a subaccount of the Excess Earnings Fund may be exchanged for Mortgage Loans in the Related subaccount of the Acquisition Account or the Loan Recycling Account having an aggregate principal balance not less than the aggregate principal balance of such Mortgage Loans in such subaccount of the Excess Earnings Fund, upon receipt by the Trustee of an Authority Request specifying the Mortgage Loans to be so exchanged.

If, on the final maturity of all of a Series, there is a balance in a subaccount of the Excess Earnings Fund which is allocated to payments related to such Series, and the Trustee has not received directions meeting the requirements of the preceding sentence for the disposition of such balance, the Trustee shall obtain an opinion of Bond Counsel as to the purposes, if any, to which such balance may be applied without adversely affecting the federal income tax status of interest on such Bonds, and shall thereafter dispose of such balance in accordance with such opinion. Records of the calculation of Excess Earnings and the Excess Earnings Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

Section 5.14 Application of Authority Payment Accounts.

(a) If, following transfers made pursuant to Sections 5.5 and 5.7(c), there are not sufficient moneys or any moneys allocated to pay all interest or any other required payment due and payable on any General Obligation or to pay any Principal Installment on any General Obligation, the Trustee shall immediately notify the Authority in writing of the amount of such insufficiency and shall request from the Authority an immediate deposit of legally available funds equal to such insufficiency. The Authority shall pay to the Trustee (from the Authority's other general revenues or moneys legally available therefor, subject only to agreements made or to be made with holders of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof) for deposit in the Related subaccounts of the Authority Payment Account the amount of such insufficiency. If the amount provided by the Authority is less than the amount of such insufficiency, any shortfall shall be allocated pro rata among the holders of the Related General Obligations in proportion to the amounts then due and payable on such Bonds.

(b) Amounts deposited with the Trustee by the Authority pursuant to paragraph (a) shall be deposited into the respective subaccounts of the Authority Payment Accounts for the General Obligations for which such amounts are provided. Amounts in such subaccounts shall only be used to pay interest or Principal Installments or other amounts due and payable on the Related General Obligations and may not be transferred to any Debt Service Fund for Bonds or Auxiliary Obligations which are not General Obligations or to any other Fund or Account for any reason.

Section 5.15 Investment of Moneys Held by the Trustee.

(a) Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Securities, in accordance with directions given to the Trustee in an Authority Request or Certificate; provided that the maturity date or the date on which such Investment Securities may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof.

(b) Amounts credited to any Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Security or Investment Securities, provided that each such investment complies in all respects with the provisions of this

Section 5.15 as they apply to each Fund or Account for which the joint investment is made, the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein and amounts credited to the Rebate Fund and the Excess Earnings Fund may be invested together with amounts credited to any other Fund or Account. The maturity date or the date on which Investment Securities may be redeemed at the option of holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes provided in the Indenture.

(c) The Trustee may make any investment permitted by this Section 5.15 with or through its own bond department, commercial banking department or commercial paper department or with investment companies for which the Trustee or its affiliates may provide advisory, administrative, custodial or other services for compensation.

(d) In computing the amount in any Fund or Account, Investment Securities shall be valued at par or, if purchased at other than par, at their Amortized Value, in either event inclusive of accrued interest purchased, and Mortgage Loans shall be valued at 100% of the outstanding principal balance thereof unless in default for more than 60 days as of the date of computation, in which event such Mortgage Loans shall be valued at the Authority's estimated net Prepayment from the proceeds of mortgage insurance or the Authority's estimated net proceeds of foreclosure proceedings or other action with respect to a defaulted Mortgage Loan.

(e) Except as otherwise specifically provided in the Indenture, the income or interest earned by, or gain to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the Related subaccount of the Revenue Fund, in accordance with Section 5.5 except that no such transfer shall be made from, and such income, interest or gain (as described above) shall be retained in, the Debt Service Reserve Fund, unless after giving effect to the transfer the amount therein at least equals the aggregate Debt Service Reserve Fund Requirement.

(f) The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

Section 5.16 Liability of Trustee for Investments. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article V in the manner provided in this Article V or for any loss resulting from any such investment so made, except for its own negligence.

(End of Article V)

ARTICLE VI

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondowners of the Bonds as follows:

Section 6.1 Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but in strict conformity with the terms of the Bonds and the Indenture, the principal or Redemption Price of every Bond and the interest thereon at the dates and places and in the manner mentioned in the Bonds according to the true intent and meaning thereof.

Section 6.2 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement. Notwithstanding the foregoing, the Owner of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds, and such issuance shall not constitute an extension of maturity of Bonds.

Section 6.3 Further Assurances. At any and all times the Authority, so far as it may be authorized by law, shall make, do, execute, acknowledge and deliver, all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and property, including, without limitation, the Mortgage Loans and all rights therein, pledged or assigned by the Indenture, or intended so to be, or which the Authority may become bound to pledge or assign.

Section 6.4 Power to Issue Bonds and Pledge Revenues and Other Funds. The Authority is duly authorized under all applicable laws to issue the Bonds and to execute and deliver this Master Indenture and to pledge the Revenues and other moneys, securities, rights and interests purported to be pledged in the manner and to the extent provided herein and in any Series Indenture. The Revenues and other moneys, securities, rights and interests so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto (other than liens of Fiduciaries) prior to, or of equal rank with, the pledge created by the Indenture and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Indenture are and will be the valid and binding obligations of the Authority enforceable in accordance with their terms and the terms of the Indenture, subject to State and Federal bankruptcy, insolvency, and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies. The Authority, to the extent permitted by law, at all times

shall defend, preserve and protect the pledge of the Revenues and other moneys, securities, rights and interests pledged under the Indenture and all the rights of the Bondowners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.5 Use of Bond Proceeds. The Authority will use the proceeds of Bonds and any other moneys deposited in the Funds and Accounts only in accordance with the provisions of the Indenture. All Bond proceeds and other moneys deposited in the Program Fund, except as otherwise provided in the Indenture, shall be used only to make or purchase Mortgage Loans.

Section 6.6 Program Covenants.

(a) The Authority from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of the Indenture, shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Account and any moneys deposited in the Loan Recycling Account for the purposes provided herein, and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority for the enforcement of all terms, covenants and conditions of Mortgage Loans.

(b) In making, purchasing and servicing the Mortgage Loans, the Authority shall comply with the terms and provisions of any applicable Mortgage Purchase Agreements and any applicable Servicing Agreements.

(c) The Authority shall file with the Trustee with each direction to purchase Mortgage Loans, a schedule of Mortgage Loans to be made or purchased by the Trustee identifying the same by reference to the Authority loan number, the party (if applicable) from whom the Mortgage Loan will be purchased, the name of the Borrower, the principal amount due on the Mortgage Loan and the date through which interest has been paid by the Borrower, the interest rate (if any) on the Mortgage Loan and the term of the Mortgage Loan.

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

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

Section 6.7 Mortgage Loans. No Mortgage Loan shall be made or purchased by the Authority unless (i) the Mortgage Loan complies with, and is in fulfillment of the purposes of, the Act including the requirement that such Mortgage Loan have been made to an Eligible Borrower,

and (ii) except to the extent, if any, that a variance is required as a condition to the insurance or guaranty of such Mortgage Loan, such Mortgage Loan complies with the following conditions:

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

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

(c) The Mortgage Loan is subject to such mortgage insurance or guaranty as may be required by the Related Series Indenture: provided, however, that (i) the Authority may finance a Mortgage Loan prior to actual issuance of the policy of mortgage insurance or guaranty so long as: (1) there shall have been issued by the mortgage insurer a commitment in customary form to issue mortgage insurance with respect to such Mortgage Loan to the extent referred to above; and (2) the Mortgage Loan satisfies all other requirements of this Section 6.7; and (ii) no Mortgage Loan subject to any particular type of mortgage insurance (such as private mortgage insurance or a United States Department of Veterans Affairs ("VA") guaranty) shall be purchased by the Authority if such purchase would result in the aggregate amount of Mortgage Loans subject to such particular type of mortgage insurance exceeding any applicable limitation set forth in the Related Series Indenture.

(d) Either (i) the Mortgage Loan requires escrow payments with respect to all taxes, assessments, prior liens, insurance premiums and other charges, to the extent actually charged or assessed, and in case of default in the payment thereof when the same shall be due and payable, it shall be lawful for the Authority to pay the same or any of them (in which event the moneys paid by the Authority in discharge of taxes, assessments, prior liens, insurance premiums and other charges and prior liens shall be added to the amount of the Mortgage Loan and secured by the Mortgage payable on demand with interest (if applicable) at the rate applicable under the Mortgage Loan from and after maturity, from time of payment of the same); or (ii) reasonable alternative arrangements for the payment of such taxes, assessments, prior liens, insurance premiums and other charges are made which are satisfactory to the Authority.

(e) The Residential Housing (and other buildings on the premises) with respect to which the Mortgage Loan is made is insured, as and to the extent required by the Authority to protect its

interest and with the Authority designated as the loss payee as its interest may appear, against loss or damage by (i) fire, lightning and other hazards, with a uniform standard extended coverage endorsement; and (ii) flooding, if the Residential Housing is located in an area designated by or on behalf of the Government as having specific flood hazards; and the Borrower is obligated to reimburse the Mortgage Lender or the Authority for any premiums paid for insurance made by or on behalf of the Mortgage Lender or the Authority on the Borrower's default in so insuring.

(f) If Mortgage Loans are acquired by the Authority and held temporarily in its general fund prior to transfer to the Trust Estate, such Mortgage Loans may be transferred to the Trust Estate if such loans satisfied the Indenture and Program requirements as of the date of purchase into the Authority's general fund.

Section 6.8 Enforcement of Mortgage Loans and Servicing Agreements.

(a) The Authority shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans consistent with sound lending practices and principles and applicable requirements under the Code, including the prompt payment of all Mortgage Repayments and all other amounts due the Authority thereunder. The Authority shall not without good cause release the obligations of any Borrower under any Mortgage Loan or of the Servicer under the Servicing Agreement and shall not consent or agree to or permit any amendment or modification of the economic terms of any Mortgage Loan except with respect to a Mortgage Loan in default (or which, with the giving of notice or the passage of time or both, would be in default), and to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of the Authority, the Trustee and the Bondowners under or with respect to all Mortgage Loans, the obligations evidencing such Mortgage Loans and the agreements securing such Mortgage Loans and the Servicing Agreement relating thereto; provided, however, that nothing in this Section 6.8 shall be construed to prevent the Authority from: (i) settling a default on any Mortgage Loan on such terms as the Authority shall determine to be in the best interests of the Authority and the Bondowners; (ii) releasing any Borrower, Servicer or any other Person from, or waiving, any of such Person's obligations under the respective Mortgage Loan, any agreement with respect to security therefor or Servicing Agreement to the extent necessary to comply with the provisions of Section 6.17 of this Master Indenture or to the extent required by the governmental or private insurer or guarantor, if any, of such Mortgage Loan; or (iii) releasing any mortgagor in connection with an assumption of a Mortgage Loan as permitted in accordance with the requirements of any governmental or private insurer or guarantor.

(b) Whenever it shall be necessary in order to protect and enforce the rights of the Authority under a Mortgage Loan and to protect and enforce the rights and interests of the Trustee and Bondowners under the Indenture, the Authority shall take necessary actions to realize on any applicable mortgage insurance on such Mortgage Loan and to collect, sell or otherwise dispose of the property secured by the Mortgage and, if the Authority deems such to be advisable, shall bid for and purchase the property secured by the Mortgage at any sale thereof and take possession of such

property. As an alternative to foreclosure proceedings, the Authority may take such other action as may be appropriate to acquire and take possession of the mortgaged property, including without limitation, acceptance of a conveyance in lieu of foreclosure.

(c) The Authority shall request payment of governmental insurance or guaranty benefits in cash and not in debentures of such governmental insurer or guarantor in any case where, under government regulations, it is permitted to request such debentures as payment with respect to a defaulted Mortgage Loan, provided that the Authority may request payment in debentures if it files with the Trustee a Cash Flow Statement. The Authority shall take all necessary actions so as to receive payment from any governmental insurer or guarantor of the maximum amount of insurance or guaranty benefits on the earliest possible date.

Section 6.9 Assignment or Disposition of Mortgage Loans. Following the acquisition of a Mortgage Loan by the Trustee, the Authority shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Mortgage Loan or any of the rights of the Authority with respect to any Mortgage Loan or arising out of the Mortgage or the other obligations evidencing or securing any Mortgage Loan except a Mortgage Loan in default, unless the Authority determines that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds. No Bonds shall be redeemed from the proceeds of the sale of Mortgage Loans, other than Mortgage Loans in default, except in accordance with the optional redemption provisions with respect to such Bonds.

Section 6.10 Amendment of Mortgage Loans. The Authority shall not consent or agree to or permit any amendment or modification of the financial terms of any Mortgage Loan in any manner that would have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds.

Section 6.11 Power as to Mortgage Loans. The Authority has, and will have so long as any Bonds are Outstanding, lawful power to collect and hold Mortgage Repayments and Prepayments with respect to all Mortgage Loans.

Section 6.12 Revenues. The Authority at all times shall charge and collect Mortgage Repayments and other amounts with respect to Mortgage Loans in amounts sufficient to provide Mortgage Revenues which, together with any other moneys estimated by the Authority to be available therefor (including Prepayments and Interest Rate Contract Revenues but excluding the Rebate Requirement and any Excess Earnings), are estimated to be at least sufficient in each Bond Year for the payment of the sum of:

- (a) an amount equal to the Aggregate Debt Service (including the originally scheduled amount of any Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments and Class IV Sinking Fund Installments) for such Bond Year on all Bonds and Related Auxiliary Obligations Outstanding; and

- (b) Program Expenses during such Bond Year, as projected by the Authority.

Section 6.13 Cash Flow Statement. The Authority shall file Cash Flow Statements at such times as may be required pursuant to the provisions of the Indenture. Whenever an event occurring or action to be taken under the Indenture is required to be "consistent with" a Cash Flow Statement, such event or action must be substantially the same as, or within the range of, the events or actions that were projected or assumed by such Cash Flow Statement to occur or be taken. For any Cash Flow Statement delivered after the issuance of the Related Series, the projections or assumptions as to future results of operation of the Program may include the scenarios covered by, and the material assumptions made in connection with, the Cash Flow Statement delivered in connection with the issuance of such Series, if the actual results of operation of the Program have not materially deviated from such projections or assumptions. Projections and assumptions may include, but are not limited to, the following:

- (a) the range of Mortgage Loan terms and the terms of purchase thereof;
- (b) the maximum assumed delay in receipt of Mortgage Loan payments after scheduled due dates;
- (c) the range of rates of prepayment of Mortgage Loans;
- (d) the extent to which amounts from the Redemption Fund may or may not be transferred to the Program Fund;
- (e) the range of periods of time that amounts may be on deposit in Program Fund before transfer to the Redemption Fund;
- (f) the investment return on amounts invested hereunder other than in Mortgage Loans; and
- (g) the order of redemption of Bonds.

Section 6.14 Accounts and Reports.

(a) The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books, and all other books and papers of the Authority and such Funds and Accounts shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Authority shall cause to be kept and maintained proper books of account, in which full, true and correct entries will be made, in accordance with generally accepted accounting

principles, of all transactions of or in relation to the business of the Authority, and after the end of each Fiscal Year shall cause such books of account to be audited by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority, who is independent and not under the domination of the Authority, who does not have any substantial interest, direct or indirect, in the Authority, which audit shall be completed as soon as possible after the end of each Fiscal Year but in any event within 180 days thereafter. A copy of each annual balance sheet, statement of revenues, expenses and changes in retained earnings and statement of cash flows, showing in reasonable detail the financial condition of the Authority as of the close of each Fiscal Year, and summarizing in reasonable detail the income and expenses for the Fiscal Year, shall be filed promptly with the Trustee and with each Rating Agency.

(c) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provision of the Indenture shall be available for the inspection of Owners of Bonds at the principal corporate trust office of the Trustee and a copy of the audited financial statements of the Authority shall be transmitted to each Owner of Bonds who shall file a written request therefor with the Authority.

Section 6.15 Creation of Liens. The Authority shall not issue any bonds or other evidences of indebtedness, other than the Bonds and Auxiliary Obligations, secured by a pledge of the Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Authority or by any Fiduciary under the Indenture and shall not create or cause to be created, other than by the Indenture, any lien or charge on the Revenues or such moneys, securities, rights or interests; provided, however, that nothing in the Indenture shall prevent the Authority from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after the pledge of the Revenues provided in the Indenture shall be discharged and satisfied as provided in Article XII of this Master Indenture; or (ii) notes, bonds or other obligations of the Authority not secured under the Indenture; or (iii) notes or bonds or other obligations which are General Obligations of the Authority under the Act.

Section 6.16 Personnel. The Authority at all times shall appoint, retain and employ competent personnel or contract for such personnel for the purpose of administering the Program and owning and servicing the Mortgage Loans in accordance with the provisions of the Indenture, and all persons employed by the Authority shall be qualified for their respective positions, all in accordance with law.

Section 6.17 Tax Covenants. The Authority covenants for the benefit of the Owners of each Series of Bonds the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes that it will not take any action or omit to take any action with respect to such Bonds, the proceeds thereof, or any other funds of the Authority if such action or omission would cause the interest on such Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, would subject the Authority to any penalties under Section 148 of the Code, or would cause such Bonds to be "federally guaranteed"

within the meaning of Section 149(b) of the Code. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of such Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met. The Authority shall execute and deliver from time to time such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the Authority with said Sections and the regulations thereunder with respect to the use of the proceeds of such Bonds and any other funds of the Authority. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this Section 6.17 and the foregoing provisions hereof, and the Authority and the Trustee hereby covenant and agree to comply with the provisions of any such stipulation throughout the term of such Bonds.

Section 6.18 Servicing of Mortgage Loans. So long as any Bonds are Outstanding, the Authority shall service and/or maintain in full force and effect Servicing Agreements with Servicers as to all Mortgage Loans, and shall diligently enforce all covenants, undertakings and obligations of the Servicers under the Servicing Agreements. The Authority shall service, or cause to be serviced, each Mortgage Loan in accordance with acceptable mortgage servicing practices of prudent lending institutions or in accordance with such other standards as are required to maintain the governmental or private insurance or guaranty, as applicable, with respect to such Mortgage Loan.

Section 6.19 General.

(a) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Indenture and shall refrain from taking any action which would cause a default hereunder or under any Supplemental Indenture (including any Series Indenture).

(b) Upon the date of delivery of any of the Bonds, all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

(End of Article VI)

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 7.1 Events of Default. Each of the following events is hereby declared an "Event of Default" under the Indenture:

- (a) The Authority shall fail to pay any Principal Installment of any Class I Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;
- (b) The Authority shall fail to pay any installment of interest on any Class I Bond when and as the same shall become due and payable or any Class I Auxiliary Obligation when and as the same shall become due and payable;
- (c) The Authority shall fail to pay any Principal Installment or interest on any Class II Bond when and as the same shall become due and payable or any Class II Auxiliary Obligation when and as the same shall become due and payable;
- (d) The Authority shall fail to pay any Principal Installment or interest on any Class III Bond when and as the same shall become due and payable or any Class III Auxiliary Obligation when and as the same shall become due and payable;
- (e) The Authority shall fail to pay any Principal Installment or interest on any Class IV Bond when and as the same shall become due and payable or any Class IV Auxiliary Obligation when and as the same shall become due and payable;
- (f) The Authority shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture (except the requirement that a Cash Flow Statement satisfy the requirements of clause (b) of the definition thereof and the requirement that the Authority pay amounts to the Trustee from its other revenues, moneys or assets in connection with General Obligations), or in the Bonds and such failure shall continue for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Owners of not less than 10% in Aggregate Principal Amount of the Bonds Outstanding; or
- (g) The Authority shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

Section 7.2 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default shall, give 30 days notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of a majority (except as provided in the following paragraph) in Aggregate Principal Amount of Outstanding Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

Notwithstanding the preceding paragraph, following an Event of Default described in paragraph (f) or (g) of Section 7.1 of this Master Indenture (except for a failure which, in the opinion of Bond Counsel, could adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-exempt Bonds), the Trustee shall not declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable unless the Trustee is so directed by the written request of Owners of 100% in Aggregate Principal Amount of Outstanding Bonds.

(b) At any time after the Aggregate Principal Amount of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of the Outstanding Bonds, shall) annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited in the Revenue Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by the Authority under the Indenture, including amounts due pursuant to Auxiliary Agreements, shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 7.3 Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the

Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondowners under the Act, the Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Bondowners to collect and enforce the payment of principal of and interest (if any) due or becoming due on Mortgage Loans and collect and enforce any rights in respect to the Mortgage Loans or other security or mortgages securing such Mortgage Loans and to require the Authority to carry out its duties and obligations under the terms of the Indenture, and to require the Authority to perform its duties under the Act;

(ii) Suit upon all or any part of the Bonds;

(iii) Civil action to require the Authority to account as if it were the trustee of an express trust for the Owners of Bonds;

(iv) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds; and

(v) Enforcement of any other right of the Bondowners conferred by law or by the Indenture.

(b) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Bondowners and Auxiliary Agreement Providers, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of Bonds not making such request or the interests of the Auxiliary Agreement Providers.

Section 7.4 Application of Revenues and Other Moneys After Default.

(a) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the Indenture.

(b) During the continuance of an Event of Default, the Trustee shall apply, or cause the Paying Agent to apply, all moneys and securities held in any Fund or Account (except the Rebate Fund, the Excess Earnings Fund, the Bond Purchase Fund, the Short Term Bond Account and, with

respect to any Bonds or Auxiliary Obligations that are not General Obligations, any Authority Payment Account) (moneys and securities in the Short Term Bond Account and an Authority Payment Account are to be applied only to the payment of interest and Principal Installments on Bonds and payments on Auxiliary Obligations with respect to which such moneys and securities have been pledged), Revenues, payments and receipts and the income therefrom as follows and in the following order:

(i) To the payment of the reasonable and proper Fiduciary Expenses;

(ii) To the payment of the interest, Principal Installments and other amounts then due and payable on the Class I Obligations, subject to the provisions of Section 6.2 of this Master Indenture; as follows:

(A) Unless the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable.

First: To the payment to the persons entitled thereto of all installments of interest then due and payable on the Class I Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments of any Class I Obligations and any other required payment on any Class I Obligations which shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Class I Obligations due and payable on any date, then to the payment thereof ratably, according to the amounts of Principal Installments due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) If the Aggregate Principal Amount of all of the Class I Obligations shall have become or have been declared due and payable, to the payment of the principal, interest and other amounts then due and unpaid upon the Class I Obligations without preference or priority of principal over interest or other amounts or of interest over principal or other amounts, or of other amounts over principal or interest, or of any installment of interest over any other installment of interest, or of any Class I Obligation over any other Class I Obligation, ratably, according to the amounts due respectively for principal and interest or other amounts, to the persons entitled thereto without any discrimination or preference;

(iii) To the payment of the Principal Installments of and interest and other amounts then due on the Class II Obligations in accordance with the provisions of paragraph (ii) above as if such paragraph referred to the Class II Obligations rather than the Class I Obligations.

(iv) To the payment of the Principal Installments of and interest and other amounts then due on the Class III Obligations in accordance with the provisions of paragraph (ii) above as if such paragraph referred to the Class III Obligations rather than the Class I Obligations.

(v) To the payment of the Principal Installments of and interest and other amounts then due on the Class IV Obligations in accordance with the provisions of paragraph (ii) above as if such paragraph referred to the Class IV Obligations rather than the Class I Obligations.

(vi) To the payment of the amounts required for reasonable and necessary Program Expenses.

Section 7.5 Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Section 7.6 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds. Except as provided in Article VIII of this Master Indenture and subject to the provisions of Section 7.4 of this Master Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Class I Obligations or if no Class I Obligations remain Outstanding, for the equal benefit of the Owners of the Outstanding Class II Obligations; or, if no Class I Obligations or Class II Obligations remain Outstanding, for the equal benefit of the Owners of the Outstanding Class III Obligations; or, if no Class I Obligations, Class II Obligations or Class III Obligations remain Outstanding for the equal benefit of the Owner of the Outstanding Class IV Obligations.

Section 7.7 Majority Bondowners Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of a majority in Aggregate Principal Amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or to take any other proceedings

under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II, III and IV Obligations, Class II Obligations over Class III and IV Obligations and Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in Section 9.2 of this Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction and provided further that nothing in this Section 7.7 shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

Section 7.8 Individual Bondowner Action Restricted.

(a) Except as provided in Article VIII of this Master Indenture, no Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(i) an Event of Default has occurred under paragraph (a), (b), (c), (d) or (e) of Section 7.1 of this Master Indenture, as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) the Owners of at least 25% in Aggregate Principal Amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Bondowners shall have offered the Trustee indemnity as provided in Section 9.2 of this Master Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all Bonds Outstanding.

Section 7.9 Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, the Bondowners or Auxiliary Agreement Providers, the Authority, the Trustee, the Bondowners and Auxiliary Agreement Providers shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee and the Bondowners shall continue as if no such proceeding had been taken.

Section 7.10 Waiver and Non-Waiver of Event of Default

(a) No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VII to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Owners of a majority of the Aggregate Principal Amount of Bonds then Outstanding, shall waive any Event of Default under the Indenture and its consequences; provided, however, that (i) except under the circumstances set forth in paragraph (b) of Section 7.2 of this Master Indenture or paragraph (b) of this Section 7.10, a default in the payment of the Principal Installment of or interest on any Bond when the same shall become due and payable by the terms thereof, or, upon call for redemption, may not be waived without the written consent of the Owners of all the Bonds at the time Outstanding, and (ii) a default in the payment of amounts due on any Auxiliary Obligation when the same shall become due and payable may not be waived without the written consent of the Related Auxiliary Agreement Provider.

(d) In case of any waiver by the Trustee of an Event of Default under the Indenture, the Authority, the Trustee, the Bondowners and Auxiliary Agreement Providers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section 7.10.

Section 7.11 Notice of Defaults

(a) Within 30 days after (i) the receipt of notice of an Event of Default as described in Section 7.1(f) or (g) of the Indenture or (ii) the occurrence of an Event of Default under Section 7.1(a), (b), (c), (d) or (e) of this Master Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such Event of Default shall have theretofore been cured, shall give written notice thereof by first class mail to each registered owner of Bonds then Outstanding and to each Auxiliary Agreement Provider; provided that, except in the case of a default in the payment of Principal Installments of or interest on any of the Bonds or in the case of a default the payment of any Auxiliary Obligation, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is not unduly prejudicial to the interests of the Owners of the Bonds and the Related Auxiliary Agreement Providers.

(b) The Trustee shall immediately notify the Authority of any Event of Default known to the Trustee.

(End of Article VII)

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES FOR GENERAL OBLIGATIONS

Section 8.1 General Obligation Bond Default. If the Authority shall fail to pay interest on any General Obligation Bond when due or shall fail to pay any Principal Installment on any General Obligation Bond when due, provided that such failure shall not constitute an Event of Default under Section 7.1 of this Master Indenture, such failure is hereby declared a "General Obligation Bond Default" under the Indenture. A General Obligation Bond Default shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge granted to Owners of Bonds or Auxiliary Agreement Providers under the Indenture.

Section 8.2 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of a General Obligation Bond Default, the Trustee may and, upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, give 30 days notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of a majority in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such General Obligation Bonds shall become and be immediately due and payable. In such event, there shall be due and payable on the General Obligation Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

(b) At any time after the Aggregate Principal Amount of the General Obligation Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of the Outstanding General Obligation Bonds, shall) annul such declaration and its consequences with respect to any General Obligation Bonds not then due by their terms if (i) moneys shall have been deposited in the Related Authority Payment Account sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding General Obligation Bonds; and (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee. No such annulment shall extend to or affect any subsequent General Obligation Bond Default or impair any right consequent thereon.

Section 8.3 Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of a General Obligation Bond Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce the rights of the General Obligation Bondowners under the Act, the General Obligation Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient and consistent with the limitations specified in paragraph (c) below, including but not limited to:

- (i) Suit upon all or any part of the General Obligation Bonds;
- (ii) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of General Obligation Bonds; and
- (iii) Enforcement of any other right of the General Obligation Bondowners conferred by law or by the Indenture.

(b) Regardless of the happening of a General Obligation Bond Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the General Obligation holders, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of General Obligation Bonds not making such request.

(c) The rights and remedies of Owners of General Obligation Bonds upon the occurrence of a General Obligation Bond Default shall be limited to the enforcement of the Authority's general obligation covenant with respect thereto and to the disbursement of amounts available to Owners of General Obligation Bonds from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund after provision is made for, and after taking into account the rights of Owners of Bonds other than General Obligation Bonds and the rights of Auxiliary Agreement Providers as provided in the Indenture. The exercise of remedies upon the occurrence of a General Obligation Bond Default shall not in any manner affect, disturb or prejudice the security and rights of such Owners of Bonds or such Auxiliary Agreement Providers under the Indenture.

Section 8.4 Remedies Not Exclusive. Subject to the limitations set forth in Section 8.3(c), no remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Section 8.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the General Obligation Bonds may be enforced by the Trustee without the possession of any of the General Obligation Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the General Obligation Bonds. Any recovery of judgment in respect to a General Obligation Bond Default shall be for the equal benefit of the Owners of the Outstanding General Obligation Bonds.

Section 8.6 Majority Bondowners Control Proceedings. If a General Obligation Bond Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of a majority in Aggregate Principal Amount of General Obligation Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II Obligations, Class III Obligations and Class IV Obligations, of the Class II Obligations over Class III Obligations and Class IV Obligations and of the Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in Section 9.2 of this Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction and provided further that nothing in this Section 8.6 shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

Section 8.7 Individual Bondowner Action Restricted.

(a) No Owner of any General Obligation Bond shall have any right to institute any suit, action or proceeding in equity or at law for any remedy under Article VIII of this Master Indenture unless:

(i) a General Obligation Bond Default has occurred as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) the Owners of at least 25% in Aggregate Principal Amount of General Obligation Bonds Outstanding shall have made written request to the Trustee to proceed to

exercise the powers granted in Article VIII of this Master Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Bondowners shall have offered the Trustee indemnity as provided in Section 9.2 of this Master Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of General Obligation Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all General Obligation Bonds Outstanding.

Section 8.8 Termination of Proceedings. In case any proceeding taken by the Trustee on account of any General Obligation Bond Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondowners, the Authority, the Trustee and the Bondowners shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee and the Bondowners shall continue as if no such proceeding had been taken.

Section 8.9 Waiver and Non-Waiver of General Obligation Bond Default.

(a) No delay or omission of the Trustee or of any Owner of the General Obligation Bonds to exercise any right or power accruing upon any General Obligation Bond Default shall impair any such right or power or shall be construed to be a waiver of any such General Obligation Bond Default or an acquiescence therein. Every power and remedy given by this Article VIII to the Trustee and the Owners of the General Obligation Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any General Obligation Bond Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Owners of a majority of the Aggregate Principal Amount of General Obligation Bonds then Outstanding, shall waive any General Obligation Bond Default under the Indenture and its consequences.

(d) In case of any waiver by the Trustee of an General Obligation Bond Default under the Indenture, the Authority, the Trustee and the Bondowners shall be restored to their former

positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other General Obligation Bond Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any General Obligation Bond Default in accordance with this Section 8.9.

Section 8.10. Notice of Defaults. Within 30 days after the occurrence of a General Obligation Bond Default under the Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such General Obligation Bond Default shall have theretofore been cured, shall give written notice thereof by first class mail to each registered owner of General Obligation Bonds then Outstanding.

Section 8.11. Defaults with respect to Auxiliary Obligations which constitute General Obligations. If the Authority shall fail to pay any amount on any Auxiliary Obligation which constitutes a General Obligation when due, provided that such failure shall not also constitute an Event of Default under Section 7.1 of this Master Indenture, such failure shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge on the Trust Estate granted to Owners of Bonds or Auxiliary Agreement Providers under the Indenture. The rights and remedies of Auxiliary Agreement Providers having Auxiliary Obligations which constitute General Obligations shall be governed by the Related Auxiliary Agreement; however, such rights and remedies shall be limited to the enforcement of the Authority's general obligation covenant with respect thereto and to the disbursement of amounts available with respect to Related Auxiliary Obligations from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund based on the lien priority of such Auxiliary Obligation after provision is made for, and after taking into account the rights of, Owners of Bonds or Auxiliary Agreement Providers having a prior lien on the Trust Estate as provided in the Indenture and such exercise of remedies upon shall not in any manner affect, disturb or prejudice the security and rights of such Owners of Bonds or such Auxiliary Obligations Providers under the Indenture.

(End of Article VIII)

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 9.1 Trustee; Paying Agent and Bond Registrar Appointment and Acceptance of Duties. Zions First National Bank, in Denver, Colorado is hereby appointed as Trustee, Paying Agent and Bond Registrar. Zions First National Bank, shall signify its acceptance of the duties and obligations imposed upon it by executing this Master Indenture and delivering the same to the Authority.

Section 9.2 Responsibilities of Fiduciaries.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness or completeness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Indenture, or of any Bonds issued under the Indenture or as to the security afforded by the Indenture, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of the Indenture or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of paragraph (b) of this Section 9.2, no Fiduciary shall be liable in connection with the performance of its duties under the Indenture except for its own negligence or willful misconduct. Notwithstanding any other provision of this Indenture, no right of a Fiduciary to indemnification shall relieve a Fiduciary from responsibility for (a) making payments on the Bonds when due from moneys available to it or (b) accelerating the Bonds as required pursuant to Section 7.2 or 8.2 of this Master Indenture.

(b) The Trustee, prior to the occurrence of an Event of Default or a General Obligation Bond Default and after the curing of all Events of Default or a General Obligation Bond Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default or a General Obligation Bond Default has occurred (and has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provisions of the Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.2.

Section 9.3 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Master Indenture or any Series Indenture, shall examine such instrument to

determine whether it conforms to the requirements of this Master Indenture and the Related Series Indenture and shall be protected in acting, in good faith, upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may be of counsel to the Authority, and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof is specifically prescribed in the Indenture) may be deemed conclusively to be proved and established by an Authority Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Indenture upon the faith thereof, but in its discretion and in lieu thereof, the Fiduciary may accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in the Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Indenture by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 9.4 Compensation of Fiduciaries; Fiduciary Liens. Subject to the terms and conditions of any other agreements between the Authority and one or more Fiduciaries, the Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Indenture. In consideration of the express provisions of the Indenture regarding the payment of Fiduciary Fees, each Fiduciary by acceptance of its appointment hereunder waives any right at law or in equity for the imposition of an implied lien on the Revenues and assets pledged hereunder, except as otherwise expressly provided herein. In the event that a successor Fiduciary is appointed in accordance with Section 9.8, 9.12 or 9.13 of this Master Indenture during a period for which the predecessor Fiduciary has been compensated in advance, such predecessor Fiduciary shall return to the Authority the pro rata portion of such compensation for the period commencing on the date of appointment of such successor Fiduciary.

Section 9.5 Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Indenture, whether or not any such committee shall represent the Owners of a majority in Aggregate Principal Amount of the Bonds then Outstanding. If any Fiduciary incurs expenses or renders services after an Event of Default has occurred, such expenses and compensation for such services are intended to constitute expenses of administration under any bankruptcy law.

Section 9.6 Resignation of Trustee. The Trustee may resign at any time and be discharged of the duties and obligations created by the Indenture by giving not less than 30 days written notice to the Authority and to Bondowners, at its own expense and without reimbursement therefor, specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondowners as provided in Section 9.8 of this Master Indenture, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 9.8 of this Master Indenture.

Section 9.7 Removal of Trustee. The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee and the Authority, and signed by the Bondowners representing a majority in Aggregate Principal Amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority, or (ii) by the Authority in its sole and absolute discretion at any time except during the continuance of an Event of Default or a General Obligation Bond Default by filing with the Trustee notice of removal in the form of an Authority Certificate. In no event, however, shall such removal take effect until a successor Trustee has been appointed pursuant to Section 9.8 of this Master Indenture.

Section 9.8 Appointment of Successor Trustee: Temporary Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public offer shall take charge or control of the Trustee, or of its property or affairs, the Authority covenants and agrees that it thereupon will appoint a successor Trustee.

(b) If no appointment of a successor Trustee shall be made by the Authority pursuant to the foregoing provisions of this Section 9.8 within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 9.6 of this Master Indenture or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act or its removal, the Trustee or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court, after such notice, if any, as such court may deem proper, thereupon may appoint a successor Trustee.

(c) Every such Trustee appointed pursuant to the provisions of this Section shall (i) be a bank or trust company in good standing and (ii) have a reported capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. Any successor Trustee shall serve for a fee not in excess of the fee paid to the initial Trustee unless otherwise approved by the Authority.

Section 9.9 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act nevertheless, on the written request of the Authority or of the successor Trustee, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in or pursuant to the Indenture. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Authority. Any such successor Trustee promptly shall notify the Depositories, if any, of its appointment as Trustee. Notwithstanding anything contained elsewhere in this Master Indenture, any such predecessor Trustee shall not be entitled to any compensation or reimbursement for costs and expenses incurred in connection with any transfer of rights or properties under the Indenture, except for such costs and expenses incurred with the prior written consent of the Authority.

Section 9.10 Merger or Consolidation of Fiduciaries. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by the Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act. Each Fiduciary shall give written notice to the Authority of any such proposed merger, conversion, consolidation or sale or transfer of substantially all of its corporate trust business not less than 120 days' prior to the expected date thereof, and the Authority agrees to keep such information confidential until such information has been publicly disclosed by the Fiduciary. Such Fiduciary shall reimburse the Authority for any costs and expenses incurred by the Authority arising from or associated with any such merger, conversion, consolidation, sale or transfer, or any such proposed merger, conversion, consolidation, sale or transfer. Such Fiduciary shall also be responsible for any costs and expenses incurred by the Authority as a result of such Fiduciary's failure to comply with the requirements of this Section 9.10.

Section 9.11 Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Indenture shall have been authenticated but not delivered by a predecessor Trustee, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated. In case any of such Bonds shall

not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in such Bonds or in the Indenture provided that the certificate of the Trustee shall have.

Section 9.12 Paying Agents: Appointment, Resignation or Removal; Successor. The Authority shall appoint one or more Paying Agents for the Bonds and may at any time and from time to time appoint one or more other Paying Agents having the qualifications set forth in this Section for a successor Paying Agent. The Trustee or the Bond Registrar may be appointed a Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Unless otherwise provided, the principal offices of the Paying Agents are designated as the respective offices of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 30 days written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital, surplus and undivided profits aggregating at least \$10,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.13 Bond Registrar: Appointment, Resignation or Removal; Successor. The Authority shall appoint a Bond Registrar. The Trustee or any Paying Agent may be appointed the Bond Registrar. The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Unless otherwise provided, the principal offices of the Bond Registrar are designated as the respective offices of the Authority for the maintenance of registration records for the Bonds. The registration books for the Bonds shall be maintained by the Bond Registrar on both a current and historical basis. The Bond Registrar may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 30 days written notice to the Authority and the Trustee. The Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar and the Trustee and signed by the Authority. Any successor Bond Registrar shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital, surplus and undivided profits aggregating at least \$10,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture. In the event of the resignation or removal of the Bond Registrar, such Bond Registrar shall deliver all records, Bonds and other documents held by it as Bond Registrar to its successor,

or if there be no successor to the Trustee. In the event that for any reason there shall be a vacancy in the office of the Bond Registrar, the Trustee shall act as such Bond Registrar.

(End of Article IX)

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.1 Supplemental Indentures Effective Upon Filing With the Trustee. For any one or more of the following purposes, and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the Authority in the Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(b) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Indenture of the Revenues or of any other moneys, securities or funds;

(d) To modify any provisions of the Indenture in any respect whatever, provided that the modification, in the sole judgment of the Authority, is reasonably necessary to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; or

(e) To provide for the issuance of Bonds pursuant to the Indenture and to provide for the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

Section 10.2 Supplemental Indentures Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority and the Trustee, which upon the filing with the Trustee of a copy thereof and the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture, or to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable, provided such action shall not adversely affect the interest of the Owners hereunder and are not contrary to or inconsistent with the Indenture theretofore in effect;

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) To add to the covenants and agreements of the Authority in the Indenture other covenants and agreements thereafter to be observed by the Authority;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Indenture, provided that the loss of such right, power or privilege shall not adversely impair the Revenues available to pay the Outstanding Bonds;

(e) To include as pledged revenues or money under, and subject to the provisions of, the Indenture any additional revenues or money legally available therefor;

(f) To provide for additional duties of the Trustee in connection with the Mortgage Loans;

(g) To modify any of the provisions of the Indenture in any respect whatever; provided, however, that (1) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution by the Authority of such Supplemental Indenture shall cease to be Outstanding, and (B) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution by the Authority of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(h) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939;

(i) To make any change as shall be necessary in order to maintain the rating(s) on any of the Bonds from any Rating Agency; or

(j) To make any other amendment or change that will not materially adversely affect the interest of Owners of Outstanding Bonds.

Section 10.3 Supplemental Indentures Requiring Consent of Bondowners. At any time or from time to time, the Authority and the Trustee may execute and deliver a Supplemental Indenture subject to consent by the Bondowners in accordance with and subject to the provisions of Article XI of this Master Indenture, upon the Trustee's receipt of an opinion of Bond Counsel that such

Supplemental Indenture will not adversely affect the exclusion from gross income of interest on Tax-exempt Bonds.

Section 10.4 General Provisions.

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing in this Article X or Article XI shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any certificate, act or other instrument pursuant to the provisions of Section 6.3 of this Master Indenture or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument that elsewhere in the Indenture it is provided shall be delivered to said Fiduciary.

(b) (i) Any Supplemental Indenture referred to and permitted or authorized by Sections 10.1 and 10.2 of this Master Indenture may be executed and delivered by the Authority without the consent of any of the Bondowners, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively.

(ii) Every Supplemental Indenture shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and is valid and binding upon the Authority, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies.

(c) The Trustee is hereby authorized to execute and deliver any Supplemental Indenture referred to and permitted or authorized by Sections 10.1, 10.2 or 10.3 of this Master Indenture and, subject to a requirement of consent of the required Owners of the Bonds, if any, to make all further agreements and stipulations that may be contained therein, and the Trustee, in taking such action, shall be protected fully in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary or any Auxiliary Agreement Provider without its written consent.

(e) A copy of each Supplemental Indenture executed and delivered by the Authority pursuant to Articles X and XI shall be transmitted by the Trustee to each Rating Agency and to each Auxiliary Agreement Provider.

(End of Article X)

ARTICLE XI

AMENDMENTS AND MODIFICATIONS REQUIRING CONSENT OF BONDOWNERS

Section 11.1 Transmission of Notices. Any provision in this Article XI for the transmission of a notice or other paper to Bondowners shall be fully complied with if it is mailed postage prepaid, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry, only:

- (a) To each registered Owner of Bonds then Outstanding at such Owner's address, if any, appearing upon the registration records of the Authority or at such electronic mail or other address as is furnished in writing by such Owner, and
- (b) To the Trustee.

Section 11.2 Powers of Amendment. Any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Bondowners, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 11.3 of this Master Indenture of the Owners of a majority in Aggregate Principal Amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owners of all such Bonds, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment without the consent of the Owners of all Bonds then Outstanding or shall change the provisions of the Indenture relating to the ability to declare the Aggregate Principal Amount of Bonds to be due and payable without the consent of the Owners of all Bonds then Outstanding or shall materially adversely affect the rights of the Owners of Class II Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class II Bonds Outstanding, or shall materially adversely affect the rights of the Owners of Class III Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class III Bonds then Outstanding, or shall materially adversely affect the rights of the Owners of Class IV Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class IV Bonds then Outstanding; or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. If any such modification or amendment will, by its terms not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 11.2. The Trustee, relying upon a Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and any such determination shall be binding and conclusive on the Authority and the Bondowners.

Section 11.3 Consent of Owners of Bonds. The Authority at any time may execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.2 of this Master Indenture, to take effect when and as provided in this Section 11.3. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondowners for their consent thereto in form satisfactory to the Bond Registrar, shall be transmitted by the Authority to the registered owners of the Bonds. Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (A) the written consents of Owners of the percentages of Outstanding Bonds specified in Section 11.2 of this Master Indenture and (B) a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered and filed by the Authority in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies and (ii) a notice shall have been transmitted to Bondowners as provided in this Section 11.3. Each consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.2 of this Master Indenture. A certificate or certificates by the Bond Registrar filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 13.2 of this Master Indenture shall be conclusive that the consents have been given by the Bondowners described in such certificate or certificates of the Bond Registrar. Any such consent shall be binding upon the Bondowner giving such consent and, anything in Section 13.2 of this Master Indenture to the contrary notwithstanding, upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Bondowner thereof has notice thereof) unless such consent is revoked in writing by the Bondowner thereof by filing with the Bond Registrar, prior to the time when the written statement of the Bond Registrar provided for below in this Section 11.3 is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 13.2 of this Master Indenture. The fact that a consent has not been revoked likewise may be proved by a certificate of the Bond Registrar filed with the Trustee to the effect that no revocation thereof is on file with the Bond Registrar. At any time after the Bondowners of the required percentage of Bonds shall have filed their consent to the Supplemental Indenture, the Bond Registrar shall make and file with the Authority and the Trustee a written statement that the Bondowners of such required percentage of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed and delivered by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section 11.3, may be given to Bondowners by the Authority by transmitting such notice to Bondowners (but failure to transmit such notice shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section 11.3) not more than 90 days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Bond Registrar provided for above is filed. The Authority shall file with the Trustee proof of the

transmission of such notice. A record, consisting of the papers required or permitted by this Section 11.3 to be filed with the Trustee and the Bond Registrar, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Owners of all Bonds at the expiration of 30 days after the filing with the Trustee of the proof of the transmission of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 30 day period; provided, however, that any Fiduciary and the Authority during such 30 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 11.4 Modifications by Unanimous Consent. The terms and provisions of the Indenture or any Supplemental Indenture and the rights and obligations of the Authority and of the Bondowners may be modified or amended in any respect upon the issuance and filing by the Authority of a Supplemental Indenture and the consent of the Bondowners of all Bonds then Outstanding, such consent to be given as provided in Section 11.3 of this Master Indenture, except that no notice of such consent to Bondowners shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondowners.

Section 11.5 Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X of this Master Indenture or this Article XI provided, may, and if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority, the Trustee and the Bond Registrar as to such action, and in that case upon demand of the Bondowner of any Bond Outstanding at such effective date and presentation of his Bond at the Corporate Trust Office of the Bond Registrar or upon any transfer or exchange of any Bond Outstanding on or after such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Bond Registrar as to any such action. If the Authority or the Bond Registrar shall so determine, new Bonds so modified as in the opinion of the Bond Registrar and the Authority to conform to such action shall be prepared, delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Bondowner, for Bonds of the same Series, Class, tenor and maturity then Outstanding, upon surrender of such Bonds.

(End of Article XI)

ARTICLE XII

DISCHARGE OF INDENTURE; DEFEASANCE OF BONDS

Section 12.1 Discharge of Indenture in Entirety. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Bondowners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture and if the Authority shall pay or cause to be paid to all Auxiliary Agreement Providers all amounts due and payable under all Auxiliary Agreements, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the Authority to the Bondowners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to or upon the order of the Authority all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal, or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to them for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, such Bonds shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Authority to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 12.2 Defeasance of Bonds. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or the Paying Agent (through deposit by the Authority of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in Section 12.1 or Section 12.2 of this Master Indenture. Outstanding Bonds shall be deemed, prior to the maturity or redemption date thereof, to have been paid within the meaning and with the effect expressed in Section 12.1 or Section 12.2 of this Master Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit as provided in Article III of this Master Indenture notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Defeasance Securities the principal of and the interest on which when due (whether at maturity or the prior redemption thereof at the option of the holder thereof) will provide monèys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable

instructions to transmit, as soon as practicable, a notice to the Bondowners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.2 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds, and (iv) except in the event of a full cash defeasance or a current refunding of less than ninety days to maturity or redemption date, the sufficiency of such moneys or Defeasance Securities shall have been confirmed to the Authority in an opinion signed by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 12.2 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds and any bonds or other obligations issued by the Authority the proceeds of which were used to acquire such Defeasance Securities, in whole or in part; provided that no such principal or interest on such Defeasance Securities shall be applied to the payment of the principal or redemption price of or interest on such bonds or other obligations unless (x) the Trustee shall have received a schedule showing, for each year from the date of deposit of such Defeasance Securities until the redemption date or maturity date of said Bonds, as the case may be, the amount of principal or interest due on such Defeasance Securities and moneys, if any, deposited with the Trustee at the same time that will be available to pay the principal or Redemption Price of and interest due on said Bonds in each such year, plus the amount of any excess in each such year, and (y) the amount of such principal or interest on such Defeasance Securities to be so applied to the payment of such bonds or other obligations does not exceed in any year the amount of such excess for, or accumulated and unexpended to, such year. Notwithstanding any other provision of this Section 12.2, any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, to the extent practicable and, in accordance with an opinion of Bond Counsel filed with the Trustee, permitted by Section 103 of the Code, shall be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding anything herein to the contrary, no Adjustable Rate Bonds shall be deemed to have been paid and discharged within the meaning of this Section 12.2 unless the Trustee shall have received a written confirmation from each Rating Agency then rating any Bonds confirming that such deposit of moneys or Defeasance Securities with respect to such Adjustable Rate Bonds will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

(End of Article XII)

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Failure to Present Bonds. Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds, which moneys remain unclaimed for three years (or, if less, the maximum time provided by the laws of the State prior to escheat to the State) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years (or, if less, the maximum time provided by the laws of the State prior to escheat to the State) after the date of deposit of such moneys if deposited with the Fiduciary after the date when such Bonds became due and payable, at the written request of the Authority, shall, to the extent permitted by law, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary thereupon shall be released and discharged with respect thereto and the Bondowners shall look only to the Authority for the payment of such Bonds.

Section 13.2 Evidence of Signatures of Bondowners and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument that the Indenture may require or permit to be signed and executed by the Bondowners may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondowners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or the holding by any person of the Bonds, shall be sufficient for any purpose of the Indenture (except as otherwise expressly provided in the Indenture) if made in the following manner, or in any other manner satisfactory to the Trustee and the Bond Registrar which nevertheless in their discretion may require further or other proof in cases where they deem the same desirable:

(i) The fact and date of the execution by any Bondowner or his attorney of such instruments may be proved by a guaranty of the signature thereon by a bank, trust company or national banking association or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guaranty, certificate or affidavit also shall constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registration records of the Bond Registrar.

(iii) Nothing contained in this Section 13.2 shall be construed as limiting the Trustee or Bond Registrar to such proof, it being intended that the Trustee and Bond Registrar may accept any other evidence of the matters herein stated which it may deem sufficient.

(b) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

Section 13.3 Bonds and Auxiliary Obligations Not an Obligation of the State or Any Political Subdivision. The Bonds and the Auxiliary Obligations shall not be in any way a debt or liability or obligation of the State or of any political subdivision thereof (other than the Authority) and shall not constitute or give rise to a pecuniary liability of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

Section 13.4 Moneys Held for Particular Bonds. Subject to the provisions of Section 13.1 of this Master Indenture, the amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds, on and after such date and pending such payment, shall be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 13.5 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, any Bondowners and any Auxiliary Agreement Provider and their agents and their representatives, any of whom may make copies thereof.

Section 13.6 Parties Interested Herein. Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Authority, the Fiduciaries, Auxiliary Agreement Providers and the Bondowners, any right, remedy or claim under or by reason of the Indenture or any Supplemental Indenture or any covenant, condition or stipulation of the Indenture; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, Auxiliary Agreement Providers and the Bondowners.

Section 13.7 No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any amount due under any Auxiliary Obligation or for any claim based thereon or on the Indenture against any officer, employee or agent of the Authority or any person executing the Bonds or any Auxiliary Agreement.

Section 13.8 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Indenture on the part of the Authority or any Fiduciary 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 in no way shall affect the validity of the other provisions of the Indenture.

Section 13.9 Successors. Whenever in the Indenture the Authority is named or referred to, it shall be deemed to include any entity that may succeed to the principal functions and powers of the Authority under the Act, and all the covenants and agreements contained in the Indenture by or on behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

Section 13.10 Consents and Approvals. Whenever the written consent or approval of the Authority, Fiduciaries or Bondowners shall be required under the provisions of the Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.11 Notices, Demands and Requests. All notices, demands and requests to be given or made under the Indenture to or by the Authority, the Bond Registrar, the Paying Agent, the Trustee or Auxiliary Agreement Providers shall be in writing and shall be properly made if sent by United States mail, postage prepaid, or transmitted in such other manner as such parties shall agree, and addressed as follows:

- (a) Authority: Colorado Housing and Finance Authority
1981 Blake Street
Denver, Colorado 80202
Attn: Executive Director
- (b) Trustee, Bond Registrar,
or Paying Agent: Zions First National Bank
717 Seventeenth Street, Suite 301
Denver, Colorado 80202
Attention: Corporate Trust Department
- (c) Auxiliary Agreement
Providers (as address set forth in each respective Auxiliary
Agreement)

Either the Authority, the Paying Agent, the Bond Registrar or the Trustee may change the address listed for it above at any time upon written notice of such change sent by United States mail, postage prepaid (or transmitted in such other manner as such parties shall agree) to the Authority or the Trustee, as the case may be.

Section 13.12 Applicable Law. The Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.13 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Master 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 Master Indenture.

Section 13.14 Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in Article VII, Article VIII or Article XI of this Master Indenture, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in said Article VII, Article VIII or Article XI. At the time of any consent or other action taken under said Article VII, Article VIII or Article XI, the Authority shall file with the Trustee and the Bond Registrar an Authority Certificate listing and describing all Bonds to be excluded.

Section 13.15 Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.16 Effective Date; Execution and Delivery. This Master Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

Section 13.17 Agreement of the State. In accordance with the Act, the Authority hereby includes as a part of its contract with the Owners of the Bonds the following pledge and agreement of the State: The State does hereby pledge to and agree with the Owners of the Bonds that the State will not limit or alter the rights hereby vested in the Authority to fulfill the terms of any agreements made with the Owners of the Bonds or in any way impair the rights and remedies of the Owners of the Bonds until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Owners of the Bonds are fully met and discharged.

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

COLORADO HOUSING AND FINANCE
AUTHORITY

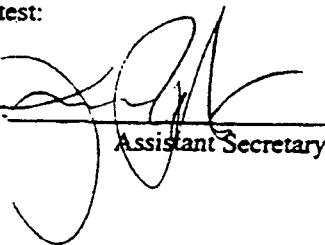
By: _____



Executive Director

Attest:

By: _____



Assistant Secretary

ZIONS FIRST NATIONAL BANK, as Trustee

By: Elyse R
Title: ASSISTANT VICE PRESIDENT

FIRST SUPPLEMENT TO
MASTER INDENTURE OF TRUST

This First Supplement to Master Indenture of Trust, dated as of April 1, 2002, is between the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "Authority"), and ZIONS FIRST NATIONAL BANK, 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 the Trustee entered into a Master Indenture of Trust dated as of October 1, 2001 (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 1.1 of the Master Indenture is hereby amended by the addition of the following definitions:

"Targeted Area" means a "targeted area" within the meaning of Section 143 of the Code.

"Targeted Area Residence" means a "targeted area residence" within the meaning of Section 143 of the Code.

Section 2. Section 5.2(b) of the Master Indenture is hereby amended to read as follows:

(b) Use of Acquisition Account.

(i) Proceeds of the Bonds and other moneys deposited in the Acquisition Account shall be applied to make or purchase Mortgage Loans in accordance with the provisions of the Indenture; provided, however, that such Mortgage Loans must satisfy the terms and conditions set forth in Section 6.7 of this Master Indenture and applicable provisions of the Related Series Indenture, and the Authority shall not use such proceeds or other moneys to finance a Mortgage Loan providing a yield that, in the aggregate with other Mortgage Loans credited or expected to be credited to the Acquisition Account or the Loan Recycling Account, exceeds any limitation on yield required by Section 103 or Section 143 of the Code, unless there shall be filed with the Trustee an opinion of Bond Counsel to the effect that the financing of Mortgage Loans providing a higher yield will not cause the interest on the Related Tax-exempt Bonds to be included in the gross income of the recipient thereof for federal income tax purposes.

(ii) In accordance with Section 143 of the Code and unless otherwise approved by an opinion of Bond Counsel, amounts, if any, designated by each Series Indenture shall be made available solely for the purchase of Mortgage Loans on Targeted Area Residences for a period of at least one year after the date on which the proceeds of the related Issue of Tax-exempt Bonds are first made available for the purchase by the Authority of Mortgage Loans on Targeted Area Residences. In furtherance of such purpose, the Authority shall reserve from the amounts deposited in the Related subaccount of the Acquisition Account an aggregate amount equal to the foregoing requirement.

(iii) The Authority, acting upon the advice of Bond Counsel, will take all reasonable steps necessary, including the preparation, distribution and publication of advertisements and the organization of informational meetings with appropriate community groups, to cause the amount reserved pursuant to subsection (ii) above to be utilized for such purpose.

Section 3. Section 6.6 of the Master Indenture is hereby amended to the addition of the following paragraph (f):

(f) The terms of each Mortgage Purchase Agreement shall be reasonably designed to assure that each Mortgage Loan financed in whole or in part with the proceeds of Tax-exempt Bonds and purchased by the Authority pursuant thereto or serviced thereunder meets applicable requirements, if any, under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

Section 4. Section 6.7 of the Master Indenture is hereby amended to the addition of the following paragraph (g):

(g) The Mortgage Loan is secured by a Mortgage, the terms of which, in light of the applicable law in effect at the time such Mortgage is executed, are reasonably designed to assure the ability of the Authority to satisfy applicable requirements, if any, under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

Section 5. The amendments to the Master Indenture made by this First Supplement to Master Indenture of Trust shall become effective as of the date hereof.

Section 6. 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 Supplement to Master 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 Supplement to Master Indenture of Trust may be

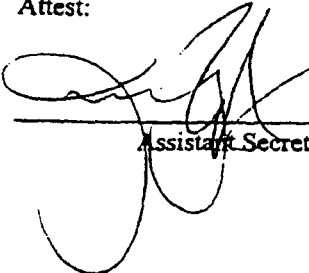
executed in any number of counterparts and by separate parties hereto on separate counterparts, each of which when executed shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplement to Master 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

ZIONS FIRST NATIONAL BANK, as Trustee

By 
Title: ASSISTANT VICE PRESIDENT

SECOND SUPPLEMENT TO
MASTER INDENTURE OF TRUST

This Second Supplement to Master Indenture of Trust, dated as of February 1, 2003, is between the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "Authority"), and ZIONS FIRST NATIONAL BANK, 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 the Trustee entered into a Master Indenture of Trust dated as of October 1, 2001, as supplemented by a First Supplement to Master Indenture of Trust dated as of April 1, 2002 (collectively, 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 1.1 of the Master Indenture is hereby amended by the addition of the following definitions:

"Second Mortgage" means a Mortgage constituting a second lien on real property.

"Second Mortgage Loan" means a Mortgage Loan secured by a Second Mortgage.

Section 2. Section 6.7(b) of the Master Indenture is hereby amended to read as follows:

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

Section 3. Section 6.14(b) of the Master Indenture is hereby amended to read as follows:

(b) The Authority shall cause to be kept and maintained proper books of account, in which full, true and correct entries will be made, in accordance with generally accepted accounting principles, of all transactions of or in relation to the business of the Authority, and after the end of each Fiscal Year shall cause such books of account to be audited by a certified public accountant or firm of such accountants duly licensed to practice