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ILLINOIS SPORTS FACILITIES AUTHORITY

And

**AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
AS TRUSTEE**

INDENTURE OF TRUST

SECURING SPORTS FACILITIES REFUNDING BONDS (STATE TAX SUPPORTED)

Dated as of June 1, 1999

file
6/2/99

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EXHIBIT A - Insurer List of Permissible Investments

INDENTURE OF TRUST dated as of June 1, 1999 between the **ILLINOIS SPORTS FACILITIES AUTHORITY** (the "Authority"), and **AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set forth and by virtue of the laws of the United States, with its principal corporate trust office located at 120 South LaSalle Street, Chicago, Illinois 60603, as Trustee under this Indenture (the "Trustee") (this Indenture of Trust and any amendments or supplements thereto are hereinafter referred to as the "Indenture").

RECITALS:

WHEREAS, the Authority is a political subdivision, unit of local government, body politic and municipal corporation of the State of Illinois, created and existing under the Constitution and laws of the State of Illinois, and particularly the Illinois Sports Facilities Authority Act, 70 ILCS 3205/1 *et seq.*, as amended (the "Authority Act"); and

WHEREAS, the Authority was created by the General Assembly of the State of Illinois for the purpose of acquiring and constructing sports facilities suitable for use by professional sports teams and other musical, theatrical and other social organizations; and

WHEREAS, on March 29, 1989, the Authority issued \$150,000,000 aggregate principal amount of Illinois Sports Facilities Authority Sports Facilities Bonds (State Tax Supported) Series 1989 (the "Prior Bonds") to provide funds to pay a portion of the costs of acquiring and constructing sports facilities and related facilities, located in the City of Chicago, Illinois (the "Project"); and

WHEREAS, the Authority entered into a Management Agreement dated as of June 29, 1988 (the "Management Agreement") with Chicago White Sox, Ltd., an Illinois limited partnership, relating to construction and use of the Project; and

WHEREAS, the Authority is authorized under the Authority Act to issue bonds to refund or refinance any of its outstanding bonds; and

WHEREAS, the Authority has determined that by issuing its refunding bonds to provide funds for the redemption of the Prior Bonds which mature on and after June 15, 2000, it will further the public purpose of realizing savings in the effective costs of debt service of the Authority's outstanding bonds; and

WHEREAS, the Authority has adopted a resolution authorizing the issuance under this Indenture of \$103,755,000 aggregate principal amount of Illinois Sports Facilities Authority Sports Facilities Refunding Bonds (State Tax Supported) Series 1999 (the "Series 1999 Bonds"), the proceeds of which together with the earnings thereon will pay all or a portion of the costs of refunding such Prior Bonds; and

WHEREAS, the Series 1999 Bonds and the Trustee's certificate of authentication to be endorsed thereon are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture as hereby supplemented and amended, to wit:

[FORM OF SERIES 1999 BOND]

UNITED STATES OF AMERICA

ILLINOIS SPORTS FACILITIES AUTHORITY

SPORTS FACILITIES REFUNDING BOND

(STATE TAX SUPPORTED)

SERIES 1999

No. R- _____

5 _____

Interest Rate: _____

Maturity Date: _____

Dated Date: _____

CUSIP _____

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that the ILLINOIS SPORTS FACILITIES AUTHORITY (the "Authority"), created and existing under the laws of the State of Illinois (the "State"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed upon the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date of this Bond, or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 15 and December 15 of each year commencing December 15, 1999, until said Principal Amount is paid. The principal of this Bond is payable at the designated corporate trust office of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO in Chicago, Illinois, as trustee, bond registrar and paying agent (the "Trustee"). Interest on this Bond shall be paid by check or draft of the Trustee mailed on the interest payment date to the person who as of the close of business on the first day of the calendar month in which the interest payment date occurs (the "Record Date") is the Registered Owner of this Bond. If the Registered Owner of this Bond holds at least \$1,000,000 in aggregate principal amount of Bonds of the Series of which this Bond is one, interest and, upon presentation of this Bond at the designated corporate trust office of the Trustee, principal payments upon maturity may be paid by wire transfer



of immediately available funds to such bank in the continental United States as the Registered Owner shall request in writing to the Trustee received no later than the Record Date. The principal of and interest on this Bond is payable in lawful money of the United States.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE. [If the text of the Series 1999 Bond is to be printed in its entirety on the face of the Series 1999 Bond then this paragraph shall be omitted and the paragraphs which would otherwise be printed on the reverse of the Series 1999 Bond shall be inserted at this place.]

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law, that the Authority has received substantial consideration for the issuance of the Bonds of which this Series is a part and that the Authority has power to borrow money for the purpose for which such Bonds are issued; and that the amount of this Bond and the authorized issue of Bonds of which it is one and the total authorized issue of Bonds of which this Series is a part do not exceed any limit prescribed by the Constitution or statutes of the State.

This Bond does not constitute indebtedness of the City of Chicago, Illinois (the "City"), of the State, or of any political subdivision of the State other than the Authority. This Bond is not a general obligation of the State or the City and is not secured by a pledge of the full faith and credit of the State or the City and the Registered Owner hereof may not require the levy or imposition by the State or the City of any taxes or, except as provided in the Authority Act, the application of other State or City revenues or funds to the payment of this Bond.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the ILLINOIS SPORTS FACILITIES AUTHORITY has caused a manual or facsimile of its seal to be impressed or printed hereon and this Bond to be signed by the duly authorized manual or facsimile signatures of the Chairman and Secretary of said Authority, all as of the Dated Date identified above.

**ILLINOIS SPORTS FACILITIES
AUTHORITY**

By _____
Chairman

[SEAL]

Attest:

Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the withinmentioned Indenture.

Date of Authentication:

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO, as
Trustee

Authorized Signatory

[FORM OF REVERSE OF SERIES 1999 BOND]

This Bond is one of a duly authorized Series of \$103,755,000 aggregate principal amount of Sports Facilities Refunding Bonds (State Tax Supported) Series 1999 (the "Series 1999 Bonds") of the Illinois Sports Facilities Authority (the "Authority") all of like tenor and date, except as to maturity, redemption terms and interest rate, issued or to be issued pursuant to an Indenture of Trust by and between the Authority and the Trustee dated as of June 1, 1999 (said Indenture of Trust as from time to time supplemented and amended being herein referred to as the "Indenture"), for the purpose of providing funds to refund outstanding Illinois Sports Facilities Authority Sports Facilities Bonds (State Tax Supported) Series 1989 (the "Prior Bonds"), which were originally issued in the aggregate principal amount of \$150,000,000 to finance a portion of the costs of acquiring and constructing sports facilities and related facilities in the City of Chicago, Illinois. The Series 1999 Bonds are issued under and pursuant to the Illinois Sports Facilities Authority Act, 70 ILCS 3205/1 *et seq.*, as amended (the "Authority Act") and the Indenture. Reference is hereby made to the Indenture for a statement of the funds and revenues from which this Bond and the Series of which it is a part are payable and the conditions and restrictions pursuant to which this Bond has been issued and future additional bonds on a parity therewith ("Additional Bonds") may be issued.

This Bond and the Series of which it is a part, together with such Additional Bonds as may be issued under the provisions of the Indenture, are payable from and secured by a pledge of certain revenues and receipts of the Authority, including (i) payments from the Illinois Sports Facilities Fund (the "Sports Facilities Fund"), a separate fund maintained by the Treasurer of the State, to the Trustee

(which payments are derived from certain State taxes), (ii) certain other monies and securities in the Revenue Fund, the Bond Fund, the Extraordinary Redemption Fund, the Debt Service Reserve Fund, the Cost of Issuance Fund and the Project Fund, and (iii) certain other monies, securities and property furnished from time to time to the Trustee by the Authority or on behalf of the Authority to be held by the Trustee under the terms of the Indenture, all as defined and provided in the Indenture. Certain State taxes are to be deposited in each fiscal year into the Sports Facilities Fund. Subject to annual appropriation by the Illinois General Assembly, specified amounts on deposit in the Sports Facilities Fund are required to be paid on the first day of each month in each fiscal year from the Sports Facilities Fund to the Trustee for deposit into the Revenue Fund established under the Indenture until the lesser of the Maximum Appropriation (as defined in the Indenture) for such fiscal year or the amount certified by the Chairman of the Authority as anticipated to be required to pay all obligations and expenses of the Authority during such fiscal year, including principal of and interest on the Bonds and required reserve fund deposits under the Indenture, have been so paid.

All of the Series 1999 Bonds and any Additional Bonds (together sometimes referred to as the "Bonds") are equally and ratably secured by the pledge described in the preceding paragraph without priority or preference of one over the other by reason of series designation, denomination, number, maturity, date or terms of redemption prior to maturity, date of sale or delivery or otherwise.

The State pledges to and agrees with the holder of this Bond that the State will not limit or alter the rights and powers vested in the Authority by the Authority Act so as to impair the terms of any contract made by the Authority with the holder of this Bond or in any way impair the rights and remedies of the holder of this Bond until this Bond, together with interest hereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of such holder, are fully met and discharged. In addition, the State pledges to and agrees with the holder of this Bond that the State will not limit or alter the basis on which funds of the State are to be allocated, deposited and paid to the Authority as provided in the Authority Act, or the use of such funds, so as to impair the terms of any such contract.

This Bond shall not be subject to redemption prior to maturity.

The Authority has covenanted in the Indenture that it will duly and punctually pay or cause to be paid, but solely from the property and revenues of the Authority, the principal or redemption price, if any, of this Bond and the interest hereon, at the dates and places and in the manner herein provided.

The Bonds are subject to defeasance of the Indenture by (i) the deposit with the Trustee of either monies in an amount which, or Qualified Investment Securities (as defined in the Indenture) the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (ii) the giving of irrevocable instructions by the Authority to the Trustee to give notice of redemption, if applicable,

as provided in the Indenture. In such case, such Bonds shall be deemed to have been paid and the lien created by the Indenture shall thereupon cease, terminate and become void.

Reference is hereby made to the Indenture for a more complete description of the nature and extent of the security, the rights of the registered owners of the Bonds and the terms and conditions upon which the Series 1999 Bonds and Additional Bonds are to be issued and secured, to all the provisions of which Indenture each holder by the acceptance hereof assents.

This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity, of an authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. Subject to the limitations and upon payment of the charges provided in the Indenture, this Bond may be exchanged for a like aggregate principal amount of Series 1999 Bonds of other authorized denominations and of the same maturity and interest rate.

The Authority and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

With the consent of the Authority, and to the extent permitted by and as provided in the Indenture, the terms and provisions of the Indenture, or of any instrument supplemental thereto, may be modified or altered in certain respects by the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds affected by the modification or alteration. The Indenture also contains provisions permitting the Authority and the Trustee to enter into certain supplemental indentures without the consent of the Registered Owners of the Bonds.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint attorney, to transfer the said Bond on the Bond Register with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

WHEREAS, all things necessary to make the Series 1999 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Indenture a valid assignment and pledge of and grant of a lien on and security interest in the Revenues, except as provided in Section 4.10 of this Indenture with respect to certain investment earnings on moneys attributable to the Series 1999 Bonds, and certain other monies, securities and property of the Authority to secure the payment of the principal of, premium, if any, and interest on the Series 1999 Bonds, and the execution, and delivery of this Indenture, and the execution and issuance of the Series 1999 Bonds, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued hereunder, according to the import thereof and the performance and observance of each and every covenant and condition herein or in the Bonds contained, and to secure reimbursement to Debt Service Reserve Fund Facility Providers (as hereinafter defined) for amounts paid under their Debt Service Reserve Fund Facilities (as hereinafter defined) to the extent provided below, and for and in consideration of the premises and of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Bonds by the respective Holders thereof, and for other good and valuable considerations, the sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, the Authority does hereby pledge, assign and set over, and grant a

security interest in and a lien upon the following to the Trustee and its successors in trust and assigns forever, to the extent provided in this Indenture:

(a) All its right, title and interest in and to the Revenues (as hereinafter defined), and its right to receive the Revenues;

(b) All monies and securities, including interest and other investment earnings thereon, required to be deposited in the Revenue Fund, the Bond Fund, the Debt Service Reserve Fund, the Extraordinary Redemption Fund, the Cost of Issuance Fund and the Project Fund created under this Indenture;

(c) Any and all other monies, securities and property furnished from time to time to the Trustee by the Authority or on behalf of the Authority or by any other persons to be held by the Trustee under the terms of this Indenture;

expressly excepting and excluding from the
lien and operation of this Indenture

(d) Monies, securities and properties held by the Trustee in the Rebate Fund created under this Indenture.

BUT IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Bonds issued and to be issued hereunder and secured by this Indenture, including any Additional Bonds hereafter issued on parity with the Series 1999 Bonds without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof. So long as there is one or more Debt Service Reserve Fund Facility in effect, to secure reimbursement to such Debt Service Reserve Fund Facility Provider for amounts paid under its Debt Service Reserve Fund Facility such Debt Service Reserve Fund Facility Provider shall have a security interest in and a lien upon the monies, securities and properties of the Authority pledged to the Trustee above, which security interest and lien shall be subordinate to the security interests and liens and to the use and application of funds for the benefit of the Bondholders as provided in this Indenture.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Authority, or its successors, shall well and truly pay or cause to be paid, or provide for the payment of all principal, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner stipulated therein and herein and shall keep, perform and observe all and singular the covenants and agreements in such Bonds and in this Indenture expressed to be kept, performed and


observed by or on the part of the Authority, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS HEREBY COVENANTED AND AGREED by and among the Authority, the Trustee and the purchasers and Holders from time to time of the Bonds that the terms and conditions upon which the Series 1999 Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the Holders thereof, and the trusts and conditions upon which the monies and securities hereby pledged are to be held and disposed of, which said trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

All Article, Section and other subdivision references contained in the Indenture, unless otherwise indicated, refer to the corresponding Articles, Sections and subdivisions of this Indenture. Unless a different meaning clearly appears from the context, the following terms used in this Indenture shall have the meanings set out after each:

 **Additional Bonds**" means any Bonds issued pursuant to a Supplemental Indenture.

Additional Bonds Tax Agreement" means an agreement and/or certificate between the Authority and the Trustee relating to an Additional Project and/or the use and investment of the proceeds of Additional Bonds.

Additional Project" means any facilities or improvements which the Authority acquires, constructs, improves, expands, modifies, reconstructs, repairs or finances pursuant to the Authority Act.

Additional Project Certificate" means a Certificate of an Authorized Officer describing an Additional Project and the use of Additional Bond proceeds, delivered in connection with the issuance of Additional Bonds.

Additional Revenue Source" means amounts to be deposited in the Illinois Sports Facilities Fund and, subject to appropriation, to be available for transfer to the Authority during a Fiscal Year, which are derived from collections of a State of Illinois tax which has been in force during all of the most recently completed Fiscal Year (but may be derived, in whole or in part, from an increase in the rate of such a tax, if the increased rate is effective prior to the date of a certification with respect to such tax pursuant to Section 3.5(a)(2)), other than (a) net proceeds from the tax imposed by Section 3(a) of the State Hotel Tax Act at the rate in effect at the time of the issuance of the Series 1999 Bonds, after making the deposit required under Section 5 of the State Hotel Tax Act to the Build Illinois Fund in the State Treasury of the State of Illinois and (b) funds allocable to the City of Chicago, Illinois from the Local Government Distributive Fund.

"Annual Certification" means the certification required by Section 4.2 of this Indenture and Section 8.25-4 of the Finance Act to be made annually to the Treasurer of the State of Illinois and the Comptroller of the State of Illinois.

"Authority" means the Illinois Sports Facilities Authority, a political subdivision, unit of local government body politic and municipal corporation of the State of Illinois, its successors and assigns.

"Authority Act" means the Illinois Sports Facilities Authority Act, 70 ILCS 3205/1 *et seq.*, as amended.

"Authorized Officer" means any person designated by the Authority as a signatory for the Authority when required under the terms of this Indenture or any Supplemental Indenture.

"Bond" or "Bonds" means the Series 1999 Bonds and any Additional Bonds.

"Bond Counsel" means such attorney or firm of attorneys of nationally recognized standing and satisfactory to the Trustee, selected by the Authority, with respect to the issuance of Bonds under this Indenture.

"Bond Fund" means the fund established in Section 4.3 into which monies are deposited to provide for the payment of principal, premium, if any, and interest on the Bonds.

"Bondholder" shall mean the registered owner of any Bond, as shown on the books or records maintained by the Trustee for the registration and transfer of the Bonds.

"Bond Registrar" shall mean the Trustee acting in the capacity of registrar under this Indenture, its successors and assigns.

"Certificate of an Authorized Officer" means a written certificate signed in the name of the Authority by an Authorized Officer. Any such certificate may be based, insofar as it relates to legal or accounting matters, upon an accompanying certificate or opinion of or representation by counsel or any independent certified public accountant or firm of such accountants of national reputation selected by the Authority and acceptable to the Trustee, unless the executing Authorized Officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such accompanying certificate or opinion made or given by such counsel or accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an Authorized Officer, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same Authorized Officer or the same counsel or accountant, as the case may be, need not certify

to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel or accountants may certify to different matters, respectively.

"Certificate of Completion" means the certificate required by Section 5.2 in connection with the completion of any Additional Project.

"City Subsidy Monies" means the amounts deposited from time to time in the Illinois Sports Facilities Fund for crediting to the Subsidy Account therein pursuant to Section 13.1 of the Revenue Sharing Act.

"City Tax Fund" means the City Tax Fund designated in 30 ILCS 105/5.210, as amended.

"Code" means the Internal Revenue Code of 1986, as from time to time supplemented and amended. References to the Code and Sections of the Code shall include relevant final, temporary or proposed regulations as in effect from time to time.

"Completion Date" means the date upon which acquisition and construction of any Additional Project was substantially completed (without regard to whether the Certificate of Completion is delivered).

"Contract of Purchase" means the Contract of Purchase between the Authority and the Underwriters named therein with respect to the Series 1999 Bonds.

"Costs of Issuance" means any item of expense payable or reimbursable, directly or indirectly, by the Authority and related to the authorization, offering, sale, issuance and delivery of the Bonds, including but not limited to travel and other expenses of any officer or employee of the Authority in connection with the authorization, offering, sale, issuance and delivery of the Bonds, printing costs, costs of preparation and reproduction of documents, filing and recording fees, Credit Enhancement Costs, termination payments to a Qualified Swap Provider in connection with termination of a Qualified Swap relating to the refunding of any Bonds, fees, expenses and charges of rating agencies and the Trustee, and any fiduciary, fees and charges of consultants and professionals, fees and charges for preparation, execution, transportation and safekeeping of the Bonds and blue sky or other state securities law charges and costs.

"Costs of Issuance Fund" means the fund established in Section 4.3 into which funds for the payment of Costs of Issuance shall be deposited.

"Counsel for the Authority" means the counsel of the Authority as the Authority may from time to time designate to act as counsel generally or with respect to specific matters.

"Credit Enhancement Costs" means application fees and premiums on municipal bond insurance and credit facility charges and costs, including any such fees, premiums, charges and costs with respect to the Insurance Policy and any Debt Service Reserve Fund Facility.

"Debt Service" when used with respect to one or more Series of Bonds, means, as of any date of calculation and with respect to any period, the sum of the principal of, including the required Sinking Fund Installments, and interest on the Bonds due and payable during such period, accumulated deficiencies in and current deposits required to the Debt Service Reserve Fund during such period, and fees, expenses and charges with respect to arrangements to provide additional security or liquidity for the Bonds and of the Trustee due and payable during such period, but shall exclude any such amounts to the extent they will be paid from Bond proceeds; computed on the assumption that no portion of the Bonds shall cease to be outstanding during such period except by reason of the application of such scheduled payments. The accreted value of any zero coupon or capital appreciation Bond shall be included in the year in which principal is required to be paid. Any Variable Interest Rate Bonds (other than any Variable Interest Rate Bonds in respect of which the Authority has entered into a Qualified Swap during the period for which such Qualified Swap is in effect) shall be deemed to bear interest at all times prior to the maturity date thereof for which the interest rate payable thereon has not yet been determined at the Maximum Interest Rate applicable thereto. Any Bonds in respect of which the Authority has entered into a Qualified Swap shall during the period for which such Qualified Swap is in effect be deemed to bear interest at the highest of the fixed rate or the maximum interest rate payable on such Bonds or pursuant to such Qualified Swap. In calculating Debt Service for purposes of calculating the Debt Service Reserve Requirement and Section 3.5, Debt Service with respect to Outstanding Bonds which would have been treated as Variable Interest Rate Bonds but for the fact that the Authority has entered into a Qualified Fixed Payor Swap in respect thereof shall be calculated assuming that the interest rate on such Bonds and the related Parity Debt shall equal the stated fixed rate on the Qualified Fixed Payor Swap during the period for which such Qualified Fixed Payor Swap is in effect, and Debt Service on any other Variable Interest Rate Bonds shall be calculated at the higher of the Maximum Interest Rate applicable thereto or the maximum rate of interest permitted for any related Parity Reimbursement Obligation (whether or not any Reimbursement Obligation has yet been created).

"Debt Service Reserve Fund" means the fund established in Section 4.3, into which monies and Debt Service Reserve Fund Facilities, if any, are deposited to satisfy the Debt Service Reserve Requirement.

"Debt Service Reserve Fund Facility" means a surety bond, insurance policy, letter of credit or other credit facility issued to guarantee or assure timely payment of principal of, premium, if any, and interest on, Outstanding Bonds, subject only to notification that there are insufficient funds for such payment. The Debt Service Reserve Fund Facility (a) shall be in a stated amount which, when added to the funds, if any, deposited in the Debt Service Reserve Fund and the stated amounts of all other Debt Service Reserve Facilities, will equal the Debt Service Reserve Requirement and (b) shall either remain in effect so long as the Debt Service Reserve Requirement which is met by such Debt Service Reserve Fund Facility continues or shall provide for a draw by the Trustee or payment thereunder for deposit in the Debt Service Reserve Fund at or prior to the expiration of the Debt Service Reserve Fund Facility (unless renewed or replaced by a new Debt Service Reserve Fund Facility) in an amount equal to the stated amount. This definition shall also include any related covenants or agreements contained in an agreement with the Debt Service Reserve Fund Facility

Provider. If more than one Debt Service Reserve Fund Facility is held in the Debt Service Reserve Fund at any time, references shall be to the related Debt Service Reserve Fund Facility.

"Debt Service Reserve Fund Facility Provider" means an insurance company, bank, savings and loan association, savings bank, thrift institution, trust company, surety company or other institution, any of which issue a Debt Service Reserve Fund Facility and which is, at the time of such issuance, (a) in the case of such entity issuing a surety bond or insurance policy, an entity whose municipal bond, surety bonds or insurance policies securing the payment, when due, of the principal of or interest on long term municipal bond issues result in such issues being rated in the highest rating category given by both Rating Agencies or (b) in the case of such entity issuing a letter of credit, an entity whose long term debt is rated in one of the two highest rating categories given by both Rating Agencies. The initial Debt Service Reserve Fund Facility Provider shall be MBIA Insurance Corporation.

"Debt Service Reserve Requirement" means an amount of money, or one or more Debt Service Reserve Fund Facilities in such stated amounts, or both, in the aggregate equal to the lesser of (a) 50% of Maximum Annual Debt Service or (b) 10% of the aggregate principal amount of all Series of the Outstanding Bonds (excluding Bonds issued to refund Bonds but including any Series of Bonds which have been refunded by Outstanding Bonds) as determined on the date of their initial issuance and delivery.

"Deficiency Drawing" is defined in Section 4.8.

"DTC" means The Depository Trust Company of New York, New York, a limited-purpose trust company organized under the New York Banking Law, acting as the initial Securities Depository for the Bonds.

"DTC Participant" means a participant in DTC's book-entry only system that deposits its securities with the DTC.

"Escrow Agent" means American National Bank and Trust Company of Chicago, as escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of June 1, 1999 between the Authority and the Escrow Agent.

"Expiration Drawing" is defined in Section 4.8.

"Finance Act" means "An Act in relation to State finance", 30 ILCS 105/1 *et seq.*, as amended.

"Financial Guaranty Agreement" means the Financial Guaranty Agreement dated the date of issuance and delivery of the Series 1999 Bonds between the Authority and MBIA Insurance Corporation.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter designated as the official fiscal year period of the State of Illinois and the Authority.

"Fitch" means Fitch IBCA, Inc. and its successors or assigns.

"Holder" means Bondholder.

"Illinois Sports Facilities Fund" means the Illinois Sports Facilities Fund established pursuant to Section 5.207 of the Finance Act and applied in accordance with Section 8.25-4 of the Finance Act.

"Indenture" means this Indenture of Trust dated as of June 1, 1999 between the Authority and the Trustee, and any amendments or supplements thereto.

"Insurance Policy" or policy means the insurance policy, dated the date of issuance and delivery of the Series 1999 Bonds, issued by the Insurer, insuring payments of principal of and interest on the Series 1999 Bonds.

"Insurer" means MBIA Insurance Corporation and its successors.

"Interest Account" means the account of that name in the Bond Fund established in Section 4.3.

"Investment Earnings" means all interest received on and profits derived from investments made with any money in the funds and accounts specified in Section 4.3, but not including the Rebate Fund.

"Investment Earnings Account" means the account of the Revenue Fund into which certain Investment Earnings are deposited pursuant to Section 4.13.

"Investment Securities" means any of the following securities in which any of the moneys pledged hereunder and funds established by the Indenture may be invested, to the extent permitted by law, including without limitation 30 ILCS 235/1 *et seq.*, as amended, subject to the provisions of Article IV; provided, however, so long as the Insurance Policy is in effect or the Insurer is the Debt Service Reserve Fund Facility Provider, Investment Securities shall include only the securities described in Exhibit A hereto which are also described below and such other securities described below which are approved in writing by the Insurer.

(a) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (c) below to the extent unconditionally guaranteed by the United States of America.

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate;

(c) bond, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association, the Federal Financing Bank, the Federal Home Loan Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the Government National Mortgage Association, or any other agency controlled by or supervised by and acting as an instrumentality of the United States government;

(d) obligations of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which shall be rated at the time of the investment in either of the three highest Rating Categories by Moody's, S&P and Fitch;

(e) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 9.10, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed by,

or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in the highest Rating Category by Moody's, S&P and Fitch or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds; such insurance policy shall result in such municipal bonds being rated in the highest Rating Category by Moody's, S&P and Fitch;

(f) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (a) or (b), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 9.10;

(g) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue ranked in either of the two highest Rating Categories by Moody's, S&P and Fitch without regard to any refinement or gradation of such rating (including the Trustee and its parent holding company, if any, if it otherwise qualified);

(h) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clause (a), (c) or (g) above which securities shall at all times have a market value of not less than the full amount of the repurchase agreement and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(i) any other investment agreement, guaranteed investment contract or similar debt obligation which in Counsel for the Authority's opinion is permitted by law and the issuer or guarantor of such obligation is assigned, or such agreement, contract or obligation is assigned, the highest short-term debt rating by a Rating Agency or which is assigned a long-term rating by a Rating Agency which is no lower than the long-term rating assigned by a Rating Agency to the Outstanding Bonds (without taking into account any higher rating assigned to the Bonds by virtue of any credit enhancement);

(j) commercial paper rated, at the time of purchase, "Prime-1" by Moody's or "A-1" or better by S&P; and

(k) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a

rating by S&P of AAAm-G, AAA-m, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

"Letter of Representations" means the Letter of Representations among the Authority, the Trustee and DTC, including all amendments thereof and supplements thereto.

"Local Government Distributive Fund" means the Local Government Distributive Fund established in the State Treasury of the State of Illinois pursuant to Section 1 of the Revenue Sharing Act.

"Management Agreement" means the Management Agreement dated as of June 29, 1988, as amended from time to time, between the Authority and the Team related to construction and use of the Project.

"Maximum Annual Debt Service" means, as of any date of calculation, the Debt Service on all Outstanding Bonds computed for the current or any succeeding Fiscal Year in which such Debt Service shall be largest.

"Maximum Appropriation" means with respect to any Fiscal Year, as of any date of calculation and under law existing on such date, the amount required for such Fiscal Year to be deposited in the Illinois Sports Facilities Fund and, subject to appropriation, to be available for transfer to the Authority during such Fiscal Year, provided, that amounts from an Additional Revenue Source may be taken into account only to the extent that the total annual amount of such Additional Revenue Source which may legally be used to make deposits into the Illinois Sports Facilities Fund is equal to or greater than 150% of the amount which is so taken into account.

"Maximum Interest Rate" means, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Indenture authorizing such Bonds, that shall be the maximum rate of interest such Bonds may at any time bear or such higher rate which the Authority may be obligated to pay to a Qualified Swap Provider as set forth in any related Qualified Fixed Receiver Swap; provided, however that should the Authority obtain insurance or other coverage which provides that any increase in the variable interest rate on any Variable Interest Rate Bonds above a threshold rate will be reimbursed or paid by the insurer or provider of such other coverage, such threshold rate will be deemed to be the Maximum Interest Rate; provided further that the insurer or provider of such other coverage providing such insurance policy or other coverage shall meet the requirements for a Qualified Swap Provider.

"Moody's" means Moody's Investors Service and its successors and assigns.

"1989 Project Report" means such drawings, specifications, reports, financial statements, estimates and schedules relating to the Project which are on file with the Authority as of the date of execution and delivery of this Indenture, as revised from time to time, provided that such revisions

are within the limitations and restrictions contained in the definition of "facilities" set forth in Section 2 of the Authority Act.

"Nominee" means Cede & Co., the nominee of the Securities Depository, and any successor nominee thereto pursuant to Section 2.13.

"Other Revenues" means (a) all monies and funds received by the Trustee from the Authority pursuant to this Indenture and (b) all funds held by the Trustee under this Indenture and required under this Indenture to be transferred to the Revenue Fund, in each case other than Sports Facilities Fund Revenues and Investment Earnings.

"Other Revenues Account" means the account of that name in the Revenue Fund established in Section 4.3 into which Other Revenues are deposited.

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

- (i) any Bond canceled by the Trustee on or prior to such date;
- (b) any Bond paid or deemed to have been paid as provided in Section 12.1; and
- (c) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Sections 2.5, 2.6, 2.9, 2.10, 7.7 or 11.6.

"Paying Agent" means the Trustee and its successors acting as Paying Agent at a place or places at which principal on maturity and Redemption Price of, and interest on all Bonds shall be paid.

"Pledged Funds" means the monies, securities and properties of the Authority pledged to the Trustee for the benefit of the Bondholders and the Debt Service Reserve Fund Facility Providers pursuant to and to the extent provided in the Granting Clauses of this Indenture.

"Principal Account" means the account of that name in the Bond Fund established in Section 4.3.

"Prior Bonds" means the outstanding Illinois Sports Facilities Authority Sports Facilities Bonds (State Tax Supported) Series 1989.

"Prior Indenture" means the Indenture of Trust dated as of March 1, 1989 by and between the Authority and the Prior Trustee.

"Prior Trustee" means American National Bank and Trust Company of Chicago, as trustee under the Prior Indenture.

"Project" means the facilities which constitute "facilities" as defined in Section 2 of the Authority Act and as described in the 1989 Project Report, as from time to time amended.

"Project Certificate" means the Certificate of an Authorized Officer describing the use of the Prior Bond proceeds and the Series 1999 Bond proceeds, delivered in connection with issuance of the Series 1999 Bonds.

"Project Costs" means and shall include costs and expenses of the Authority in connection with or incidental to the completion of any Additional Project, and as further described in any Supplemental Indenture relating to such Additional Project.

"Project Fund" means the fund established in Section 4.3 into which funds for the payment of Project Costs of any Additional Project shall be deposited.

"Qualified Fixed Payor Swap" means to the extent from time to time permitted pursuant to law, with respect to Bonds, any financial arrangement (i) that is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides either (A) that the Authority shall pay, but only upon receipt by the Authority of any payment then due to the Authority from such entity, to such entity an amount based on the interest on an amount equal either to the principal amount of such Bonds of such Series or a notional principal amount relating to all or a portion of the principal amount of such Series at a fixed rate (which need not be the same as the actual rate of interest borne by such Bonds) of interest set forth in such arrangement and that such entity shall pay to the Authority an amount based on the interest accruing at a variable rate on such actual or notional principal amount or (B) that one shall pay to the other any net amount due under such arrangement or such other similar arrangement; and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Fixed Payor Swap with respect to such Bonds.

"Qualified Fixed Receiver Swap" means, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) that is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) that is entered into by the Authority (I) in connection with Bonds bearing a fixed rate of interest in the expectation of lowering the Authority's costs of incurring or carrying such indebtedness or (II) otherwise managing the Authority's exposure to interest rate risk, (iii) which provides either (A) that the Authority shall pay, but only upon receipt by the Authority of any payment then due to the Authority from such entity, to such entity an amount based on the interest on an amount equal either to the principal amount of such Bonds of such Series or a notional principal amount relating to all or a portion of the principal amount of such Series at a variable rate of interest computed according to a formula set forth in such arrangement and that such entity shall pay to the Authority an amount based on the interest accruing at a fixed rate (which need not be the same as the actual rate of interest borne by such Bonds) on such actual or notional principal amount or (B) that one shall pay to the other any net amount due under such arrangement or such other similar arrangement, and (iv) which has been

designated in writing to the Trustee by an Authorized Officer as a Qualified Fixed Receiver Swap with respect to such Bonds.

"Qualified Investment Securities" means Investment Securities described in clause (a), (b) or (c) of the definition thereof in this Article (not callable by the issuer thereof prior to maturity), other than bonds, debentures or notes or other evidences of indebtedness issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Association or the Government National Mortgage Association.

"Qualified Swap" means either a Qualified Fixed Payor Swap or a Qualified Fixed Receiver Swap.

"Qualified Swap Provider" means, with respect to a Series of Bonds, an entity whose senior long term obligations, other senior, unsecured long term obligations or claims paying ability or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated either (i) at least as high as A3 by Moody's, A- by S&P, and A- by Fitch, or the equivalent thereof by any successor thereto if such rating agency then maintains a rating on the Bonds at the request of the Authority, or (ii) any such lower Rating Categories (including the absence of a rating for any entity) which each such rating agency then maintaining a rating on the Bonds Outstanding at the request of the Authority indicates in writing to the Authority and the Trustee that such action will not, by itself, result in a reduction or withdrawal of its rating on the Bonds Outstanding subject to such Qualified Fixed Payor Swap or Qualified Fixed Receiver Swap that is in effect prior to entering into such Qualified Fixed Payor Swap or Qualified Fixed Receiver Swap, as appropriate; provided, however, that for purposes of clause (ii), if within 15 days (30 days if the rating agency does not then maintain a rating for such entity) of receipt by a rating agency of notice from the Authority that it intends to enter into such a Qualified Fixed Payor Swap or Qualified Fixed Receiver Swap, the Authority has not been notified by such rating agency of such a possible reduction or withdrawal of the rating on such Outstanding Bonds, the Authority may conclusively assume that such entity meets the requirements of clause (ii), and such entity shall constitute a Qualified Swap Provider.

"Rating Agency" means Standard & Poor's Corporation or Moody's Investors Services, Inc. and their successors or assigns. If either corporation no longer acts as a securities rating agency, the Authority may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" means one of the generic rating categories of Moody's, S&P or Fitch without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"Rebate Fund" means the fund of that name established in Section 4.3.

"Redemption Account" means the account of that name in the Bond Fund established in Section 4.3 into which monies are deposited pursuant to required Sinking Fund Installments.

"Redemption Date" means the date on which a Series 1999 Bond shall be redeemed pursuant to Section 2.3 or on which an Additional Bond shall be redeemed pursuant to a Supplemental Indenture.

"Redemption Price" means the principal amount of a Bond plus the applicable premium, if any, payable upon redemption of such Bond under the provisions of this Indenture or any Supplemental Indenture.

"Refunding Fund" means the fund created in Section 4.3 hereof, into which proceeds of the Series 1999 Bonds for the redemption of the Prior Bonds are to be deposited.

"Revenue" or "Revenues" mean (a) the Sports Facilities Fund Revenues; (b) Investment Earnings; and (c) Other Revenues.

"Revenue Fund" means the fund of that name established in Section 4.3.

"Revenue Sharing Act" means "An Act in relation to State revenue sharing with local governmental entities," 300 ILCS 115/1 *et seq.*, as amended.

"S&P" means Standard & Poor's Corporation and its successors or assigns.

"Securities Depository" means DTC, and any successor securities depository pursuant to Section 2.13.

"Securities Depository Participants" means DTC Participants or, with respect to any successor securities depository, those broker-dealers, banks and other financial institutions from time to time for which such successor securities depository holds Bonds as securities depository.

"Serial Bonds" means Bonds not entitled to the benefit of any Sinking Fund Installment.

"Series" means all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction and any Bonds issued upon transfer thereof or in exchange therefor.

"Series 1999 Bonds" means the Illinois Sports Facilities Authority Sports Facilities Refunding Bonds (State Tax Supported) Series 1999 issued pursuant to this Indenture.

"Sinking Fund Installment" shall mean an amount, if any, so designated which is required to be paid pursuant to Section 1.2(b) with respect to Additional Bonds.

"Sports Facilities Fund Account" means the account of that name in the Revenue Fund established in Section 4.3 into which Sports Facilities Fund Revenues are deposited.

"Sports Facilities Fund Revenues" means all amounts received from time to time by the Authority or the Trustee from the Illinois Sports Facilities Fund.

"State Advance Monies" means the amounts deposited from time to time in the Illinois Sports Facilities Fund for crediting to the Advance Account therein pursuant to Section 6 of the State Hotel Tax Act.

"State General Revenue Fund" means the General Revenue Fund in the State Treasury of the State of Illinois.

"State Hotel Tax Act" means "The Hotel Operators' Occupation Tax Act," 35 ILCS 145/1 *et seq.*, as amended.

"State Subsidy Monies" means the amounts deposited from time to time in the Illinois Sports Facilities Fund for crediting to the Subsidy Account therein pursuant to Section 6 of the State Hotel Tax Act.

"Supplemental Indenture" means any indenture supplemental to or amendatory of this Indenture, entered into in accordance with Article X pursuant to a resolution of the Authority authorizing the same.

"Tax Agreement" means the Tax Exemption Agreement and Certificate between the Authority and the Trustee relating to the Series 1999 Bonds.

"Tax-Exempt Bonds" means the Series 1999 Bonds and any Additional Bonds, the interest on which at the time of issuance thereof was not, in the opinion of Bond Counsel, includable in the gross income of the owners thereof for federal income tax purposes.

"Team" means Chicago White Sox, Ltd., an Illinois limited partnership or its successors or, to the extent permitted under the Management Agreement, assigns.

"Term Bonds" means Bonds entitled to the benefit of applicable Sinking Fund Installments.

"Trustee" means American National Bank and Trust Company of Chicago, Chicago, Illinois or its successor acting as Trustee, Paying Agent and Bond Registrar.

"Variable Interest Rate" means a variable interest rate to be borne by any Bond within a Series of Bonds. The method of computing such variable interest rate shall be specified in the Supplemental Indenture authorizing such Series of Bonds. Such Supplemental Indenture shall also specify either (i) the particular period or periods of time for which each value of such variable interest

rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

"Variable Interest Rate Bonds" means Bonds which bear a Variable Interest Rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate; provided, however, that Bonds bearing a Variable Interest Rate shall not be deemed Variable Interest Rate Bonds if the Authority has entered into a Qualified Fixed Payor Swap with respect to such Bonds, but only for so long as such Qualified Fixed Payor Swap meets all requirements of a "Qualified Fixed Payor Swap" as defined herein; provided further that (1) Bonds bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds to the extent that the Authority has entered into a Qualified Fixed Receiver Swap and (2) the derivative rate of such arrangement shall be deemed to be the Variable Interest Rate of such Bonds; provided further that for purposes of establishing the amount of any Debt Service Reserve Fund Requirement therefor, (1) Bonds bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds only if the Authority has entered into a Qualified Fixed Receiver Swap at the time of initial issuance of the related Bonds and (2) otherwise such Bonds shall be treated as fixed rate Bonds without any effect being given to any Qualified Fixed Receiver Swap.

ARTICLE II

THE SERIES 1999 BONDS

2.1 **Authorization of the Series 1999 Bonds.** Pursuant to the Authority Act and subject to and pursuant to the provisions of this Indenture, bonds of the Authority, each constituting a Series 1999 Bond as mentioned and described in this Indenture, are hereby authorized to be issued in the aggregate principal amount of \$103,755,000 for the purpose of financing all or a portion of the cost of refunding the Prior Bonds. The Series 1999 Bonds are special obligations of the Authority payable from and secured by the pledge of Revenues and certain other monies as provided in this Indenture. The Series 1999 Bonds shall not be indebtedness of the City of Chicago, Illinois, of the State of Illinois, or of any political subdivision of the State of Illinois other than the Authority. The Bonds are not general obligations of the State of Illinois or the City of Chicago, Illinois and are not secured by a pledge of the full faith and credit of the State of Illinois or the City of Chicago, Illinois and the Holders may not require the levy or imposition by the State of Illinois or the City of Chicago, Illinois of any taxes or, except as provided in the Authority Act, the application of other State of Illinois or City of Chicago, Illinois revenues or funds to the payment of the Series 1999 Bonds.

2.2 **Designation, Denomination and Form of Series 1999 Bonds.** Each Series 1999 Bond issued under this Indenture shall be designated "Illinois Sports Facilities Authority Sports Facilities Refunding Bond (State Tax Supported) Series 1999". The Series 1999 Bonds shall be issued only as fully registered Bonds in denominations of \$5,000 each or any integral multiple thereof (but no single Series 1999 Bond shall represent principal maturing on more than one date) and shall be numbered consecutively from 1 upward but need not be authenticated or delivered in consecutive order. The Series 1999 Bonds shall be substantially in the form set forth in the Recitals hereto with

such variations, omissions or insertions as are required or permitted by the Indenture. A statement of insurance relating to the Insurance Policy may be printed on the Series 1999 Bonds.

2.3 Details of Series 1999 Bonds. Series 1999 Bonds authenticated and delivered prior to December 15, 1999 shall be dated June 1, 1999. Series 1999 Bonds authenticated and delivered on or after December 15, 1999 shall be dated the June 15 or December 15 preceding the date of their authentication and delivery to which interest has been paid or duly provided for, except Series 1999 Bonds authenticated and delivered on a June 15 or December 15 to which interest has been paid or duly provided for shall be dated that June 15 or December 15. If at any time interest due on a Series 1999 Bond shall not have been paid in full, then such Series 1999 Bond shall be dated and bear interest from the date to which interest on such Series 1999 Bond has been paid in full. The Series 1999 Bonds shall mature on June 15 of the years and in the amounts and shall bear interest at the annual rates as follows:

<u>Series 1999 Bonds</u>		
<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Annual Interest Rate</u>
2000	\$ 7,640,000	4.00%
2001	7,825,000	4.00
2002	8,140,000	4.00
2003	8,465,000	4.00
2004	8,805,000	5.00
2005	9,245,000	5.00
2006	9,705,000	5.00
2007	10,190,000	5.00
2008	10,705,000	5.00
2009	11,235,000	5.00
2010	11,800,000	4.70

The principal on maturity or Redemption Price of the Bonds shall be payable upon presentation and surrender of the Bonds at the designated corporate trust office of the Trustee. Each Series 1999 Bond shall bear interest from its date until the principal amount thereof is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 15 and December 15 of each year, commencing December 15, 1999. Interest on each Bond shall be paid by check or draft of the Trustee mailed on the interest payment date to the person who is the Bondholder at the close of business on the first day of the calendar month (the "Record Date") in which the applicable interest payment date occurs. Interest on all Bonds held by a Holder owning at least \$1,000,000 in aggregate principal amount of such Bonds, and upon presentation of such Bonds at the designated corporate trust office of the Trustee, principal upon maturity or redemption price upon redemption, may also be paid by wire transfer of immediately available funds to such bank in the continental United States as the Holder of such Bonds shall request in writing received no later

than the Record Date to the Trustee. The principal of and interest on the Bonds are payable in lawful money of the United States of America. No interest shall accrue on any Bond after its maturity, or, if it has been called for redemption, its Redemption Date unless it shall have been presented for payment at maturity or upon the Redemption Date and shall not then have been paid.

The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman and attested by the manual or facsimile signature of its Secretary, and its seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and 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 office in the Authority although at the date borne by the Bonds such persons may not have been so authorized or have held such office.

The Series 1999 Bonds shall not be subject to redemption prior to maturity.

2.4 **Authentication of Bonds.** Each Bond shall bear a Certificate of Authentication, substantially in the form set forth in the Recitals hereto, executed manually by the Trustee. Only such Bonds as bear the Trustee's Certificate of Authentication shall be entitled to any right or benefit under the Indenture, and no Bond shall be valid, obligatory or Outstanding for any purpose until the Certificate of Authentication has been duly executed by the Trustee. The Certificate of Authentication shall be deemed to have been duly executed if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign every such Certificate of Authentication. The Trustee's Certificate of Authentication shall be the only and conclusive evidence that the Bonds have been duly authenticated and delivered under the Indenture, and that the Holders of the Bonds are entitled to the rights and benefits of the Indenture.

2.5 **Exchange of Bonds.** Bonds, upon surrender thereof at the designated corporate trust office of the Trustee, together with a written instrument of transfer in form satisfactory to the Trustee duly executed by the Holder or by his attorney duly authorized in writing, may be exchanged for a like aggregate principal amount of Bonds of the same Series of any other authorized denomination and of the same maturity and interest rate.

2.6 **Transfer of Bonds.** Any Bond shall be transferable only upon the registration books of the Authority which shall be kept and maintained for that purpose by the Trustee at its designated corporate trust office. Any Bond shall be transferable only by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof at the designated corporate trust office of the Trustee, together with a written instrument of transfer in form satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of a Bond, there shall be registered in the name of the transferee, and the Trustee shall authenticate and deliver, a Bond of the

same Series and of the same maturity and interest rate and of the same aggregate principal amount as the surrendered Bond.

2.7 Action of Trustee on Tender of Exchange or Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Trustee shall deliver Bonds in accordance with this Indenture. All Bonds executed, authenticated and delivered in exchange for or upon transfer of Bonds so surrendered shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered and shall be entitled to all the benefits and protections of the Indenture to the same extent as the Bonds in exchange for or upon transfer of which they were executed, authenticated and delivered. All Bonds surrendered in any exchange or transfer shall be canceled and destroyed by the Trustee, and the Trustee shall submit a certificate of any such destruction to the Authority.

The Trustee may make a charge on exchange or transfer of Bonds sufficient to reimburse it for 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 person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Neither the Authority nor the Trustee shall be required to make any exchange or transfer of a Bond tendered during the fifteen (15) days immediately preceding an interest payment date of that Bond or after the Bond has been called for redemption, or in the case of a proposed redemption of Bonds, during the fifteen (15) days immediately preceding the date of mailing of a notice of redemption, if the Bond could potentially be called for redemption by the notice.

2.8 Registration of Bonds and Ownership of Bonds. So long as any Bonds remain Outstanding under the Indenture, the Trustee shall maintain at its designated corporate trust office books or records, which may be computerized, for the registration and transfer of Bonds. The Holder of any Bond, as shown on the books or records maintained by the Trustee for that purpose, shall be conclusively deemed and treated as the absolute owner of that Bond for all purposes of this Indenture and neither the Authority nor the Trustee shall be affected by any notice to the contrary. All payments to the Holder shall be valid and effective to satisfy and discharge the Authority's liability upon such Bond to the extent of the sum or sums paid.

2.9 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, there may be executed and the Trustee may authenticate and deliver a new Bond of the same Series, maturity, interest rate and denomination as the Bond mutilated, lost, stolen or destroyed. Prior to the execution of any new Bond under this Section 2.9, however, the mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond, the Trustee may, upon receipt of satisfactory evidence and satisfactory indemnity, pay the same without delivery of such Bond. The Trustee may charge the Holder of such Bond with its reasonable fees and expenses in this connection.

2.10 Temporary Bonds. If Bonds are required to be authenticated and delivered and the definitive form of such Bonds is not available, the Authority may execute and, upon request of the Authority, the Trustee shall authenticate and deliver temporary Bonds in lieu of definitive Bonds. The form of temporary Bonds and their execution and authentication shall be subject to all the same provisions, limitations and conditions applicable to definitive Bonds, and shall be of substantially the same tenor as definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary Bonds. Interest shall be payable only upon presentation of the temporary Bonds for notation thereon of the payment of such interest. Definitive Bonds shall be executed, authenticated and delivered in exchange for the temporary Bonds as soon as practicable, and no charge shall be made for such exchange. Such temporary Bonds exchanged for definitive Bonds shall be canceled by the Trustee and destroyed.

2.11 Conditions Precedent to Issuance of Series 1999 Bonds. Prior to or simultaneously with the authentication and delivery of the Series 1999 Bonds, the Trustee shall receive the following:

- (a) The opinion or opinions of Bond Counsel required under the Contract of Purchase;
- (b) A written order for the delivery of the Series 1999 Bonds, signed by an Authorized officer;
- (c) Executed copies of this Indenture, the Contract of Purchase and the Tax Agreement;
- (d) A receipt, signed by the Chairman or Executive Director of the Authority or by the Trustee, stating that the proceeds of sale of the Series 1999 Bonds have been received by or on behalf of the Authority and setting forth the amount of such proceeds, including accrued interest, if any;
- (e) A certificate, dated the date of delivery of the Series 1999 Bonds, of an Authorized Officer stating that the Authority is not in default in any material respect in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture;
- (f) A Certificate of an Authorized Officer stating that an irrevocable direction has been given to the Treasurer and the Comptroller of the State of Illinois, in the form attached to such certificate directing that all payments from the Illinois Sports Facilities Fund be made on behalf of the Authority to the Trustee;
- (g) A Certificate of an Authorized Officer setting forth, as of the time immediately after the delivery of the Series 1999 Bonds and the payment, deposit or application of their proceeds (if any) in accordance with the Indenture, (i) the Debt Service Reserve Requirement, (ii) Debt Service on the Series 1999 Bonds for the then current Fiscal Year and each future

Fiscal Year except Fiscal Years for which no such payments are required and (iii) that the applicable Maximum Appropriation for the then current Fiscal Year and each succeeding Fiscal Year is equal to or greater than Debt Service on the Series 1999 Bonds for that particular Fiscal Year,

(h) Such further documents, monies and securities as are required by the provisions of this Indenture.

2.12 [Reserved].

2.13 Book-Entry Only System. The Bonds shall be initially issued in the name of "Cede & Co.," as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC. Initially, a single Bond certificate for each Bond maturity will be issued and delivered to DTC. The purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

With respect to Bonds registered in the registration books of the Trustee in the name of Cede & Co., as nominee of DTC, the Authority, the Trustee and the Paying Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority, the Trustee and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Bond, (b) the delivery to any DTC Participant or any other Person, other than a Bondholder, as shown in the Registration Books of any notice with respect to any Bonds, or (c) the payment to any DTC Participant or any other Person, other than a Bondholder, as shown in the registration books of the Trustee, except as otherwise provided for herein, of any amount with respect to principal of, redemption price, if any, for or interest on any Bond.

The Bondholders have no right to a depository for the Bonds. The Authority or the Trustee, with the consent of the other such party, may remove DTC or any successor thereto for any reason at any time. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving 30 days' notice to the Authority or the Trustee and discharging its responsibilities with respect thereto under any applicable law. The Trustee shall notify the Authority of such discontinuation of DTC's services. In such event, the Authority shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Bond certificates for each Bond maturity to such successor securities depository or (b) notify DTC of the availability through DTC of Bond

certificates and transfer or cause the transfer of one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Bonds shall designate, in accordance with the provisions of this Indenture.

The Authority, the Trustee and DTC will execute the Letter of Representations in connection with the issuance of the Bonds. Notwithstanding any other provision of this Indenture, so long as DTC, or its designee, is the registered owner of all Bonds, the provisions set forth in the Letter of Representations shall apply to the payment of principal of and interest on the Bonds, including without limitation, that:

(a) presentation of Bonds to the Trustee at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Bonds through DTC or DTC's Participants is transferred by DTC on its books; and

(b) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Bondholders under this Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the Bonds through DTC or DTC's Participants.

The Authority and the Trustee will recognize DTC or its nominee as the Bondowner for all purposes, including notices and voting.

Whenever, during the term of the Bonds, beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Indenture for holding, delivering or transferring Bonds shall be deemed modified to permit the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect. For every transfer and exchange of Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Notwithstanding anything in this Indenture to the contrary, the Authority and the Trustee hereby agree as follows with respect to the Bonds, if and to the extent any Bond is registered in the name of "Cede & Co." as nominee of DTC: (a) the Trustee shall give DTC all special notices required by the Letter of Representations at the time, in the forms and by the means required by the Letter of Representations; (b) the Trustee shall make payments to Cede & Co. at the times and by the means specified in the Letter of Representations; (c) Cede & Co. shall not be required to surrender Bonds which have been partially paid or prepaid to the extent permitted by the Letter of Representations; and (d) the Trustee shall set a special record date (and shall notify the registered owners of the Bonds thereof in writing) prior to soliciting any Bondholder consent or vote, such notice to be given not less than 15 calendar days prior to such record date (any Bond transferred by

a registered owner subsequent to the establishment of the special record date and prior to obtaining such consent or vote shall have attached to it a copy of the notice to Bondholders by the Trustee).

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

2.14 [Reserved].

2.15 [Reserved].

2.16 Application of Series 1999 Bond Proceeds. The proceeds of the Series 1999 Bonds (including bond premium and net of original issue discount and underwriting discount) shall be deposited with the Trustee to be used as follows:

(i) \$104,781,510.35 of the proceeds of the Series 1999 Bonds shall be deposited in the Refunding Fund for the redemption of the Prior Bonds; and

(ii) Accrued interest on the Series 1999 Bonds in the amount of \$120,791.25 shall be deposited in the Bond Fund - Interest Account for the payment of such interest accrued on the Series 1999 Bonds from June 1, 1999 to the date of issuance thereof.

ARTICLE III

ADDITIONAL BONDS

3.1 Authorized Purposes of Additional Bonds. Bonds of the Authority, other than and in addition to the Series 1999 Bonds and each constituting an Additional Bond as mentioned and described herein, entitled to share ratably and equally in the Revenues and other security hereunder and ranking on a parity with the Outstanding Bonds, may be authenticated and delivered from time to time in accordance with the provisions of this Section for any one of the following purposes:

(a) Raising funds to pay Project Costs with respect to any Additional Project;

(b) Raising funds to pay Costs of Issuance or required deposits to the Debt Service Reserve Fund; or

(c) Raising funds to refund or advance refund any Series of Bonds or portions thereof or to refund any other obligations of the Authority incurred for the purpose of paying any of the costs described in clauses (a) above to the extent authorized by the Authority Act.

3.2 Authorization of Additional Bonds. Additional Bonds shall be issued only after their authorization in accordance with this Indenture by a Supplemental Indenture which shall specify

and determine, as the purpose for which such Additional Bonds are to be issued, a purpose described in Section 3.1 of this Indenture and shall also specify and determine:

- (a) The form and principal amount of such Additional Bonds;
- (b) The maturity dates and amounts of the maturities of such Additional Bonds, the redemption privileges (if any) of the Authority with respect to such Additional Bonds, and the amount and date of each Sinking Fund Installment (if any) for the retirement of any of such Additional Bonds;
- (c) The date of such Additional Bonds;
- (d) The rate or rates of interest to be borne by such Additional Bonds and the interest payment dates therefor, or, with respect to zero coupon or capital appreciation bonds, the yield related to such Additional Bonds;
- (e) The amount of the Debt Service Reserve Requirement after giving effect to the issuance of such Additional Bonds, and other reserves (if any);
- (f) The denominations of, and the manner of dating (except as otherwise provided herein), numbering and lettering the Additional Bonds, provided that such Additional Bonds shall be in denominations of \$5,000 or any integral multiple thereof;
- (g) If the purpose specified and determined as aforesaid in such Supplemental Indenture is one described in Section 3.1(a), such Supplemental Indenture shall describe the particular Additional Project involved in brief and general terms sufficient for reasonable identification and state the cost or estimated cost thereof; and
- (h) Such other matters and things as may be required by the Act or this Indenture for authorization of such Additional Bonds.

3.3 Execution and Delivery of Additional Bonds. After their authorization by Supplemental Indenture, Additional Bonds of said authorization, in such principal amounts and of such maturities as shall prior to their authentication and delivery be specified and determined by a Supplemental Indenture, shall from time to time be executed by or on behalf of the Authority in accordance with such Supplemental Indenture and be delivered to the Trustee for authentication and thereupon shall be authenticated by the Trustee and, upon fulfillment of the conditions (if any) set forth in such Supplemental Indenture and of the conditions set forth or referred to in Section 3.5, be delivered by the Trustee to the Authority or upon its order as authorized by such Supplemental Indenture.

3.4 Application of Proceeds of Additional Bonds. The proceeds of sale of Additional Bonds of any Series (including accrued interest) shall be deposited and applied as provided in the

Supplemental Indenture authorizing their issuance and in the Certificate of an Authorized Officer described in Section 3.5(f).

3.5 Conditions Precedent to Delivery of Any Additional Bonds. Additional Bonds may not be issued unless theretofore or simultaneously therewith, there shall have been delivered to the Trustee:

(a) (1) A Certificate of an Authorized Officer setting forth, as of the time immediately after the delivery of such Additional Bonds and the payment, deposit or application of their proceeds (if any) in accordance with the Indenture, (i) the Debt Service Reserve Requirement, (ii) Debt Service on the Outstanding Bonds for the then current Fiscal Year and each future Fiscal Year except Fiscal Years for which no such payments are required, (iii) the Maximum Appropriation, (iv) that the Maximum Appropriation for the then current Fiscal Year and each succeeding Fiscal Year is equal to or greater than Debt Service on the Outstanding Bonds for that particular Fiscal Year, (v) that the amount of net proceeds of the tax imposed by the State Hotel Tax Act from which deposits to the Illinois Sports Facilities Fund may be made, for the Fiscal Year immediately preceding the then current Fiscal Year, is equal to or greater than 150% of the sum of the State Advance Monies and the State Subsidy Monies available under the State Hotel Tax Act for deposit in the Illinois Sports Facilities Fund for the then current and each succeeding Fiscal Year, (vi) that the amount of funds allocable to the City of Chicago, Illinois from the Local Government Distributive Fund for the Fiscal Year immediately preceding the then current Fiscal Year, is equal to or greater than 150% of the City Subsidy Monies available under the Revenue Sharing Act for deposit in the Illinois Sports Facilities Fund for the then current and each succeeding Fiscal Year, and (vii) that the total annual amount of any Additional Revenue Source which may legally be used to make deposits to the Illinois Sports Facilities Fund is equal to or greater than 150% of the amount of such Additional Revenue Source taken into account in determining the Maximum Appropriation certified pursuant to (iii) above; and (2) in the event amounts from an Additional Revenue Source are included in determining the Maximum Appropriation, a certificate of the Director of the Illinois Bureau of the Budget setting forth, as of the date of the delivery of such Additional Bonds and the payment, deposit or application of their proceeds (if any) in accordance with the Indenture, the total annual amount of such Additional Revenue Source which may legally be used to make deposits into the Illinois Sports Facilities Fund, based upon the level of collections and allocations of the applicable state tax during the Fiscal Year immediately preceding the then current Fiscal Year (or, for a tax at an increased rate, based upon the increased tax rate and the collection experience during the Fiscal Year immediately preceding the then current Fiscal Year).

(b) A Bond Counsel's opinion stating that (i) such Additional Bonds are authorized by a Supplemental Indenture and are to be issued for a purpose referred to in Section 3.1, (ii) said Supplemental Indenture was duly adopted by the Authority in conformity with the provisions and limitations set forth in this Indenture, and (iii) subject to annual appropriation by the General Assembly of the State of Illinois and based upon the certificate

provided for in paragraph (a) above, the Treasurer of the State of Illinois is required to pay from the Illinois Sports Facilities Fund the amount necessary to pay Debt Service on the Outstanding Bonds during each Fiscal Year in which any Bonds remain Outstanding, provided that the Authority files Annual Certifications for each Fiscal Year with the Treasurer and the Comptroller of the State of Illinois and copies thereof with the Governor of the State of Illinois and the Mayor of the City of Chicago, Illinois.

(c) Monies for deposit in the Debt Service Reserve Fund or one or more Debt Service Reserve Fund Facilities, in amounts, if any, necessary to increase the amount in the Debt Service Reserve Fund, or the stated amounts of one or more Debt Service Reserve Fund Facilities, or a combination thereof, to the Debt Service Reserve Requirement as of the time immediately after such delivery; provided, that so long as any Series 1999 Bonds are Outstanding, in the event that such increase is to be satisfied by the deposit of a Debt Service Reserve Fund Facility, the Debt Service Reserve Fund Facility Provider thereof shall be (i) in the case of such entity issuing a surety bond or insurance policy, an entity whose municipal bond, surety bonds or insurance policies securing the payment, when due, of the principal of or interest on long term municipal bond issues result in such issues being rated in the highest rating category given by one of the Rating Agencies or (ii) in the case of such entity issuing a letter of credit, an entity whose long term debt is rated in the highest rating category given by one of the Rating Agencies.

(d) A ruling of the Internal Revenue Service or an opinion of Bond Counsel to the effect that the issuance and sale of the Additional Bonds and the application of the proceeds thereof as provided in the related Supplemental Indenture will not result in interest on the Tax-Exempt Bonds becoming includable in the gross income of the Holders thereof for federal income tax purposes.

(e) An opinion of Counsel for the Authority stating that Sports Facilities Fund Revenues are lawfully to be used to make all required deposits in the Bond Fund and Debt Service Reserve Fund, including deposits required with respect to the Additional Bonds, before being available for other expenses and obligations of the Authority, including its operating expenses and its obligations under the Management Agreement.

(f) A Certificate of an Authorized Officer stating:

(i) The amount (if any) of the proceeds of sale of such Additional Bonds to be held by the Trustee in the Costs of Issuance Fund;

(ii) The amount of capitalized interest (if any) to be held by the Trustee in the Bond Fund-Interest Account;

(iii) The additional amount (if any) to be held by the Trustee in the Debt Service Reserve Fund;

(iv) The amount (if any) to be transferred to and held by the escrow agent (if any) identified in such certification to be applied to the refunding or advance refunding of bonds or notes of the Authority; and

(v) The additional amount (if any) to be held by the Trustee in an account within the Project Fund.

ARTICLE IV

RECEIPT OF REVENUES; APPLICATION OF PROCEEDS; ESTABLISHMENT AND INVESTMENT OF FUNDS

4.1 Receipt of Revenues. The Trustee shall receive and hold all Revenues under the terms of this Indenture. Except as otherwise provided in this Indenture, all Revenues received by the Trustee shall be deposited in the Revenue Fund, to be disbursed as provided in Section 4.6. The Authority hereby covenants and agrees to transfer to the Trustee any Sports Facilities Fund Revenues or Investment Earnings it receives, to be deposited by the Trustee and applied in accordance with the provisions of this Indenture.

On or prior to the date of issuance of the Series 1999 Bonds, the Authority shall deliver an irrevocable direction to the Treasurer and Comptroller of the State of Illinois, pursuant to Section 13(I) of the Authority Act, providing that any monies paid from the Illinois Sports Facilities Fund pursuant to Annual Certifications shall be paid directly to the Trustee.

4.2 Annual Certification. The Authority shall make, and hereby covenants and agrees to make, an Annual Certification for each Fiscal Year in which Bonds are Outstanding, and to file the same with the Treasurer and Comptroller of the State of Illinois, and to file a copy thereof with the Governor of the State of Illinois, the Mayor of the City of Chicago, Illinois and the Trustee. Each such Annual Certification shall certify, without taking into account any revenues or receipts of the Authority, the lesser of:

(a) The Maximum Appropriation for such Fiscal Year, or

(b) The sum of:

(i) the amount necessary to pay Debt Service on the Outstanding Bonds which will or are anticipated to come due and payable during the Fiscal Year for which the Annual Certification is made;

(ii) the amount anticipated to be required by the Authority during the Fiscal Year to pay principal of and interest on, and other payments relating to, any other obligations of the Authority issued or to be issued under Section 13 of the Authority Act, including any deposits required to reserve funds created under any

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indenture or resolution authorizing issuance of such obligations and payments to providers of credit enhancement;

(iii) the amount anticipated to be required by the Authority during the Fiscal Year to pay obligations under the provisions of the Management Agreement or any other management agreement with respect to a facility or facilities owned by the Authority, and to pay other capital and operating expenses of the Authority during the Fiscal Year, including any deposits required to reserve funds created for repair and replacement of capital assets and to meet the obligations of the Authority under the Management Agreement or any other management agreement; and

(iv) any amounts under (i), (ii) and (iii) above remaining unpaid from any previous Fiscal Year.

The Authority hereby certifies and represents that the Annual Certification with respect to the Fiscal Year ending June 30, 2000 has been made and filed as provided above; and the Authority hereby covenants that Annual Certifications shall be made and filed as provided above with respect to each Fiscal Year thereafter, not earlier than 120 days nor later than 30 days before the beginning of such Fiscal Year.

If the Trustee has not received a copy of the Annual Certification by May 15 of any calendar year, it shall as soon thereafter as possible notify the Authority that such Annual Certification is required to be made on or before May 31 of such calendar year. The Trustee's failure to so notify shall not excuse the Authority from its obligation to file Annual Certifications.

4.3 Establishment of Funds and Accounts. The following funds and accounts are hereby created by the Authority and established with the Trustee:

- (a) the Costs of Issuance Fund;
- (b) the Project Fund;
- (c) the Revenue Fund which shall be comprised of a Sports Facilities Fund Account, an Investment Earnings Account and an Other Revenues Account;
- (d) the Bond Fund, which shall be comprised of an Interest Account, a Principal Account and a Redemption Account;
- (e) the Debt Service Reserve Fund;
- (f) the Extraordinary Redemption Fund;
- (g) the Rebate Fund; and

(h) the Refunding Fund.

In addition to the accounts within funds referred to above, the Trustee may establish within any fund such accounts and subaccounts considered necessary or desirable to facilitate a proper accounting for all monies, including, but not limited to, accounting as may be necessary to comply with the covenants contained in Sections 4.10 and 6.12 hereof.

4.4 Costs of Issuance Fund. The Trustee shall maintain separate accounts within the Costs of Issuance Fund related to each Series of Bonds issued under this Indenture. Monies on deposit in each account of the Costs of Issuance Fund shall be applied by the Trustee to the payment or provision for payment of Costs of Issuance, as certified by an Authorized Officer. To the extent that any monies remain in an account of the Costs of Issuance Fund one year after their deposit therein, they shall be transferred to the related project account in the Project Fund, unless such project account has been closed, in which event such monies shall be transferred to the Extraordinary Redemption Fund to be held for the benefit of the Holders of the related Series of Bonds; provided, prior to transferring such monies to the Extraordinary Redemption Fund they shall first be transferred to the Debt Service Reserve Fund (a) to the extent necessary to reimburse any Debt Service Reserve Fund Facility Providers or increase the amount in the Debt Service Reserve Fund to the Debt Service Reserve Requirement, as described in Section 4.6(d) or (b) at the direction of the Authorized Officer, but in either event only if and to the extent that, the Trustee receives an opinion of Bond Counsel to the effect that such application does not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds.

4.5 Project Fund. The Trustee shall deposit Bond proceeds directed to be deposited in the Project Fund for each Series of Additional Bonds issued for the purpose of paying Project Costs, in the separate account within the Project Fund established for such Series of Bonds. Such proceeds shall be credited to a separate and segregated account within the Project Fund and shall be designated as the "_____ Project Account" with the blank to represent the series designation of such Additional Bonds. Monies within any separate account within the Project Fund shall be invested in Investment Securities in accordance with Section 4.11 hereof. The proceeds so transferred, together with any other amounts deposited into such separate account of the Project Fund, including but not limited to Investment Earnings from the Project Fund and any other Investment Earnings deposited in the Project Fund pursuant to Section 4.13, shall be applied by the Trustee to the payment of Project Costs, in the manner provided in the following paragraph.

The Trustee shall transfer monies from any separate account within the Project Fund to the Authority or its designee for the purpose of providing funds for the payment of the related Project Costs. In the case of transfers for the purpose of providing funds for the payment of interest accruing on the related Series of Bonds prior to the Completion Date, such transfers may be made at the discretion of the Authority either to the Bond Fund Interest Account for application to such payment or to the Authority as reimbursement for advancement of other monies of the Authority for such payment. Each of the payments referred to in this Section shall be made upon receipt by the Trustee of a written order signed by an Authorized Officer certifying:

- (i) The requisition number;
- (ii) The name and address of each of the persons, firms or corporations to whom payment is to be made from the Project Fund, which may include the Authority;
- (iii) The amount to be paid;
- (iv) That each obligation mentioned therein has been properly incurred, is a proper Project Cost and is or was necessary in connection with the related Additional Project;
- (v) That no obligation for which payment is requested thereby has formed the basis for any payment theretofore made from the Project Fund;
- (vi) That no Event of Default under this Indenture has occurred and is continuing;
- (vii) In each requisition requesting disbursement of proceeds of Tax-Exempt Bonds, (a) that all expenditures from the Project Fund and Costs of Issuance Fund, including the amount specified in such certificate, and the property financed therewith, have been made and used, respectively, in compliance with the representations, warranties and covenants in Section 6.12 hereof and in the Additional Bonds Tax Agreement and the Additional Project Certificate and (b) such additional certifications as may be necessary to ensure compliance with such representations, warranties and covenants, which additional certifications shall be set forth in the Supplemental Indenture relating to such Tax-Exempt Bonds.

Moneys remaining in an account of the Project Fund (including Investment Earnings which remain in such account) at the time a Certificate of Completion is delivered to the Trustee pursuant to Section 5.2 hereof shall be used as soon as practicable after the Completion Date, for any of the following purposes:

- (1) at the direction of the Authorized Officer, for the payment of any Project Cost not then due and payable or for retainage in the Project Fund for payment of any Project Cost then being litigated as specified in the above-mentioned certificate;
- (2) for transfer to (a) the Debt Service Reserve Fund to the extent necessary to reimburse any Debt Service Reserve Fund Facility Providers or increase the amount in the Debt Service Reserve Fund to the Debt Service Reserve Requirement, as described in Section 4.6(d), or (b) the Debt Service Reserve Fund or the Other Revenues Account of the Revenue Fund, at the direction of the Authorized Officer; provided, that with respect to the transfer of any monies in a Project Account relating to an Additional Project financed with Tax-Exempt Bond proceeds, such transfer shall be made only if, and to the extent that, the Trustee has been furnished with an opinion of Bond Counsel to the effect that such transfer does not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Tax-Exempt Bonds.

(3) for such other use by the Trustee as directed by the Authority, provided that the Trustee is furnished with an opinion of Counsel to the Authority or Bond Counsel to the effect that such use is lawful under the Authority Act and, with respect to such transfer of monies in a Project Account relating to an Additional Project financed with Tax-Exempt Bond proceeds, an opinion of Bond Counsel to the effect that such use will not impair the exclusion of interest on such Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes.

Any moneys (including Investment Earnings) remaining in the Project Fund on the date of the aforesaid certificate and not set aside for use as specified in (1), (2) or (3) above shall on such date be deposited by the Trustee in the Extraordinary Redemption Fund and applied as provided in Section 4.9.

4.6 Revenue Fund. As Sports Facilities Fund Revenues, Other Revenues and Investment Earnings required by Section 4.13 to be deposited in the Revenue Fund are received by the Trustee, it shall deposit them into the Sports Facilities Fund Revenues Account, the Other Revenues Account and the Investment Earnings Account, respectively. The Trustee shall transfer the Revenues as received into the following funds or for the following purposes, and if such Revenues are insufficient the Authority hereby covenants and agrees to pay to the Trustee from all its available funds for deposit in the Revenue Fund sufficient amounts for deposit into the following funds or for the following purposes, in order that prior to the end of each month such transfers have been made in the following amounts, in the following order of priority, the requirements of each such fund or purpose (including the making up of any deficiencies in any such fund or purpose resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any fund or for any purpose subsequent in priority:

(a) First, to the Bond Fund - Interest Account, an amount equal to one-eighth of all interest becoming due and payable during the then current Fiscal Year, on all Bonds then Outstanding, until the balance in such account is equal to such aggregate amount of interest due and payable during the then current Fiscal Year.

(b) Second, to the Bond Fund - Principal Account, an amount equal to one-eighth of the amount required, if any, to pay the principal of all Serial Bonds maturing during the then current Fiscal Year, until the balance in such account is equal to such aggregate amount of principal due and payable during the then current Fiscal Year.

(c) Third, to the Bond Fund - Redemption Account, an amount equal to one-eighth of the amount required to redeem, under Section 7.3, Term Bonds of the applicable maturity and Series in an aggregate principal amount which satisfies any applicable Sinking Fund Installments during the then current Fiscal Year, until the balance in such account is equal to such aggregate amount of principal satisfying Sinking Fund Installments due and payable during the then current Fiscal Year.

(d) Fourth, to the Debt Service Reserve Fund, an amount, if any, necessary (i) first, to reimburse in full the Debt Service Reserve Fund Facility Providers for any amounts paid under their Debt Service Reserve Fund Facilities pursuant to a Deficiency Drawing, on a pro rata basis, if any, (ii) second, to increase the balance of such Fund to the Debt Service Reserve Requirement, and (iii) third, to reimburse in full the Debt Service Reserve Fund Facility Providers for any amounts paid under their Debt Service Reserve Fund Facilities pursuant to an Expiration Drawing, on a pro rata basis, if any.

(e) Fifth, to the payment of fees, expenses and charges of the Trustee and Credit Enhancement Costs coming due and payable during such month.

(f) Sixth, to the payment of any interest due and payable to the initial Debt Service Reserve Fund Facility Provider pursuant to Section 2.1(a) of the Financial Guaranty Agreement.

(g) Seventh, to the Authority, all remaining amounts in the Revenue Fund; provided that no Investment Earnings shall be paid to the Authority.

The Trustee shall select the Revenues to be transferred as provided above from the various accounts of the Revenue Fund in the following order: first, from the Investment Earnings Account; second, from the Sports Facilities Fund Account; and third, from the Other Revenues Account.

Anything in this Section to the contrary notwithstanding, in the event that in any month the amount of Sports Facilities Fund Revenues transferred to the Authority or to the Trustee exceeds one-eighth of the aggregate amount of Sports Facilities Fund Revenues anticipated to be transferred during the then current Fiscal Year, the transfers to the Bond Fund required in subparagraphs (a), (b) and (c) above shall be adjusted prorata for such month by replacing the fraction "one-eighth" with a fraction, the numerator of which is the amount of Sports Facilities Fund Revenues transferred to the Authority or to the Trustee during such month and the denominator of which is the aggregate amount of Sports Facilities Fund Revenues anticipated to be transferred during the then current Fiscal Year.

4.7 **Bond Fund.** Monies deposited in the accounts of the Bond Fund shall be applied by the Trustee to pay to the Bondholders, in the manner provided for in Section 2.3 hereof with respect to the Series 1999 Bonds, and in the manner provided by any Supplemental Indenture with respect to any Additional Bonds, the following amounts:

(a) out of the Bond Fund - Interest Account, on each interest payment date, an amount equal to the interest then due and payable, and on any date that Bonds are purchased or redeemed prior to maturity pursuant to this Indenture, an amount equal to any accrued interest on such Bonds; and

(b) out of the Bond Fund - Principal Account, on each principal payment date for Serial Bonds and on any date that any other Bonds are redeemed pursuant to Section 7.2, an amount equal to the principal then due and payable on such Serial Bonds and principal and premium, if any, then due on other Bonds so redeemed; and

(c) out of the Bond Fund - Redemption Account, on each Sinking Fund Payment Date pursuant to Section 7.3 and at maturity of the Term Bonds, an amount equal to the principal then due and payable on such Term Bonds.

At any time all monies on deposit in the Bond Fund exceed the amounts remaining to be paid to the Bondholders during the then current Fiscal Year, such excess shall be transferred by the Trustee to the Revenue Fund.

If there are insufficient funds in the Interest Account on any interest payment date to pay interest then due and payable on Outstanding Bonds, then to the extent of such deficit, any monies or Investment Securities in either the Principal Account or the Redemption Account of the Bond Fund shall be immediately liquidated and the proceeds transferred to the Interest Account. Particular Investment Securities to be liquidated shall be selected by the Authority or, in the event the Authority does not timely give directions to the Trustee, the Trustee.

Investment Earnings on the Bond Fund shall be retained in the Bond Fund and applied as described above; provided, that prior to the Completion Date such Investment Earnings and any Investment Earnings on the Debt Service Reserve Fund transferred to the Bond Fund may only be used for the purpose described in (a) above and any accumulated Investment Earnings on the Bond Fund and Debt Service Reserve Fund remaining in the Bond Fund on the Completion Date shall be transferred to the Extraordinary Redemption Fund unless the Trustee receives an opinion of Bond Counsel to the effect that retaining such monies in the Bond Fund and the use thereof for any purpose permitted by this Section 4.7 will not result in interest on the Tax-Exempt Bonds becoming includable in the gross income of the Holders thereof for federal income tax purposes.

4.8 **Debt Service Reserve Fund.** Monies on deposit in the Debt Service Reserve Fund shall be disbursed only at the following times, in the following amounts and for the following purposes:

(a) To the Bond Fund-Interest Account, on any interest payment date, the amount necessary to provide an amount in that account equal to the interest due and payable on that date.

(b) To the Bond Fund-Principal Account, on any principal payment date, the amount necessary to provide an amount in that account equal to the principal on Serial Bonds and on other Bonds called for redemption pursuant to Section 7.2 due and payable on that date.

(c) To the Bond Fund-Redemption Account, on any Sinking Fund Payment Date, the amount necessary to provide an amount in that account sufficient to satisfy the applicable Sinking Fund Installment.

(d) To Debt Service Reserve Fund Facility Providers for reimbursement as described in Section 4.6(d)(i) and Section 4.6(d)(iii).

(e) To any escrow fund created in connection with the issuance of Additional Bonds which are refunding bonds and which is held by the trustee of the Bonds being refunded, all monies in excess of the Debt Service Reserve Requirement on the date of delivery of such Additional Bonds to the extent required in the related escrow agreement or as otherwise provided in the Supplemental Indenture relating to such Additional Bonds.

(f) To the Revenue Fund, on the first business day immediately prior to June 1 of each year, all monies on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement subject to the provisions of the penultimate paragraph of this Section 4.8. For purposes of this Section 4.8(f), all Investment Securities in the Debt Service Reserve Fund shall be valued at the lower of their aggregate cost or their aggregate fair market value. For purposes of determining compliance with the covenants of the Authority set forth in Section 6.12, all Investment Securities in the Debt Service Reserve Fund shall be valued as provided in the Tax Agreement or Additional Bonds Tax Agreement. 144287

Investment Earnings on the Debt Service Reserve Fund shall be retained in the Debt Service Reserve Fund to the extent necessary to maintain the balance in such Fund at the Debt Service Reserve Requirement. Excess Investment Earnings on the Debt Service Reserve Fund shall be transferred to the Bond Fund and applied as provided in Section 4.7.

The procurement and deposit of one or more Debt Service Reserve Fund Facilities shall be treated as a proper deposit in lieu of cash to the credit of the Debt Service Reserve Fund to the stated amount of such facility then in force and available to draw upon. Anything in the Indenture to the contrary notwithstanding, in the event such procurement and deposit results in monies on deposit in the Debt Service Reserve Fund being in excess of the Debt Service Reserve Requirement, then such excess monies shall be transferred to the Extraordinary Redemption Fund unless the Trustee receives an opinion of Bond Counsel to the effect that application of such monies to reimbursement obligations owed to the Debt Service Reserve Fund Facility Providers or transfer of such monies to the Revenue Fund or Project Fund and the intended use of such moneys will not result in interest on the Tax-Exempt Bonds becoming includable in the gross income of the Holders thereof for federal income tax purposes, in which event such monies shall first be applied to reimbursement obligations, if any, owed to the Debt Service Reserve Fund Facility Providers and then shall be transferred to the Revenue Fund or Project Fund, as directed by the Authority.

In the event the Debt Service Reserve Requirement is at any time satisfied in whole or in part by the deposit of one or more Debt Service Reserve Fund Facilities, not less than five days prior to

any date interest or principal is due on the Bonds or any Sinking Fund Payment Date, the Trustee shall determine whether it will be necessary to demand payment under or draw upon such Debt Service Reserve Fund Facilities in order to make any transfers required by subparagraphs (a), (b) or (c) above. If any such demand for payment or draw is necessary, the Trustee shall timely deliver a demand for payment under, or otherwise draw upon, all Debt Service Reserve Fund Facilities (and if more than one Debt Service Reserve Fund Facility is available to the Trustee, in the order as directed by the Authorized Officer unless no such order is timely received, in which case in any order selected by the Trustee) at such times and to the extent necessary to permit monies on deposit in the Debt Service Reserve Fund and to be provided by such demand for payment or draw to be available for the purposes and on the dates as provided in subparagraphs (a), (b) and (c) above (a "Deficiency Drawing"). Prior to the expiration (other than expiration at final redemption or maturity of all Bonds secured thereby) of any Debt Service Reserve Fund Facility which is not renewed or replaced, the Trustee shall deliver a demand for payment, or otherwise draw upon, such Debt Service Reserve Fund Facility in an amount equal to the lesser of (i) the amount necessary to cause the balance in the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement or (ii) the stated amount (an "Expiration Drawing").

4.9 Extraordinary Redemption Fund. Monies deposited in the Extraordinary Redemption Fund pursuant to Sections 4.4, 4.5 or 5.2 or otherwise, and all Investment Earnings thereon, shall be applied to the redemption of Bonds on the earliest date on which it is possible to redeem such Bonds without the payment of a premium or, at the option of the Authority, at an earlier redemption date or dates; in accordance with Section 7.2 of this Indenture; provided that, at any time prior to giving notice of redemption, the Trustee shall at the direction of the Authority apply such amounts to the purchase of specifically identified unmatured Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Bond Fund-Interest Account) as shall be directed by the Authority, except that the purchase price (including brokerage and other charges, but excluding accrued interest) may not exceed the redemption price that would be payable for such Bonds upon redemption of such Bonds; and further provided that, no moneys on deposit in the Extraordinary Redemption Fund with respect to Tax-Exempt Bonds may be used for any of the purposes described above unless and until the Trustee has been furnished with an opinion of Bond Counsel to the effect that such use does not adversely affect the exclusion from gross income of the Holders thereof for Federal income tax purposes of the interest on any of the Tax-Exempt Bonds. Monies deposited in the Extraordinary Redemption Fund pursuant to Section 4.4, 4.5 or 5.2 shall be applied only to redeem or purchase Bonds of the Series related to the account in the Costs of Issuance Fund or the project account of the Project Fund from which such monies were transferred, and until used for such purpose shall be held in a separate trust account of the Extraordinary Redemption Fund for the benefit of those particular Bondholders. Until used for one or more of the foregoing purposes, moneys on deposit in the Extraordinary Redemption Fund may be invested in investments authorized by Section 4.11, but such monies with respect to Tax-Exempt Bonds may not be invested to produce a yield on such moneys (computed from the applicable Completion Date and taking into account any investment of such moneys during the period from the applicable Completion Date until such moneys were deposited in the Extraordinary Redemption Fund) greater than the yield on such Tax-Exempt Bonds, all as such

terms used in and determined in accordance with Section 148 of the Code and regulations promulgated thereunder. Notwithstanding the foregoing if the Authority shall provide the Trustee with an opinion of Bond Counsel to the effect that such moneys may be used for any purpose other than as specified above, or invested to produce a yield other than as specified above, such moneys may be used or invested as provided in such opinion.

4.10 **Rebate Fund.** The Rebate Fund shall be continuously held, invested, expended and accounted for in accordance with the provisions of the Tax Agreement and any Additional Bonds Tax Agreement; provided, however, that the Rebate Fund need not be maintained if the Authority and the Trustee shall have received an opinion of Bond Counsel to the effect that failure to maintain the Rebate Fund shall not adversely affect the exclusion of interest on the Tax-Exempt Bonds from the federal gross income of the Holders thereof.

In maintaining the Rebate Fund, the Trustee will keep and retain the records described in Section 3.2 of the Tax Agreement and in similar provisions of any Additional Bonds Tax Agreement to the extent such records relate to funds held by the Trustee, and the Trustee will take such further action as the Authority may direct in order to comply with the rebate requirements contained in Section 148(f) of the Code. Anything contained in this Indenture to the contrary notwithstanding, (i) the Rebate Fund shall not be considered part of the "trust estate" created by this Indenture and (ii) the Trustee shall be permitted to transfer moneys on deposit in any of the funds created by this Indenture to the Rebate Fund in accordance with the provisions of Articles III and IV of the Tax Agreement or the provisions of an Additional Bonds Tax Agreement.

4.11 **Investment of Funds.** Any and all monies in any of the funds created under this Article IV shall be kept invested by the Trustee in accordance with the investment directions of the Authority in Investment Securities maturing in such amounts and at such times as is consistent with the ability to provide monies when needed to pay Project Costs, interest on, and principal at maturity and the Redemption Price of, the Outstanding Bonds, and any other disbursement required or permitted under this Indenture pursuant to a statement of investment policy or at the direction of any Authorized Officer.

Uninvested funds shall be kept at the lowest feasible level and any transfer of monies from one fund or account to another need not be in cash but may be in the form of Investment Securities. The Trustee may, and to the extent required for payments from any fund or account, other than to another fund or account, shall sell any such Investment Securities as selected by the Authority or, in the event the Authority does not timely give directions to the Trustee, the Trustee at any time and, except as otherwise provided herein, the proceeds of such sale and of all payments at maturity or upon redemption of Investment Securities, shall become a part of the fund or account which held the Investment Securities. The Trustee is not responsible for investment losses or losses on the sale of Investment Securities.

The Trustee covenants that it will diligently and faithfully comply with investment directions supplied by the Authority; provided, that the Trustee, to the extent of its investment discretion, will

not at any time permit any proceeds of the sale of the Bonds or any amounts held in any fund created under Article IV of this Indenture or any other amounts regardless of the source to be used, directly or indirectly, to acquire any security or obligation which would cause any Tax-Exempt Bond to be an "arbitrage bond," as defined in Section 148 of the Code. The Trustee may request an opinion of Counsel for the Authority or Bond Counsel on the status of any investment under Section 148 of the Code and shall be entitled to rely on such opinion.

4.12 **Periodic Statement by Trustee.** The Trustee shall provide a periodic (and at any other time requested by the Authority) written transaction statement for each Fund and account held by it under the provisions of this Article IV. Such statement shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held at the time of such statement. A copy of each such statement shall be furnished to the Authority, the Insurer and the Debt Service Reserve Fund Facility Providers.

In addition, the Trustee shall, at any time when requested, furnish to the Authority and the Debt Service Reserve Fund Facility Providers a report of the amount of monies, including Investment Securities, held in the Revenue Fund, the Bond Fund, the Debt Service Reserve Fund and the Extraordinary Redemption Fund and each account of any thereof on that date. For purposes of this report, the Investment Securities in each fund shall be treated as having a value equal to the lower of their aggregate cost or their aggregate market value, as of the date of the request.

4.13 **Earnings on Investment of Funds.** Investment Earnings from the Bond Fund shall be applied as provided in Section 4.7. Investment Earnings from the Debt Service Reserve Fund shall be applied as provided in Section 4.8. Investment Earnings from a project account in the Project Fund shall be retained in such account and applied as described in Section 4.5. Investment Earnings from the Extraordinary Redemption Fund shall be retained in such fund and applied as provided in Section 4.9. Earnings on all monies and securities held in the Rebate Fund shall be retained in such funds. All other Investment Earnings shall be transferred for deposit in the applicable project account or accounts of the Project Fund prior to the applicable Completion Date and thereafter to the Investment Earnings Account of the Revenue Fund.

Notwithstanding anything in this Indenture to the contrary, investment earnings or any moneys attributable to the Tax-Exempt Bonds in any fund or account established under this Indenture may be used by the Authority to make rebate payments to the United States government in accordance with the provisions of the Tax Agreement or an Additional Bonds Tax Agreement.

4.14 **Refunding Fund.** Proceeds of the Series 1999 Bonds shall be deposited in the Refunding Fund in the amount set forth in Section 2.16 hereof. Immediately after such deposit, all amounts in the Refunding Fund will be transferred from the Refunding Fund to the Escrow Agent for deposit in the appropriate account or accounts under the Escrow Agreement.

ARTICLE V

ADDITIONAL PROJECTS

5.1 Completion of Additional Project. In the event that the monies in the Project Fund available for payment of Project Costs for an Additional Project shall not be sufficient to pay the costs thereof in full, the Authority agrees to pay directly to the extent it has funds available for that purpose or through the use of proceeds derived from the issuance of Additional Bonds, or to deposit in the Project Fund to the extent it has funds available for that purpose monies sufficient to pay, the costs of completing such Additional Project as may be in excess of the monies available therefor in the Project Fund. The Authority agrees that it shall not be entitled to any reimbursement for such payments or deposits from the Trustee (other than from the proceeds of Additional Bonds) or the Holders of any of the Bonds nor shall it be entitled to any diminution of the amounts payable under this Indenture or on the Bonds.

The Authority covenants and agrees that immediately upon completion of an Additional Project it will immediately deliver to the Trustee a Certificate of Completion complying with the provisions of Section 5.2.

5.2 Certificate of Completion. The completion of any Additional Project shall be evidenced to the Trustee by a certificate signed by an Authorized Officer stating the Completion Date and the total cost of acquisition and construction of such Additional Project, and stating (i) that the Additional Project has been completed substantially in accordance with the plans and specifications therefor and all labors, services, materials and supplies therefor for which payment is due have been paid for, (ii) that all other facilities necessary in connection with the Additional Project have been constructed, acquired and installed in accordance with the plans and specifications therefor and all costs and expenses incurred in connection therewith to be paid out of the Bond proceeds (other than costs and expenses for which the Authority has withheld payment or for which payment is not yet due) have been paid, and (iii) with respect to an Additional Project financed with proceeds of Tax-Exempt Bonds, (a) that 100% of the disbursements from the related Project Account of the Project Fund, after taking into account amounts theretofore disbursed from the related Project Account of the Project Fund and amounts, if any, to be disbursed from the related Project Account of the Project Fund after the date of such certificate, have been used respectively, in compliance with the representations, warranties and covenants in Section 6.12 hereof and in the Additional Bonds Tax Agreement and the Additional Project Certificate and (b) such additional certifications as may be necessary to ensure compliance with such representations, warranties and covenants, which additional certifications shall be set forth in the Supplemental Indenture relating to such Tax-Exempt Bonds. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Authority to cause such certificate to be furnished to the Trustee immediately after the Additional Project shall have been completed.

ARTICLE VI

PARTICULAR COVENANTS AND REPRESENTATIONS OF THE AUTHORITY: STATE PLEDGE

6.1 Compliance with Requirements of Law and the Authority Act. The Authority covenants and agrees that it will faithfully and diligently observe and comply with the requirements of all laws, and in particular the Authority Act, applicable to the Bonds. The Authority also covenants and agrees to make repayments to the State Treasurer as provided in Section 19 of the Authority Act, but only after all payment and deposit requirements contained in Article IV have been satisfied.

6.2 Payment of Bonds; Authority Payment Obligations. The Authority covenants and agrees that it will duly and punctually pay or cause to be paid, from available funds of the Authority, (a) the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds and (b) all other amounts the Authority has covenanted to pay or cause to be paid under this Indenture.

6.3 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 interest. In case the maturity of any of the Bonds or the time for payment of interest by the purchase or funding of such Bonds or interest or by any other arrangement or in case the maturity of any of the Bonds or the time for payment of interest shall be extended, such Bonds or interest shall not be entitled, in case of any default under the Indenture, to the benefit of the Indenture or to any payment out of Pledged Funds (except monies held in trust for the payment of particular Bonds or interest pursuant to the Indenture) held by the Trustee, except subject to prior payment of the principal of all Outstanding Bonds the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such interest. Nothing herein shall be deemed to limit the right of the Authority to issue refunding bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

6.4 Offices for Servicing Bonds. The Authority shall at all times maintain one or more agencies in the City of Chicago, Illinois, where Bonds may be presented for payment and where Bonds may be presented for registration, transfer or exchange, and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or the Indenture. The Authority hereby appoints the Trustee as a Bond Registrar to maintain such agencies for the registration, transfer or exchange of Bonds, and for the service upon the Authority of such notices, demands and other documents in respect of the Bonds or the Indenture and the Trustee shall continuously maintain or make arrangements to provide such services. The Authority hereby appoints the Trustee as Paying Agent to maintain such agencies for the payment of principal and interest on Bonds whether at maturity or on redemption.

6.5 Power to Issue Series 1999 Bonds and to Pledge and Assign Pledged Funds. The Authority is duly authorized under all applicable laws, including but not limited to the Authority Act and, more specifically, Section 13 of the Authority Act, to create and issue the Series 1999 Bonds and to execute and deliver the Indenture and to pledge and assign and grant liens and security interests in the Pledged Funds in the manner and to the extent provided in this Indenture. The Pledged Funds are and at the time the Series 1999 Bonds are issued will be free and clear of any pledge, lien, security interest, charge or encumbrance thereon or with respect thereto, other than the pledge, assignment, lien and security interest created by this Indenture, and all necessary corporate action on the part of the Authority to that end has been duly and validly taken. The Series 1999 Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledges, assignment, lien and security interest in and on the Pledged Funds pledged and granted under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

6.6 Commitment to Minority and Female Business Enterprise. The Authority shall comply with the provisions of Section 9(5) of the Authority Act in connection with prequalification of general contractors for construction of any Additional Project and in connection with any contract with a general contractor for construction of such Additional Project. The Authority shall file with the General Assembly of the State of Illinois the monthly reports of such general contractor and the annual reports of the Authority, all as provided in Section 9(5) of the Authority Act.

6.7 Creation of Liens. Unless the pledge, assignment, lien and security interest created in this Indenture shall be discharged and satisfied as provided in Section 12.1, the Authority shall not issue any bonds, notes, debentures, or other evidences of indebtedness of any kind, other than Additional Bonds, payable out of or secured by a pledge or assignment of or lien or security interest in the Pledged Funds, or create or cause to be created any other pledge or assignment of, or lien, charge or encumbrance on, any of the Pledged Funds, unless subordinated to the pledge, assignment, lien and security interest created under this Indenture.

6.8 State Pledge. The State of Illinois pledges to and agrees with the Holders of the Bonds of the Authority issued pursuant to Section 13 of the Authority Act that the State of Illinois will not limit or alter the rights and powers vested in the Authority by the Authority Act so as to impair the terms of any contract made by the Authority with such Holders or in any way impair the rights and remedies of such Holders until such Bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such Holders, are fully met and discharged. In addition, the State of Illinois pledges to and agrees with the Holders of the Bonds of the Authority issued pursuant to the Authority Act that the State of Illinois will not limit or alter the basis on which State of Illinois funds are to be allocated, deposited and paid to the Authority as provided in the Authority Act, or the use of such funds, so as to impair the terms of any such contract:

6.9 [Reserved].

6.10 Management Agreement with Team. The Authority hereby represents that it has entered into the Management Agreement with Team, and the Management Agreement complies with all requirements of the Authority Act.

6.11 Collection of Revenues. The Authority hereby covenants and agrees that it will collect, or cause to be collected, and transfer or cause to be transferred to the Trustee, all Sports Facilities Fund Revenues or Investment Earnings that it is entitled to receive.

6.12 Tax Exemption; Arbitrage. The Authority certifies, covenants and agrees with the Holders of the Tax-Exempt Bonds that it will comply with all provisions of the Code which, in each case, if not complied with by the Authority, would cause the interest on the Tax-Exempt Bonds to become includable in the gross income for federal income tax purposes of the Holders thereof. Without limiting the generality of the foregoing, the Authority certifies, covenants and agrees that no moneys or property under its control, whether or not such moneys or property were derived from the proceeds of the sale of said Tax-Exempt Bonds or from any other sources, will be used in a manner which will cause such Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any lawful regulations promulgated or proposed thereunder, as the same presently exist or may from time to time hereafter be promulgated, proposed, amended, supplemented or revised. The Chairman and the Secretary of the Authority be and each is hereby authorized and directed to execute and deliver, for and on behalf of the Authority, in connection with the delivery of the Tax-Exempt Bonds to the purchasers thereof, such certificates or agreements in furtherance of the covenants set forth in this Section as shall be appropriate, including without limitation the Tax Agreement and any Additional Bonds Tax Agreement. The Project Certificate and Tax Agreement, and any Additional Project Certificate and Additional Bonds Tax Agreement, shall constitute a part of the contract between the Authority and the Holders of the Tax-Exempt Bonds, and the Authority certifies, covenants and agrees to comply with all of the provisions thereof including, without limitation, any provisions therein relating to the establishment of accounts within funds held by the Trustee.

The Authority and the Trustee hereby agree that in the event the Authority receives a private letter ruling in which the Internal Revenue Service concludes that the Series 1999 Bonds are not private activity bonds, as defined in Section 141(a) of the Code, they shall enter into a Supplemental Indenture pursuant to Section 10.1 containing such covenants, certifications and agreements as Bond Counsel advises are necessary in order to maintain the status of the Series 1999 Bonds as not private activity bonds and in furtherance of the covenants set forth in the preceding sentence. In the event the Authority receives such a private letter ruling, the Authority agrees to cause notice of such receipt to be given to all Holders of the Series 1999 Bonds.

6.13 Annual Audit. The Authority shall, after the close of each Fiscal Year, cause the books, records and accounts of the Authority to be properly audited by an independent certified public accountant and shall require such auditors to complete their report within 180 days after the close of the Fiscal Year. The audit shall contain, but shall not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a statement of changes in equity and

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any other statement required by law or accounting convention. A copy of such annual audit shall be made available to any Bondholder on request and to the Trustee, the Insurer and the Debt Service Reserve Fund Facility Providers.

6.14 **Maintenance of Insurance Policy and Debt Service Reserve Fund Facilities.** The Authority hereby covenants to enforce or cause to be enforced the provisions of the Insurance Policy and any Debt Service Reserve Fund Facilities and shall duly perform its covenants and agreements under such instruments and under the Financial Guaranty Agreement or other agreements pertaining to such instruments. The Authority shall not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with such instruments which would in any manner materially impair or materially adversely affect the rights of the Authority or the Trustee thereunder or the rights of the Bondholders.

Notwithstanding anything to the contrary in this Indenture, the Authority agrees that it will not replace or terminate the initial Debt Service Reserve Fund Facility while any Series 1999 Bonds are Outstanding without the consent of the Insurer.

6.15 **General.** The Authority covenants and agrees that it 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 Indenture and the Bonds.

ARTICLE VII

REDEMPTION OF BONDS

7.1 **Privilege of Redemption and Redemption Price.** The Series 1999 Bonds and any Additional Bonds issued pursuant to any Supplemental Indenture shall be subject to redemption, upon notice as provided in this Article, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article as may be specified in this Indenture or in any Supplemental Indenture authorizing such Bonds.

7.2 **Redemption at the Option of the Authority.** In the case of redemption of any of the Outstanding Bonds at the option of the Authority, the Authority shall give written notice to the Trustee of its election to redeem and of the Redemption Date for such Outstanding Bonds to be redeemed and shall designate the Series, the Sinking Fund Payment Date for Term Bonds, the maturity date for Serial Bonds and the principal amounts of such Bonds to be redeemed. Such notice to the Trustee shall be given at least 45 days prior to the redemption date or such shorter period of not less than 30 days as shall be acceptable to the Trustee. The Authority shall provide for payment to the Trustee prior to the Redemption Date of an amount for deposit into the Bond Fund - Principal Account and, if applicable, the Bond Fund - Interest Account, which, together with interest to be earned thereon and other monies, if any, available therefor held by such Trustee, will be sufficient to redeem all the Bonds to be redeemed on the Redemption Date at their Redemption Price, plus interest accrued and unpaid to the Redemption Date.

7.3 Satisfaction and Adjustment of Sinking Fund Installments. Whenever by the terms of Section 2.3 of this Indenture or by the terms of any Supplemental Indenture, the Trustee is required to redeem Term Bonds from Sinking Fund installments, the Trustee shall select the Term Bonds to be redeemed (in the manner provided in Section 7.4) to the extent necessary to satisfy such requirement, give notice of redemption pursuant to Sections 7.5 and 7.6 and pay out monies in the Bond Fund-Redemption Account in accordance with Section 7.7.

On or prior to the 60th day preceding any Sinking Fund Payment Date, the Trustee shall, if directed by the Authority, purchase specifically identified Term Bonds of appropriate maturities in a principal amount not exceeding the principal amount of such Term Bonds required to be retired on such Sinking Fund Payment Date and at prices not exceeding par. Any such Bonds so purchased shall be canceled and the par amount thereof shall be credited against the requirement to redeem Term Bonds on the next Sinking Fund Payment Date. Any purchases made pursuant to this Section 7.3 shall be made from moneys on deposit in the Bond Fund-Redemption Account.

In the case of any redemption of Term Bonds at the option of the Authority, the par value of such Term Bonds redeemed shall be credited against the requirement to redeem Bonds on such Sinking Fund Payment Date or Dates selected by the Authority in its written notice given to the Trustee pursuant to Section 7.2 of this Indenture.

7.4 Selection of Bonds to be Redeemed. When redemption is made pursuant to Section 7.3 and whenever less than all of the Outstanding Bonds of one maturity are redeemed pursuant to Section 7.2, the particular Bonds or portions of Bonds of particular maturities to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

7.5 Notice of Redemption. When the Trustee shall receive notice from the Authority of its election to redeem Bonds pursuant to Section 7.2, and when redemption of Bonds is required pursuant to Section 7.3, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Prices thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by mailing a copy

of such notice by first class mail, postage prepaid, not less than 25 days before the Redemption Date, to the Holders of any Bonds or portions of Bonds which are to be redeemed, at their addresses appearing upon the registration books of the Authority, but failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds for which no such failure has occurred; provided, that during any period that Bonds are registered in the name of the Security Depository or of the Nominee, as nominee of the Securities Depository, such notice will be given to the Securities Depository not less than such minimum number of days nor more than such maximum number of days prior to the Redemption Date as the Securities Depository may require.

7.6 Additional Notice of Redemption. In addition to the redemption notice required by Section 7.5, if there is more than one registered owner of all the Bonds of a series, further notice (the "Additional Notice") shall be given by the Trustee on behalf of the Authority as set out below. No defect in the Additional Notice nor any failure to give all or any portion of the Additional Notice shall in any manner defeat the effectiveness of a call for redemption if notice is given as prescribed in Section 7.5.

(a) Each Additional Notice of redemption shall contain the information required in Section 7.5 for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each Additional Notice of Redemption shall be sent at least 35 days before the redemption date by first class mail, postage prepaid, or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Bonds (such depositories now being The Depository Trust Company of New York, New York, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

7.7 Payment of Redeemed Bonds. Notice having been given in the manner provided in Sections 7.5 and 7.6, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the applicable Redemption Price set forth in Section 2.3 with respect to the Series 1999 Bonds and in the related Supplemental Indenture with respect to any Additional Bonds, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price. If there shall be drawn for redemption less than all of a Bond, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the Holder thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the Holder thereof, Bonds of like Series and maturity in any authorized denomination. If, on the Redemption Date, monies for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date interest

on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said monies shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF TRUSTEE AND BONDHOLDERS

8.1 Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Failure to make due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(b) Failure to make due and punctual payment of any installment of interest on any Bond, when and as such installment shall become due and payable;

(c) Failure to make the due and punctual payment of any Sinking Fund Installment when and as the same shall become due and payable;

(d) Failure in the observance or performance of any other covenant, contract or other provision in the Bonds or this Indenture contained and such failure shall continue for a period of 30 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds;

(e) The Authority admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for the Authority or for the major part of its property; or a trustee or receiver is appointed for the Authority or for the major part of its property and is not discharged within 60 days after such appointment; or bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law, or similar law for the relief of debtors, are instituted by or against the Authority, and, if instituted against the Authority, are allowed against it or are consented to by it or are not dismissed within 60 days after such institution;

(f) the occurrence of an Event of Default under the Financial Guaranty Agreement.

8.2 Acceleration. Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may declare, and upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds shall declare, the principal of all the Outstanding Bonds, and the interest accrued thereon, to be due and payable immediately; and upon any such declaration the same shall be immediately due and payable; provided, that no such declaration may be made so long as the Insurance Policy is in effect and the Insurer is not in default thereunder. The right or obligation of the Trustee to make such declaration, however, shall be subject to the condition that if, at any time after such declaration but before a judgment has been entered or before the Bonds have matured by their terms, whichever has occurred first, all overdue installments of interest and the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by the Authority under this Indenture (except the principal of, and interest accrued since the next preceding interest payment date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall have been made for such payments, and all Events of Default (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case, any such declaration shall be deemed to be rescinded and any such Event of Default and its consequences shall be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent Event of Default or impair or exhaust any resulting right or power.

8.3 Application of Revenues and Other Monies After Default. The Authority covenants that if any Event of Default shall happen and shall not have been remedied, the Authority upon demand of the Trustee shall pay over or cause to be paid over to the Trustee forthwith all monies, securities, funds and Revenues then held by the Authority.

During the continuance of an Event of Default, the Trustee shall apply such monies, securities and funds and Revenues and other monies held under this Indenture as follows and in the following order:

- (i) To the payment of the reasonable and proper fees, charges, expenses and liabilities of the Trustee;
- (ii) To the payment of all amounts, if any, required to be paid into the Rebate Fund;
- (iii) To the payment of the interest and principal or Redemption Price then due on the outstanding Bonds, as follows:
 - (a) Unless the principal of all the Outstanding 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 in the order of the maturity of such installments, together with accrued and unpaid interest, and interest on interest to the extent provided by law, on the Outstanding Bonds theretofore called for redemption, 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 or Redemption Price of any Outstanding Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Outstanding Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) If the principal of all the Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Outstanding Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(4) To reimburse in full (or if insufficient, on a pro rata basis) the Debt Service Reserve Fund Facility Providers for any amounts paid under their Debt Service Reserve Fund Facilities.

(5) To the payment of any interest due and payable to the initial Debt Service Reserve Fund Facility Provider pursuant to Section 2.1(a) of the Financial Guaranty Agreement.

If and whenever all overdue installments of interest on all Outstanding Bonds, together with the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums payable by the Authority under this Indenture including the principal and Redemption Price of, and any accrued unpaid interest on, all Outstanding Bonds which shall then be payable by declaration or otherwise and all reimbursements to Debt Service Reserve Fund Facility Providers, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Outstanding Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all monies, securities, and funds then

remaining unexpended in the hands of the Trustee (except monies, securities or funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under this Indenture. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent Event of Default under this Indenture.

8.4 **Proceedings by Trustee.** Upon the happening and continuance of any Event of Default then and in every such case the Trustee with the consent of the Insurer (other than with respect to actions pursuant to Section 8.10), which consent shall not be unreasonably withheld, may proceed, and upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds shall proceed, subject to the provisions of Section 8.5 relating to the Trustee's right to indemnity (provided that no indemnification shall be required with respect to any acceleration of maturities pursuant to Section 8.2 or any actions by the Trustee pursuant to the last paragraph of Section 4.8 or pursuant to Section 8.10), to protect and enforce its rights and the rights of the Bondholders under the Authority Act and under this Indenture and under any Debt Service Reserve Fund Facilities by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either in mandamus or for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Upon the occurrence of an Event of Default under Section 8.1(f), the Trustee agrees to, at the direction of the initial Debt Service Reserve Fund Facility Provider, enforce by mandamus, suit or other proceeding at law or in equity the covenants and agreements of the Authority.

In the enforcement of any remedy under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Authority for principal, Redemption Price, interest or otherwise under any of the provisions of this Indenture or of the Outstanding Bonds, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all proceedings hereunder and under such Outstanding Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Authority, but solely as provided herein and in such Outstanding Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the monies and funds pledged under this Indenture and available for such purpose) in any manner provided by law, the monies adjudged or decreed to be payable.

All rights of action under this Indenture or under any of the Outstanding Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Outstanding Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Outstanding Bonds, subject to the provisions of this Indenture.

8.5 Proceedings by Bondholders. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds hereunder, with the consent of the Insurer (other than with respect to actions pursuant to Section 8.10), which consent shall not be unreasonably withheld, shall have the right, subject to the provisions of this Section 8.5 relating to the Trustee's right to indemnity, by an instrument or substantially concurrent instruments in writing executed and delivered to the Trustee to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

No Holder of any of the Outstanding Bonds shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust hereunder, or the protection or enforcement of any right under this Indenture or any resolution or ordinance of the Authority authorizing the issuance of Bonds, or any right under the Authority Act or the laws of the State of Illinois, unless such Holder previously shall have given to the Trustee written notice of the Event of Default or breach of trust or duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than 25% in principal amount of the Outstanding Bonds shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Authority Act or by the laws of the State of Illinois, or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder or under the Authority Act or the laws of the State of Illinois. It is understood and intended that no one or more Holders of the Outstanding Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Authority Act or the laws of the State of Illinois with respect to the Outstanding Bonds or this Indenture, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds.

Nothing in the Indenture or in the Bonds contained shall affect or impair the obligation of the Authority to pay, from available funds of the Authority, at the respective dates of maturity and places therein expressed the principal or Redemption Price, if any, and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is absolute and unconditional, of any Holder to enforce such payment on his Bond.

8.6 Effect of Discontinuance of Proceedings. In case any proceeding taken by the Trustee or a Bondholder or Bondholders on account of any Event of Default shall have been

discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

8.7 **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Outstanding Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

8.8 **Effect of Waiver, Delay and Other Circumstances.** No delay or omission of the Trustee or of any Holder of the Outstanding 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 any acquiescence therein; and every power and remedy given in this Indenture to the Trustee and the Holders of the Outstanding Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than a majority in principal amount of the Outstanding Bonds shall, waive any Event of Default which in its opinion shall have been cured before the completion of the enforcement of any remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent Event or Events of Default or impair any rights or remedies consequent thereon.

8.9 **Notices of Certain Events of Default and Other Insufficiencies.** The Trustee shall mail by first class mail, postage prepaid, to all Bondholders, Debt Service Reserve Fund Facility Providers and the Insurer written notice of the occurrence of any Event of Default set forth in Section 8.1 of this Indenture within 30 days after any such Event of Default shall have occurred.

8.10 **Insurance Policy.** Not less than two days prior to any date interest or principal is due on the Series 1999 Bonds, the Trustee shall determine whether it has or will have sufficient monies in the Bond Fund to make the payments to the Holders of Series 1999 Bonds required by Section 4.7. In the event such monies are or will be insufficient to make such payments, the Trustee shall proceed to make a demand for payment and take such steps as are necessary to obtain the benefits of the Insurance Policy, in the manner and to the extent provided in the Insurance Policy and shall take such other actions as may be necessary to enforce the obligations of the Insurer under and obtain the benefits of the Insurance Policy.

8.11 **Limitation of Rights of the Insurer and Debt Service Reserve Fund Facility Providers.** The other provisions of this Indenture notwithstanding, (a) the Insurer shall have no rights hereunder, other than rights as the subrogee of any Bondholder which it may have under the Insurance Policy, if the Insurer has failed to perform any of its obligations under the Insurance Policy or has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree shall have been entered appointing a receiver, receivers, custodian or custodians for any of its assets

or revenues, or any proceeding shall be instituted with the consent or acquiescence of the Insurer for the purpose of effecting a composition between the Insurer and its creditors or for the purpose of adjusting the claims of such creditors, the Insurer makes any assignment for the benefit of its creditors or the Insurer is generally not paying its debts as such debts become due or the Insurer files a petition in bankruptcy or under Title 11 of the United States Code, as amended, or if the Insurance Policy is no longer in effect; and (b) a Debt Service Reserve Fund Facility Provider shall have no rights hereunder, other than rights as the subrogee of any Bondholder which it may have in connection with its Debt Service Reserve Fund Facility, if the Debt Service Reserve Fund Facility Provider has failed to perform any of its obligations under its Debt Service Reserve Fund Facility or has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree shall have been entered appointing a receiver, receivers, custodian or custodians for any of its assets or revenues, or any proceeding shall be instituted with the consent or acquiescence of the Debt Service Reserve Fund Facility Provider for the purpose of effecting a composition between the Debt Service Reserve Fund Facility Provider and its creditors or for the purpose of adjusting the claims of such creditors, the Debt Service Reserve Fund Facility Provider makes any assignment for the benefit of its creditors or the Debt Service Reserve Fund Facility Provider is generally not paying its debts as such debts become due or the Debt Service Reserve Fund Facility Provider files a petition in bankruptcy or under Title 11 of the United States Code, as amended, or if the Debt Service Reserve Fund Facility is no longer in effect.

ARTICLE IX

CONCERNING THE TRUSTEE

9.1 **Acceptance of Trusts.** The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Authority agrees and the respective Holders of the Bonds, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee.

9.2 **Paying Agent and Bond Registrar; Appointment and Acceptance of Duties.** The Authority hereby appoints the Trustee as Paying Agent and Bond Registrar for the purposes and upon express terms and conditions set forth herein, and the Trustee does hereby agree to undertake such duties by its execution of this Indenture.

9.3 **Responsibilities of Trustee.**

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the sufficiency of the Indenture or of any Bonds issued thereunder or as to the security afforded by the Indenture, and shall incur no liability in respect thereof, except, however, that the Trustee shall be responsible for

representations contained in its certificate on the Bonds. The Trustee shall not be under any responsibility or duty with respect to the application of any monies paid by it in accordance with the provisions of the Indenture. The Trustee shall not be under any obligation or duty to perform any act which would cause it to incur expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own monies, unless properly indemnified. Subject to the provisions of subsections (b) and (c) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

(b) The Trustee covenants that if it does not receive the monthly payment from the Illinois Sports Facilities Fund on or before the fifth day of the month in which such payment is due, the Trustee shall promptly notify the Authority of such deficiency.

(c) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which 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 has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this 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.

(d) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to rely on advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof.

9.4 Evidence on Which Trustee May Act.

(a) The Trustee, 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 Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be Counsel to the Authority, and the 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 the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively provided and established by the certificate of an Authorized officer, 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 the Trustee may in lieu thereof 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 thereof by the Authority to the Trustee shall be sufficiently executed in the name of the Authority by an Authorized Officer.

9.5 **Compensation of Trustee.** The Trustee shall be paid \$20,000 as its acceptance fee and a maximum annual fee of \$10,000. The Trustee shall also be paid semi-annually all of its reasonable expenses and charges incurred in and about the administration and execution of the trusts created by this Indenture.

9.6 **Certain Permitted Acts.** The Trustee may become the owner of any Bonds with the same rights it would have if it were not a Trustee. To the extent permitted by law, the Trustee may act as depositary 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 Bondholders 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 Holders of a majority in principal amount of the Bonds then Outstanding.

9.7 **Resignation of Trustee.** The Trustee may at any time resign and be discharged of the trust created by the Indenture by giving not less than 60 days' prior written notice of its resignation to the Authority, specifying the date when such resignation shall take effect, and by giving notice of such resignation by first class mail, postage prepaid, not less than three weeks prior to such resignation date, to the Holders, the Insurer and the Debt Service Reserve Fund Facility Providers. Such resignation shall take effect upon the day specified in such notice but only if a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the acceptance of appointment by such successor Trustee whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed within a period of 90 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 9.11.

9.8 **Removal of Trustee.** The Trustee may be removed at any time prior to any Event of Default, and prior to the occurrence of any default which will become an Event of Default upon the giving of notice and the passage of time as provided in Section 8.1(d), by the Authority, with the

consent of the Insurer, which consent shall not be unreasonably withheld, by filing with the Trustee an instrument or instruments in writing executed by the Authority, appointing a successor, or an instrument or instruments in writing, designating and accompanied by an instrument of appointment by the Authority of such successor. Such removal shall be effective thirty days (or such longer period as many be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment hereunder.

9.9 **Appointment of Successor Trustee.** In case at any time the Trustee shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and *ipso facto* exist in the office of the Trustee and, subject to Section 9.8, a successor may be appointed, and in case at any time the Trustee shall resign, then a successor may be appointed by the Authority, by an instrument authorized by resolution of the Authority, with the consent of the Insurer, which consent shall not be unreasonably withheld. After any appointment by the Authority, it shall cause notice of such appointment to be given to the predecessor Trustee, the successor Trustee, and to be given by first class mail, postage prepaid, to the Insurer, all Bondholders and the Debt Service Reserve Fund Facility Providers.

9.10 **Qualifications of Successor Trustee.** Every successor Trustee (a) shall be a bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Indenture and the laws of the State of Illinois, and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined capital stock, surplus and undivided profits of at least \$100,000,000.

9.11 **Judicial Appointment of Trustee.** In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Indenture prior to the date specified in the notice of resignation as the date when such resignations is to take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

9.12 **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 monies, 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 shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor 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 herein set forth. 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, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority.

9.13. **Merger or Consolidation.** Any company into which the Trustee 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 shall be a party or any company to which the Trustee 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 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 the Trustee without the execution or filing of any paper or the performance of any further act.

9.14 **Adoption of Authentication.** In case any of the Bonds contemplated to be issued under the Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the Certificate of Authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the 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 of Authentication shall have the full force given in the Bonds or this Indenture to the Certificate of Authentication of the Trustee.

9.15 **Cancellation of Bonds.** Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby, or for replacement pursuant to Section 2.9, such Bond shall be promptly canceled and destroyed by the Trustee and a certificate of destruction evidencing such cancellation and destruction shall be furnished by the Trustee to the Authority.

ARTICLE X

SUPPLEMENTAL INDENTURES

10.1 **Supplemental Indentures Effective Upon Filing.** For any one or more of the following purposes and at any time or from time to time, if authorized by law, a Supplemental Indenture may be executed by the Authority and the Trustee, but in the case of (d), (e) and (i) below with the consent of the Insurer, which consent shall not be unreasonably withheld, which, upon the filing with the Trustee of a copy thereof certified by the Secretary of the Authority, shall be fully effective in accordance with its terms:

(a) To close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the issuance of Additional Bonds, or of other notes, bonds, obligations or evidences of indebtedness;

(b) To add to the covenants, agreements, limitations and restrictions of the Authority in the Indenture, other covenants, agreements, limitations and restrictions to be observed by the Authority, and to surrender any right or power in the Indenture reserved to or conferred upon the Authority;

(c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(d) To make such provisions clarifying matters or questions arising under the Indenture as may be necessary or desirable and which shall not adversely affect the interest of the Bondholders;

(e) To modify any of the provisions of the Indenture or to relieve the Authority from any of the obligations, conditions or restrictions contained in the Indenture; provided that no such modification shall be or become operative or effective which shall adversely affect the rights of the Bondholders or the Trustee;

(f) To authorize Additional Bonds, to the extent permitted by Article III, and, in connection therewith, specify and determine the matters and things referred to in Article III and also any other matters and things relative to such Additional Bonds, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Additional Bonds;

(g) To modify any of the provisions of the Indenture in any other respect whatever, provided that: (i) such modification shall be, and be expressed to be, effective only after all Outstanding Bonds at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding; and, (ii) such Supplemental Indenture shall be specifically referred to in the text of all Additional Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture;

(h) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of the Indenture or such Supplemental Indenture under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect;

(i) To make any change necessary to provide a Debt Service Reserve Fund Facility and which change shall not adversely affect the interest of the Bondholders.

10.2 **Execution of Supplemental Indenture by Trustee.** The Trustee is hereby authorized to enter into with the Authority any Supplemental Indenture authorized or permitted by the terms of the Indenture, and to make the further agreements and stipulations which may be therein contained, and the Trustee, in entering into any Supplemental Indenture, shall be fully protected in relying on an opinion of counsel, in form and substance satisfactory to the Trustee, to the effect that

such Supplemental Indenture is authorized or permitted by the provisions of this Indenture and is not inconsistent with this Indenture.

Any Supplemental Indenture authorized by the provisions of Section 10.1 may be executed by the Authority and the Trustee without the consent of or notice to the Holders of any of the Outstanding Bonds.

10.3 **Supplemental Indentures Effective with Consent of Bondholders.** At any time or from time to time, a Supplemental Indenture may be entered into by the Authority, subject to consent by the Insurer, which consent shall not be unreasonably withheld, and by Bondholders in accordance with and subject to the provisions of Article XI, which Supplemental Indenture, upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

It shall not be necessary for the consent of the Bondholders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

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 and Article XI.

(b) Any Supplemental Indenture referred to and permitted or authorized by Section 10.1 may be entered into pursuant to a resolution adopted by the Authority authorizing the same without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Section.

(c) For all purposes of this Article, the Trustee shall be entitled to rely upon an opinion of counsel with respect to the extent, if any, as to which any action affects the rights under this Indenture of any Holders of Outstanding Bonds and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel 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 the Trustee without its written assent thereto.

(e) The Trustee shall mail a copy of any Supplemental Indenture to Standard & Poor's Corporation by first class mail, postage prepaid.

ARTICLE XI

AMENDMENTS

11.1 **Mailing.** Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with when it is mailed by first class mail, postage prepaid to each Holder of Outstanding Bonds at his address, if any, appearing upon the registration books of the Authority.

11.2 **Powers of Amendment.** Any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Indenture, with the consent of the Insurer, which consent shall not be unreasonably withheld, and with the written consent, given as provided in Section 11.3: (i) of the Holders of a majority in aggregate principal amount of the Outstanding Bonds at the time such consent is given or (ii) in case less than all of the several Series of Outstanding Bonds are affected by the modification or amendment, of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of each Series so affected at the time such consent is given or (iii) in case the modification or amendment changes the terms of the requirement of the Indenture with respect to deposits to the Bond Fund; of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such deposits to the Bond Fund at the time such consent is given; provided however, that if any such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders 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. 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 Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or, without its written assent thereto, shall change or modify any of the rights or obligations of any Trustee. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be adversely affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds.

11.3 **Consent of Bondholders.** The Authority may at any time adopt a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.2 to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Bondholders (but failure to mail such copy and request shall not affect the validity of

the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 11.2, and (b) an opinion of counsel stating that such Supplemental Indenture has been entered into pursuant to a duly and lawfully adopted resolution of the Authority, is authorized and permitted by the Indenture, and is valid and binding upon the Authority in accordance with its terms. A consent given by the Holder of any Bond shall be conclusive and binding upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bond giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages 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 entered into on a stated date pursuant to a resolution adopted by the Authority authorizing the same, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, shall be given to Bondholders by the Trustee by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section provided) not more than 60 days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee provided for is filed.

11.4 Modifications by Unanimous Consent. The terms and provisions of the Indenture and the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the Authority's and the Trustee's entering into a Supplemental Indenture with the consent of the Insurer, which consent shall not be unreasonably withheld, and the consent of the Holders of all the Outstanding Bonds, such consent to be given as provided in Section 11.3 except that no notice to Bondholders by mailing shall be required.

11.5 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 this Article, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded. The Authority hereby covenants and agrees not to purchase any Bonds except as otherwise specifically provided in this Indenture.

11.6 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Outstanding Bond at such effective date and presentation of his Bond for the purpose at the designated corporate trust office of the Trustee or upon any transfer or exchange of any Outstanding Bond at such effective date, suitable notation shall be made on such Bond or upon any Bonds issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Outstanding Bonds of the same series and maturity, upon surrender of such Bonds.

11.7 Insurer Deemed Holder of Series 1999 Bonds. Subject to the provisions of Section 8.11 hereof, the Insurer is deemed to be the Holder of all Series 1999 Bonds for the following purposes and during the following times: (a) at all times for the purpose of the execution and delivery of a supplemental indenture or agreement relating to any amendment or modification of the Indenture, other than an amendment or modification specified in the second sentence of Section 11.2 hereof; (b) at all times with respect to the initiation by the Series 1999 Bondholders of any action to be taken by the Trustee at the request of such Series 1999 Bondholders, which under the Indenture requires the written approval or consent of or permits initiation by the Holders of a specified principal amount of Bonds then outstanding; and (c) following the occurrence of an Event of Default relating to the Series 1999 Bonds for all other purposes.

ARTICLE XII

MISCELLANEOUS

12.1 Defeasance.

(a) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Outstanding 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 this Indenture, then the pledge and assignment of any Pledged Funds under this Indenture and all covenants, agreements and other obligations of the Authority to the Bondholders, 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 Trustee shall pay over or deliver to the Authority all monies or securities held by it pursuant to this Indenture (other than the Rebate Fund) which are not required for the payment of principal or Redemption Price, if applicable, or interest due or to become due on Bonds or payment not theretofore surrendered for such payment

or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Outstanding Bonds of a particular Series, or of a particular maturity within a Series, 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 this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which monies shall have been set aside and shall be held in trust by the Trustee (through deposit by the Authority of funds for such payment or redemption or otherwise) at maturity or the Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section. Although the Authority shall remain the obligor on all Outstanding Bonds, all Outstanding Bonds of any Series, or of any maturity within a Series or portion of a maturity within a Series, shall prior to the maturity or Redemption Date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 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 Trustee irrevocable instructions accepted in writing by the Trustee to give notice as provided in Article VII for redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or Qualified Investment Securities the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the Redemption Date or maturity date thereof, as the case may be, and (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 the Trustee in form satisfactory to it irrevocable instructions to mail notice to the Holders 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 and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. Neither Qualified Investment Securities nor monies deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Qualified Investment 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, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Qualified Investment Securities deposited with the Trustee (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise under this Indenture, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or

prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments to the extent not required to pay principal or interest on Bonds shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge.

Notwithstanding the foregoing, none of the Outstanding Bonds shall be deemed paid as aforesaid, nor shall such Bonds cease to be entitled to the lien, benefit and security of this Indenture, if under any circumstances the interest on the Tax-Exempt Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may rely upon the opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the deposit of monies and obligations as provided above will not cause interest on the Tax-Exempt Bonds to become subject to federal income taxation.

(c) Anything in the Indenture to the contrary notwithstanding except subject to subparagraph (e) below, any monies held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years or on such earlier date as provided by law 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 monies were held by the Trustee at such date, or for six years or on such earlier date as provided by law after the date of deposit of such monies if deposited with the Trustee after the said date when such Bonds become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds, provided, however, that before being required to make any such payment to the Authority, the Trustee may, at the expense of the Authority, cause to be published in one or more newspapers or financial journals of general circulation in New York, New York and Chicago, Illinois, a notice that said monies remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of publication of such notice, the balance of such monies then unclaimed will be returned to the Authority.

(d) Anything in this Indenture to the contrary notwithstanding, the covenants of the Authority contained in Section 6.12 hereof shall continue to exist until interest ceases to accrue on all Tax-Exempt Bonds.

(e) Anything in this Indenture to the contrary notwithstanding, the lien created by this Indenture for the benefit of the Debt Service Reserve Fund Facility Providers shall not be discharged and monies held by the Trustee hereunder in trust shall not be paid over to the Authority until the Debt Service Reserve Fund Facility Providers have been reimbursed in full for any amounts paid under their Debt Service Reserve Fund Facilities and all amounts owed to the initial Debt Service Reserve Fund Facility Provider under the Financial Guaranty Agreement have been paid in full.

12.2 Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing.

(i) Proof of execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company 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 guarantee, certificate or affidavit shall also 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 books of the Authority maintained by the Trustee pursuant to Section 2.8 hereof.

(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 the Trustee in accordance therewith.

12.3 Monies Held for Particular Bonds. The amounts held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

12.4 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Trustee, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

12.5 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Trustee, the Debt Service Reserve Fund Facility Providers and Holders of the Bonds

any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Debt Service Reserve Fund Facility Providers and the Holders of the Bonds. The covenants, stipulations, promises and agreements in this Indenture which benefit the Debt Service Reserve Fund Facility Provider shall be enforceable thereby.

12.6 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any member or officer of the Authority or any person executing the Bonds.

12.7 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest, principal of, or premium, if any, on any Bond or the date fixed for redemption of any Bond, shall be on a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law or executive order to remain closed in the city where the principal office of the Trustee is located or a day on which the New York Stock Exchange is closed, then payment of interest, principal, or premium, if any, need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law or executive order to remain closed or on which the New York Stock Exchange is closed, 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.

12.8 Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

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

12.10 Counterparts. This Indenture may be executed in several counterparts, and each executed counterpart shall constitute an original instrument, but all such counterparts shall constitute but one and the same instrument.

12.11 Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered by hand or mailed by first class mail, postage prepaid, addressed as follows: if to the Authority, at 333 West 35th Street, Chicago, Illinois 60616 Attention: Executive Director, and if to the Trustee, at its address as first written, Attention: Corporate Trust Department. A copy of any such notice, request, complaint, demand, communication or other paper shall be sent to the Insurer at 113 King Street, Armonk, New York 10504, Attention: Surveillance Department and to any Debt Service Reserve Fund Facility Provider. The Authority, the Trustee, the Insurer and any Debt Service Reserve Fund Facility Provider may

designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

IN WITNESS WHEREOF, the ILLINOIS SPORTS FACILITIES AUTHORITY has caused this Indenture to be executed by its Chairman and its official seal to be impressed hereon and attested by its Secretary, and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO has caused this Indenture to be executed by one of its ~~Vice Presidents~~ and its corporate seal to be impressed hereon and attested by one of its duly authorized officers, all as of the day and year first above written.

ILLINOIS SPORTS FACILITIES
AUTHORITY

By Amos D. Lewis
Chairman

(SEAL)

ATTEST:

[Signature]
Secretary

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO, as
Trustee

By [Signature]
Vice President Trust Officer

(SEAL)

ATTEST:

[Signature]
Trust Officer

LIST OF PERMISSIBLE INVESTMENTS FOR INDENTURED FUNDS

- A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 2. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 3. Federal Financing Bank
 4. Federal Housing Administration Debentures (FHA)
 5. General Services Administration
Participation certificates
 6. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)
 7. U.S. Maritime Administration
Guaranteed Title XI financing
 8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds
- C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
1. Federal Home Loan Bank System
Senior debt obligations

MBIA

2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations
 3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations
 4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
 5. Resolution Funding Corp. (REFCORP) obligations
 6. Farm Credit System
Consolidated systemwide bonds and notes
- D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.
- E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.
- F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.
- G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to MBIA (Investment Agreement criteria is available upon request).
- H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.
- I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.
- J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.
- K. Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to MBIA (criteria available upon request)

MBIA

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm
 - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or
 - b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.
2. The written repo contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
 - b. The term of the repo may be up to 30 days
 - c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - d. Valuation of Collateral
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
 - (a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.
3. Legal opinion which must be delivered to the municipal entity:
 - a. Repo meets guidelines under state law for legal investment of public funds.

Additional Notes

- (i) There is no list of permitted investments for non-indentured funds. Your own credit judgment and the relevant circumstances (e.g., amount of investment and timing of investment) should dictate what is permissible.
- (ii) Any state administered pool investment fund in which the issuer is statutorily permitted or required to invest will be deemed a permitted investment.
- (iii) DSRF investments should be valued at fair market value and marked to market at least once per year. DSRF investments may not have maturities extending beyond 5 years, except for Investment Agreements approved by the Insurer.