

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 July 1, 2009

IJOBS Program Special Obligation Bonds

MASTER INDENTURE OF TRUST

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MASTER INDENTURE OF TRUST

THIS MASTER INDENTURE OF TRUST (the “Indenture”), dated as of July 1, 2009, 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 duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of laws of the United States.

WITNESSETH:

WHEREAS, pursuant to the Act (defined herein), the State of Iowa authorized the Treasurer to issue and sell revenue bonds (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 and the Revenue Bonds Debt Service 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 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, all things necessary to make the Bonds, when executed by the Treasurer and authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited special obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the Pledged Funds pledged to the payment of principal of, premium, if any, and interest on the Bonds and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, 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 hereinafter set forth, 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:

GRANTING CLAUSE FIRST

All right, title and interest of the State in and to the Revenue Bonds Debt Service Fund and the moneys, assets and revenues of the Revenue Bonds Debt Service Fund, and each account therein except the Revenue Bonds Unpledged Funds Account, 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 Debt Service 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 Debt Service 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 Debt Service Fund and authorizing the pledge of the moneys, assets and revenues of the Revenue Bonds Debt Service Fund. To the extent that the Act may have pledged or assigned to the Trustee all amounts in the Revenue Bonds Debt Service Fund, the Trustee hereby releases the Revenue Bond Debt Service Unpledged Funds Account from such pledge or assignment, it being the intent of the Issuer and the Trustee that the Revenue Bonds Unpledged Funds Account shall not be subject to the lien of this Indenture or serve as security for the Bonds.

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to the Bond Reserve Fund, and the Bond Fund and other funds now or hereafter held by the Trustee under the terms of this Indenture (other than the Rebate Fund).

GRANTING CLAUSE THIRD

All moneys and securities and all other property of every kind and of every name and nature which are now or from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for security hereunder to the Trustee by the Issuer or by anyone in its behalf, or with its written consent, and all cash and securities now or hereafter held in the Pledged Funds and all investment earnings on (i) the Capitalized Interest Account of the Bond Fund, (ii) the Cost of Issuance Fund, (iii) the Bond Reserve Fund, and (iv) the Revenue Bonds Debt Service Fund other than investment earnings on the Revenue Bonds Unpledged Funds Account.

TO HAVE AND TO HOLD ALL and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made of, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof and shall otherwise comply with Article VI hereof, then this Indenture and the rights hereby granted shall, except as otherwise provided in Article VI hereof, cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

NOTWITHSTANDING any other provision hereof, in no event shall the Rebate Fund be subject to the pledge or lien of this Indenture.

THIS MASTER INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said taxes, fees, property, rights and interest, including, without limitation, the amounts hereby sold, transferred, granted, assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof, as follows (subject, however, to the provisions of Section 2.06 hereof):

ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

Section 1.01. Definitions. As used in this Indenture, the following words and phrases shall have the following meanings unless the context otherwise requires:

“Account or Accounts” means the accounts created within a Fund by Article IV hereof or under the terms of any Supplemental Indenture.

“Act” means, collectively, S.F. 376, Iowa Code Section 8.57 (2009), as amended by S.F. 376, Section 26, H.F. 811, Section 100, and Senate File 478, Section 29, Iowa Code Section 123.53 (2009), as amended by S.F. 376, Iowa Code Section 99D.17 (2009), and Iowa Code Section 99F.11 (2009), as amended by H.F. 811, Section 104.

“Alcoholic Beverages Division” means the Alcoholic Beverages Division of the Department of Commerce of the State, its successors and assigns.

“Annual Debt Service” means the amount of Debt Service coming due during a Fiscal Year and, with respect to a series of Bonds, the amount of Debt Service coming due during a Fiscal Year for such series of Bonds.

“Annual Valuation” means the fixing by the Trustee of the value of the assets held in the Bond Reserve Fund as of the first Business Day immediately succeeding December 15 of each year, pursuant to Section 4.07 hereof. Such valuation shall be based upon the amortized cost of the assets, exclusive of accrued interest thereon.

“Beer and Liquor Revenues” means the funds required to be deposited in the Beer and Liquor Control Fund pursuant to Iowa Code Section 123.53(1) (2009) which are not necessary for the payment of the costs of purchasing liquor for resale by the Division, the remittances to local authorities or other resources as required by Iowa Code Chapter 123 (2009), and for other obligations and expenses of the Division which are paid from the Beer and Liquor Control Fund.

“Bond Counsel” means a law firm appointed by the Treasurer and having a national reputation in the field of municipal law, whose opinions are generally accepted by purchasers of municipal bonds.

“Bond Fund” means the Fund by that name created by Section 4.02 hereof.

“Bond Reserve Fund” means the Fund by that name created by Section 4.02 hereof.

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

“Bondholder” or “holder of Bonds” or “owner of Bonds” or “holder” means the registered owner of any Bond.

“Bonds” means all the IJOBS Program Special Obligation Bonds of the Issuer which are authorized to be issued pursuant to supplements to this Indenture.

“Business Day” means 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.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations from time to time promulgated or proposed thereunder.

“Cost of Issuance Fund” means the Fund by that name created by Section 4.02 hereof.

“Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state.

“Debt Service” shall mean the aggregate principal (whether at maturity or pursuant to sinking fund redemption requirements), interest and other payments on Bonds for the period or periods in question as specified in the provisions being applied and, with respect to a series of Bonds, the aggregate principal (whether at maturity or pursuant to sinking fund redemption requirements), interest and other payments on such series of Bonds for the period or periods in question as specified in the provisions being applied. If Bonds are issued with a variable rate, there shall be taken into account in determining the Debt Service the amount of principal and interest payable for such period or periods, assuming that the interest rate for such period or periods is

(a) the greater of (1) the average interest rate on such Bonds for the most recently completed sixty (60) months or the period such Bonds have been Outstanding if such Bonds have been Outstanding less than sixty (60) months, or (2) the rate to be determined pursuant to *clause (b)* below assuming the Outstanding Bonds bearing interest at a variable rate were being issued on the date of calculation; and

(b) for proposed additional bonds to be issued at a variable rate (1) on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, interest on such additional Bonds would be excluded from gross income for federal income tax purposes, the greater of (i) the average of the Security Industry and Financial markets Association Municipal Swap Index (“*SIFMA Index*”) for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the

SIFMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and (2) on a basis other than as described in *clause (1)*, the greater of (i) the average of the London Interbank Offered Rate (“LIBOR”) for the time period most closely resembling the reset period for the additional bonds for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of LIBOR for the time period most closely resembling the reset period for the addition bonds for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and provided that if the SIFMA Index or LIBOR ceases to be published, the index to be used in its place will be the index which the Issuer determines most closely replicates such index, as set forth in a certificate of the Issuer filed with the Trustee.

“Debt Service Payment” means a payment to be made on each Transfer Day pursuant to Section 4.03 hereof.

“Department of Management” means the Department of Management of the State, its successors and assigns.

“Division” means the Alcoholic Beverages Division of the Department of Commerce of the State of Iowa.

“Eligible Investments” means any of the following which are at the time of investment legal investments under the laws of the State for the moneys held hereunder which are proposed to be invested therein:

(i) direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(ii) bonds, debentures, notes, participation certificates or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created by or pursuant to an Act of Congress as an agency or instrumentality of the United States (including but not limited to the fully guaranteed portion of an obligation partially guaranteed by any of the foregoing, if the Trustee's ownership of such portion is accepted in writing by an officer of the guaranteeing agency or instrumentality).

(iii) Direct and general obligations of any state within the United States or any political subdivision of the State, which is at the time of purchase rated in the AA or a higher rating category as defined on the date hereof by a Rating Agency, or in an equivalent or higher rating category based on any subsequent redefinition.

(iv) Negotiable certificates of deposit issued by any national banking association or by a bank or trust company organized under the laws of any state, or interest-bearing time deposits with any such institution, or an obligation of the parent corporation of any such institution, provided that the institution issuing the certificate of deposit or accepting the time deposit or issuing the obligation has a combined capital and surplus (or, with respect to the parent company, has stockholders' equity or capital and retained earnings) of at least \$50,000,000, and is rated in the AA or a higher rating category as defined on the date hereof by a Rating Agency, or in an equivalent or higher rating category based on any subsequent redefinition.

(v) Any repurchase agreement or similar financial transaction with a national banking association or a bank or trust company organized under the laws of any state (including the Trustee), or with a government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by a perfected security interest in any one or more of the securities described in clauses (i) through (iii), inclusive, which securities are held by an independent third party and which have an aggregate market value at least equal to the amount invested.

(vi) Money market funds which are fully invested in any of the securities described in clauses (i) through (iii), inclusive, and (v).

(vii) Guaranteed investment contracts issued, secured or guaranteed by a corporation or national banking association which has a long-term debt rating by a Rating Agency in any of the two highest generic rating categories.

(viii) Obligations of an insurance company which has a long-term debt rating by a Rating Agency in either of the two highest generic rating categories or obligations insured by an insurance company which has an insurance claims-paying ability rating or an insurance financial strength rating from a Rating Agency in either of the two highest generic rating categories.

Eligible Investments may be further defined in a Supplemental Indenture.

“Event of Default” means any occurrence or event specified in Section 7.01 hereof.

“Fiscal Year” means the State's fiscal year.

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

“Gaming Revenues” means the funds received by the State pursuant to Iowa Code Section 99D.14 (2009) and Iowa Code Section 99D.15, as amended by H.F. 811, Section 102 (relating to fees and taxes imposed in connection with racing and related wagering) and Iowa Code Section 99F.11 (2009), as amended by H.F. 811, Section 104 (relating to taxes imposed in connection with gambling).

“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), as enacted by S.F. 376, Section 26, which are required under Section 8.57(6)(e)(1)(a)(ii), as enacted by S.F. 376, Section 26 to be deposited in the Revenue Bonds Debt Service Fund.

“Gaming Revenues Deficit” means the amount 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.

“Governmental Obligations” means direct general obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America or as defined in any Supplemental Indenture.

“H.F. 811” means House File 811, 83rd G.A., 1st Sess. (Iowa 2009).

“Indenture” means this Master Indenture of Trust and all supplements and amendments hereto.

“Interdepartmental Agreement” means the Interdepartmental Agreement dated as of July 1, 2009 by and among the Treasurer, the Department of Management and Alcoholic Beverages Division of the Department of Commerce of the State of Iowa, as amended from time to time.

“Interest Payment Date” means any date on which an installment of interest is payable on the Bonds.

“March Quarterly Report” means the Quarterly Report prepared by the Treasurer on or before the March Quarterly Report Date.

“March Quarterly Report Date” means the Quarterly Report Date which occurs on March 10 of each year.

“Maximum Annual Debt Service” shall mean the maximum amount of Annual Debt Service in any current or future Fiscal Year.

“Opinion of Counsel” means an opinion in writing of a Counsel, who may but need not be counsel to the Issuer or the Trustee.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under Article VI hereof; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Sections 2.08 or 2.09 hereof.

“Paying Agent” means the Trustee or any other bank or trust company designated pursuant to this Indenture to serve as a paying agency or place of payment for the Bonds, and any successors designated pursuant to this Indenture.

“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 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.

“Principal Payment Date” means any date on which principal of the Bonds is payable.

“Quarterly Report” means the quarterly report prepared by the Treasurer pursuant to Section 10.03 hereof and Section 2 of the Interdepartmental Agreement.

“Quarterly Report Dates” means September 10, December 10, March 10 and June 10 of each Fiscal Year.

“Rating Agency” means a nationally recognized securities rating agency which has rated a series of the Bonds.

“Rebate Fund” means the Fund by that name created by Section 4.02 hereof.

“Record Date” means, with respect to any Interest Payment Date, unless otherwise provided with respect to a particular series of Bonds in the Supplemental Indenture authorizing such Bonds, the fifteenth day of the month next preceding the month in which such Interest Payment Date occurs.

“Registrar” means the Trustee or any other entity appointed as such pursuant to Section 2.09 hereof and any successor thereto.

“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 during a Fiscal Year.

“Revenue Bonds Debt Service Account” means the account by that name within the Revenue Bonds Debt Service Fund as described in Section 4.14 hereof.

“Revenue Bonds Debt Service Fund” means the Revenue Bonds Debt Service Fund created and established in the office of the Treasurer pursuant to the Act.

“Revenue Bonds Pledged Funds Account” or “Pledged Funds Account” means the account by that name within the Revenue Bonds Debt Service Fund as described in Section 4.14 hereof.

“Revenue Bonds Unpledged Funds Account” or “Unpledged Funds Account” means the account by that name within the Revenue Bonds Debt Service Fund as described in Section 4.14 hereof.

“Series Bond Reserve Fund Requirement” means the amount of debt service reserve required for a series of Bonds determined at this time of issuance of such a series of Bonds.

“S.F. 376” means Senate File 376, 83rd G.A., 1st Sess. (Iowa 2009).

“S.F. 478” means Senate File 478, 83rd G.A., 1st Sess. (Iowa 2009).

“State” or “Issuer” means the State of Iowa.

“Subsidy Payments” means the credit allowed and paid to the State pursuant to Section 6431 of the Code with respect to any Bonds described in Section 54AA of the Code.

“Supplemental Indenture” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Indenture for the purpose of creating a particular series of Bonds issued hereunder or amending or supplementing the terms hereof.

“Taxable Bonds” means Bonds the interest on which is includable in the gross income of the holders thereof for federal income tax purposes.

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

“Tax-Exempt Bonds” means Bonds the interest on which is not includable in the gross income of the holders thereof for federal income tax purposes.

“Tax Exemption Agreement” means the Tax Exemption Agreement or similar agreements, if any, entered into by the Issuer in connection with the issuance of each series of Bonds for the purpose of complying with the provisions of the Code in order to establish and maintain the federally tax exempt status of such series of Bonds.

“Tax-Exempt Bond Reserve Fund Requirement” means an amount equal to the sum of the Series Bond Reserve Fund Requirements for each series of Tax-Exempt Bonds at the time Outstanding.

“Transfer Day” means the day which is two Business Days prior to the fifteenth day of each calendar month.

“Treasurer” means Treasurer of the State.

“Trustee” means Wells Fargo Bank, National Association, its successors and assigns.

“Trust Estate” means the property, rights, Pledged Funds, and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

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

(a) “This 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 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 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 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 BONDS

Section 2.01. Series and Amount of Bonds. The number or series of Bonds that may be created under this Indenture is not limited. The aggregate principal amount of Bonds of each series that may be issued, authenticated and delivered under this Indenture is not limited except as may be set forth in the Supplemental Indenture and as restricted by the provisions of this Indenture including, but not limited to, Section 2.13 hereof.

Section 2.02. Designation and Denomination of Bonds. Bonds issuable under this Indenture shall be issued in such series as may from time to time be created by Supplemental Indentures permitted by this Indenture. Each series shall be created by a different Supplemental Indenture and shall be designated to differentiate the Bonds of such series from the Bonds of any other series. Bonds shall be issuable in such denominations and in such form or forms as shall be prescribed by the Supplemental Indenture.

Section 2.03. Title of Bonds; Payment. All Bonds shall be designated “State of Iowa, IJOBS Program Special Obligation Bonds”, and each series of Bonds shall be separately designated by series.

Unless other arrangements for payment are provided for in the Supplemental Indenture creating a series of Bonds, (i) the principal of, premium, if any, and interest on the 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; (ii) principal of and premium, if any, on the Bonds shall be payable at the principal office of the Paying Agent, and payment of the interest on each 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 check 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 Bonds upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date; and (iii) payment of the principal of and premium, if any, on all Bonds shall be made only upon the presentation and surrender of such Bonds as the same shall become due and payable.

Section 2.04. Compliance with Indenture. Upon satisfaction of and compliance with the requirements and conditions set forth in this Indenture and the Supplemental Indenture creating a series of Bonds, Bonds of a particular series may be executed by the Treasurer and delivered to the Trustee for authentication following the execution and delivery of the Supplemental Indenture creating such series or from time to time thereafter, and the Trustee shall authenticate and deliver Bonds of such series upon the written order of the Treasurer, stating, in effect, that the requirements and conditions set forth in this Indenture and the Supplemental Indenture have

been satisfied and complied with, that no event which constitutes, or with the giving of notice or passage of time or both would constitute, an Event of Default under this Indenture exists.

Section 2.05. Form of Bonds; Payment. Bonds of a particular series shall be dated, shall be payable as to principal, premium, if any, and interest on such date or dates and in such manner, shall be issuable as registered or bearer Bonds, and shall contain other terms and provisions, as shall be established in this Indenture and in the Supplemental Indenture authorizing such series. Bonds may be issued with a varying rate of interest, with provisions for adjusting the mode of the Bonds, as capital appreciation bonds, as commercial paper, at a discount or premium, in book-entry-only form, or in any other form authorized in the Supplemental Indenture with respect to the particular series of Bonds. The Bonds of each series shall be substantially in the form provided for in the Supplemental Indenture authorizing such series.

Section 2.06. Execution; Limited Special Obligations. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Treasurer. In case the Treasurer whose signature or whose facsimile signature shall appear on the Bonds shall cease to be the Treasurer before the delivery of the Bonds, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such person 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, 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 2.07. Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond in the form to be set forth in the Supplemental Indenture authorizing the particular series of Bonds shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Bonds; Bonds Not Delivered for Purchase. If any Bond is mutilated, lost, stolen or destroyed, the Treasurer shall execute and the Trustee shall authenticate a new Bond of the same date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Treasurer and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with an indemnity satisfactory to the Trustee. In the event any such Bond shall have matured or been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay the same. The Treasurer and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in connection with replacing any Bond mutilated, lost, stolen or destroyed.

Section 2.09. Transfer and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee, which is hereby appointed the Registrar of the Issuer for the Bonds. Upon surrender for transfer of any Bond 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 duly authorized in writing, the Treasurer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like aggregate principal amount.

Bonds may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Treasurer shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding. The execution by the Treasurer of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The person in whose name any Bond shall be registered shall be deemed and regarded by the Trustee, the Treasurer, any Paying Agent, any Registrar, any co-registrar or any transfer agent as the absolute owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, subject to Section 2.03 hereof, and neither the Treasurer nor the Trustee, any Paying Agent, any Registrar, any co-registrar or any transfer agent shall be affected by any notice to the contrary, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

For every exchange or transfer of a Bond, the Trustee may impose a charge on the transferor sufficient to reimburse the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Unless otherwise provided in a

Supplemental Indenture authorizing a series of Bonds, no other transfer charge shall be made for any exchange or transfer of any Bond.

Section 2.10. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Trustee, for cancellation pursuant to this Indenture, upon payment of the principal amount thereof or for replacement pursuant to Section 2.08 hereof or for transfer or exchange pursuant to Sections 2.09 or 2.11 hereof, such Bond shall be canceled and destroyed by the Trustee.

Section 2.11. Temporary Bonds. Pending the preparation of definitive Bonds, the Treasurer may execute and the Trustee shall authenticate and deliver temporary Bonds. Temporary Bonds shall be issuable as fully registered Bonds, of any denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Treasurer. Temporary Bonds may be issued without specific terms and may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Treasurer and authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the Treasurer shall execute and shall furnish definitive Bonds and there upon temporary Bonds may be surrendered in exchange therefor without charge at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds.

Section 2.12. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof, or otherwise, or if any interest check shall not be cashed, if funds sufficient to pay such Bond or interest shall have been made available by the Issuer to the Trustee for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for the payment of such Bond or interest, as the case may be, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, uninvested and without liability for interest thereon, for the benefit of the owner of such Bond or interest, as the case may be, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond or interest, as the case may be, provided that any money deposited with the Trustee for the payment of the principal of (and premium, if any) or interest on any Bond and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Treasurer upon the direction of the Treasurer and the owner of such Bond or interest, as the case may be, shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof, and all liability of the Trustee with respect to such trust money shall thereupon cease.

Section 2.13. Requirements for Issuance of Bonds. So long as (a) there is no default under this Indenture, and (b) the issuance of a particular series of Bonds will not constitute a default under this Indenture, the Issuer may, issue one or more series of Bonds, to be authenticated and delivered for the purposes specified in the Supplemental Indenture pursuant to which each series of Bonds is issued.

All Bonds shall be payable solely from the Pledged Funds pledged pursuant to this Indenture to the payment of Bonds. The Bonds of each such series shall be authenticated by Trustee and, upon payment to the Treasurer of the proceeds of said sale of Bonds, shall be delivered by the Trustee to or upon the order of the purchasers thereof, but only upon there being filed with the Trustee the following:

(a) Original executed counterparts of the Supplemental Indenture authorizing the issuance of the particular series of Bonds.

(b) A written order to Trustee by the Treasurer to authenticate and deliver the particular series of Bonds to the purchaser or purchasers therein identified upon payment to the Treasurer of a specified sum plus accrued interest.

(c) A duly executed certificate from the Trustee that upon the issuance of the series of Bonds the amount in the Bond Reserve Fund will be equal to the Bond Reserve Fund Requirement (provided that such a certificate shall not be required in connection with the issuance of the initial series of Bonds).

(d) An opinion of Bond Counsel that the issuance of the series of Bonds will not impair the tax-exempt status of interest on Bonds previously issued.

Each series of Bonds issued pursuant to this Indenture shall be equally and ratably secured under this Indenture with all other series of Bonds theretofore or thereafter issued pursuant to this Indenture without preference, priority or distinction of any Bond or Bonds over any other Bond or Bonds.

Section 2.14. Issuance of Refunding Bonds. Subject to and in accordance with Section 2.13 hereof, the Issuer may issue refunding Bonds, to be authenticated and delivered, to the extent permitted by law, at any time for the purpose of providing funds for refunding all or a portion of the Bonds then outstanding (including the payment of any redemption premium thereon). Refunding Bonds shall be stated to mature in each year or years, and shall bear interest at a rate or rates, as set forth in the Supplemental Indenture pursuant to which the refunding Bonds are to be issued and as may then be permitted by law, and may be in such form as permitted by Section 2.05 hereof, and may be made redeemable at such times and prices all as may be provided in the Supplemental Indenture authorizing the issuance of the refunding Bonds. No refunding Bonds shall be issued unless the proceeds (excluding accrued interest but including

any premium) of the refunding Bonds, plus any moneys to be withdrawn from any Fund or account created hereunder for such purpose, together with the interest that shall accrue upon any direct obligations of the United States Government or obligations guaranteed by the United States Government as to payment of principal and interest, shall not be less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded, the principal installment of any Bonds then outstanding to become due prior to any such redemption date, and the interest which will accrue thereon to the redemption date or maturity dates occurring prior thereto, and all expenses incident to such financing.

ARTICLE III
REDEMPTION OF BONDS

Section 3.01. Optional and Mandatory Redemption. Bonds of each series may be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to maturity as provided in this Indenture and the Supplemental Indenture creating such series, but not otherwise.

Section 3.02. Notice of Redemption; Contents of Notice.

(a) Unless waived by the holders of all Bonds then Outstanding of a particular series, in order to exercise any option to redeem any Outstanding Bond or Bonds of such series in whole or in part pursuant to this Article III and the Supplemental Indenture creating such series, the Treasurer shall cause the Trustee to give notice of such redemption to Holders of such Bonds to be redeemed as hereinafter provided in this Section 3.02 by notification to the Trustee of its intention to redeem all or part of any Series of Bonds at least 45 days prior to the date fixed for redemption (or such shorter period as shall be agreed to by the Trustee).

(b) A notice of redemption to the holders of the Bonds to be redeemed in whole or in part shall be mailed by first class mail by the Trustee at least 30 days prior to the date fixed for redemption to the Bondholders of such Bonds at their last addresses as they shall appear upon the register maintained by the Registrar.

(c) Each such notice of redemption shall specify the designation of the series of Bonds to be redeemed, the date fixed for redemption and the redemption price at which such Bonds or portions thereof are to be redeemed, and shall state that payment of the redemption price of such Bond or portions thereof to be redeemed will be made in the manner provided in the Supplemental Indenture creating such series upon presentation and surrender of such Bonds, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all Bonds of a series are to be redeemed, the notice of redemption shall specify the numbers of the Bonds to be redeemed as a whole or in part. In case any such Bond is to be redeemed in part only the notice that relates to such Bond shall state the portion of the principal amount thereof to be redeemed, and shall state that on and after the redemption date, upon surrender of such Bond, the Bondholder will receive the redemption price in respect of the principal amount thereof called for redemption and, without charge, a new Bond or Bonds of the same series and maturity of authorized denominations for the principal amount thereof remaining unredeemed. After the date fixed for redemption, all Bonds or portions thereof so called for redemption (unless the Issuer shall default in the payment of such Bonds at the redemption price, together with accrued interest thereon to the date fixed for redemption), shall cease to bear interest thereon, shall be deemed not to be Outstanding hereunder and shall not be entitled to the benefits of this Indenture, other than payment of the redemption price, together with accrued interest to the date

for redemption. The failure of the Trustee to give proper notice of a redemption of Bonds shall not affect the validity of the redemption provided that funds are on deposit with the Trustee for redemption of the Bonds on the date fixed for redemption.

(d) If less than all of the Bonds of a series are to be redeemed, the Treasurer shall determine the maturities and the amounts thereof to be redeemed and shall notify the Trustee thereof at least 45 days (or such shorter period as shall be agreed to in writing by the Trustee) prior to the date fixed for redemption. If less than all Bonds of a maturity are to be redeemed, the Treasurer shall give the Trustee, at least 45 days (or such shorter period as shall be agreed to in writing by the Trustee) in advance of the date fixed for redemption, notice of the aggregate principal amount of such Bonds to be redeemed (unless such principal amount to be redeemed has been established by the Supplemental Indenture creating such Bonds), and thereupon the Trustee shall select by lot, in any manner it shall deem fair, or as provided in the Supplemental Indenture creating such Bonds, the Bonds of such maturity to be redeemed and shall thereafter promptly notify the Treasurer in writing of the particular Bonds or portion thereof to be redeemed.

ARTICLE IV
PLEDGED FUNDS AND FUNDS

Section 4.01. Source of Payment of Bonds. 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 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 the Trustee shall maintain a separate Tax-Exempt Bonds Account or Subaccount and Taxable Bonds Account or Subaccount.

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 Bonds shall be deposited in the Taxable Bonds Subaccount of the Capitalized Interest Account, and 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. 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 transferred to the Bond Fund from the Revenue Bonds Pledged Funds Account, 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 the Bond Fund shall be deposited as received in 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 amounts 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) shall be deposited as follows: (x) in the Tax-Exempt Bonds Account of the Bond Fund in an amount equal to the amount of such deposit multiplied by the percentage determined by dividing (i) the Annual Debt Service on such Tax-Exempt Bonds for the Fiscal Year during which such deposit is made (reduced by the amount, if any, transferred to the Tax-Exempt Bonds Account from the Bond Reserve Fund during such Fiscal Year), less any amounts of Debt Service with respect to such Tax-Exempt Bonds previously paid for such Fiscal Year by (ii) the Annual Debt Service on all Bonds for such Fiscal Year less any amounts of Debt Service with respect to all Bonds previously paid for such Fiscal Year, and (y) the remaining amounts to be so deposited shall be deposited in the Taxable 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, and amounts on deposit in the Taxable Bonds Subaccount of the Capitalized Interest Account of the Bond Fund and the Taxable Bonds Account of the Bond Fund consisting of proceeds of Taxable Bonds may be used only to pay principal of, premium, if any and interest on Taxable Bonds.

Section 4.04. Use of Moneys in Bond Fund. Except as provided in Section 4.13 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bonds and for the redemption of the Bonds prior to maturity.

Section 4.05. Custody of Moneys in Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Treasurer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of and premium, if any, and interest on the Bonds as the same become due and payable as provided herein, which authorization and the direction the Trustee hereby accepts.

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 both Tax-Exempt Bonds and Taxable 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 and the Taxable Bonds Account of the Cost of Issuance Fund. 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 Bonds and, unless otherwise provided in a Supplemental Indenture, no proceeds of Taxable Bonds may be used to pay costs of issuance related to Tax-Exempt 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.

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 and the Taxable Bonds Account of the Bond Reserve Fund in the event both Tax-Exempt Bonds and Taxable 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 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 amount of such deposit multiplied by the percentage determined by dividing (i) (A) the excess of 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) (A) the excess of 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 (y) the remaining amounts to be so deposited shall be deposited in the Taxable Bonds Account of the Bond Reserve Fund.

If there is existing no Event of Default under this Indenture, the moneys in the Bond Reserve Fund shall be paid into the Bond Fund when such moneys in the Bond Reserve Fund, by themselves or together with other moneys in the Bond Fund, are equal to or greater than the amount necessary to pay all the principal amount of all Outstanding Bonds 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, and amounts on deposit in the Taxable Bonds Account of the Bond Reserve Fund may be used only to pay principal of, premium, if any, and interest only on Taxable Bonds or transferred to the Taxable 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.

Section 4.08. Appropriations to Restore Bond Reserve Fund. In the event that the Annual Valuation shows that the amount on deposit in the Bond Reserve Fund is less than the Bond Reserve Fund Requirement and there are not amounts in the Revenue Bonds Debt Service Fund sufficient to replenish the amount on deposit in the Bond Reserve Fund to the Bond Reserve Fund Requirement, the Treasurer shall, in accordance with Iowa Code Section 12.89(3)(d) as enacted by S.F. 376, Section 3, on or before the January 1 immediately succeeding the date of such Annual Valuation, make and deliver to the Governor of the State and to both houses of the general assembly of the State of Iowa a certificate stating the sum required to restore the Bond Reserve Fund to the Bond Reserve Fund Requirement and requesting that the budget and appropriation bills approved for such fiscal year include amounts sufficient to restore the Bond Reserve Fund to the Bond Reserve Fund Requirement. Within thirty days after the beginning of the session of the general assembly next following the delivery of such certificate to the Governor and both houses of the general assembly pursuant to Iowa Code Section 12.89(3)(d) as enacted by S.F. 376, Section 3, the Governor may submit to both houses of the general assembly printed copies of a budget including the amount necessary to restore the Bond Reserve Fund to the Bond Reserve Fund Requirement. The Treasurer will use its best efforts to have such budget request submitted by the Governor and approved by the general assembly. Any amounts appropriated by the general assembly as a result of such request and paid to the Treasurer will be deposited by the Treasurer into the Bond Reserve Fund as provided in Section 4.07 hereof.

Section 4.09. Rebate Fund. The Trustee shall establish within the Rebate Fund one or more subaccounts as may be necessary to account for proceeds of each series of the Bonds and the investment earnings thereon and to comply with the provisions of the Tax Exemption Agreement relating to such series of Bonds and the provisions of Section 148 of the Code.

The Trustee shall make information regarding each series of the Bonds and investments hereunder available to the Treasurer and shall make deposits and disbursements from the Rebate

Fund in accordance with the corresponding Tax Exemption Agreement, shall invest the amounts on deposit in each subaccount of the Rebate Fund pursuant to the corresponding Tax Exemption Agreement, shall deposit income from such investments immediately upon receipt thereof in the corresponding subaccount of the Rebate Fund and shall maintain records for each investment sufficient to establish that its purchase price is the fair market value as determined by the rules set out in the corresponding Tax Exemption Agreement.

If a deposit to the Rebate Fund is required as a result of the computations made pursuant to a Tax Exemption Agreement, the Trustee shall, upon receipt of direction from the Treasurer, accept such payment and deposit such payment in the appropriate subaccount of the Rebate Fund for the benefit of the Issuer. Records of the actions required by this Section, and a Tax Exemption Agreement must be retained by the Trustee until six years after the corresponding series of the Bonds have matured or have been redeemed.

Section 4.10. Rebate Fund Not a Part of Trust Estate; Trustee Authorized to Make Transfers from other Funds. The foregoing provisions of this Article IV notwithstanding, (i) the Rebate Fund shall not be considered a part of the Trust Estate created by this Indenture (ii) the Rebate Fund is a separate special trust fund held for the benefit of the United States, and (iii) the Trustee is authorized to transfer monies on deposit in any of the trust funds established under this Article IV to the Rebate Fund as necessary to make any required deposit into or disbursement from the Rebate Fund.

Section 4.11. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any Fund established under any provision of this Indenture shall be held by the Trustee, in trust, and, except for amounts on deposit in the Rebate Fund and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created hereby.

Section 4.12. Reports From Trustee. The Trustee shall furnish monthly to the Treasurer on or before the fifteenth day of each month a report on the status of each of the Funds established under this Article IV which had activity during the prior month and which are held by the Trustee, showing at least the balance in each such Fund as of the first day of the preceding month, a record of deposits to and disbursements from each Fund, the dates of such deposits and disbursements, and the balance in each Fund on the last day of the preceding month.

Section 4.13. Payment to Treasurer from Funds. Any amounts remaining in the Bond Fund or any other Fund established hereunder after payment in full of the principal of and premium, if any, and interest on the Bonds, the fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder shall be paid to the Treasurer.

Section 4.14. The Revenue Bonds Debt Service Fund. 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 Bond Debt Service Fund, Beer and Liquor Revenues are appropriated for deposit in the Revenue Bonds Debt Service Fund to the extent of any 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 Revenue which have not been deposited in the Revenue Bonds Debt Service Fund without causing an Event of Default hereunder. The Treasurer shall establish two accounts within the Revenue Bonds Debt Service Fund to be designated as the "Revenue Bonds Pledged Funds Account" and the "Revenue Bonds Unpledged Funds Account". 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: (a) 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 (b) all remaining Gaming Revenues and Beer and Liquor Revenues 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 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.

ARTICLE V
INVESTMENT OF MONEYS

Section 5.01. Investment of Moneys in Funds. Any moneys held as part of any Fund, as well as any proceeds of the Bonds, and not required for immediate disbursement whether deposited with the Trustee or with other depositories as provided herein, shall be invested and reinvested by the Trustee or other depository, at the direction of the Treasurer in Eligible Investments. All such Eligible Investments purchased shall mature or be redeemable or be subject to repurchase by another entity on a date or dates on or prior to the time when the moneys so invested will be required for expenditure. The Trustee or other depository may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee or other depository and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds may be commingled for the purpose of investment or deposit. Any investment losses shall be borne by the Fund in which the lost moneys had been deposited. The Trustee or other depository shall sell and reduce to cash a sufficient amount of such investments in the respective Fund whenever the cash balance therein is insufficient to pay the amount contemplated to be paid therefrom.

In computing the amount in any Fund held under the provisions of this Indenture (except for purposes of complying with Section 148 of the Code), obligations purchased as an investment of moneys therein shall be valued at their amortized cost, exclusive of accrued interest.

The Trustee is specifically authorized to enter into agreements with itself or any other person, which agreements guarantee the repurchase of Eligible Investments at specific prices.

Section 5.02. Arbitrage. The Treasurer and the Trustee hereby covenant for the benefit of each owner of the Bonds that no use will be made of the proceeds of the Bonds or of any moneys in the Funds and that they will not knowingly take any action, or omit to take any action, which action or omission will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations prescribed thereunder, and in the event any such action or omission shall be brought to the attention of the Treasurer, the Treasurer will, promptly upon having such action or omission brought to the Treasurer's attention, take such reasonable actions based upon advice of counsel as may rescind or otherwise negate such action or omission.

Section 5.03. Allocation and Transfers of Investment Income. Any investments shall be deemed at all times a part of the Fund from which the investment was made. Except as otherwise specifically provided herein or in any Supplemental Indenture, any interest or other gain on any Fund from any investment or reinvestment pursuant to Section 5.01 hereof shall be deposited as received in accordance with Article IV hereof.

ARTICLE VI
DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid to the owner of any Bond secured hereby the principal of and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in an amount equal to an authorized denomination under the Supplemental Indenture authorizing the series of Bonds of which the Bond is a part, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under this Indenture. If the Issuer shall pay or cause to be paid to the owners of all the Bonds secured hereby the principal of and interest due and payable, and thereafter to become due and payable thereon, and shall pay, or cause to be paid all other sums payable hereunder by the Issuer, then, and in that case, the right, title and interest of the Trustee herein shall thereupon cease, terminate and become void. In such event, the Trustee shall assign, transfer and turn over to the Treasurer the Trust Estate.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such time as will insure the availability of sufficient moneys to make such payment, the sufficiency of which money shall be verified by an independent certified public accountant approved by the Trustee (any such moneys or Governmental Obligations once having been so set aside being no longer a part of the Trust Estate), and (b) all necessary and proper fees, compensation and expenses of the Trustee and any co-registrar or transfer agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid (1) until the Treasurer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (i) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by this Indenture);

(ii) to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to (i) hereof; and

(iii) if all the Bonds are not to be redeemed within 30 days, to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the owners of such Bonds that the deposit required by (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in (i) hereof;

and (2) if any Bonds are to be redeemed within the next 30 days, until proper notice of redemption of those Bonds has been given.

Any moneys so deposited with the Trustee as provided in the two foregoing paragraphs may at the direction of the Treasurer also be invested and reinvested in Governmental Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all such Governmental Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be paid to the Treasurer as and when realized if not needed to pay any fees or expenses provided for hereunder.

No deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of Bond Counsel to the effect that such deposit and use would not cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of the Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and interest thereon when due and such Bonds and interest shall not have in fact been actually paid in full when due, no amendment to the provisions of this Article shall be made without the consent of the owner of each Bond affected thereby.

ARTICLE VII
DEFAULT PROVISIONS AND REMEDIES
OF TRUSTEE AND BONDHOLDERS

Section 7.01. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default”:

(a) Default in the payment of the interest on any Bond when and as the same shall have become due and payable.

(b) Default in the payment of the principal of or premium, if any, on any Bond after the principal has become due, whether at maturity or upon call for redemption.

(c) Default in the performance or observance of any of the other covenants, agreements or conditions on the part of the Issuer or the Treasurer contained in this Indenture or in the Bonds and the failure to remedy the same for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Treasurer by the Trustee; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Trustee will not unreasonably withhold its consent to an extension of time if corrective action (as detailed in a notice to the Trustee) is instituted within the applicable period and diligently pursued until the failure is corrected.

Section 7.02. Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee shall have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then outstanding.

(b) The Trustee may by action or suit in equity require the Issuer and the Treasurer to account as if they were the trustees of an express trust for the owners of the Bonds and may then take such action with respect to the Pledged Funds as the Trustee shall deem necessary or appropriate and in the best interest of the Bondholders.

The Trustee shall give notice of any Event of Default to the Treasurer as promptly as practicable after the occurrence of an Event of Default becomes known to the Trustee.

If an Event of Default shall have occurred, and if requested so to do by the owners of 25% or more in aggregate principal amount of all Bonds then Outstanding and indemnified as

provided in Section 8.01(1) hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any default or Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.03. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 7.04. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Pledged Funds, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be applied, along with any other moneys available for such purposes, as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due at stated maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which moneys are held pursuant to the other provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the persons entitled thereto as the same shall become due of the amounts payable pursuant to this Indenture (including principal of Bonds due upon call for redemption) and, if the amount available shall not be sufficient to pay in full amounts due on any particular date, payment shall be made ratably according to the priorities set forth in subparagraphs FIRST and SECOND above.

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

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the

Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and past-due interest to be paid on such dates shall cease to accrue. Defaulted principal and interest on a Bond shall be payable to the person in whose name such Bond is registered at the close of business on a Record Date for the payment of defaulted principal and interest established by notice mailed by the Trustee to the registered owners of Bonds not more than fifteen (15) days preceding such Record Date. Such notice shall be mailed to the person in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. The Trustee shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee, and any co-registrar or transfer agent have been paid, any balance remaining in the Funds shall be paid as provided in Article IV hereof.

Section 7.06. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

Section 7.07. Rights and Remedies of Bondholders. No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred, (b) such default shall have become an Event of Default and the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such owners of Bonds shall have offered to the Trustee indemnity as provided in Section 8.01(l) hereof, and (d) the Trustee shall for 60 days after receipt of such request and indemnification fail or refuse to exercise the rights and remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable

benefit of the owners of all Bonds then Outstanding. However, nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity or redemption date of such principal or interest, or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective registered owners thereof at the time, place, from the source and in the manner in this Indenture and in the Bonds expressed.

Section 7.08. Termination of Proceedings. In case the Trustee or any owner of any Bonds shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and with regard to the property herein subject to this Indenture, and all rights, remedies and powers of the Trustee and owners of Bonds shall continue as if no such proceedings had been taken.

Section 7.09. Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences and may rescind any declaration of maturity of all the Bonds upon the written request of the owners of (a) more than two-thirds in aggregate principal amount of all the Bonds then Outstanding in the case of default in the payment of principal or interest or (b) more than one-half in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (ii) any default in the payment when due of the interest on any Outstanding Bond, unless prior to such waiver all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal and interest at the rate borne by such Bond and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon. No such waiver shall affect the rights of third parties to payment of amounts provided for hereunder.

ARTICLE VIII
THE TRUSTEE

Section 8.01. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may but need not be the attorney or attorneys for the Issuer), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) Unless an officer of the corporate trust department of the Trustee shall have actual knowledge thereof, the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except defaults under Section 7.01(a) or (b) hereof unless the Trustee shall be specifically notified in

writing of such default by the Treasurer or a court of law or by any owner of the Bonds. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(f) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee shall not withhold unreasonably its consent, approval or action to any reasonable request of the Treasurer. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the registered owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(g) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled in good faith to rely upon a certificate signed by the Treasurer or another authorized officer of the Issuer as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has knowledge, or is deemed to have notice pursuant to Section 8.01(e), shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(h) The permissive right of the Trustee to do things enumerated in this Indenture shall not, unless otherwise provided herein, be construed as a duty and it shall not be answerable for other than its negligence or willful default.

(i) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right to inspect any and all of the books, papers and records of the Treasurer pertaining to the Pledged Funds and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Treasurer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in Section 7.02 hereof, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 8.02. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Such fees, charges and expenses shall, except as hereinafter provided, be payable directly by the Treasurer. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of or interest on any Bond upon the Trust Estate for the foregoing fees, charges and expenses incurred by it, respectively.

Section 8.03. Notice to Bondholders if Default Occurs. If the Trustee becomes aware of an Event of Default, then the Trustee shall promptly give written notice thereof by first class mail to the owners of all Bonds then Outstanding, shown by the registration books kept at the office of the Registrar.

Section 8.04. Intervention by Trustee. In any judicial proceeding to which the Issuer and/or the Treasurer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of the Bondholders, and shall do so if requested in writing by the owners of at least 25% of the aggregate principal amount of Bonds then Outstanding.

Section 8.05. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.06. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice by first class mail to the Treasurer and the registered owner of each Bond, and such resignation shall take effect upon the appointment of a successor Trustee by the Bondholders or by the Treasurer and the acceptance of such appointment by such successor; provided that, if an instrument of acceptance by a successor Trustee shall not have been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee and any attorney's fees incurred in connection with any such petition shall be paid by the Issuer.

Section 8.07. Removal of Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and the Treasurer and signed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding. In addition, so long as no Event of Default exists hereunder, the Trustee may be removed at any time by the Treasurer by an instrument in writing delivered to the Trustee. Notice of such removal shall also be sent by the Treasurer by first class mail to each registered owner of Bonds then Outstanding.

Section 8.08. Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized and a copy of which shall be delivered personally or sent by registered mail to the Authority. Nevertheless, in case of such vacancy, the Treasurer may appoint a temporary Trustee to fill such vacancy until a successor to the Trustee shall be appointed by the Bondholders in the manner above prescribed; and any such temporary Trustee so appointed by the Treasurer shall immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided by Section 8.06 hereof with respect to the resignation of a Trustee. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing having a reported capital and surplus of not

less than \$25,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 8.09. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Treasurer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Treasurer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, moneys, documents and other property held by it as the Trustee hereunder to its or his successor hereunder. Should any instrument in writing from the Treasurer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Treasurer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded.

Section 8.10. Designation of Paying Agent; Designation of Any Additional Paying Agents. The Trustee is hereby designated and appointed to act as Paying Agent for and in respect to the Bonds. The Treasurer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of any additional Paying Agents as it deems necessary or appropriate for the making available of funds hereunder for the payment of such of the Bonds as shall be presented when due at the principal corporate trust office of any such additional Paying Agents.

The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Treasurer and the Trustee. The Paying Agent may be removed by the Treasurer at any time, by an instrument signed by the Treasurer and filed with the Paying Agent and the Trustee.

In the event of the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

In the event that the Treasurer shall fail to appoint a Paying Agent hereunder, or in the event that the Paying Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Paying Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Treasurer shall not have appointed its successor as Paying Agent, the Trustee shall ipso facto be

deemed to be the Paying Agent for all purposes of this Indenture until the appointment by the Treasurer of the Paying Agent or successor Paying Agent, as the case may be. The Trustee shall give each Bondholder notice by first-class mail of the appointment of a successor Paying Agent.

Section 8.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in case of the enforcement thereof on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-Trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-Trustee but only to the extent necessary to enable such separate or co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-Trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Treasurer be required by the separate or co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Treasurer. In case any separate or co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or a successor to such separate or co-Trustee.

ARTICLE IX
SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures Creating Series of Bonds. The Issuer and the Trustee may from time to time enter into a Supplemental Indenture in order to issue a series of Bonds. Such Supplemental Indenture shall, with respect to the series of Bonds issued thereby, set forth the date thereof, and the date or dates upon which principal of and premium, if any, and interest on such Bonds shall be payable, and shall contain such other terms and provisions as shall be established in the Supplemental Indenture. Any Supplemental Indenture authorized by the provisions of this Section 9.01 may be executed without the consent of the Bondholders, notwithstanding the provisions of Section 9.03 hereof.

Section 9.02. Supplemental Indentures Not Requiring Consent of Bondholders. In addition to the Supplemental Indentures referred to in Section 9.01, the Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into any indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the material prejudice of the Bondholders;
- (c) To subject to this Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Indenture in such manner as to permit continued compliance with a Tax Exemption Agreement or to maintain the tax exempt status of the Bonds under applicable federal law or regulations;
- (e) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(f) To evidence the appointment of a separate or co-Trustee or a co-registrar or transfer agent or the succession of a new Trustee, Paying Agent or Registrar hereunder or the appointment of a remarketing agent hereunder; or

(g) To make any other change that, in the judgment of the Trustee, does not materially affect the rights of any Bondholders.

Section 9.03. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Sections 9.01 and 9.02 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding which are affected, shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee and the Treasurer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (1) without the consent of the owners of all then Outstanding Bonds, (a) an extension of the maturity date of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (e) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding hereunder or (2) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Treasurer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Treasurer, following the mailing of such notice, the owners of not less than two-thirds in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE X
GENERAL COVENANTS

Section 10.01. Payment of Principal and Interest. The Issuer covenants that it will promptly pay the principal of and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the 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 Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than such Pledged Funds.

Section 10.02. 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 Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Treasurer is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby on behalf of the Issuer and to execute this Indenture, and to pledge the Pledged Funds and any other property hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the 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 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 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 \$55,000,000 into the Revenue Bonds Debt Service 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 10.04. Instruments of Further Assurance. The Issuer agrees that the Trustee may defend its rights to the payments of the Pledged Funds for the benefit of the owners of the Bonds,

against the claims and demands of all persons whomsoever. The Treasurer covenants that the Treasurer will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts and other property pledged hereby to the payment of the principal of and interest on the Bonds. The Issuer covenants and agrees that, except as provided herein, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Pledged Funds.

Section 10.05. Recording and Filing. The Trustee shall keep and file or cause to be kept and filed all financing statements, if any, related to this Indenture and all supplements hereto, and such other documents as may be necessary to be kept and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the owners of the Bonds and the rights of the Trustee hereunder. In carrying out its duties under this Section 10.05, the Trustee shall be entitled to rely on an opinion of its counsel specifying what actions are required to comply with this Section 10.05.

Section 10.06. Provision of Documents to Bondholders. If any Bondholder shall request of the Treasurer or Trustee a copy of the Indenture, the Trustee shall, at the expense of the Bondholder, provide such Bondholder with a photocopy or other copy of any such document requested.

Section 10.07. Covenants Concerning Put Option Bonds. In the event that the Issuer issues one or more series of Bonds hereunder the terms of which provide Bondholders with the option to periodically tender the Bonds for purchase, the Issuer covenants that the obligation to purchase any such tendered Bonds will either (i) be the subject of an agreement between the Issuer and a commercial bank pursuant to which the commercial bank agrees to purchase any such tendered Bonds or provide funds to the Issuer to purchase any such tendered Bonds; or (ii) be subordinate to the payment of Debt Service due on all Bonds Outstanding at the time the Issuer becomes obligated to purchase tendered Bonds. In the event the Issuer enters into an agreement with a commercial bank as set forth above, the Issuer covenants that any reimbursement obligation which it has to such commercial bank will be subordinate to the payment of Debt Service currently on all Bonds Outstanding at the time the reimbursement obligation arises.

Section 10.08. Covenant Concerning Secondary Market Disclosure. The Treasurer covenants to use its best efforts to comply with the disclosure requirements applicable to issuers of municipal securities of all applicable federal and state statutes, rules and regulations, including, but not limited to, Rule 15c2-12 as promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934; provided that the failure to so comply shall not be an Event or Default under this Indenture.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Consents, etc. of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of Bonds, and the date of owning the same shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 2.09 hereof.

For all purposes of this Indenture and of the proceedings for the enforcement hereof, any person deemed to be the holder of any Bond in accordance with this Section 11.01 shall be deemed to continue to be such holder of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 11.02. 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 Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the owners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this 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 Bonds as herein provided.

Section 11.03. Severability. If any provision of this 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 11.04. Issuer's Obligations Limited. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond hereby secured, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Indenture, shall be had against the Issuer except from the Pledged Funds as described herein.

Section 11.05. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram or telex, addressed to the parties as follows:

Issuer/Treasurer: Treasurer, State of Iowa
 State Capitol Building
 Des Moines, Iowa 50319

Trustee: Wells Fargo Bank, National Association
 Corporate Trust Department
 666 Walnut – MAC N8200-034
 Des Moines, Iowa 50309
 Facsimile: (515) 245-8532

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.06. Authority to Act. Whenever, under the provisions of this Indenture the approval of the Issuer is required or the Issuer is required to take some action at the request of the Trustee, such approval or action shall be given for the Issuer by the Treasurer, and any party hereto shall be authorized to act on any such approval or action and no party shall have any complaint against any other party as a result of any such action taken.

Section 11.07. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of payment of principal of or interest on the Bonds or the date fixed for redemption of any Bonds shall be a Saturday or Sunday or a legal holiday in the city of payment or a day on which banking institutions are authorized by law to close in the city of payment, then payment of interest or principal shall be made on the succeeding Business Day with the same force and effect as if made on the Interest Payment Date or maturity or date fixed for redemption.

Section 11.08. Non-Impairment of Contract. This Indenture shall constitute a contract with the holders of the Bonds made, in part, for the purpose of securing, and inducing investors to buy, the Bonds and the Issuer will take no action nor cause any action to be taken with respect to such contract which would contravene provisions of the United States Constitution and the Constitution of the State prohibiting the passage of laws impairing the obligations of contracts.

The Issuer will not amend this Indenture in any manner which would be adverse to the interests of the holders of the Bonds or which will have an adverse impact on the rating of the Bonds. The Trustee shall give notice to all Rating Agencies of any material amendment to this Indenture.

Section 11.09. Counterparts. This 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 11.10. Choice of Law and Forum. This Indenture shall be governed in all respects by, and construed in accordance with, the laws of the State, without giving effect to the choice of law principles thereof. Any and all litigation or actions commenced in connection with this Indenture, including after expiration or termination of this Indenture, shall be brought only in Des Moines Iowa, in Polk County District Court for the State of Iowa, if jurisdiction is proper. However, if jurisdiction is not proper in the Iowa District Court for Polk County, but is proper only in a United States District Court, the matter shall be commenced only in the United States District Court for the Southern District of Iowa, Central Division. The Trustee and the Bondholders hereby irrevocably: (i) consent and agree that any legal or equitable action or proceeding arising under, in connection with, or arising out of the Indenture the Bonds shall be brought and maintained exclusively in the aforesaid courts; (ii) submit to and accept, with respect to any such action or proceeding, generally and unconditionally, the jurisdiction of the aforesaid courts; and (iii) waive and objection to such jurisdiction based on forum non conveniens, lack of jurisdiction, or otherwise. This provision shall not be construed as waiving any immunity to suite or liability, in state or federal court, which may be available to the State or the Treasurer, including sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States, or otherwise. This Section shall survive termination of this Indenture.

Section 11.11 Interdepartmental Agreement. The Trustee and the Bondholders hereby acknowledge the provisions of Sections 6(d) and (g) of the Interdepartmental Agreement, relating to the choice law and jurisdiction for any actions commenced under the Interdepartmental Agreement, and other matters contained therein, the provisions of which are incorporated herein as though fully set forth herein.

IN WITNESS WHEREOF, the Issuer has caused this 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 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: *Carolynn R. Fisher*
Carolynn R. Fisher, Assistant Vice President

(Seal)