

SERIES 2010 SUPPLEMENTAL
MASTER INDENTURE OF TRUST

STATE OF IOWA,
Acting By and Through the Treasurer of the State of Iowa

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION
As Trustee

Dated as of October 1, 2010

Supplemental to Master Indenture of Trust
dated as of July 1, 2009

\$151,310,000
IJOBS Program Special Obligation Bonds
Series 2010A

and

\$25,585,000
IJOBS Program Special Obligation Bonds
Taxable Series 2010B

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SERIES 2010 SUPPLEMENTAL
MASTER INDENTURE OF TRUST

THIS SERIES 2010 SUPPLEMENTAL MASTER INDENTURE OF TRUST, dated as of October 1, 2010 (the "Series 2010 Supplemental Indenture"), between the State of Iowa (the "Issuer") acting by and through the Treasurer of the State of Iowa (the "Treasurer") and Wells Fargo Bank, National Association (the "Trustee"), a national banking association organized under the laws of the United States, as trustee, supplementing the Master Indenture of Trust, dated as of July 1, 2009 (as previously supplemented and as supplemented hereby and as otherwise from time to time supplemented and amended, the "Master Indenture"), between the Issuer and the Trustee.

WITNESSETH:

WHEREAS, pursuant to the Act, the State of Iowa authorized the Treasurer to issue and sell revenue bonds (collectively, the "Bonds") on behalf of the Issuer to provide funds for certain infrastructure projects of the Issuer and to fund certain other grant and loan programs of the Issuer (collectively, the "Projects"); and

WHEREAS, the Act creates and establishes in the office of the Treasurer the Revenue Bonds Capitals Fund, the Revenue Bonds Capitals II Fund, the Revenue Bonds Debt Service Fund and the Revenue Bonds Federal Subsidy Holdback Fund as separate and distinct funds in the State treasury; and

WHEREAS, the Bonds are payable solely out of the amounts deposited in the Revenue Bonds Debt Service Fund and the Revenue Bonds Federal Subsidy Holdback Fund (as provided herein) and pledged by the Issuer to the payment thereof and the other funds and amounts pledged hereunder for the purpose of providing financing for the Projects; and

WHEREAS, pursuant to the Act, the Issuer and the Trustee have previously entered into the Master Indenture in order to provide a framework for the issuance by the Issuer of the Bonds and in order to provide for the pledge of Pledged Funds for the payment and securing of the Bonds; and

WHEREAS, in order to provide the financing necessary for the acquisition and construction of certain Projects for which proceeds of the Bonds were duly appropriated (the "Series 2009 Projects") , the Issuer previously issued the IJOBS Program Special Obligation Bonds, Series 2009A (the "Series 2009A Bonds") and the IJOBS Program Special Obligation Bonds, Taxable Series 2009B (Build America Bonds - Direct Payment) (the "Series 2009B Bonds" and, together with the Series 2009A Bonds, the "Series 2009 Bonds") pursuant to the Series 2009 Supplemental Master Indenture of Trust dated as of July 1, 2009 (the "Series 2009 Supplemental Indenture") and secured by the Master Indenture, and a portion of the proceeds of which were deposited in the Revenue Bonds Capitals Fund; and

WHEREAS, in order to provide financing necessary for the acquisition and construction of certain Projects for which proceeds of the Bonds have been duly appropriated (the "Series 2010 Projects"), the Issuer will issue the IJOBS Program Special Obligation Bonds, Series 2010A (the "Series 2010A Bonds") pursuant to this Series 2010 Supplemental Indenture and secured by the Master Indenture; and

WHEREAS, pursuant to the Series 2009 Supplemental Indenture, the Treasurer was required to deposit funds into the Cash Funded Reserve Account in each Fiscal Year in such amounts that the Cash Funded Reserve Account is maintained at the Cash Funded Reserve Requirement (as defined in the original Series 2009 Supplemental Indenture) for such Fiscal Year; and

WHEREAS, the Issuer has determined to transfer all funds on deposit in the Cash Funded Reserve Account to the Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund and to establish the Series 2009B Cash Funded Reserve Requirement at \$23,887,694.00; and

WHEREAS, in order to provide the amounts to fund the Cash Funded Subaccount in an amount equal to the Series 2009B Cash Funded Reserve Requirement, the Issuer will issue the IJOBS Program Special Obligations Bonds, Taxable Series 2010B (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds") pursuant to this Series 2010 Supplemental Indenture and secured by the Master Indenture; and

WHEREAS, it is the intention of the Issuer that this Series 2010 Supplemental Indenture shall constitute a supplement to the Master Indenture in order to provide for the issuance of and security for the Series 2010 Bonds; and

WHEREAS, all acts and things necessary to make the Series 2010 Bonds created by this Series 2010 Supplemental Indenture, when executed by the Treasurer and authenticated and delivered by the Trustee as provided in the Master Indenture and this Series 2010 Supplemental Indenture, the valid, binding and legal limited special obligations of the Issuer and to constitute these presents, together with the Master Indenture and the Series 2009 Supplemental Indenture, a valid indenture and agreement according to its terms and the terms of the Master Indenture, have been done and performed and the execution of this Series 2010 Supplemental Indenture and the issuance hereunder and under the Master Indenture of the Series 2010 Bonds have in all respects been duly authorized; and

NOW, THEREFORE, THIS SERIES 2010 SUPPLEMENTAL INDENTURE WITNESSETH, that in order to declare the terms and conditions upon which the Series 2010 Bonds are executed, authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Series 2010 Bonds by the holders thereof, the Issuer covenants and agrees with the Trustee, for the benefit of the holders from time to time of the Series 2010 Bonds and the other Bonds issued under the Master Indenture as follows:

ARTICLE I
DEFINITION AND RULES OF INTERPRETATION

Section 1.01. Definitions. The terms used in this Series 2010 Supplemental Indenture and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Master Indenture and/or the Series 2009 Supplemental Indenture. As used herein, the following words and phrases shall have the following meanings unless the context otherwise requires:

“Beneficial Owner” means the person recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Calculation Agent” means a commercial bank or an investment banking institution of national standing that is a primary dealer of United States government securities (which may be one of the institutions that served as underwriters for the Series 2010B Bonds) designated by the State.

“Comparable Treasury Issue” means the United States Treasury security selected by the Calculation Agent as having a maturity comparable to the remaining term to maturity of the Series 2010B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2010B Bond being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series 2010B Bond or portion thereof is being redeemed, either (a) the average of four Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Calculation Agent is unable to obtain four such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time at least three business days but not more than 45 calendar days preceding the date fixed for redemption.

“Comparable Treasury Yield” means the yield that represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2010B Bond being redeemed. The Comparable Treasury Yield will be determined at least three business days but not more than 45 calendar days preceding the date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a

constant maturity that is the same as the remaining term to maturity of the Series 2010B Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2010B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2010B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“Participant” means a broker-dealer bank or other financial institution from time to time for which DTC holds Series 2010 Bonds.

“Reference Treasury Dealer” means a primary dealer of United States Government securities (which may be one of the institutions that served as underwriters for the Series 2010B Bonds) appointed by the State and reasonably acceptable to the Calculation Agent.

“Registered Owner” means the owner of a Bond as set forth on the registration books of the Issuer as kept by the Registrar as provided in Section 2.09 of the Master Indenture.

“Series 2010 Bond Reserve Fund Requirement” means, collectively, the Series 2010A Bond Reserve Fund Requirement and the Series 2010B Bond Reserve Fund Requirement.

“Series 2010 Bonds” means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

“Series 2010A Bond Reserve Fund Requirement” (i) until July 1, 2036, means an amount equal to \$10,201,750.00, which is the least of (a) the maximum amount of principal and interest coming due on the Series 2010A Bonds during any fiscal year, (b) 10% of the stated principal amount of the Series 2010A Bonds, or (c) 125% of the average annual principal and interest coming due on the Series 2010A Bonds; and (ii) after July 1, 2036, an amount equal to \$7,502,250.00.

“Series 2010A Bonds” means the Issuer’s \$151,310,000 IJOBS Program Special Obligation Bonds, Series 2010A.

“Series 2010B Bond Reserve Fund Requirement” means an amount equal to \$2,273,636.26.

"Series 2010B Bonds" means the Issuer's \$25,585,000 IJOBS Program Special Obligation Bonds, Taxable Series 2010B.

"Spread" means 0.30% for optional redemptions of Series 2010B Bonds.

Section 1.02. Rules of Interpretation. For all purposes of this Series 2010 Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) "This Series 2010 Supplemental Indenture" means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to this Series 2010 Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(e) The terms defined elsewhere in this Series 2010 Supplemental Indenture shall have the meanings therein prescribed for them.

(f) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(g) The headings used in this Series 2010 Supplemental Indenture are for convenience of reference only and shall not define or limit the provisions hereof.

(h) Whenever the term "principal office" is used herein, it shall mean the office designated as such by the applicable entity via a writing to the Trustee.

ARTICLE II
THE SERIES 2010 BONDS

Section 2.01. Authorization of the Series 2010 Bonds. There are hereby authorized pursuant to this Series 2010 Supplemental Indenture and the Master Indenture two series of Bonds to be known and designated as "State of Iowa, IJOBS Program Special Obligation Bonds, Series 2010A" (the "Series 2010A Bonds") and "State of Iowa IJOBS Program Special Obligation Bonds, Taxable Series 2010B (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds"). The Series 2010A Bonds shall be issued in the aggregate principal amount of \$151,310,000. The Series 2010B Bonds shall be issued in the aggregate principal amount of \$25,585,000. The Series 2010 Bonds shall be executed, endorsed, authenticated and delivered in accordance with the Master Indenture.

Section 2.02. Details of Series 2010 Bonds.

(a) The Series 2010A Bonds shall be dated October 7, 2010. The Series 2010A Bonds shall bear interest from October 7, 2010 payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2010.

The Series 2010A Bonds shall bear interest at the respective rates per annum set forth below and shall mature on June 1 of each of the years set forth and in the principal amount set opposite each year in the following schedule:

<u>(June 1)</u> <u>Due</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2012	\$2,950,000	2.50%
2013	3,040,000	3.00%
2014	3,160,000	4.00%
2015	3,395,000	5.00%
2016	3,480,000	4.00%
2017	3,650,000	5.00%
2018	3,835,000	4.50%
2019	4,025,000	4.00%
2020	4,225,000	5.00%
2021	4,435,000	5.00%
2022	4,655,000	5.00%
2023	4,875,000	5.00%
2024	5,120,000	5.00%
2025	5,370,000	5.00%
2026	5,710,000	5.00%
2027	5,985,000	5.00%
2028	6,280,000	5.00%
2029	2,000,000	4.00%
2029	4,590,000	5.00%

2030	6,895,000	5.00%
2034	3,500,000	5.25%
2034	26,200,000	4.00%
2038	33,935,000	5.00%

(b) The Series 2010B Bonds shall be dated October 7, 2010. The Series 2010B Bonds shall bear interest from October 7, 2010 payable semi annually on June 1 and December 1 of each year, beginning on December 1, 2010.

The Series 2010B Bonds shall bear interest at the respective rate per annum set forth below and shall mature on June 1 of each of the years set forth and in the principal amounts set opposite each year in the following schedule:

(June 1) <u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$1,420,000	0.920%
2013	1,430,000	1.438%
2014	1,455,000	1.807%
2015	1,480,000	2.157%
2016	1,515,000	2.608%
2017	1,550,000	2.858%
2018	1,595,000	3.335%
2019	1,650,000	3.485%
2020	1,710,000	3.635%
2021	1,775,000	3.785%
2022	1,840,000	3.985%
2023	1,915,000	4.185%
2024	1,995,000	4.335%
2025	2,080,000	4.435%
2026	2,175,000	4.535%

(c) Interest on the Series 2010 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(d) The Series 2010 Bonds shall be issuable as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2010 Bonds shall be numbered as determined by the Trustee. The Series 2010 Bonds shall be substantially in the form hereinafter set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Series 2010 Supplemental Indenture, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

(e) The principal of, premium, if any, and interest on the Series 2010 Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Series 2010 Bonds shall be payable at the principal office of the Paying Agent, and payment of the interest on each Series 2010 Bond shall be made by the Paying Agent on each Interest Payment Date to the person appearing as the registered owner thereof as of the close of business on the Record Date preceding the Interest Payment Date by (i) check or draft mailed to such registered owner at his address as it appears on the registration books maintained by the Registrar or at such other address as is furnished in writing by such registered owner to the Registrar, regardless of the cancellation of any such Series 2010 Bonds upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date, or (ii) in the case of any Series 2010 Bond in the denomination of \$1,000,000 or more, by wire transfer of funds to the registered owner upon the written request of the registered owner delivered to the Trustee. Payment of the principal of and premium, if any, on all Series 2010 Bonds shall be made upon the presentation and surrender of such Series 2010 Bonds as the same shall become due and payable.

Section 2.03. Form of Series 2010 Bonds. The Series 2010 Bonds to be issued hereunder, and the certificate of authentication by the Trustee to be endorsed on all such Series 2010 Bonds, shall be substantially in the following form, with such variations, omissions and insertions as are permitted by this Series 2010 Supplemental Indenture or are required to conform the form of Series 2010 Bond to the other provisions of this Series 2010 Supplemental Indenture and the Master Indenture:

(FORM OF SERIES 2010A[B] BOND)

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF IOWA
IJOBS PROGRAM SPECIAL OBLIGATION REVENUE BOND
[TAXABLE] SERIES 2010A[B]

<u>RATE</u>	<u>MATURITY</u>	<u>DATED DATE</u>	<u>CUSIP</u>
		October 7, 2010	

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT:

The State of Iowa (the "Issuer"), for value received, promises to pay, but only from the sources referred to herein, to the registered holder set forth above, or registered assigns, on the maturity date set forth above, the principal amount set forth above and to pay interest on said sum, but only from the sources referred to herein, from the date hereof at the rate set forth above payable on June 1 and December 1 of each year commencing December 1, 2010. Principal of this Bond is payable at the principal office of Wells Fargo Bank, National Association, as Trustee, or its successor in trust (the "Trustee") under the Indenture referred to below, and the interest hereon shall be paid by check mailed to the person in whose name this Bond is registered at the close of business on the day which is the fifteenth day of the month next preceding the month in which the interest payment date occurs (the "Record Date") on the registration books of the Issuer to be kept by the Trustee, as Registrar, or its successor as registrar, at the address shown on the registration books or at such other address as is furnished in writing by such registered owner to the Trustee. The registered owner of any Bond in the denomination of \$1,000,000 or more may receive interest payments by wire transfer upon the written request of the registered owner delivered to the Trustee. Each payment will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of an authorized issue of IJOBS Program Special Obligation Bonds, **[Taxable] Series 2010A[B]**, in the aggregate principal amount of \$151,310,000 **[25,585,000]** (the "Series 2010A[B] Bonds"), issued for the purpose of providing funds for **[certain infrastructure projects of the Issuer and to fund certain other grant and loan programs of the Issuer (collectively, the "Series 2010 Projects")]** **[funding the Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund established to secure the Series 2009B Bonds (defined herein) issued pursuant to the Master Indenture (defined herein) and the Series 2009 Supplemental Indenture (defined herein)]**, funding a reserve fund, funding capitalized interest with respect to the Series 2010A[B] Bonds and paying necessary expenses incidental to issuance of the Series 2010A[B] Bonds. At the time of issuance of the Series 2010A[B] Bonds, the Issuer also issued its IJOBS Program Special Obligation Bonds, Taxable Series 2010B[A] in the aggregate principal amount of \$25,585,000 **[151,310,000]** (the "Series 2010B[A] Bonds" and, together with the Series 2010A[B] Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds, along with Bonds previously issued and any Bonds that may hereafter be issued under and pursuant to the Indenture (defined herein) are all issued under and are equally and ratably secured by and entitled to the protection of a Master Indenture of Trust dated as of July 1, 2009, as supplemented by a Series 2009 Supplemental Master Indenture of Trust dated as of July 1, 2009 (as amended) and a Series 2010 Supplemental Master Indenture of Trust dated as of October 1, 2010 (as so supplemented and as further supplemented and amended from time to time, the "Indenture"), duly executed and delivered by the Issuer to the Trustee (as further provided and limited therein). As provided by the Indenture, to secure performance of all covenants of the Issuer under the Indenture, the Issuer sells, assigns, pledges and grants a security interest to the Trustee in, the Trust Estate, including all rights, title and interest of the Issuer in and to the Revenue Bonds Debt Service Fund (except for the Revenue Bonds Unpledged Funds Account) established in the State treasury under Iowa Code Section 12.89 (Supp. 2009) as amended by Senate File 2389, 83rd G.A., 2nd Sess. (Iowa 2010) Section 80, the Revenue Bonds Federal Subsidy Holdback Fund Established in the State Treasury under Iowa Code Section 12.89A as enacted by Senate File 2389, 83rd G.A., 2nd Sess. (Iowa 2010) Section 81, and all funds deposited therein and any other sums of money and funds pledged in the Granting Clauses of the Indenture, and all moneys and securities and all other property of every kind and of every name and nature from time to time received and held by the Trustee under the Indenture for the benefit of the Bondholders as provided and limited therein. All income, revenues, issues, profits and other sums of money and Funds pledged in the Granting Clauses of the Indenture are herein referred to as the "Pledged Funds".

The Issuer previously issued its \$380,120,000 IJOBS Program Special Obligation Bonds, Series 2009A and its \$220,950,000 IJOBS Programs Special Obligation Bonds, Taxable Series 2009B (Build America – Direct Payment) (collectively, the "Series 2009 Bonds"), which rank pari passu with the Series 2010 Bonds and are equally and ratably secured by and entitled to the protection of the Indenture, as further provided and limited therein. In addition, the Indenture provides that the Issuer may hereafter issue additional series of Bonds from time to time under certain terms and conditions contained in the Indenture and, if issued, such additional series of

Bonds will rank pari passu with the Series 2009 Bonds and the Series 2010 Bonds and be equally and ratably secured by and entitled to the protection of the Indenture, as further provided and limited therein (the Series 2009 Bonds, the Series 2010 Bonds and any additional series of Bonds being herein referred to collectively as the "Bonds"). The Indenture is on file in the offices of the Treasurer and Trustee and reference is hereby made to the Indenture for a more complete description of the Pledged Funds pledged and assigned, the provisions with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the holders of the Bonds and the issuance of additional series of Bonds, and the terms upon which the Bonds are issued and secured.

The Series 2010 Bonds are issued under the provisions of, and in full compliance with, the Constitution and the laws of the State, particularly Iowa Code Section 8.57(6)(e), 12.87, through 12.90, inclusive, 123.53 (each as established or amended by Senate File 367, 83rd G.A. 1st Sess. (Iowa 2009) and Senate File 2389, 83rd G.A., 2nd Sess. (Iowa 2010)), 99D.17 and 99F.11 (Iowa 2009).

THE SERIES 2010A[B] BONDS ARE LIMITED SPECIAL OBLIGATIONS OF THE STATE AND DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE, NOR OF ANY POLITICAL SUBDIVISION OF THE STATE OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR GENERAL FUND OF THE STATE. THE ISSUANCE AND SALE OF THE SERIES 2010A[B] BONDS DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR A POLITICAL SUBDIVISION OF THE STATE TO APPLY MONEYS FROM OR TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER, OR TO CONTINUE THE APPROPRIATION OF FUNDS FOR THE PAYMENT OF THE BONDS. THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2010A[B] BONDS ARE PAYABLE SOLELY FROM, AND SECURED BY A PLEDGE OF THE PLEDGED FUNDS.

The term "Business Day" shall mean a day of the year on which banks located in the city in which the principal corporate trust office of the Trustee is located are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

The Series 2010A[B] Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. At the principal corporate trust office of the Trustee, in the manner and subject to the limitations, conditions and charges provided in the Indenture, Bonds may be exchanged for an equal aggregate principal amount of Series 2010A[B] Bonds of other authorized denominations.

The Series 2010A Bonds are subject to redemption prior to their stated maturity at the option of the Issuer, in whole or in part, on any Business Day on or after June 1, 2020 at a price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued thereon to the date of redemption.

[The Series 2010B Bonds shall be subject to redemption prior to their stated maturity at the option of the State, in whole or in part (and if in part, in denominations of \$5,000 or any integral multiple thereof), on any Business Day, at a redemption price equal to 100% the principal amount of Series 2010B Bonds to be redeemed plus the Make-Whole Premium (defined herein), if any, plus accrued interest to the date of redemption.

The “Make-Whole Premium” is the amount calculated by the Calculation Agent equal to the positive difference, if any, between:

(i) The sum of the present values, calculated as of the date fixed for redemption of:

(A) Each interest payment that, but for the redemption, would have been payable on the Series 2010B Bond or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2010B Bond (excluding any unpaid accrued interest to the date fixed for redemption); plus

(B) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series 2010B Bond or portion thereof being redeemed; and

(ii) The principal amount of the Series 2010B Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (a) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield, plus the Spread.

“Calculation Agent” means a commercial bank or an investment banking institution of national standing that is a primary dealer of United States government securities (which may be one of the institutions that served as underwriters for the Series 2010B Bonds) designated by the State.

“Comparable Treasury Issue” means the United States Treasury security selected by the Calculation Agent as having a maturity comparable to the remaining term to maturity of the Series 2010B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2010B Bond being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series 2010B Bond or portion thereof is being redeemed, either (a) the average of four Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Calculation Agent is unable to obtain four such quotations, the average

of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time at least three business days but not more than 45 calendar days preceding the date fixed for redemption.

“Comparable Treasury Yield” means the yield that represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2010B Bond being redeemed. The Comparable Treasury Yield will be determined at least three business days but not more than 45 calendar days preceding the date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2010B Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2010B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2010B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“Reference Treasury Dealer” means a primary dealer of United States Government securities (which may be one of the institutions that served as underwriters for the Series 2010B Bonds) appointed by the State and reasonably acceptable to the Calculation Agent.

“Spread” means 0.30% for optional redemptions of Series 2010B Bonds.]

The Series 2010A Bonds are also subject to mandatory redemption from sinking fund installments as provided in the Indenture.

This Bond is transferable by the registered owner hereof on the books of the Issuer to be kept by the Trustee, in person or by his attorney duly authorized in writing upon surrender of this Bond for transfer at the principal corporate trust office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney in fact, duly authorized in writing, and upon payment of the charges and subject to the conditions

provided in the Indenture. Upon such transfer, a new Bond or Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Issuer, the Trustee, and any transfer agent or co-registrar, may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of, or on account of, principal hereof and premium, if any, and interest due hereon (subject to the provisions of the Indenture and this Bond regarding Record Dates) and for all other purposes, and neither the Issuer, the Trustee, or any transfer agent or co-registrar shall be affected by any notice to the contrary.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture may be made with the consent of the owners of not less than two-thirds in aggregate principal amount of the Bonds then outstanding. The Indenture also contains provisions permitting the owners of certain percentages in aggregate principal amount of the Bonds at the time outstanding, as defined in the Indenture, on behalf of the owners of all Bonds, by written waiver, to waive certain past defaults under the Indenture and their consequences. The Indenture also contains provisions permitting the amendment thereof without the consent of the Bondholders in limited circumstances involving changes to cure defects and ambiguities, to confer additional benefits and pledge additional property, to authorize the issuance of additional series of Bonds and other instances set forth in the Indenture.

Any term used in this Bond as a defined term but not defined in this Bond shall be as defined in the Indenture.

Neither the officials nor the employees of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The Issuer hereby certifies, recites and declares that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

This Bond is issued with the intent that the laws of the State will govern its construction.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the Treasurer of the State of Iowa, as of the Dated Date.

STATE OF IOWA,
Acting By and Through the Treasurer of
the State of Iowa

By _____ (facsimile) _____
Treasurer of the State of Iowa

(Form of the Certificate of Authentication)

This Bond is one of the Series 2010A[B] Bonds of the issue described in the within-mentioned Series 2010 Supplemental Master Indenture of Trust.

Date of Authentication: _____

WELLS FARGO BANK,
NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Officer

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, attorney in fact to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____.

(Signature of registered owner(s))

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) _____

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the fact of the certificate(s) or bond(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee should be made by a member or member organization of the New York Stock Exchange, members of other Exchanges having signatures on file with transfer agents or by a commercial bank or trust company.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
Address of Transferee(s) _____
Social Security or Tax
Identification Number of
Transferee(s) _____
Transferee is a(n):
Individual* _____ Corporation _____
Partnership _____ Trust _____

*If the certificate is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of
survivorship and not as tenants in
common

UNIF GIFT MIN ACT -Custodian.....
(Cust) (Minors)
under Uniform Gifts to Minors
Act.....
(State)

(End of Series 2010 Bond Form)

Section 2.04. Delivery of Series 2010 Bonds. Upon the execution and delivery of this Series 2010 Supplemental Indenture, the Treasurer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2010 Bonds and deliver them to the purchasers thereof as directed by the Treasurer as herein after in this Section provided.

Prior to the delivery by the Trustee of any of the Series 2010 Bonds, there shall be filed with the Trustee:

1. A request and authorization to the Trustee on behalf of the Issuer and signed by the Treasurer to authenticate and deliver the Series 2010 Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization. The proceeds of such payment shall be paid over to the Trustee and deposited in the various funds specified in, and pursuant to, Article IV hereof.

2. The unqualified approving opinion of Dorsey & Whitney LLP, Bond Counsel, that the Series 2010A Bonds are legally issued and that interest on the Series 2010 Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions.

3. An executed copy of this Series 2010 Supplemental Indenture.

4. An executed copy of the Amended and Restated Interdepartmental Agreement dated as of October 1, 2010 by and among the Treasurer, State of Iowa, the Department of Management of the State of Iowa and the Alcoholic Beverages Division of the Department of Commerce of the State of Iowa.

Section 2.05. Execution of Series 2010 Bonds; Status as Limited Special Obligations. The Series 2010 Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Treasurer. In case the Treasurer whose signature shall appear on the Series 2010 Bonds shall cease to be such officer before the delivery of the Series 2010 Bonds, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

THE BONDS ARE LIMITED SPECIAL OBLIGATIONS OF THE STATE AND DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE, NOR OF ANY POLITICAL SUBDIVISION OF THE STATE OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR GENERAL FUND OF THE STATE. THE ISSUANCE AND SALE OF THE BONDS DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR A POLITICAL SUBDIVISION OF THE STATE TO APPLY MONEYS FROM OR TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER TO, OR TO CONTINUE THE APPROPRIATION OF FUNDS FOR THE PAYMENT OF THE BONDS. THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM, AND SECURED BY A PLEDGE OF THE PLEDGED FUNDS.

Section 2.06. Book-Entry Bonds. The ownership of all Series 2010 Bonds shall be evidenced by one fully registered Series 2010 Bond for each series and maturity registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). In the event the Treasurer determines that the continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the owners of beneficial interests in the Series 2010 Bonds (the "Beneficial Owners") or is burdensome to the Treasurer, the Treasurer will notify DTC and the Trustee, whereupon DTC will notify DTC participants of the availability through DTC of Bond certificates. In such event, the Treasurer shall execute and the Trustee shall transfer and exchange Series 2010 Bond certificates as requested by DTC of like principal amount and series, in denominations authorized in Section 2.02 hereof to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interests in the Series 2010 Bonds.

ARTICLE III
REDEMPTION OF SERIES 2010 BONDS

Section 3.01. Optional Redemption.

(a) The Series 2010A Bonds shall be subject to redemption prior to their stated maturity at the option of the State, in whole or in part (and if in part, in denominations of \$5,000 or any integral multiple thereof), on any Business Day on or after June 1, 2020, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption.

(b) The Series 2010B Bonds shall be subject to redemption prior to their stated maturity at the option of the State, in whole or in part (and if in part, in denominations of \$5,000 or any integral multiple thereof), on any Business Day, at a redemption price equal to 100% the principal amount of Series 2010B Bonds to be redeemed plus the Make-Whole Premium (defined herein), if any, plus accrued interest to the date of redemption.

The “Make-Whole Premium” is the amount calculated by the Calculation Agent equal to the positive difference, if any, between:

(i) The sum of the present values, calculated as of the date fixed for redemption of:

(A) Each interest payment that, but for the redemption, would have been payable on the Series 2010B Bonds or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2010B Bonds (excluding any unpaid accrued interest to the date fixed for redemption); plus

(B) The principal amount that, but for such redemption, would have been payable on the maturity dates of the Series 2010B Bonds or portion thereof being redeemed; and

(ii) The principal amount of the Series 2010B Bonds or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (A) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield, plus the Spread.

Section 3.02. Mandatory Redemption.

(a) The Series 2010A Bonds maturing on June 1, 2034 and bearing interest at a rate of 5.25% per annum shall be subject to mandatory redemption from sinking fund payments, at a

redemption price equal to the principal amount thereof, plus interest accrued to the date of redemption, without premium, on the dates and in the amounts as follows:

<u>(June 1)Date</u>	<u>Principal Amount</u>
2031	\$875,000
2032	875,000
2033	875,000
2034*	875,000

* Maturity

(b) The Series 2010A Bonds maturing on June 1, 2034 and bearing interest at a rate of 4.00% per annum shall be subject to mandatory redemption from sinking fund payments, at a redemption price equal to the principal amount thereof, plus interest accrued to the date of redemption, without premium, on the dates and in the amounts as follows:

<u>(June 1)Date</u>	<u>Principal Amount</u>
2031	\$6,365,000
2032	6,560,000
2033	5,995,000
2034*	7,280,000

* Maturity

(c) The Series 2010A Bonds maturing on June 1, 2038 shall be subject to mandatory redemption from sinking fund payments, at a redemption price equal to the principal amount thereof, plus interest accrued to the date of redemption, without premium, on the dates and in the amounts as follows:

<u>(June 1)Date</u>	<u>Principal Amount</u>
2035	\$8,505,000
2036	8,925,000
2037	9,360,000
2038*	7,145,000

* Maturity

Section 3.03. Selection of Bonds for Redemption.

(a) The Series 2010A Bonds shall be redeemed only in denominations of \$5,000 or any integral multiple thereof. If less than all of the Series 2010A Bonds are to be redeemed, the State shall select the maturity or maturities of the Series 2010A Bonds to be redeemed and, if less than all of a specified maturity of the Series 2010A Bonds are to be redeemed, the Trustee

shall select Series 2010A Bonds of such maturity by lot or in such other manner as the Trustee in its discretion deems fair.

(b) The Series 2010B Bonds shall be redeemed only in denominations of \$5,000 or any integral multiple thereof. If the Series 2010B Bonds are registered in book-entry form and DTC or a successor securities depository is the sole registered owner of the Series 2010B Bonds, the particular Series 2010B Bonds or portions thereof to be redeemed shall be selected on a "pro rata pass-through distribution of principal basis" in accordance with DTC procedures; provided that, so long as the Series 2010B Bonds are held in book-entry form, the selection for redemption of such Series 2010B Bonds shall be made in accordance with the operational arrangements of DTC then in effect; provided, however, that the portion of any Series 2010B Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2010B Bonds will be selected for redemption, in accordance with DTC procedures. If the Series 2010B Bonds are not registered in book-entry form through DTC or a successor securities depository, the particular Series 2010B Bonds or portions thereof to be redeemed will be selected by the Trustee on a pro rata distribution of principal basis among all of the Owners of the Series 2010B Bonds based on the principal amount of Series 2010B Bonds owned by such Owners, provided, however, that the portion of any Series 2010A Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof.

ARTICLE IV
PLEDGED FUNDS AND FUNDS

Section 4.01. Application of Series 2010 Bond Proceeds.

(a) The proceeds of the Series 2010A Bonds (\$165,042,388.77) (par amount of \$151,310,000.00 plus net premium of \$14,553,490.05 less Underwriter's discount of \$821,101.28) shall be delivered to the Trustee and deposited as follows:

(i) The amount of \$15,042,388.77 shall be delivered to the Trustee and deposited as follows:

(A) For deposit in the Tax-Exempt Bonds Account of the Cost of Issuance Fund, the sum of \$269,920.02;

(B) For deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund, the sum of \$10,201,750.00; and

(C) For deposit in the Tax-Exempt Bonds Subaccount of the Capitalized Interest Account of the Bond Fund, the sum of \$4,570,718.75.

(ii) The balance of the proceeds received from the sale of the Series 2010A Bonds (\$150,000,000.00) shall be delivered to the Treasurer for deposit in the Revenue Bonds Capitals II Fund.

(b) The proceeds of the Series 2010B Bonds (\$25,451,891.23) (par amount of \$25,585,000.00, less Underwriter's discount of \$133,108.77) shall be delivered to the Trustee and deposited as follows:

(i) The amount of \$22,560,600.00 shall be deposited in the Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund;

(ii) The amount of \$2,273,636.26 shall be deposited in the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund;

(iii) The amount of \$550,241.45 shall be deposited in the Taxable Nonsubsidy Bonds Subaccount of the Capitalized Interest Account of the Bond Fund; and

(iv) The amount of \$67,413.52 shall be deposited in the Taxable Nonsubsidy Bonds Account of the Costs of Issuance Fund.

Section 4.02. Disbursements from Cost of Issuance Fund. The Trustee shall make disbursements from the Cost of Issuance Fund in accordance with the Master Indenture. Upon receipt by the Trustee of a certificate from the Treasurer directing that any amounts remaining in

the Tax-Exempt Bonds Account of the Cost of Issuance Fund from the deposit provided for in Section 4.01(a) hereof are to be transferred to the Revenue Bonds Capitals II Fund, such amounts shall, notwithstanding Section 4.06 of the Master Indenture immediately be transferred by the Trustee to the Treasurer for deposit in the Revenue Bonds Capitals II Fund. Upon receipt by the Trustee of a certificate directing that any amount remaining in the Taxable Nonsubsidy Bonds Account of the Cost of Issuance Fund from the deposit provided in Section 4.01(b) hereof are to be transferred to the Taxable Nonsubsidy Bonds Account of the Bond Fund, such amounts shall notwithstanding Section 4.06 of the Master Indenture, immediately be transferred to the Taxable Nonsubsidy Bonds Account of the Bond Fund.

Section 4.03. Disbursements from Capitalized Interest Account

(a) On the Transfer Days immediately preceding December 1, 2010 and June 1, 2011, there shall be transferred from the Tax-Exempt Bonds Subaccount of the Capitalized Interest Account of the Bond Fund to the Tax-Exempt Bonds Account of the Bond Fund to be used to pay interest due on the Series 2010A Bonds on the next Interest Payment Date an amount equal to the interest payable on the Series 2010A Bonds on December 1, 2010 and June 1, 2011, respectively. Any amounts remaining in the Tax-Exempt Bonds Subaccount of the Capitalized Interest Account of the Bond Fund on or after June 1, 2011 shall be transferred to the Revenue Bonds Capitals II Fund.

(b) On the Transfer Days immediately preceding December 1, 2010 and June 1, 2011, there shall be transferred from the Taxable Nonsubsidy Bonds Subaccount of the Capitalized Interest Account of the Bond Fund to the Taxable Nonsubsidy Bonds Account of the Bond Fund to be used to pay interest due on the Series 2010B Bonds on the next Interest Payment Date an amount equal to the interest payable on the Series 2010B Bonds on December 1, 2010 and June 1, 2011, respectively. Any amounts remaining in the Taxable Nonsubsidy Bonds Subaccount of the Capitalized Interest Account of the Bond Fund on or after June 1, 2011 shall be transferred to the Taxable Nonsubsidy Bonds Account of the Bond Fund.

Section 4.04. Scheduled Draws on Bond Reserve Fund.

(a) In addition to any other scheduled transfers from the Tax-Exempt Bonds Account of the Bond Reserve Fund as provided in the Series 2009 Supplemental Indenture or in a Supplemental Indenture with respect to the issuance and delivery of additional bonds, the following transfers shall be made from the Tax-Exempt Bonds Account of the Bond Reserve Fund to the Tax-Exempt Bonds Account of the Bond Fund:

(i) On July 2, 2036 there shall be transferred from the Tax-Exempt Bonds Account of the Bond Reserve Fund to the Tax-Exempt Bonds Account of the Bond Fund an amount which when subtracted from the amount on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund will leave a balance therein equal to the Tax-Exempt Bond Reserve Fund Requirement after July 1, 2036;

(ii) On July 2, 2037 there shall be transferred from the Tax-Exempt Bonds Account of the Bond Reserve Fund to the Tax-Exempt Bonds Account of the Bond Fund an amount which when subtracted from the amount on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund will leave a balance therein equal to the Tax-Exempt Bond Reserve Fund requirement after July 1, 2037; provided, however, that if the Series 2010A Bonds are the only Tax-Exempt Bonds then Outstanding under the Indenture, all amounts on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund shall be transferred from the Tax-Exempt Bonds Account of the Bond Reserve Fund to the Tax-Exempt Bonds Account of the Bond Fund on such date.

(b) The following transfer shall be made from the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund and the Cash Funded Account of the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund to the Taxable Nonsubsidy Bonds Account of the Bond Fund:

On July 2, 2025, there shall be transferred from the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund to the Taxable Nonsubsidy Bonds Account of the Bond Fund an amount which when subtracted from the amount on deposit in the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund will leave a balance therein equal to the Taxable Nonsubsidy Bond Reserve Fund Requirement after July 1, 2025, provided, however, that if the Series 2010B Bonds are the only Taxable Nonsubsidy Bonds then Outstanding under the Indenture, all amounts on deposit in the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund shall be transferred to the Taxable Nonsubsidy Bonds Account of the Bond Fund on such date.

Section 4.05. Source of Payment of Series 2010 Bonds. The Series 2010 Bonds and all payments by the Issuer hereunder are limited and special obligations of the Issuer and are payable solely out of Pledged Funds as authorized by the Constitution and laws of the State, including particularly the Act, as provided herein and in the Master Indenture. The Series 2010 Bonds and the Issuer's other obligations hereunder are solely and exclusively limited special obligations of the Issuer and do not constitute or create a general obligation of the Issuer or any political subdivision of the Issuer.

ARTICLE V COVENANTS

Section 5.01. Payment of Principal and Interest. The Issuer covenants that it will promptly pay the principal of and interest on every Series 2010 Bond issued under this Series 2010 Supplemental Indenture at the place, on the dates and in the manner provided herein and in the Series 2010 Bonds according to the true intent and meaning thereof, provided that the principal and interest are payable by the Issuer solely from Pledged Funds, and nothing in the Series 2010 Bonds or this Series 2010 Supplemental Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Pledged Funds.

Section 5.02. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Series 2010 Supplemental Indenture, in any and every Series 2010 Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto; that the Treasurer is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Series 2010 Bonds authorized hereby and to execute this Series 2010 Supplemental Indenture; that all actions on its part for the issuance of the Series 2010 Bonds and the execution and delivery of this Series 2010 Supplemental Indenture have been duly and effectively taken, and that the Series 2010 Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 5.03. Not To Adversely Affect Exempt Status Of Interest On The Series 2010A Bonds. The Issuer will not knowingly take any affirmative action or omit to take any action, which action or omission will adversely affect the exemption from federal income taxation of interest paid on the Series 2010A Bonds, and, in the event any such action or omission shall be brought to the attention of the Treasurer, it will, promptly upon having any such action or omission brought to its attention, take such reasonable actions based upon advise of counsel as may rescind or otherwise negate or cure such action or omission.

ARTICLE VI
AMENDMENTS TO MASTER INDENTURE AND SERIES 2009 SUPPLEMENTAL
INDENTURE

Section 6.01. Amendments to Article I of the Master Indenture.

(a) The defined terms “Taxable Bonds” and “Taxable Bond Reserve Fund Requirement” in the Master Indenture are hereby deleted.

(b) The following terms defined in the Master Indenture are hereby deleted and the following inserted in lieu thereof:

“Act” means, collectively, Iowa Code Sections 8.57(6)(e), 12.87 through 12.90, inclusive, 123.53 (each as established or amended by S.F. 376, Senate File 2380, 23rd G.A., 2nd Sess. (Iowa 2010) and Senate File 2389, 83rd G.A., 2nd Sess. (Iowa 2010)), 99D.17 and 99F.11 (Iowa 2009).

“Funds” or “Fund” means the Funds created by Article IV hereof or under the terms of any Supplemental Indenture, the Revenue Bonds Debt Service Fund and the Revenue Bonds Federal Subsidy Holdback Fund.

“Gaming Revenues Appropriation” means, collectively, the First Gaming Revenues Appropriation and the Second Gaming Revenues Appropriation.

“Gaming Revenues Deficit” means, collectively, the First Gaming Revenues Deficit and the Second Gaming Revenues Deficit.

“Pledged Funds” means the moneys, assets, revenues and amounts on deposit in the Revenue Bonds Debt Service Fund (other than the moneys, assets, revenues and amounts on deposit in the Unpledged Funds Account of the Revenue Bonds Debt Service Fund), the Revenue Bonds Federal Subsidy Holdback Fund, the Bond Fund, the Bond Reserve Fund and any other sums of money pledged pursuant to the Indenture. “Pledged Funds” does not include the Rebate Fund.

“Revenue Bonds Beer and Liquor Revenues Appropriation” means that portion of the Beer and Liquor Revenues which is appropriated by the State for deposit into the Revenue Bonds Debt Service Fund and/or the Revenue Bonds Federal Subsidy Holdback Fund in a Fiscal Year.

“Trust Estate” means the property, rights, Pledged Funds, and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof and the additional funds described in Section 6.04 of this Series 2010 Supplemental Indenture.

(b) The following terms are added to Article I of the Master Indenture:

“First Gaming Revenues Appropriation” means the first \$55,000,000 of Gaming Revenues directed to be deposited in the general fund of the State in a Fiscal Year commencing with the Fiscal Year beginning July 1, 2010 pursuant to Iowa Code Section 8.57(6)(e)(1)(a)(i) (Supp. 2009), as amended by S.F. 2389, Section 75, which are required under Section 8.57(6)(e)(1)(a)(ii) (Supp. 2009), as amended by S.F. 2389, Section 75, to be deposited in the Revenue Bonds Debt Service Fund.

“First Gaming Revenues Deficit” means the amount, if any determined by subtracting the amount of Gaming Revenues received and deposited in the Revenue Bonds Debt Service Fund during a Fiscal Year from \$55,000,000.

“Revenue Bonds Capitals II Fund” means the Revenue Bonds Capitals II Fund established in the office of the Treasurer pursuant to the Act.

“Revenue Bonds Federal Subsidy Holdback Fund” means the Revenue Bonds Federal Subsidy Holdback Fund established in the office of the Treasurer pursuant to the Act.

“Second Gaming Revenues Appropriation” means the next \$3,750,000 of Gaming Revenues directed to be deposited in the general fund of the State in a Fiscal Year commencing with the Fiscal Year beginning July 1, 2010 after taking into account the First Gaming Revenues Appropriation, under Iowa Code Section 8.57(6)(e)(1)(a)(i) (Supp. 2009), as amended by S.F. 2389, Section 75, which are required under Section 8.57(6)(e)(1)(a)(ii) (Supp. 2009), as amended by S.F. 2389, Section 75, to be deposited in the Revenue Bonds Federal Subsidy Holdback Fund.

“Second Gaming Revenues Deficit” means the amount, if any, determined by subtracting the amount of Gaming Revenues received and deposited in the Revenue Bonds Federal Subsidy Holdback Fund during a Fiscal Year from \$3,750,000.

“S.F. 2389” means Senate File 2389, 83rd G.A., 2nd Sess. (Iowa 2010).

"Taxable Nonsubsidy Bond Reserve Fund Requirement" means an amount equal to the sum of the Series Bond Reserve Fund Requirements for each series of Taxable Nonsubsidy Bonds at the time Outstanding.

"Taxable Nonsubsidy Bonds" means Bonds the interest on which is includable in the gross income of the holders thereof for federal income tax purposes, other than Taxable Subsidy Bonds.

"Taxable Subsidy Bond Reserve Fund Requirement" means an amount equal to the sum of the Series Bond Reserve Fund Requirements for each series of Taxable Subsidy Bonds at the time Outstanding.

“Taxable Subsidy Bonds” means Bonds, the interest on which is included in the gross income of the holders thereof for federal income tax purposes, and for which the Issuer expects to receive Subsidy Payments.

Section 6.02. Amendments to Article IV of the Master Indenture.

(a) Section 4.02 of the Master Indenture is hereby deleted, and the following inserted in lieu thereof:

Section 4.02. Creation of Funds. There are hereby established by the Treasurer and ordered created with the Trustee the following Funds to be held by the Trustee (1) the Bond Fund and a Capitalized Interest Account within the Bond Fund, (2) the Cost of Issuance Fund, (3) the Bond Reserve Fund, and (4) the Rebate Fund. Within each Fund or Account within a Fund (other than the Rebate Fund) the Trustee shall maintain a separate Tax-Exempt Bonds Account or Subaccount, a Taxable Subsidy Bonds Account or Subaccount, and a Taxable Nonsubsidy Bonds Account or Subaccount. Within the Rebate Fund the Trustee shall maintain a separate Tax-Exempt Bonds Account and Taxable Subsidy Bonds Account. Subaccounts within each Fund or Account may be established by a Supplemental Indenture.

(b) Section 4.03 of the Master Indenture is hereby deleted, and the following inserted in lieu thereof:

Section 4.03. Bond Fund; Debt Service Payments. There shall be deposited into the Capitalized Interest Account of the Bond Fund all accrued interest received, if any, at the time of issuance and delivery of the Bonds; provided that, unless otherwise specified in a Supplemental Indenture, accrued interest and any amounts intended as capitalized interest received with regard to Taxable Subsidy Bonds shall be deposited in the Taxable Subsidy Bonds Subaccount of the Capitalized Interest Account, accrued interest and any amounts intended as capitalized interest received with regard to Tax-Exempt Bonds shall be deposited in the Tax-Exempt Bonds Subaccount of the Capitalized Interest Account, and accrued interest and any amounts intended as capitalized interest received with regard to Taxable Nonsubsidy Bonds shall be deposited in the Taxable Nonsubsidy Bonds Subaccount of the Capitalized Interest Account. In addition, there shall be deposited into the Bond Fund, as and when received, (a) all Debt Service Payments, (b) amounts received from the Treasurer for the payment of the principal of, premium, if any, and interest on the Bonds, whether at the stated maturity thereof or as a result of a redemption prior to maturity, or otherwise, (c) all Subsidy Payments, and (d) all other moneys (including any amounts intended as capitalized interest, which shall be deposited in the Capitalized Interest Account as provided in this Section and any transfers from the Bond Reserve Fund) received by the Trustee under and pursuant to any of the provisions of this Indenture which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Treasurer covenants and agrees that, should there be an Event of Default, the Treasurer shall fully cooperate with the Trustee and with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and use its best efforts so that at all times sufficient amounts will be available to promptly meet and pay the principal of and premium, if any, and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer or the Treasurer to use any funds or revenues from any source other than as set forth herein.

Beginning on the first Transfer Day of each Fiscal Year and continuing on each subsequent Transfer Day thereafter, until an amount sufficient to pay the Annual Debt Service due and payable on the Bonds during such Fiscal Year (or such other amount as specified in a Supplemental Indenture) shall have been deposited in the Bond Fund the Treasurer shall pay to the Trustee, as a Debt Service Payment on the Bonds, all funds on deposit in the Revenue Bonds Pledged Funds Account on such Transfer Day.

Notwithstanding the foregoing, the Debt Service Payment due on the Transfer Day immediately prior to a Principal Payment Date shall be an amount equal to the Annual Debt Service due and payable on the Bonds during the Fiscal Year in which such Transfer Day occurs, (or such other amount as specified in a Supplemental Indenture) minus (i) the amounts on deposit in the Bond Fund on such Transfer Day and (ii) any amounts previously paid to Bondholders on any Interest Payment Date occurring during such Fiscal Year and prior to such Transfer Day.

All earnings on funds in each Account or Subaccount of the Bond Fund shall be deposited as received in the corresponding Account or Subaccount of the Bond Fund.

The Trustee shall, fifteen days after each Interest Payment Date occurring during a Fiscal Year, transfer any funds held in the Bond Fund (other than amounts deposited in a Capitalized Interest Account of the Bond Fund, which will be disbursed as provided in the Supplemental Indenture authorizing the issuance of Bonds related to such amounts) in excess of the amount needed to pay remaining unpaid Annual Debt Service on all Bonds during such Fiscal Year to the Treasurer for deposit in the Revenue Bonds Unpledged Funds Account.

Notwithstanding any provision herein to the contrary, unless otherwise provided in a Supplemental Indenture, any amount (the "Bond Fund Deposit Amount") to be deposited in the Bond Fund pursuant to this Indenture or any Supplemental Indenture (other than accrued interest, any amounts intended as capitalized interest and any transfers from the Bond Reserve Fund, which shall be deposited as otherwise provided herein or in a Supplemental Indenture, any transfers from the Revenue Bonds Federal Subsidy Holdback Account, which shall be deposited in the Taxable Subsidy Bonds Account of the Bond Fund as provided herein or in a Supplemental Indenture, and any Subsidy Payments, which shall be deposited in the Taxable Subsidy Bonds Account of the Bond Fund or as otherwise provided in a Supplemental Indenture) shall be deposited as follows:

(x) in the Tax-Exempt Bonds Account of the Bond Fund in an amount equal to the excess of

(i) the Bond Fund Deposit Amount multiplied by the percentage determined by dividing the Annual Debt Service on such Tax-Exempt Bonds for the Fiscal Year during which such Bond Fund Deposit Amount is made by the Annual Debt Service on all Bonds for such Fiscal Year, over

(ii) the sum of

(A) any amounts transferred or scheduled to be transferred pursuant to a Supplemental Indenture to the Tax-Exempt Bonds Account of the Bond Fund from the Tax-Exempt Subaccount of the Capitalized Interest Account of the Bond Fund or the Tax-Exempt Bonds Account of the Bond Reserve Fund during such Fiscal Year and not previously applied to pay Debt Service with respect to Tax-Exempt Bonds; and

(B) any amounts of Debt Service with respect to such Tax-Exempt Bonds for such Fiscal Year previously paid during such Fiscal Year; and

(C) any other amounts then on deposit in the Tax-Exempt Bonds Account of the Bond Fund.

(y) in the Taxable Subsidy Bonds Account of the Bond Fund in an amount equal to the excess of

(i) the Bond Fund Deposit Amount multiplied by the percentage determined by dividing the Annual Debt Service on such Taxable Subsidy Bonds for the Fiscal Year during which such Bond Fund Deposit Amount is made by the Annual Debt Service on all Bonds for such Fiscal Year, over

(ii) the sum of

(A) any amounts transferred or scheduled to be transferred pursuant to a Supplemental Indenture to the Taxable Subsidy Bonds Account of the Bond Fund from the Taxable Subsidy Bonds Subaccount of the Capitalized Interest Account of the Bond Fund, the Taxable Subsidy Bonds Account of the Bond Reserve Fund or the Revenue Bonds Federal Subsidy Holdback Account of the Revenue Bonds Debt Service Fund during such Fiscal Year and not previously applied to pay Debt Service with respect to such Taxable Subsidy Bonds; and

(B) any Subsidy Payments deposited in the Taxable Subsidy Bonds Account of the Bond Fund during such Fiscal Year and not previously applied to pay Debt Service with respect to such Taxable Subsidy Bonds; and

(C) any amounts of Debt Service with respect to such Taxable Subsidy Bonds for such Fiscal Year previously paid during such Fiscal Year; and

(D) any other amounts then on deposit in the Taxable Subsidy Bonds Account of the Bond Fund.

(z) the remaining amounts to be so deposited shall be deposited in the Taxable Nonsubsidy Bonds Account of the Bond Fund.

Notwithstanding any provision herein to the contrary and unless otherwise specified in a Supplemental Indenture, amounts on deposit in the Tax-Exempt Bonds Subaccount of the Capitalized Interest Account of the Bond Fund and the Tax-Exempt Bonds Account of the Bond Fund consisting of proceeds of Tax-Exempt Bonds may be used only to pay principal of, premium, if any and interest on Tax-Exempt Bonds, amounts on deposit in the Taxable Subsidy Bonds Subaccount of the Capitalized Interest Account of the Bond Fund and the Taxable Subsidy Bonds Account of the Bond Fund consisting of proceeds of Taxable Subsidy Bonds may be used only to pay principal of, premium, if any and interest on Taxable Subsidy Bonds, and amounts on deposit in the Taxable Nonsubsidy Bonds Subaccount of the Capitalized Interest Account of the Bond Fund and the Taxable Nonsubsidy Bonds Account of the Bond Fund consisting of proceeds of Taxable Nonsubsidy Bonds may be used only to pay principal of, premium, if any and interest on Taxable Nonsubsidy Bonds.

(c) Section 4.06 of the Master Indenture is hereby deleted, and the following inserted in lieu thereof:

Section 4.06. Cost of Issuance Fund. There shall be deposited in the Cost of Issuance Fund such amounts as are set forth in the Supplemental Indenture authorizing each series of Bonds; provided that, in the event more than one category of Tax-Exempt Bonds, Taxable Subsidy Bonds or Taxable Nonsubsidy Bonds are issued, such amounts as are set forth in such Supplemental Indenture shall be deposited in the Tax-Exempt Bonds Account of the Cost of Issuance Fund, the Taxable Subsidy Bonds Account of the Cost of Issuance Fund and the Taxable Nonsubsidy Bonds Account of the Cost of Issuance Fund, such amounts as are set forth in a Supplemental Indenture authorizing each series of Bonds. The Trustee is hereby authorized and directed to make disbursements from the respective account of the Cost of Issuance Fund in accordance with certificates signed by the Treasurer setting forth the amount to be disbursed and the recipient of the disbursement and that the disbursement is a cost incurred in connection with the issuance of Bonds under this Indenture; provided that no proceeds of Tax-Exempt Bonds may be used to pay costs of issuance related to Taxable Subsidy Bonds or Taxable Nonsubsidy Bonds and no proceeds of Taxable Subsidy Bonds may be used to pay costs of issuance related to Tax-Exempt Bonds or Taxable Nonsubsidy Bonds. All earnings on funds in the Cost of Issuance Fund shall be deposited as received in the Bond Fund, unless the Treasurer, in consultation with Bond Counsel, determines that it is necessary to transfer such earnings to another fund or account. Any amount remaining in the Cost of Issuance Fund after payment of all amounts directed to be paid therefrom by the Treasurer shall be deposited in the Revenue Bonds Capitals Fund or as otherwise provided in a Supplemental Indenture.

(d) Section 4.07 of the Master Indenture is hereby deleted, and the following inserted in lieu thereof:

Section 4.07. Bond Reserve Fund. There shall be deposited in the Bond Reserve Fund (or in the Tax-Exempt Bonds Account of the Bond Reserve Fund, the Taxable Subsidy Bonds Account of the Bond Reserve Fund, or the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund, as set forth in a Supplemental Indenture, in the event more than one category of Tax-Exempt Bonds, Taxable Subsidy Bonds or Taxable Nonsubsidy Bonds are issued) such

amounts as are set forth in the Supplemental Indenture authorizing each series of Bonds. Amounts in the Bond Reserve Fund shall be used only for the payment of principal, interest, redemption premium, if any, and the Debt Service Payments with respect to the Bonds. If at any time there are insufficient moneys in the Bond Fund on an Interest Payment Date to pay the principal of, premium, if any, and interest on the Bonds, the Trustee shall use amounts in the Bond Reserve Fund for such purpose and shall notify the Treasurer of such use. As soon after receipt of any such notice that funds are available in the Revenue Bonds Debt Service Fund for such purpose, the Treasurer shall transfer moneys from the Revenue Bonds Debt Service Fund in amounts sufficient to replenish the amount in the Bond Reserve Fund to the Bond Reserve Fund Requirement.

In addition, if the amounts on deposit in the Bond Fund on any Transfer Day immediately prior to a Principal Payment Date are insufficient to satisfy the Debt Service Payment for such Transfer Day determined pursuant to Section 4.03 hereof to be due on such day, the Trustee shall immediately transfer from the Bond Reserve Fund to the Bond Fund such amount as is necessary to make up such deficiency and shall account for such transfer in the Annual Valuation for such year.

The Trustee shall perform an Annual Valuation of amounts on deposit in the Bond Reserve Fund and shall provide a copy of each Annual Valuation to the Treasurer. If, upon the Annual Valuation it is determined that amounts on deposit in the Bond Reserve Fund are in excess of the Bond Reserve Fund Requirement (such amounts on deposit in the Bond Reserve Fund in excess of the Bond Reserve Fund Requirement are hereinafter referred to as "Excess Funds"), the Trustee shall notify the Treasurer of the Excess Funds, and the Treasurer shall have the discretion to retain the Excess Funds in the Bond Reserve Fund or transfer the Excess Funds to the Bond Fund. The Treasurer agrees to direct the Trustee to transfer the Excess Funds to the Bond Fund (unless the Treasurer, in consultation with Bond Counsel, determines that it is necessary to transfer such Excess Funds to another fund) or retain them in the Bond Reserve Fund. If the Treasurer makes no such direction, the Trustee shall retain the Excess Funds in the Bond Reserve Fund. In the event the amount in the Bond Reserve Fund is less than the Bond Reserve Fund Requirement, the Trustee shall notify the Treasurer of such deficiency. The Treasurer shall then transfer moneys from the Revenue Bonds Debt Service Fund or shall deposit other moneys appropriated therefor in amounts sufficient to replenish the amount in the Bond Reserve Fund to the Bond Reserve Fund Requirement.

Funds (the "Reserve Fund Deposit Amount") deposited to replenish the Bond Reserve Fund as provided in this Section shall be deposited as follows: (x) in the Tax-Exempt Bonds Account of the Bond Reserve Fund in an amount equal to the Reserve Fund Deposit Amount multiplied by the percentage determined by dividing (i) the excess of (A) the sum of the Series Bond Reserve Fund Requirements for all Tax-Exempt Bonds Outstanding over (B) the amount then on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund by (ii) the excess of (A) the sum of the Series Bond Reserve Fund Requirements for all Bonds Outstanding over (B) the amount then on deposit in the Bond Reserve Fund, (y) in the Taxable Subsidy Bonds Account of the Bond Reserve Fund in an amount equal to the Reserve Fund Deposit Amount multiplied by the percentage determined by dividing (i) the excess of (A) the sum of the Series

Bond Reserve Fund Requirements for all Taxable Subsidy Bonds Outstanding over (B) the amount then on deposit in the Taxable Subsidy Bonds Account of the Bond Reserve Fund by (ii) the excess of (A) the sum of the Series Bond Reserve Fund Requirements for all Bonds Outstanding over (B) the amount then on deposit in the Bond Reserve Fund, and (z) the remaining amounts to be so deposited shall be deposited in the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund.

If there is existing no Event of Default under this Indenture, the moneys on deposit in Tax-Exempt Bonds Account of the Bond Reserve Fund, the Taxable Subsidy Bonds Account of the Bond Reserve Fund or the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund, as applicable, shall be paid into the corresponding Account of the Bond Fund when such moneys on deposit in the applicable Account of the Bond Reserve Fund, by themselves or together with other moneys in the corresponding Account of the Bond Fund, are equal to or greater than the amount necessary to pay all the principal amount of all the Outstanding Bonds secured by such Account of the Bond Reserve Fund in full together with all accrued interest and premium, if any, thereon.

Notwithstanding any provision herein to the contrary and unless otherwise specified in a Supplemental Indenture, amounts on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund may be used only to pay principal of, premium, if any, and interest on Tax-Exempt Bonds or transferred to the Tax-Exempt Bonds Account of the Bond Fund for such purpose, amounts on deposit in the Taxable Subsidy Bonds Account of the Bond Reserve Fund and the Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund may be used only to pay principal of, premium, if any, and interest only on Taxable Subsidy Bonds or transferred to the Taxable Subsidy Bonds Account of the Bond Fund for such purpose, and amounts on deposit in the Taxable Nonsubsidy Bonds Account of the Bond Reserve Fund may be used only to pay principal of, premium, if any, and interest on Taxable Nonsubsidy Bonds or transferred to the Taxable Nonsubsidy Bonds Account of the Bond Fund for such purpose.

All earnings on funds in the Bond Reserve Fund shall be deposited as received in the Bond Fund unless the Treasurer (in consultation with Bond Counsel) directs the Trustee to deposit such earnings in the Bond Reserve Fund or into another fund; provided, however, that if the amount on deposit in the Bond Reserve Fund is less than the Bond Reserve Fund Requirement, such earnings shall be retained in the Bond Reserve Fund.

(e) Section 4.14 of the Master Indenture is hereby deleted and the following inserted in lieu thereof:

Section 4.14. The Revenue Bonds Debt Service Fund.

(a) Pursuant to the Act, the Revenue Bonds Debt Service Fund has been created and established as a separate and distinct fund in the office of the Treasurer. Pursuant further to the Act, the first \$55,000,000 in Gaming Revenues directed to be deposited in the general fund of the State in each Fiscal Year are appropriated for deposit in the Revenue Bonds Debt Service Fund and, in the event Gaming Revenues are

insufficient to deposit such amount in the Revenue Bonds Debt Service Fund, Beer and Liquor Revenues are appropriated for deposit in the Revenue Bonds Debt Service Fund to the extent of any First Gaming Revenues Deficit; provided, however, that such Gaming Revenues and Beer and Liquor Revenues are not pledged to the payment of the Bonds unless and until deposited in the Revenue Bonds Pledged Funds Account; and further provided, however, that the State may take action to deappropriate such Gaming Revenues and Beer and Liquor Revenues which have not been deposited in the Revenue Bonds Debt Service Fund without causing an Event of Default hereunder.

(b) In addition, pursuant to the Act, amounts on deposit in the Revenue Bonds Federal Subsidy Holdback Fund are transferred to the Federal Subsidy Holdback Account of the Revenue Bonds Debt Service Fund and used to pay principal of or interest on Taxable Subsidy Bonds in the event a Subsidy Payment is not received prior to the Transfer Date.

(c) The Treasurer shall establish three accounts within the Revenue Bonds Debt Service Fund to be designated as the "Revenue Bonds Pledged Funds Account" the "Revenue Bonds Unpledged Funds Account" and the "Revenue Bonds Federal Subsidy Holdback Account", to be held and distributed as provided in the following subsections.

(d) Gaming Revenues and Beer and Liquor Revenues received by the Treasurer for deposit in the Revenue Bonds Debt Service Fund shall be deposited as follows: (i) Gaming Revenues and Beer and Liquor Revenues received by the Treasurer for deposit in the Revenue Bonds Debt Service Fund in each Fiscal Year shall first be deposited in the Revenue Bonds Pledged Funds Account in the amount necessary to pay Annual Debt Service for such Fiscal Year (reduced by the amount, if any, required to be transferred to the Bond Fund from the Bond Reserve Fund during such Fiscal Year by the terms of a Supplemental Indenture); and (ii) all remaining Gaming Revenues and Beer and Liquor Revenues received by the Treasurer for deposit in the Revenue Bonds Debt Service Fund in each Fiscal Year shall be deposited into the Revenue Bonds Unpledged Funds Account to pay the fees and expenses of trustees, paying agents, remarketing agents, financial advisors, underwriters, depositories, guarantors, bond insurers, liquidity or credit facility providers, interest rate indexing agents, and other professional service providers, the administration of the Bonds payable during the Fiscal Year in which such deposit is made and to make deposits, if any, required by a Supplemental Indenture to establish or restore a cash funded reserve account for the Bonds of any series. All earnings on the Revenue Bonds Debt Service Fund (other than earnings on amounts on deposit in the Revenue Bonds Federal Subsidy Holdback Account, which shall be retained in such account) shall be deposited in the Revenue Bonds Pledged Funds Account; provided that if moneys in the Revenue Bonds Pledged Funds Account plus amounts previously transferred from the Revenue Bonds Pledged Funds Account to the Bond Fund are then sufficient to pay Annual Debt Service for the Fiscal Year in which such earnings are to be deposited, such earnings shall be deposited in the Revenue Bonds Unpledged Funds Account. Any funds remaining in the Revenue Bonds Pledged Funds Account and any Gaming Revenues and Beer and Liquor Revenues received by the

Treasurer for deposit in the Revenue Bonds Debt Service Fund after there has been deposited in the Bond Fund an amount equal to Annual Debt Service for the Fiscal Year during which such deposits were made shall be deposited in the Revenue Bonds Unpledged Funds Account. Any amounts on deposit in the Revenue Bonds Debt Service Fund at the end of each Fiscal Year shall be held, expended or transferred as provided in the Act.

(e) Amounts transferred to the Revenue Bonds Federal Subsidy Holdback Account pursuant to Section 4.15 hereof shall be transferred to the Trustee no later than the next business day after receipt thereof for deposit in the Taxable Subsidy Bonds Account of the Bond Fund to be used to pay principal of or interest on Taxable Subsidy Bonds due on the next Interest Payment Date.

(d) The following Section 4.15 is hereby added to the Master Indenture:

Section 4.15. Revenue Bonds Federal Subsidy Holdback Fund. Pursuant to the Act, the Revenue Bonds Federal Subsidy Holdback Fund has been created and established as a separate and distinct fund in the office of the Treasurer. Pursuant to the Act, after the deposit of \$55,000,000 of Gaming Revenues in the Revenue Bonds Debt Service Fund as described in Section 4.14 of the Master Indenture, the next \$3,750,000 in Gaming Revenues directed to be deposited in the general fund of the State in each Fiscal Year are appropriated for deposit in the Revenue Bonds Federal Subsidy Holdback Fund and, in the event Gaming Revenues remaining after the First Gaming Revenues Appropriation are insufficient to deposit such amount in the Revenue Bonds Federal Subsidy Holdback Fund, Beer and Liquor Revenues are appropriated to the extent of any Second Gaming Revenues Deficit. In the event a Subsidy Payment is not received prior to a Transfer Day with respect to Taxable Subsidy Bonds, amounts on deposit in the Revenue Bonds Federal Subsidy Holdback Fund shall be transferred to the Revenue Bonds Federal Subsidy Holdback Account of the Revenue Bonds Debt Service Fund for the payment of principal of or interest on such Taxable Subsidy Bonds on the next Interest Payment Date with respect to such Taxable Subsidy Bonds; provided, however, that such Gaming Revenues and Beer and Liquor Revenues are not pledged to the payment of Taxable Subsidy Bonds unless and until deposited in the Revenue Bonds Federal Subsidy Holdback Fund; and further provided, however, that the State may take action to deappropriate such Gaming Revenues and Beer and Liquor Revenues which have not been deposited in the Revenue Bonds Federal Subsidy Holdback Fund without causing an Event of Default hereunder. Notwithstanding any provision herein to the contrary, the transfer pursuant to this Section shall be made prior to any transfer from the Bond Reserve Fund. As provided further in the Act, at any time during each Fiscal Year that there are moneys on deposit in the Revenue Bonds Federal Subsidy Holdback Fund that are not needed to pay principal and interest on Taxable Subsidy Bonds during such Fiscal Year as determined by the Treasurer or the Treasurer's designee, such moneys on deposit in the Revenue Bonds Federal Subsidy Holdback Fund shall be transferred from the Revenue Bonds Federal Subsidy Holdback Fund and deposited for the benefit of the State as provided in the Act.

Section 6.03. Amendments to Section 10.03 of the Master Indenture. Section 10.03 of the Master Indenture is hereby deleted and the following inserted in lieu thereof:

Section 10.03. Covenants Concerning Gaming Revenues and Beer and Liquor Revenues.
So long as there is a Gaming Revenues Appropriation and/or a Revenue Bonds Beer and Liquor Revenues Appropriation for a Fiscal Year, the Treasurer will monitor the amount and availability of Gaming Revenues and Beer and Liquor Revenues during such Fiscal Year and will prepare a Quarterly Report on or before each Quarterly Report Date estimating the amount of Gaming Revenues and Beer and Liquor Revenues that will be available for the remainder of such Fiscal Year; provided that the Treasurer shall not be required to prepare a Quarterly Report for any period in a Fiscal Year after the Treasurer has deposited (a) \$55,000,000 into the Revenue Bonds Debt Service Fund from Gaming Revenues and/or Beer and Liquor Revenues for such Fiscal Year, and (b) \$3,750,000 into the Revenue Bonds Federal Subsidy Holdback Fund from Gaming Revenues and/or Beer and Liquor Revenues for such Fiscal Year. To the extent that the Gaming Revenues for such Fiscal Year are estimated to be insufficient to provide for the entire amount of the Gaming Revenues Appropriation for such Fiscal Year, the Treasurer shall call upon the Department of Management and the Alcoholic Beverages Division to take appropriate actions pursuant to the Interdepartmental Agreement to make up any such deficiency for such Fiscal Year from Beer and Liquor Revenues received during such Fiscal Year. Further, to the extent that Gaming Revenues and Beer and Liquor Revenues received during such Fiscal Year are insufficient to make up such deficiencies, such deficiency shall be made up from Beer and Liquor Revenues received during the subsequent Fiscal Year on the same basis.

Section 6.04. Grant of Security Interest in Revenue Bonds Federal Subsidy Holdback Fund; Amendment to Granting Clauses .

(a) In addition to the grant of funds provided in the Granting Clauses of the Master Indenture, there is hereby added to the Granting Clauses of the Master Indenture, and the Issuer further does hereby sell, transfer, assign and pledge, and grant a security interest in, the following to the Trustee for the securing of the performance of the obligations of the Issuer set forth in the Master Indenture, such sale, transfer, assignment, pledge and grant of a security interest to be effective in accordance with the Act without the recording of this Indenture or any other instrument:

All right, title and interest of the State in and to the Revenue Bonds Federal Subsidy Holdback Fund and the moneys, assets and revenues of the Revenue Bonds Federal Subsidy Holdback Fund, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for all payments of any amounts directed by law to be deposited in the Revenue Bonds Federal Subsidy Holdback Fund and all rights to bring actions and proceedings for the collection of any amounts directed by law to be deposited in the Revenue Bonds Federal Subsidy Holdback Fund, and all rights to do any and all things which the Issuer or the Treasurer is or may become entitled to do under or due to the provisions of the Act providing for the deposit of amounts in the Revenue Bonds Federal Subsidy Holdback Fund and authorizing the pledge of the moneys, assets and revenues of the Revenue Bonds Federal Subsidy Holdback Fund.

(b) The following paragraph is inserted in the Master Indenture as the ninth unnumbered paragraph under the heading "GRANTING CLAUSES":

NOTWITHSTANDING any other provision hereof, moneys on deposit in certain specified funds and accounts and subaccounts described herein shall be held solely for the payment of principal of, premium, if any, and interest on Tax-Exempt Bonds, Taxable Subsidy Bonds or on Taxable Nonsubsidy Bonds, as applicable, as provided in Article IV hereof or in the Supplemental Indenture creating and establishing such fund, account or subaccount.

Section 6.05. Amendments to Article I of the Series 2009 Supplemental Indenture.

(a) The defined term of "Cash Funded Reserve Requirement" contained in the Series 2009 Supplemental Indenture is hereby deleted.

(b) The following term defined in the Series 2009 Supplemental Indenture are hereby deleted and the following inserted in lieu thereof:

"Series 2009B Bond Reserve Fund Requirement" means an amount equal to the sum of the Series 2009B Proceeds Funded Reserve Fund Requirement and the Series 2009B Cash Funded Reserve Requirement.

(c) The following terms are added to Article I of the Series 2009 Supplemental Indenture:

"Cash Funded Bond Reserve Fund Requirement" means an amount equal to the sum of the Series Cash Funded Reserve Fund Requirements for each series of Bonds Outstanding.

"Cash Funded Subaccount" means the Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund created pursuant to Section 4.05 hereof.

"Series 2009B Cash Funded Reserve Requirement" means an amount equal to \$23,887,694.00.

"Series 2009B Proceeds Funded Reserve Requirement" means an amount equal to \$22,095,000.00, which is the least of (a) the maximum amount of Net Annual Debt Service for the Series 2009B Bonds, (b) 10% of the stated principal amount of the Series 2009B Bonds, or (c) 125% of the Net Annual Debt Service for the Series 2009B Bonds.

Section 6.06. Amendments to Article IV of the Series 2009 Supplemental Indenture.

(a) Section 4.04 (c) and (d) are hereby deleted and the following inserted in lieu thereof:

(c) On July 1, 2027, there shall be transferred from the Tax-Exempt Bonds Account of the Bond Reserve Fund to the Tax-Exempt Bonds Account of the Bond Fund an amount which when subtracted from the amount on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund will leave a balance therein equal to the Tax-Exempt Bond Reserve Fund Requirement after July 1, 2027.

(d) On July 1, 2028, there shall be transferred from the Tax-Exempt Bonds Account of the Bond Reserve Fund to the Tax-Exempt Bonds Account of the Bond Fund an amount which when subtracted from the amount on deposit in the Tax-Exempt Bonds Account of the Bond Reserve Fund will leave a balance therein equal to the Tax-Exempt Bond Reserve Fund Requirement after July 1, 2028.

(b) The following Section 4.04A is added to the Series 2009 Supplemental Indenture immediately after Section 4.04 thereof:

Section 4.04A Replenishment of Taxable Subsidy Bonds Account of the Bond Reserve Fund. In the event funds are deposited in the Bond Reserve Fund to replenish the Bond Reserve Fund pursuant to Section 4.07 of the Master Indenture, as amended, the amount to be deposited in the Taxable Subsidy Bonds Account of the Bond Reserve Fund (the "Taxable Subsidy Bonds Account Deposit") shall be deposited as follows: (a) in the Taxable Subsidy Bonds Account of the Bond Reserve Fund in an amount such that the amount on deposit in the Taxable Subsidy Bonds Account of the Bond Reserve Fund (other than amounts on deposit in the Cash Funded Subaccount) equals the Taxable Subsidy Bond Reserve Fund Requirements, exclusive of any Cash Funded Bond Reserve Fund Requirements for Taxable Subsidy Bonds, and (b) any remaining amounts of the Taxable Subsidy Bonds Account Deposit shall be deposited in the Cash Funded Subaccount.

(c) Section 4.05 of the Series 2009 Supplemental Indenture is hereby deleted and the following inserted in lieu thereof:

Section 4.05 Creation of Cash Funded Reserve Account and Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund; Deposits; Transfers; Investments. There is hereby established by the Treasurer and ordered created with the Trustee accounts to be designated as the "Cash Funded Reserve Account" which account shall be a separate and distinct account and not a part of the Bond Reserve Fund, and a Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund.

The Treasurer has previously deposited with the Trustee for deposit in the Cash Funded Reserve Account an amount equal to \$1,327,094.00. On October 7, 2010 (the "Transfer Date"), amounts on deposit in the Cash Funded Reserve Account, including any earnings thereon contained therein, shall be transferred to the Cash Funded Subaccount of the Taxable Subsidy Bonds Account of the Bond Reserve Fund, and the Cash Funded Reserve Account shall be closed.

Amounts on deposit in the Cash Funded Subaccount may be used to pay the principal of and interest on and the Debt Service Payments with respect to the Series 2009B Bonds when due but only to the extent that there are not sufficient amounts on deposit in the Taxable Subsidy Bonds Account of the Bond Fund and the Taxable Subsidy Bonds Account of the Bond Reserve Fund (other than amounts on deposit in the Cash Funded Subaccount) for such purpose.

Notwithstanding anything in the Master Indenture to the contrary, amounts on deposit in the Cash Funded Subaccount shall be invested at yields not to exceed the Restricted Yield.

Section 6.07. General Amendments to Series 2009 Supplemental Indenture. Unless otherwise amended as provided in this Series 2010 Supplemental Indenture, all references to any Taxable Bonds Account or Subaccount of the Bond Fund, the Cost of Issuance Fund, the Bond Reserve Fund or the Rebate Fund are hereby deleted, and the term “Taxable Subsidy Bonds Account” or “Taxable Subsidy Bonds Subaccount”, as applicable, are hereby inserted in lieu thereof.

ARTICLE VII
MISCELLANEOUS

Section 7.01. Status of Master Indenture. Except insofar expressly otherwise provided in the Series 2009 Supplemental Indenture and as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Master Indenture, as supplemented and amended by the Series 2009 Supplemental Indenture and this Series 2010 Supplemental Indenture, shall be deemed to be incorporated in, and made a part of, this Series 2010 Supplemental Indenture; and the Master Indenture as supplemented by the Series 2009 Supplemental Indenture (as amended) and this Series 2010 Supplemental Indenture is in all respects ratified and confirmed; and the Master Indenture, the Series 2009 Supplemental Indenture and this Series 2010 Supplemental Indenture shall be read, taken and construed as one and the same instrument. All references to "this Indenture" in the Master Indenture shall be to the Master Indenture as supplemented by the Series 2009 Supplemental Indenture (as amended) and this Series 2010 Supplemental Indenture.

Section 7.02. Successors and Assigns. All the covenants, stipulations, promises and agreements in this Series 2010 Supplemental Indenture made by or on behalf of the Issuer or the Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 7.03. Limitation of Rights. With the exception of rights herein expressly conferred or as otherwise provided herein, nothing expressed or mentioned in or to be implied from this Series 2010 Supplemental Indenture or the Series 2010 Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the owners of the Series 2010 Bonds, any legal or equitable right, remedy or claim under or in respect to this Series 2010 Supplemental Indenture or any covenants, conditions and provisions herein contained; this Series 2010 Supplemental Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners of the Series 2010 Bonds as herein provided.

Section 7.04. Severability. If any provision of this Series 2010 Supplemental Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 7.05. Counterparts. This Series 2010 Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.06. Applicable Provisions of Law. This Series 2010 Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Issuer has caused this Series 2010 Supplemental Indenture to be executed on its behalf by the Treasurer, all as of the day and year first above written.

STATE OF IOWA
Acting By and Through the Treasurer of
the State of Iowa

By: 
Michael L. Fitzgerald, Treasurer,
State of Iowa

IN WITNESS WHEREOF, the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Series 2010 Supplemental Indenture to be executed in its name by its duly authorized officer and its corporate seal to be hereunto affixed, all as of the day and year first above written.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: *Kristi J. Boyce*
Kristi Boyce, Vice President

(Seal)