

METROPOLITAN PIER AND EXPOSITION AUTHORITY (ILLINOIS)**\$802,008,690.15† McCormick Place Expansion Project Bonds, Series 2002A****\$269,354,328.05† McCormick Place Expansion Project Refunding Bonds, Series 2002B****\$16,365,000.00† McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable)****Dated:** Date of Delivery**Due:** As shown on inside cover

In the opinion of Co-Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Series 2002A Bonds and the Series 2002B Bonds will not be includable in gross income for federal income tax purposes. The Series 2002A Bonds and the Series 2002B Bonds are not “private activity bonds” and the interest thereon is not required to be included as an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Series 2002A Bonds and the Series 2002B Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Series 2002C Bonds (Taxable) under present law is NOT excludable from the gross income of the owners thereof for federal income tax purposes. Interest on the Series 2002 Bonds is not exempt from present Illinois income taxes. See “TAX MATTERS” herein for a more complete discussion.

The Series 2002 Bonds will be issued pursuant to an Indenture of Trust dated as of December 15, 1992, as amended and supplemented (the “*Indenture*”), between the Metropolitan Pier and Exposition Authority (the “*Authority*”) and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the “*Trustee*”). The principal and redemption price of and interest on the Series 2002 Bonds will be paid by Seaway National Bank of Chicago, Chicago, Illinois, as Paying Agent. The Series 2002 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“*DTC*”). DTC will act as securities depository for the Series 2002 Bonds. Ownership by the beneficial owners of the Series 2002 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2002 Bonds will be made to Cede & Co., and disbursement of such payments will be the responsibility of DTC and its participants. See “APPENDIX H – DTC BOOK-ENTRY SYSTEM.”

The Series 2002 Bonds will be issued as Current Interest Bonds, Capital Appreciation Bonds and Deferred Interest Bonds as described on the inside cover page.

Certain of the Series 2002 Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein.

Proceeds of the Series 2002 Bonds will be used to finance the Series 2002 Projects, refund the Refunded Bonds, and pay costs incurred in connection with issuing the Series 2002 Bonds and refunding the Refunded Bonds. See “PLAN OF FINANCE.”

The Series 2002 Bonds are being issued in three Series: new money bonds, refunding bonds and taxable refunding bonds, referred to herein as the Series 2002A Bonds, the Series 2002B Bonds and the Series 2002C Bonds, respectively. However, the Series 2002A Bonds and the Series 2002B Bonds are being offered to investors without regard to series designation; the different series designations reflect the different purposes for which those various Series of Series 2002 Bonds are being issued under the Act.

The Series 2002 Bonds, together with previously issued and Outstanding Bonds and any Additional Bonds hereinafter issued under the Indenture are special, limited obligations of the Authority payable from and secured by a pledge of Revenues, including amounts received by the Trustee from the McCormick Place Expansion Project Fund (the “*Expansion Project Fund*”), a separate fund in the State Treasury, and by Bond proceeds and certain of the Funds and other moneys held under the Indenture. Moneys on deposit in the Expansion Project Fund are derived from (a) Authority Taxes and (b) State Sales Tax Deposits. Subject to annual appropriation by the State of Illinois, moneys on deposit in the Expansion Project Fund and requested by the Authority are to be used only for the payment of the debt service on and maintenance of reserve funds in respect of the Bonds. See “SECURITY AND SOURCES OF PAYMENT.” Subject to the foregoing, neither the full faith and credit nor the taxing power of the State of Illinois, the Authority or any other political subdivision thereof, will be pledged to the payment of the principal of or premium, if any, or interest on the Series 2002 Bonds.

Payment of the principal of and interest on the Series 2002 Bonds when due will be guaranteed by a financial guaranty insurance policy issued simultaneously with the delivery of the Series 2002 Bonds by MBIA Insurance Corporation.



A detailed schedule of the maturities, principal amounts, interest rates and prices or yields of the Series 2002 Bonds is set forth on the inside cover page.

The Series 2002 Bonds are offered in book-entry only form when, as and if issued and received by the Underwriters, subject to the approving legal opinions of Katten Muchin Zavis Rosenman, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel, Renée C. Benjamin, Esq., and by its special counsel, Mayer, Brown, Rowe & Maw, Chicago, Illinois, and for the Underwriters by their counsel Bell, Boyd & Lloyd LLC, Chicago, Illinois, and Burke Burns & Pinelli, Ltd., Chicago, Illinois. It is expected that the Series 2002 Bonds will be available for delivery through DTC on or about July 2, 2002.

SALOMON SMITH BARNEY**LASALLE CAPITAL MARKETS**
A DIVISION OF ABN AMRO FINANCIAL SERVICES, INC.**LOOP CAPITAL MARKETS, LLC****JPMORGAN**

Bear, Stearns & Co. Inc. Cabrera Capital Markets George K. Baum & Company Mesirow Financial, Inc.
M.R. Beal & Company Ramirez & Co. Siebert Brandford Shank & Co., LLC William Blair & Company

Dated: June 14, 2002

† Aggregate original principal amount.

METROPOLITAN PIER AND EXPOSITION AUTHORITY (ILLINOIS) ‡

\$802,008,690.15† McCormick Place Expansion Project Bonds, Series 2002A

\$269,354,328.05† McCormick Place Expansion Project Refunding Bonds, Series 2002B

\$16,365,000.00† McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable)

SERIES 2002A BONDS AND SERIES 2002B BONDS

\$823,960,000† CURRENT INTEREST BONDS

\$298,280,000 Serial Bonds

<u>Aggregate Original Principal Amount</u>	<u>Maturity (June 15)</u>	<u>Interest Rate</u>	<u>Yield</u>
\$ 13,350,000	2008	5.250%	3.68%
17,015,000	2009	5.250	3.87
27,940,000	2010	5.250	4.08
39,065,000	2011	5.250	4.20
710,000	2013	4.375	4.44
745,000	2014	4.500	4.56
780,000	2015	4.500	4.63
4,795,000	2016	5.500	4.63
49,910,000	2021	5.000	5.14
60,000,000	2023	5.750	5.02
20,000,000	2023	5.500	5.12
63,970,000	2041	5.750	5.24

\$260,320,000 5.000% Term Bonds Due December 15, 2028; Price 95.482

\$265,360,000 5.250% Term Bonds Due June 15, 2042; Price 96.755

‡ Detailed schedule of the original principal amounts, maturities, interest rates and prices or yields of the Series 2002 Bonds. The Series 2002 Bonds are being issued in three Series: new money bonds, refunding bonds and taxable refunding bonds, referred to herein as the Series 2002A Bonds, the Series 2002B Bonds and the Series 2002C Bonds, respectively. However, the Series 2002A Bonds and the Series 2002B Bonds are being offered to investors without regard to series designation; the different series designations reflect the different purposes for which those various Series of Series 2002 Bonds are being issued under the Act.

† Aggregate original principal amount.

\$85,424,901.80† CAPITAL APPRECIATION BONDS **

Aggregate Original Principal Amount	Maturity	Total Accreted Value at Maturity	Original Principal Amount per \$5,000 Accreted Value at Maturity	Initial Offering Price to Public per \$5,000 Accreted Value at Maturity	Approximate Initial Offering Yield
\$ 5,180,068.80	12/15/2023	\$ 63,110,000.00	\$ 410.40	\$ 1,469.55	5.79%
3,988,530.00	12/15/2024	54,600,000.00	365.25	1,378.95	5.82
4,186,644.00	12/15/2025	64,400,000.00	325.05	1,293.20	5.85
2,409,290.40	12/15/2026	41,640,000.00	289.30	1,217.85	5.86
6,595,539.05	12/15/2029	161,695,000.00	203.95	1,007.85	5.92
3,682,151.20	6/15/2030	95,690,000.00	192.40	973.55	5.94
5,869,528.50	12/15/2030	161,695,000.00	181.50	945.45	5.94
3,276,425.60	6/15/2031	95,690,000.00	171.20	913.05	5.96
5,224,365.45	12/15/2031	161,695,000.00	161.55	886.65	5.96
2,916,631.20	6/15/2032	95,690,000.00	152.40	858.45	5.97
4,648,731.25	12/15/2032	161,695,000.00	143.75	833.60	5.97
2,595,112.80	6/15/2033	95,690,000.00	135.60	804.55	5.99
4,137,775.05	12/15/2033	161,695,000.00	127.95	781.20	5.99
2,309,956.60	6/15/2034	95,690,000.00	120.70	753.75	6.01
3,681,795.15	12/15/2034	161,695,000.00	113.85	731.80	6.01
2,055,421.20	6/15/2035	95,690,000.00	107.40	705.90	6.03
3,277,557.65	12/15/2035	161,695,000.00	101.35	685.25	6.03
1,829,592.80	6/15/2036	95,690,000.00	95.60	660.80	6.05
2,916,977.80	12/15/2036	161,695,000.00	90.20	641.40	6.05
1,628,643.80	6/15/2037	95,690,000.00	85.10	620.45	6.06
2,595,204.75	12/15/2037	161,695,000.00	80.25	602.20	6.06
1,448,746.60	6/15/2038	95,690,000.00	75.70	582.45	6.07
2,310,621.55	12/15/2038	161,695,000.00	71.45	565.30	6.07
1,289,901.20	6/15/2039	95,690,000.00	67.40	546.70	6.08
2,055,143.45	12/15/2039	161,695,000.00	63.55	530.55	6.08
1,147,323.10	6/15/2040	95,690,000.00	59.95	514.90	6.08
1,828,770.45	12/15/2040	161,695,000.00	56.55	499.70	6.08
338,452.40	6/15/2041	31,720,000.00	53.35	485.00	6.08

** \$497,037,134.85 Initial Offering Price. See Appendix I for a table of Accreted Values to be used for purposes of the Indenture. See Appendix J for a table of accreted values to be used for Federal income tax purposes. See "TAX MATTERS."

† Aggregate original principal amount.

\$161,978,116.40† DEFERRED INTEREST BONDS

Aggregate Original Principal Amount	Maturity (June 15)	Interest Commencement Date (“ICD”)	Total Accreted Value at ICD	Approximate Yield to ICD and Interest Rate from ICD	Price Per \$5,000 Appreciated Value at ICD
\$ 9,031,946.15	2017	June 15, 2012	\$ 15,055,000	5.20%	\$ 2,999.65
8,915,070.70	2018	June 15, 2012	15,005,000	5.30	2,970.70
15,769,388.00	2019	June 15, 2012	26,800,000	5.40	2,942.05
23,449,457.60	2020	June 15, 2012	40,240,000	5.50	2,913.70
14,941,638.80	2021	June 15, 2012	25,765,000	5.55	2,899.60
\$ 34,179,674.70	2022	June 15, 2017	\$ 78,630,000	5.65%	\$ 2,173.45
7,062,152.10	2023	June 15, 2017	16,365,000	5.70	2,157.70
12,857,734.30	2024	June 15, 2017	29,795,000	5.70	2,157.70
17,261,600.00	2025	June 15, 2017	40,000,000	5.70	2,157.70
13,914,756.80	2026	June 15, 2017	32,480,000	5.75	2,142.05
4,594,697.25	2027	June 15, 2017	10,725,000	5.75	2,142.05

SERIES 2002C BONDS (TAXABLE)

\$16,365,000.00† CURRENT INTEREST BONDS

Aggregate Original Principal Amount	Maturity (June 15)	Interest Rate	Yield
\$ 15,485,000	2005	4.07%	4.07%
880,000	2006	4.44	4.44

† Aggregate original principal amount.

**METROPOLITAN PIER AND EXPOSITION AUTHORITY
301 EAST CERMAK, CHICAGO, ILLINOIS 60616
312-791-7500**

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No dealer, broker, salesman or other person has been authorized by the Authority, the Co-Financial Advisors or the Underwriters to give any information or make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2002 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the information contained herein since the date hereof.

This Official Statement contains certain forward-looking statements and information that are based on the Authority's beliefs as well as assumptions made by and information currently available to the Authority. When used in this Official Statement, the words "anticipate," "estimate," "expect" and similar expressions are intended to identify forward-looking statements. These statements are subject to certain risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected. The completion of various Authority construction projects is subject to the usual uncertainties associated with construction, including but not limited to delays in the acquisition of property or in the issuance of necessary approvals or permits, strikes, shortages of materials and adverse weather conditions, and any such developments may adversely affect the Authority's cost or time estimates. The Authority's assumptions and expectations concerning the receipt in future years of the taxes that secure the Series 2002 Bonds are subject to various demographic, global, security, economic and technological uncertainties that may adversely affect the activities upon which such taxes are levied. Any statement concerning pending or proposed legislation is subject to the uncertainties of the legislative process.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2002 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2002 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER OR YIELDS HIGHER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE HERETO AND SAID PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. The Series 2002 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

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OFFICIAL STATEMENT

METROPOLITAN PIER AND EXPOSITION AUTHORITY (ILLINOIS)

\$802,008,690.15† McCormick Place Expansion Project Bonds, Series 2002A

\$269,354,328.05† McCormick Place Expansion Project Refunding Bonds, Series 2002B

\$16,365,000.00† McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover pages and the Appendices hereto, is furnished by the Metropolitan Pier and Exposition Authority (the “*Authority*”) to provide information regarding the Authority’s \$802,008,690.15† McCormick Place Expansion Project Bonds, Series 2002A, \$269,354,328.05† McCormick Place Expansion Project Refunding Bonds, Series 2002B, and \$16,365,000.00† McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable) (collectively, the “*Series 2002 Bonds*”).

The Series 2002 Bonds are issued pursuant to The Metropolitan Pier and Exposition Authority Act, as amended, 70 ILCS 210/1 *et seq.* (the “*Act*”), and pursuant to ordinances adopted by the Board of the Authority on June 4, 2002, and June 14, 2002 (collectively, the “*Bond Ordinance*”). The Bond Ordinance authorizes the issuance of the Series 2002 Bonds pursuant to an Indenture of Trust dated as of December 15, 1992 (the “*Original Indenture*”), between the Authority and Amalgamated Bank of Chicago, as trustee (the “*Trustee*”), as previously amended and supplemented by the First Supplemental Indenture of Trust, the Second Supplemental Indenture of Trust, the Third Supplemental Indenture of Trust, the Fourth Supplemental Indenture of Trust, the Fifth Supplemental Indenture of Trust, the Sixth Supplemental Indenture of Trust, and as amended and supplemented in connection with the Series 2002 Bonds by the Seventh Supplemental Indenture of Trust, dated as of June 15, 2002 (the Original Indenture, as so amended and supplemented and as hereafter amended or supplemented, the “*Indenture*”). Seaway National Bank of Chicago, Chicago, Illinois, will serve as paying agent under the Indenture (the “*Paying Agent*”). The Series 2002 Bonds, previously issued and Outstanding Bonds (as defined herein) and Additional Bonds (as defined herein) hereinafter issued under the Indenture are sometimes collectively called the “*Bonds*.”

The Authority is a political subdivision, unit of local government, body politic and municipal corporation existing under the laws of the State, established for the purpose of promoting, operating and maintaining fairs, expositions, meetings and conventions in Cook County, Illinois. The Authority operates and maintains McCormick Place, an exhibition and convention center located at 23rd Street and Martin Luther King Drive in the City of Chicago, and Navy Pier, also located in Chicago directly east of Lake Shore Drive at Grand Avenue on Lake Michigan. McCormick Place is one of North America’s premier convention facilities and attracts more than three million trade and public show visitors annually to its state-of-the-art facilities, offering 2.2 million square feet of exhibit space in the North Hall, the South Hall and the Lakeside Center, 114 meeting rooms, the largest ballroom in Chicago, the 4,249-seat Arie

† Aggregate original principal amount.

Crown Theater, and the Hyatt Hotel at McCormick Place. Navy Pier's 50-acre site on Chicago's lakefront is consistently the State's top tourist attraction. See "THE AUTHORITY."

The Act and certain other statutes were amended in 1991 (as amended, the "*Authorizing Legislation*") to provide for the expansion of the Authority's facilities, authorize the issuance of bonds by the Authority to finance such expansion, authorize the Authority to impose certain local taxes within Cook County, and provide for the deposit of those taxes and State Sales Taxes into a separate fund in the State Treasury, known as the McCormick Place Expansion Project Fund (herein, the "*Expansion Project Fund*"). Moneys on deposit in the Expansion Project Fund are, subject to annual appropriation by the State, to be used only for the payment of the debt service on and maintenance of reserve funds in respect of those bonds. See "SECURITY AND SOURCES OF PAYMENT."

Bonds secured by the Expansion Project Fund may be issued for the purposes of carrying out and performing the duties and exercising the powers of the Authority under the Act, including the Expansion Project (as defined in the Act). The Act currently defines Expansion Project to include the expansion, renovation and improvement of the grounds, buildings and facilities of the Authority at both McCormick Place and Navy Pier and improvements to land, highways, mass transit facilities and infrastructure, whether or not located on land owned by the Authority, that the Authority determines are appropriate on account of the improvement of its facilities. See "THE AUTHORITY – Facilities." Bonds secured by the Expansion Project Fund may also be issued to refund or advance refund bonds and notes secured by amounts appropriated from the Expansion Project Fund or bonds and notes otherwise authorized by the Act.

The Act limits the aggregate original principal amount of bonds that may be secured by amounts appropriated from the Expansion Project Fund. As a result of amendments to the Act that became effective in 2001 (the "*2001 Amendments*"), that limit was increased to \$2,107,000,000 aggregate original principal amount, excluding the amount of any bonds and notes issued to refund or advance refund bonds or notes secured by amounts appropriated from the Expansion Project Fund.

The Authority has issued several series of Bonds secured by amounts appropriated from the Expansion Project Fund, as shown in the following table. Proceeds of these Bonds were used to finance the Expansion Project and to refund or refinance Bonds and other debt of the Authority.

<u>Series</u>	<u>New Money Bonds¹</u>	<u>Refunding Bonds¹</u>	<u>Principal Amount Outstanding³</u>
1992A ^{2,4}	\$ 868,849,764.60	-	\$ 103,056,741.40
1994A ^{2,5}	-	\$ 129,458,792.80	70,752,123.65
1994B ^{2,5}	67,549,191.45	-	42,491,928.05
1994 (Taxable)	-	2,315,000.00	0.00
1996A ^{2,6}	-	506,773,944.70	444,053,316.70
1998A ⁶	-	100,740,000.00	44,855,000.00
1998B ⁶	100,000,000.00	-	88,905,000.00
1999A ⁷	133,435,000.00	-	121,330,000.00
1999B ⁸	134,230,000.00	-	134,230,000.00
1999C	-	152,915,000.00	152,915,000.00
1999D (Taxable)	-	23,090,000.00	23,090,000.00
2002A ²	802,008,690.15	-	802,008,690.15
2002B ²	-	269,354,328.05	269,354,328.05
2002C (Taxable)	-	16,365,000.00	16,365,000.00
Total	<u>\$ 2,106,072,646.20</u>	<u>\$ 1,201,012,065.55</u>	<u>\$ 2,313,407,128.00</u>

1. Aggregate original principal amount.
2. Portions issued as Capital Appreciation Bonds and/or Deferred Interest Bonds.
3. As of the date of delivery of the Series 2002 Bonds and after giving effect to the refunding of the Refunded Bonds. Does not reflect any accretion on Capital Appreciation Bonds.
4. Portions of these Bonds were refunded with portions of the proceeds of Series 1994 Bonds, Series 1996 Bonds, Series 1998 Bonds, Series 1999 Bonds and Series 2002 Bonds.
5. Portions of these Bonds were refunded with portions of the proceeds of Series 1998 Bonds, Series 1999 Bonds and Series 2002 Bonds.
6. Portions of these Bonds were refunded with a portion of the proceeds of Series 1999 Bonds and Series 2002 Bonds.
7. Portions of these Bonds were refunded with portions of the proceeds of Series 2002 Bonds
8. Proceeds of these Bonds were used to refund the Authority's McCormick Place Convention Complex Hospitality Facilities Revenue Bonds, Series 1996A (the "Hotel Bonds"), which were issued in 1996 under a separate indenture.

Proceeds of the Series 2002 Bonds will be used to (a) finance the Series 2002 Projects (as defined herein), which are part of the Expansion Project, (b) refund the Refunded Bonds (as defined herein), and (c) pay costs incurred in connection with issuing the Series 2002 Bonds, including the premiums for the MBIA Bond Insurance Policy (2002) and the FGIC Reserve Policy (2002) (as both terms are defined herein), and refunding the Refunded Bonds. See "PLAN OF FINANCE."

The Series 2002 Bonds are being issued in three Series: new money bonds, refunding bonds and taxable refunding bonds, referred to herein as the Series 2002A Bonds, the Series 2002B Bonds and the Series 2002C Bonds, respectively. However, the Series 2002A Bonds and the Series 2002B Bonds are being offered to investors without regard to series designation; the different series designations reflect the different purposes for which those various Series of Series 2002 Bonds are being issued under the Act.

The Series 2002 Bonds are secured on a parity basis with the \$1,225,679,109.80 of previously issued Bonds that will remain Outstanding upon issuance of the Series 2002 Bonds and the refunding of the Refunded Bonds. The Bonds are special, limited obligations of the Authority payable from and secured on a parity basis under the Indenture by a pledge of Revenues, including amounts received by the Trustee from the Expansion Project Fund, and by Bond proceeds and certain of the Funds and other moneys held under the Indenture. Moneys on deposit in the Expansion Project Fund are to be derived from (a) Authority Taxes and (b) State Sales Tax Deposits. Subject to annual appropriation by the State of moneys on deposit in the Expansion Project Fund and request by the Authority, such moneys are to be used only for the payment of the debt service on and maintenance of reserve funds in respect of the Bonds. Subject to the foregoing, neither the full faith and credit nor the taxing power of the State, the Authority or any other political subdivision thereof are pledged to payment of the principal of, premium, if any, or interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT."

The payment of debt service on the Bonds is not dependent upon revenues derived from operations of McCormick Place, the Hotel (as defined herein) or Navy Pier or from other operations of the Authority.

Payment of the principal of and interest on the Series 2002 Bonds when due will be guaranteed by a financial guaranty insurance policy (the "*MBIA Bond Insurance Policy (2002)*") issued simultaneously with the delivery of the Series 2002 Bonds by MBIA Insurance Corporation. See "MBIA BOND INSURANCE POLICY (2002)."

This Official Statement contains descriptions of the security for the Bonds, the Authority, and the Expansion Project Fund, together with summaries of the terms of the Series 2002 Bonds and summaries of certain provisions of the Act, the Authorizing Legislation, certain related laws and the Indenture. All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Act, the Authorizing Legislation, the Bonds and the Indenture. Initially capitalized terms used but not otherwise defined in this Official Statement have the meanings given them in Appendix C unless otherwise indicated.

PLAN OF FINANCE

General

Proceeds of the Series 2002 Bonds will be used to (a) finance the Series 2002 Projects, which are part of the Expansion Project, (b) refund the Refunded Bonds, and (c) pay costs incurred in connection with issuing the Series 2002 Bonds, including the premiums for the MBIA Bond Insurance Policy (2002) and the FGIC Reserve Policy (2002) and refunding the Refunded Bonds.

The following table summarizes the estimated application of the net proceeds of the Series 2002 Bonds:

<u>Estimated Use of Funds</u>	
Series 2002 Projects	\$ 1,045,172,006
Refund Refunded Bonds	288,532,425
Capitalized Interest	137,508,604
Underwriters' Discount	10,354,751
Costs of Issuance ⁽¹⁾	<u>11,634,636</u>
Total Uses	<u>\$ 1,493,202,422</u>

1. Includes the premiums for the MBIA Bond Insurance Policy (2002) and the FGIC Reserve Policy (2002).

Series 2002 Projects

As part of the Expansion Project and in order to maintain its competitive position at McCormick Place, the Authority proposed and the State enacted the 2001 Amendments to increase the authorization of Bonds to finance a major expansion of the convention facilities at the McCormick Place Complex. The Series 2002 Projects are expected to include the projects described below, but, subject to compliance with the Indenture and certain tax covenants, the Series 2002 Projects may change and may include any project included within the definition of Expansion Project under the Act. Series 2002 Projects costs can include design, planning and construction costs, land acquisition costs, and professional services fees.

The West Hall. The largest of the Series 2002 Projects is the proposed new exhibition, convention and meeting facility at the McCormick Place Complex (the “*West Hall*”). The Authority proposes to design, develop and construct the West Hall on a site located generally to the west of the South Hall. The existing Conference Center Facilities will be incorporated into the expansion with very little modification to its present configuration. The West Hall will include the following major building and program components:

- 600,000 square feet of new exhibition floor area divisible into three distinct halls
- A new “Central Concourse” linking the West Hall to other facilities at the McCormick Place Complex
- 140,000 square feet of new meeting room space
- Street-level pre-function, registration and amenity support areas
- A 60,000 square feet ballroom

The Authority is in the process of acquiring the land on which the West Hall will be located. Property may be acquired by negotiation or pursuant to the Authority’s “quick-take” condemnation authority. The Authority has completed the schematic design phase of the West Hall project and anticipates entering into a design/build agreement with a guaranteed maximum price for the final design and construction of the West Hall in late 2002. The Authority anticipates beginning construction in the fall of 2003, and completing construction of and opening the West Hall in the fall of 2007.

Utilities. One or more utility projects may be included in the Series 2002 Projects. These projects may include the acquisition, enhancement and/or development of utility facilities necessary to provide steam, chilled water, potable water and/or electricity for the facilities at the McCormick Place Complex (including the West Hall).

Other Improvements. The Series 2002 Projects may also include various improvements to the North Hall, the South Hall, the Lakeside Center, the Hotel, the Busway Project, and Navy Pier. See “THE AUTHORITY – Facilities.”

Off-Site Infrastructure. The Authority expects to enter into one or more intergovernmental agreements with other governmental bodies to fund improvements to land, highways, and mass transit facilities and other infrastructure that are appropriate on account of improvements to the Authority's facilities.

Refunded Bonds

Proceeds of the Series 2002B Bonds and the Series 2002C Bonds will be used to refund the Bonds described in Appendix B (collectively, the “*Refunded Bonds*”) on the dates and at the maturity amounts or redemption prices set forth in Appendix B.

In order to provide for the refunding and escrow to maturity of the Refunded Bonds, the Authority will use the proceeds of the Series 2002B Bonds and the Series 2002C Bonds to purchase Defeasance Securities (as defined in Appendix C hereto), the principal of which, together with the interest to be earned thereon, will be sufficient to pay (i) prior to their respective redemption dates, all interest on and principal with respect to the Refunded Bonds as and when due, and (ii) on their respective redemption dates, the redemption prices of and accrued interest on the Refunded Bonds (or, where applicable, the Accreted Value at Maturity), all as further set forth in Appendix B.

The Defeasance Securities will be held in an escrow trust account (the “*Escrow Account*”) by BNY Midwest Trust Company, as Escrow Agent pursuant to an Escrow Agreement, dated as of June 15, 2002 (the “*Escrow Agreement*”), for the benefit of the holders of the Refunded Bonds. From and after the funding of the Escrow Account, (i) the Accreted Value at maturity, as applicable, and redemption price of and interest on the Refunded Bonds will be payable solely from the Escrow Account and not from any other funds of the Authority, and (ii) the Refunded Bonds shall be deemed paid and the pledge, assignment and lien of the Indenture shall be discharged and satisfied with respect to the Refunded Bonds. Holders of the Bonds that remain Outstanding will have no claim to the Escrow Account.

The accuracy and adequacy of (1) the mathematical computations of the maturing principal of and interest on the Defeasance Securities to pay, when due, the principal and redemption price of and interest on the Refunded Bonds as described above and (2) the mathematical computations supporting the conclusion that the Series 2002A Bonds and the Series 2002B Bonds are not “arbitrage bonds” under Section 148 of the Code and the regulations promulgated thereunder, will be verified by Grant Thornton LLP based upon information supplied by the Authority in connection with such matters. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

See “DEBT SERVICE SCHEDULE” for certain information regarding the Bonds that will remain Outstanding after giving effect to the refunding of the Refunded Bonds as described above.

DEBT SERVICE SCHEDULE

The following table shows for each Fiscal Year of the Authority (ending June 30) the annual debt service payments on the Bonds (net of capitalized interest) that will remain Outstanding upon issuance of the Series 2002 Bonds and after giving effect to the refunding of the Refunded Bonds.

Fiscal Year <u>(June 30)</u>	Debt Service <u>Payments</u>
2003	\$ 88,985,938
2004	92,987,983
2005	96,990,824
2006	101,991,542
2007	107,987,200
2008	125,993,128
2009	131,997,747
2010	138,992,878
2011	145,992,062
2012	152,991,838
2013	160,990,888
2014	169,995,173
2015	178,994,601
2016	188,994,086
2017	198,991,783
2018	209,992,584
2019	220,993,441
2020	232,991,860
2021	245,990,048
2022	259,992,703
2023	274,992,070
2024	274,985,953
2025	274,987,663
2026	274,987,844
2027	274,988,563
2028	274,992,356
2029	274,987,563
2030	274,994,675
2031	274,994,675
2032	274,994,675
2033	274,994,675
2034	274,994,675
2035	274,994,675
2036	274,994,675
2037	274,994,675
2038	274,994,675
2039	274,994,675
2040	274,994,675
2041	274,994,675
2042	274,998,738

THE SERIES 2002 BONDS

General

The Series 2002 Bonds will be issued as Current Interest Bonds, Capital Appreciation Bonds and Deferred Interest Bonds, as shown on the inside cover page.

The Series 2002 Bonds will be issued initially in the form of a single Global Certificate for each of the maturities of the series. DTC (as defined herein) will act as securities depository for the Bonds. The Series 2002 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds of each Subseries, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX H – DTC BOOK-ENTRY SYSTEM."

Principal of and premium, if any, and interest on the Series 2002 Bonds will be paid as described in Appendix H. During the period in which the Series 2002 Bonds are not in the DTC Book-Entry Only System, the principal at maturity or the redemption price of the Series 2002 Bonds shall be payable at the principal corporate office of the Paying Agent. Interest on the Series 2002 Bonds shall be paid by check or draft of the Paying Agent mailed on the Interest Payment Date to the person who is the Owner on the Record Date. Any Owner of at least \$1 million principal amount of the Series 2002 Bonds of the same Series (or a lesser amount of such Bonds if such Bonds constitute all of the Outstanding Series 2002 Bonds at the time) may file an instrument with the Paying Agent requesting interest and, upon presentation of any Series 2002 Bond to the Paying Agent, principal to be paid by wire transfer to an account maintained by such Owner at a domestic financial institution designated in such instrument.

Subject to the provisions described in Appendix H, principal of the Series 2002 Bonds will be paid at the principal corporate trust office of the Trustee, or at the duly designated office of any duly appointed alternate or successor paying agent, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

All payments of interest on, and of principal upon the redemption of, the Series 2002 Bonds shall be paid through DTC in accordance with its normal procedures, that, as of the date of this Official Statement, provide for payment by DTC to its Participants and members. Such method of payment may be modified by written agreement between the Trustee and DTC.

Current Interest Bonds

The Current Interest Bonds will be issued in denominations of \$5,000 or any integral multiple thereof and will be dated their date of delivery. The Current Interest Bonds will mature on June 15 and December 15 of the years and in the amounts, and will bear interest from their dates at the rates set forth on the front inside cover of this Official Statement. Interest on the Current Interest Bonds will be payable semi-annually on June 15 and December 15 of each year, with the first Interest Payment Date being December 15, 2002.

Capital Appreciation Bonds

The Capital Appreciation Bonds will be dated their date of delivery. The Capital Appreciation Bonds will be issued in denominations that will result in the Accreted Value at maturity of each Capital Appreciation Bond being equal to \$5,000 or any integral multiple thereof. The Capital Appreciation Bonds will mature on June 15 and December 15 of the years, and bear interest from their date of issuance, compounded semi-annually on each June 15 and December 15 (based on a 360 day year of twelve 30 day months), commencing December 15, 2002, at the approximate yields to maturity set forth on the inside cover page of this Official Statement. Principal of and interest on the Capital Appreciation Bonds will be payable only at maturity. Capital Appreciation Bonds will not be subject to mandatory or optional redemption prior to maturity. Under the Indenture, the Accreted Value of each Capital Appreciation Bond on any June 15 or December 15 is the Original Principal Amount of such Bond plus accrued interest thereon. Appendix I sets forth the Accreted Values calculated in accordance with the requirements of the Indenture. The accreted value of each Capital Appreciation Bond for Federal income tax purposes is based upon its respective initial offering prices and is set forth in Appendix J.

Under the Indenture, the Accreted Value of each Capital Appreciation Bond on any date other than June 15 and December 15 will be determined conclusively by the Trustee or a certified public accountant selected by the Trustee, by interpolating the Accreted Value as follows: (1) using the straight line method, by reference to the Accreted Values on June 15 or December 15 immediately prior to and immediately after such determination date, and the number of days (based on a 360 day year of twelve 30 day months) elapsed since the later of the June 15 or December 15 immediately prior to such date, and (2) applying the formula contained in the definition of Accreted Value set forth in Appendix C hereto.

Deferred Interest Bonds

The Deferred Interest Bonds will be dated their date of delivery, and issued in denominations that will result in the Appreciated Value of each Deferred Interest Bond at the Interest Commencement Date applicable to such Bond being equal to \$5,000 or any integral multiple thereof. The Deferred Interest Bonds will mature on June 15 of the years and bear interest from their date of issuance, compounded semi-annually until the respective Interest Commencement Dates on each June 15 and December 15 (based on a 360 day year of twelve 30 day months), commencing December 15, 2002, which will provide the yields to the respective Interest Commencement Dates and shall bear interest from the respective Interest Commencement Dates until maturity or redemption as set forth on the inside cover page of this

Official Statement. No interest is payable on any Deferred Interest Bond prior to the applicable Interest Commencement Date; thereafter, interest at the applicable rate will be payable on the first Interest Payment Date following the Interest Commencement Date for such Bond and thereafter on each June 15 and December 15 until maturity or earlier redemption, such interest to be computed and paid based upon the Appreciated Value of such Bond on the applicable Interest Commencement Date. The Appreciated Value of the Deferred Interest Bonds will be payable only at maturity or upon earlier redemption. The Appreciated Value of each Deferred Interest Bond on any June 15 or December 15 prior to the Interest Commencement Date is set forth in Appendix K. Beginning on the Interest Commencement Date, interest on the Appreciated Value of the Deferred Interest Bonds will be payable semi-annually on June 15 and December 15 of each year, commencing on the December 15 following each Interest Commencement Date.

Redemption

Certain of the Series 2002A Bonds and Series 2002B Bonds are subject to redemption prior to maturity, as further described below. The Series 2002C Bonds are not subject to redemption prior to maturity.

Current Interest Bonds

Optional Redemption – Series 2002A Bonds. The Series 2002A Bonds that are Current Interest Bonds maturing on or after June 15, 2023, are subject to redemption prior to maturity on and after June 15, 2012 at the option of the Authority, out of amounts deposited in the Redemption Account, in whole or in part at any time and if in part by maturities or portions thereof designated by the Authority (less than all of a single maturity of any Series of such Bonds to be selected by lot in such manner as may be designated by the Trustee), at the prices (expressed as percentages of the principal amount being redeemed) set forth below plus accrued interest thereon to the date of redemption, at the times set forth below:

<u>Redemption Period</u>	<u>Redemption Price</u>
On or after June 15, 2012, but prior to June 15, 2013	101%
On or after June 15, 2013	100

– **Series 2002B Bonds.** The Series 2002B Bonds that are Current Interest Bonds maturing on or after June 15, 2013, are subject to redemption prior to maturity on and after June 15, 2012, at the option of the Authority, out of amounts deposited in the Redemption Account, in whole or in part at any time and if in part by maturities or portions thereof designated by the Authority (less than all of a single maturity of any Series of such Bonds to be selected by lot in such manner as may be designated by the Trustee), at the prices (expressed as percentages of the principal amount being redeemed) set forth below plus accrued interest thereon to the date of redemption, at the times set forth below:

<u>Redemption Period</u>	<u>Redemption Price</u>
On or after June 15, 2012, but prior to June 15, 2013	101%
On or after June 15, 2013	100

Mandatory Redemption – Series 2002A Bonds. The Series 2002A Bonds that are Current Interest Bonds maturing on December 15, 2028 (“*Series 2002A 12/15/2028 Term Bonds*”), and June 15, 2042 (“*Series 2002A 6/15/2042 Term Bonds*”), are Term Bonds and are subject to Mandatory Sinking Fund Payments (established by the Seventh Supplemental Indenture on a Series by Series basis) and redemption by lot within each Series, in such manner as shall be designated by the Trustee, in principal increments of \$5,000, at par and accrued interest but without premium, on the dates and in the amounts as follows:

Series 2002A 12/15/2028 Term Bonds

<u>Mandatory Sinking Fund Payment Dates</u>	<u>Mandatory Sinking Fund Payments</u>
June 15, 2027	\$ 46,385,000
December 15, 2027	104,295,000

Series 2002A 6/15/2042 Term Bonds

<u>Mandatory Sinking Fund Payment Dates</u>	<u>Mandatory Sinking Fund Payments</u>
December 15, 2041	\$ 163,530,000

Capital Appreciation Bonds

The Capital Appreciation Bonds are not subject to redemption prior to maturity.

Deferred Interest Bonds

The Deferred Interest Bonds are not subject to redemption prior to the Interest Commencement Date. On and after the Interest Commencement Date for any Deferred Interest Bond, the principal amount of such Bond shall be the Appreciated Value of such Bond on such Interest Commencement Date.

Optional Redemption – Series 2002A Bonds. The Series 2002A Bonds that are Deferred Interest Bonds are subject to redemption prior to maturity on and after June 15, 2022, at the option of the Authority, out of amounts deposited in the Redemption Account, in whole or in part at any time and if in part by maturities or portions thereof designated by the Authority (less than all of a single maturity of any Series of such Bonds to be selected by lot in such manner as may be designated by the Trustee), at the prices (expressed as percentages of the principal amount being redeemed) set forth below plus accrued interest thereon to the date of redemption, at the times set forth below:

<u>Redemption Period</u>	<u>Redemption Price</u>
On or after June 15, 2022, but prior to June 15, 2023	101.00%
On or after June 15, 2023, but prior to June 15, 2024	100.50
On or after June 15, 2024	100.00

– **Series 2002B Bonds.** The Series 2002B Bonds that are Deferred Interest Bonds maturing on June 15, 2022 and June 15, 2023 are not subject to optional redemption prior to maturity.

The Series 2002B Bonds that are Deferred Interest Bonds maturing on June 15, 2018 to 2021 (both dates inclusive), are subject to redemption prior to maturity on and after June 15, 2017, at the option of the Authority, out of amounts deposited in the Redemption Account, in whole or in part at any time and if in part by maturities or portions thereof designated by the Authority (less than all of a single maturity of any Series of such Bonds to be selected by lot in such manner as may be designated by the Trustee), at the prices (expressed as percentages of the principal amount being redeemed) set forth below plus accrued interest thereon to the date of redemption, at the times set forth below:

<u>Redemption Period</u>	<u>Redemption Price</u>
On or after June 15, 2017, but prior to June 15, 2018	101.00%
On or after June 15, 2018, but prior to June 15, 2019	100.50
On or after June 15, 2019	100.00

SECURITY AND SOURCES OF PAYMENT

The Bonds are special, limited obligations of the Authority payable from and secured by a pledge of Revenues, including amounts received by the Trustee from the Expansion Project Fund (a separate fund in the State Treasury), Bond proceeds and certain Funds and other moneys held under the Indenture. Moneys on deposit in the Expansion Project Fund are to be derived from two sources: (a) Authority Taxes and (b) State Sales Tax Deposits. Payments to the Trustee from the Expansion Project Fund in any Fiscal Year are subject to annual appropriation by the State, and will be made pursuant to the Authority Annual Certificate, as discussed below. Payment of debt service on the Bonds is not dependent upon revenue derived from operations of the Authority. The Bonds are not a debt of the State and the Act should not be construed as a State guarantee of the debts of the Authority.

Sources of Funds to the Expansion Project Fund

The Bonds are secured by the Revenues, including amounts received by the Trustee from the Expansion Project Fund. Under the Act, there are two sources of funds deposited to the Expansion Project Fund: (a) Authority Taxes and (b) State Sales Tax Deposits. Deposits to the Expansion Project Fund are required to be made monthly in the amounts described below, on the 20th day of each month, until 100 percent of each required annual amount has been deposited.

The Authorizing Legislation and the Indenture provide that for each Fiscal Year, the Chairman of the Authority is required to certify to the State Comptroller and the State Treasurer the amount required during such Fiscal Year to pay debt service (including amounts to be paid with respect to arrangements to provide additional security or liquidity) on all outstanding bonds and notes, including any refunding bonds and notes, in an amount issued by the Authority pursuant to the Authorizing Legislation. Under the Indenture, the Authority Annual Certificate shall not certify an amount for any Fiscal Year exceeding the "Total Deposit" specified in the Authorizing Legislation for such Fiscal Year (see "*State Sales Tax Deposits*" below under this subcaption).

(1) *Authority Tax Deposits.* The Act authorizes the Authority to impose the Authority Taxes to provide funds for payment of debt service on the Bonds and other specified purposes. Proceeds of the Authority Taxes, net of allowable collection expenses, are paid to the State Treasurer, *ex officio*, as trustee for the Authority, for deposit into a trust fund held outside the State Treasury (the "*Authority Tax Fund*"). Subject to certain conditions and limitations, including an annual appropriation by the General Assembly of the amount requested in the Authority Annual Certificate from the Expansion Project Fund, certain moneys on deposit in the Authority Tax Fund are required to be transferred to the Expansion Project Fund (the "*Authority Tax Deposits*"). See "AUTHORITY TAXES – The Authority Tax Fund."

Beginning July 20 of each fiscal year, and continuing each month thereafter provided that the amount requested in the Authority Annual Certificate has been appropriated for payment to the Authority, 1/8th of the annual amount requested in the Authority Annual Certificate for debt service is required to be transferred from the Authority Tax Fund and deposited into the Expansion Project Fund until 100 percent of the annual amount so requested, plus any

cumulative deficiencies in amounts previously deposited into the Expansion Project Fund, have been so deposited.

(2) *State Sales Tax Deposits.* The Authorizing Legislation provides that portions of the aggregate collections of State Sales Taxes in each Fiscal Year (the “*State Sales Tax Deposits*”) shall be transferred monthly into the Expansion Project Fund. Monthly State Sales Tax Deposits into the Expansion Project Fund are required only to the extent that Authority Tax Deposits have not been sufficient to satisfy the requirements of the Authority Annual Certificate described below. Transfers of the State Sales Tax Deposits into the Expansion Project Fund are subject to prior claims for payment of State Sales Tax revenues into the Build Illinois Fund. See “THE STATE SALES TAX.”

The maximum amounts of State Sales Tax Deposits required to be deposited in the Expansion Project Fund in each Fiscal Year (the “*Total Deposits*”) as specified in Section 8.25(f) of the State Finance Act, as amended, 30 ILCS 105/1 *et seq.* (the “*Finance Act*”) are as follows:

<u>Fiscal Year</u>	<u>Total Deposit</u>
2003	\$ 99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023 and each Fiscal Year thereafter so long as bonds secured by amounts paid from the McCormick Place Expansion Project Fund remain outstanding, but not after Fiscal Year 2042	275,000,000

Authority Annual Certificate

The Authorizing Legislation and the Indenture provide that for each Fiscal Year, the Chairman of the Authority is required to certify to the State Comptroller and the State Treasurer the amount necessary and required during such Fiscal Year to pay debt service (including amounts to be paid with respect to arrangements to provide additional security or liquidity) on all outstanding bonds and notes, including any refunding bonds and notes, in an amount issued by the Authority pursuant to the Authorizing Legislation. Under the Indenture, the certificate of the Chairman of the Authority (the “*Authority Annual Certificate*”) shall not certify an amount for any Fiscal Year exceeding the “*Total Deposit*” specified in the Authorizing Legislation for such Fiscal Year (see “Sources of Funds to the Expansion Project Fund – *State Sales Tax Deposits*” under this caption).

Pursuant to the Authority Annual Certificate, the State Treasurer is required to make monthly transfers of Authority Taxes from the Authority Tax Fund to the Expansion Project Fund in amounts equal to 1/8th of the annual amount certified until an amount equal to the full annual amount so certified (together with any cumulative deficiencies) has been transferred (see “AUTHORITY TAXES – The Authority Tax Fund”). Such transfers in any Fiscal Year are conditioned upon the prior appropriation for such Fiscal Year by the State from the Expansion Project Fund of the full amount certified in the Authority Annual Certificate. To the extent the full amount of Authority Taxes required to be so transferred in any month is not so transferred, the State Treasurer is required to transfer State Sales Tax Deposits to the Expansion Project Fund in an amount equal to any shortfall, provided that the Total Deposit limitation may not be exceeded in any Fiscal Year (see “Sources of Funds to the Expansion Project Fund – State Sales Tax Deposits” under this caption and “THE STATE SALES TAX”). The Authorizing Legislation requires the transfer of State Sales Tax Deposits to the Expansion Project Fund through fiscal year 2042 (so long as any bonds or notes remain outstanding) whether or not the State appropriates amounts from the Expansion Project Fund to the Trustee.

Payments from the Expansion Project Fund; Annual Appropriation

Payment of amounts in the Expansion Project Fund to the Trustee is subject to passage of an annual appropriation by the Illinois General Assembly and its approval by the Governor. Although the State is not legally obligated to appropriate any deposits in the Expansion Project Fund to the Authority or the Trustee, amounts necessary to pay all debt service due on Outstanding Bonds have been appropriated every Fiscal Year since its inception in Fiscal Year 1994. The Bonds are not secured by any pledge of or lien on amounts in the Expansion Project Fund.

The Authorizing Legislation provides that moneys in the Expansion Project Fund may be appropriated only for the purpose of paying the debt service requirements, to the extent needed, on bonds payable out of amounts subject to appropriation out of the Expansion Project Fund. On the first day of each month through fiscal year 2042, the Act provides that the State Treasurer shall, subject to appropriation by the Illinois General Assembly, pay all amounts on deposit in the Expansion Project Fund to the Trustee until an amount equal to 100 percent of the amount certified in the Authority Annual Certificate for the applicable Fiscal Year has been so paid. Provided that all amounts requested in the Authority Annual Certificate have been paid to the

Trustee, all amounts remaining in the Expansion Project Fund on the last day of any month shall be transferred to the General Revenue Fund of the State.

The Authority has covenanted in the Indenture not to assign or pledge or grant any lien on or security interest in the Revenues for any purpose other than as provided in the Indenture. Under the Indenture, Revenues are to be used by the Trustee to make all required monthly deposits in the Bond Fund before being available for other expenses and obligations of the Authority, including debt service on Subordinate Securities.

OTHER THAN THE REVENUES AND FUNDS HELD BY THE TRUSTEE, NO PROPERTY OF THE AUTHORITY AND NO MONEYS THAT IT EXPECTS TO RECEIVE ARE PLEDGED OR ASSIGNED TO THE TRUSTEE AS SECURITY FOR PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. ACCORDINGLY, THE ABILITY OF THE AUTHORITY TO PAY PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN DUE PRIMARILY DEPENDS ON TIMELY APPROPRIATION OF THE EXPANSION PROJECT FUND MONEYS BY THE ILLINOIS GENERAL ASSEMBLY.

Although payments to the Trustee from the Expansion Project Fund are subject to annual appropriation by the State, no such appropriation is legally required for any payments of “surplus” revenues derived from Authority Taxes to the Authority or the Trustee directly from the Authority Tax Fund. See “AUTHORITY TAXES – The Authority Tax Fund.”

State Pledge to and Agreement with Bondowners

Under the Authorizing Legislation, the State pledges to and agrees with the holders of the Bonds that the State will not limit or alter the rights and powers vested in the Authority by the Act or the basis on which State funds are to be paid to the Authority as provided in the Act or the use of those funds so as to impair the terms of any contract made by the Authority with those holders or in any way impair the rights and remedies of those holders until the Bonds, together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of those holders are fully met and discharged; provided that any increase in the Tax Act Amounts specified in the State Sales Tax Acts required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund pursuant to any law that may be enacted shall not be deemed to impair the rights of such holders or the terms of any such contract so long as the increase does not result in the aggregate debt service payable in the current or any future Fiscal Year of the State on all bonds issued pursuant to the Build Illinois Bond Act and the Act and payable from State Sales Tax revenues exceeding 33-1/3 percent of such State Sales Tax revenues for the most recently completed Fiscal Year of the State at the time of such increase.

The Act authorizes the Authority to include such pledges and agreements with the State in any contract with the holders of the Bonds and the Authority has included such pledges and agreements in the Indenture.

The State shall not be liable on the Bonds, the Bonds shall not be a debt of the State, and the Act shall not be construed as a guarantee by the State of the debts of the Authority.

Issuance of Additional Bonds

Under the Act, the Authority may not issue more than \$2,107,000,000 aggregate original principal amount of bonds payable from Expansion Project Fund moneys, other than bonds and notes issued to refund bonds payable out of the Expansion Project Fund. Upon the issuance of the Series 2002 Bonds, the aggregate original principal amount of Bonds (other than refunding Bonds) issued for purposes of the Act and payable from Expansion Project Fund moneys will be \$2,106,072,646.20. For purposes of the Act, the Series 2002B Bonds and the Series 2002C Bonds are being issued solely to refund the Refunded Bonds (and all of the proceeds therefrom shall be strictly limited to such purposes) and the principal amount of the Series 2002B Bonds and the Series 2002C Bonds are not counted against the \$2,107,000,000 aggregate original principal amount limitation. See “PLAN OF FINANCE.” Under the Authorizing Legislation, the maximum aggregate amounts of Expansion Project Fund moneys payable to the Authority or the Trustee for debt service on the Bonds in each future Fiscal Year may not exceed the respective amounts set forth as “Total Deposits” under the subcaption “Sources of Funds to the Expansion Project Fund – State Sales Tax Deposits” above.

The Indenture does not limit the principal amount of Additional Bonds, such as the Series 2002 Bonds, which may be issued on a parity with the Outstanding Bonds if otherwise authorized by law. However, the Indenture requires satisfaction of the following requirements, among others, before the Authority may issue any Additional Bonds:

- (1) The Authority and the Trustee execute and deliver a Supplemental Indenture providing for the issuance of the Additional Bonds and the terms and conditions thereof;
- (2) The Chairman of the Authority certifies to the Trustee that no Event of Default under the Indenture has occurred and shall continue to exist immediately following the date of issuance of the Additional Bonds;
- (3) The Chairman of the Authority certifies that the amount of State Sales Tax Deposits that is authorized by law to be deposited in the Expansion Project Fund in each future Fiscal Year pursuant to the Authority Annual Certificate is not less than the Adjusted Debt Service Requirements for such Fiscal Year on all Outstanding Bonds (including the Additional Bonds to be issued); and

(4) Bond Counsel or Independent Counsel provides an opinion stating, among other things, that subject to (a) annual appropriation by the Illinois General Assembly, (b) the Authority's filing of required Authority Annual Certificates, and (c) compliance with the Additional Bonds test described in paragraph (3) above, the State Treasurer will be required to pay from the Expansion Project Fund to the Trustee the amounts required to be included in the Authority Annual Certificates for all Outstanding Bonds, including any Additional Bonds to be issued.

For purposes of complying with the Additional Bonds test described in paragraph (3) above, Adjusted Debt Service Requirements shall not include any amounts otherwise due or to become due on Outstanding Bonds that are to be refunded and no longer Outstanding as a result of the Additional Bonds proposed to be issued.

The Authority may issue Subordinate Securities payable from and secured by a lien, claim and charge that is junior and subordinate to the lien, claim and charge on the Revenues and the remainder of the Trust Estate securing any Outstanding Bonds. The issuance of Subordinate Securities is not limited by the requirements of the Indenture set forth above.

The Authority may also issue refunding Bonds, such as the Series 2002B Bonds and the Series 2002C Bonds, without complying with the requirements set forth above. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Refunding Bonds."

Debt Service Reserve Fund

The Indenture establishes a Debt Service Reserve Fund and authorizes the establishment of various accounts therein. The Debt Service Reserve Fund must be maintained at the Debt Service Reserve Fund Requirement, which equals, as of the date of calculation, the sum of the Reserve Requirements applicable to each Series of Bonds then Outstanding. The Reserve Requirement for any Series of Bonds is the amount that, when added to the amount then on deposit in the Debt Service Reserve Fund upon the issuance of that Series of Bonds, equals the lesser of :

(1) the amount necessary to cause the resulting amount in the Debt Service Reserve Fund to equal 50 percent of the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all then Outstanding Bonds (including any Bonds then proposed to be issued); or

(2) an amount equal to ten percent of the lesser of (i) the original principal amount of such Bonds proposed to be issued or (ii) the "issue price" of such Bonds proposed to be issued, determined as required by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") plus the amount on deposit in the Debt Service Reserve Fund as of the date of the calculation; or

(3) the maximum amount permitted under Section 148 of the Code to be derived from the proceeds of the Bonds proposed to be issued and held in the Debt Service Reserve Fund.

The Indenture provides that the calculation of the maximum amount of interest to become due on Variable Rate Bonds and Adjustable Rate Bonds shall be based on the methodology specified in the definition of Adjusted Debt Service Requirements (see “APPENDIX C – DEFINITIONS OF CERTAIN TERMS”); and provided further that the calculation of the maximum amount of principal and interest to become due on a series of Bonds shall exclude the principal amount of such Bonds to be paid from amounts on deposit in the Debt Service Reserve Fund. Amounts on deposit in the Debt Service Reserve Fund will be applied, to the extent Revenues are not available, to pay principal of and interest on the Bonds. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Debt Service Reserve Fund.”

The Debt Service Reserve Requirement may be satisfied by cash, Permitted Investments or a Debt Service Reserve Fund Credit Facility, or any combination thereof. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Debt Service Reserve Fund.”

Upon the issuance of the Series 2002 Bonds, the Debt Service Reserve Requirement will be \$137,499,368.75, and will be satisfied by a Debt Service Reserve Fund Credit Facility in the form of a Municipal Bond Debt Service Reserve Fund Policy (the “*FGIC Reserve Policy (2002)*”) issued by Financial Guaranty Insurance Company (“*Financial Guaranty*”). The FGIC Reserve Policy (2002) replaces and supersedes separate Debt Service Reserve Fund Credit Facilities that were acquired and deposited in the Debt Service Reserve Fund in connection with the issuance of prior Series of Bonds. For a description of the FGIC Reserve Policy (2002), see “FGIC RESERVE POLICY (2002)” and “APPENDIX M – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE FUND POLICY.”

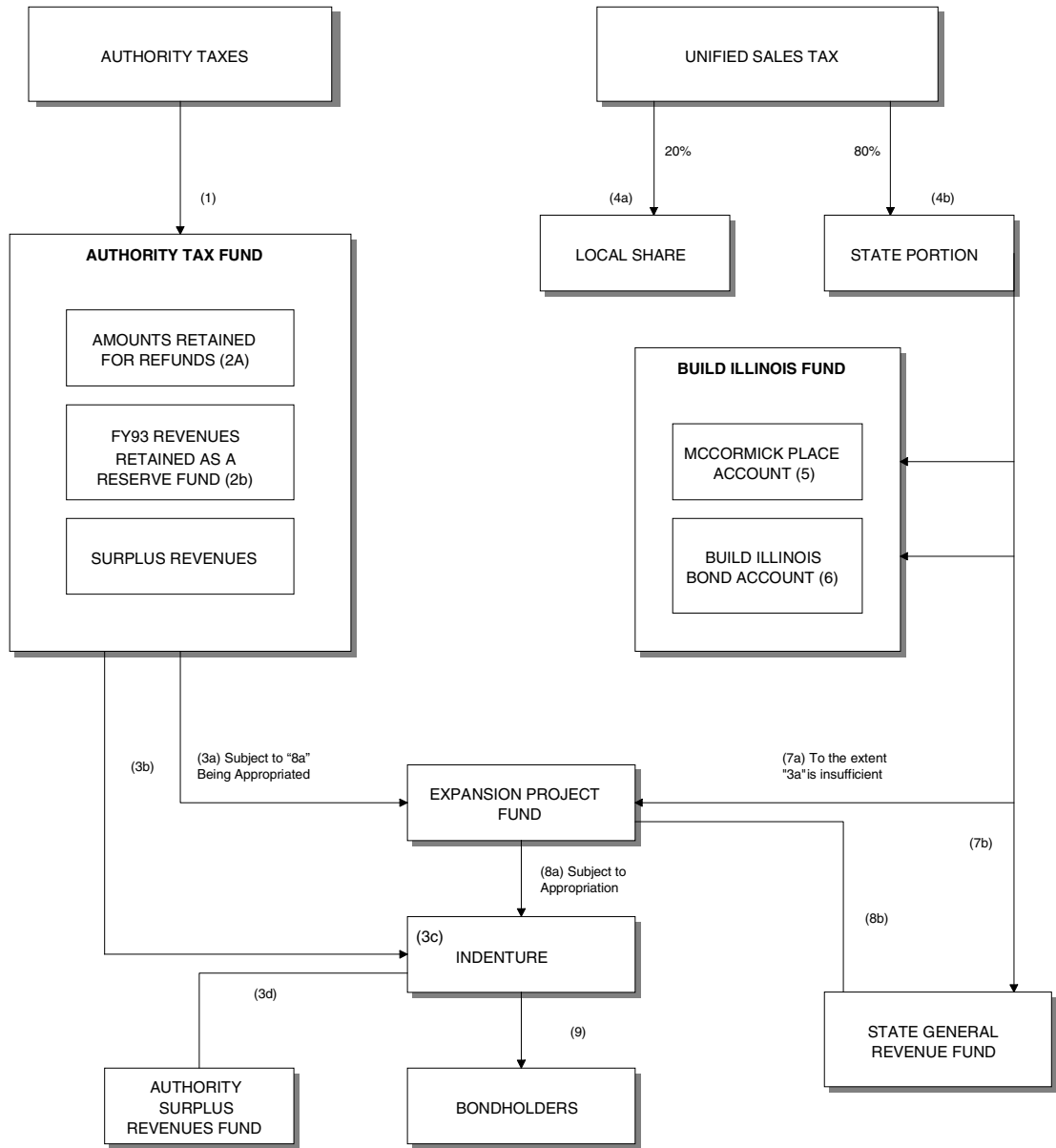
The Indenture requires as a condition to the issuance of any series of Additional Bonds that there shall be deposited into the Debt Service Reserve Fund an additional amount equal to the Reserve Requirement for such Series of Additional Bonds.

No Lien on Operating Revenues or Facilities

THE PAYMENT OF DEBT SERVICE ON THE BONDS IS NOT DEPENDENT UPON REVENUES DERIVED FROM THE OPERATIONS OF THE CONVENTION FACILITIES AT MCCORMICK PLACE, THE HOTEL OR NAVY PIER OR FROM OTHER OPERATIONS OF THE AUTHORITY. THE BONDS ARE NOT SECURED BY ANY LIEN OR SECURITY INTEREST ON OR IN ANY OF THE AUTHORITY’S PHYSICAL FACILITIES OR OPERATING REVENUES.

STATUTORY FLOW OF FUNDS

The following chart and footnotes diagram the flow of funds specified in the Authorizing Legislation. For a description of Indenture funds see "APPENDIX D – Summary of Certain Provisions of the Indenture".



**All Funds and Accounts shown are maintained by the State Treasurer in the State Treasury except the Authority Tax Fund, which is maintained by the State Treasurer outside of the State Treasury, and the Authority Surplus Revenues Fund, which is maintained by the Authority.*

Footnotes to Statutory Flow of Funds

1. All Authority Taxes are deposited into the Authority Tax Fund held by the State Treasurer outside of the State Treasury. Includes certain surplus Illinois Sports Facilities Authority funds.
- 2a. Amounts necessary for the payment of Authority Tax refunds shall be retained in the Authority Tax Fund.
- 2b. This amount, approximately \$29.6 million, represents Authority Taxes deposited in the Authority Tax Fund during Fiscal Year 1993, and is held in the Authority Tax Fund as a reserve to fund required deposits to the Expansion Project Fund prior to application of State Sales Taxes as described in Note 7a below. See "AUTHORITY TAXES – Collections."
- 3a. Monthly deposits to the Expansion Project Fund are required to be made in an amount equal to 1/8 of annual debt service as specified in the Authority Annual Certificate plus any prior months' deficiencies in transfers from the Authority Tax Fund described in this Note 3a. These deposits may not be made unless there is an annual appropriation by the Illinois General Assembly of amounts payable from the Expansion Project Fund (as described in Note 8a below).
- 3b. On July 20 of each year the State Treasurer shall calculate for the Fiscal Year ended on the preceding June 30 the Surplus Revenues in the Authority Tax Fund (essentially the Surplus Revenues equal the Authority Tax Fund balance as of such preceding June 30, less the amount of approximately \$29.6 million described in Note 2b). Such Surplus Revenues have been assigned to the Trustee pursuant to the Indenture and shall be paid to the Trustee.
- 3c. Surplus Revenues received by the Trustee shall be used for debt service on the Bonds if and to the extent necessary to make up any deficiency between the amounts requested by the Authority in its Authority Annual Certificate for the previous Fiscal Year and the receipts during such Fiscal Year from the Expansion Project Fund (see Note 8a below).
- 3d. Any Surplus Revenues remaining following any payments or transfers to reserves pursuant to Debt Service Deposit Agreements or to cure any other deficiencies in Funds or Accounts as provided in the Indenture (including amounts due with respect to Subordinate Securities), shall be paid by the Trustee to the Authority for deposit in the Authority's Surplus Revenues Fund free from any lien or claim under the Indenture. See APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."
- 4a. Twenty percent of the 6.25 percent sales taxes imposed statewide is distributed to other State funds and local units of government.
- 4b. Eighty percent of the 6.25 percent sales taxes imposed statewide constitutes the "State Sales Taxes" and are applied as directed by the State Sales Tax Acts.
5. 1.75 percent of State Sales Tax revenues are deposited into the Build Illinois Fund for credit to the McCormick Place Account, transferred to the McCormick Place Improvement Bond Fund and used to pay debt service on the Authority's outstanding Dedicated State Tax Revenue Bonds issued in 1986, 1992, 1995 and 1997 (\$272,690,000 principal amount outstanding).
6. State Sales Taxes are deposited into the Build Illinois Bond Account in an amount sufficient to pay debt service on all Build Illinois Bonds now or hereafter outstanding (\$3.54 billion presently authorized and \$1.76 billion principal amount anticipated to be outstanding after the scheduled June 15, 2002 principal payments).
- 7a. State Sales Tax revenues are required to be deposited into the Expansion Project Fund each month in an amount equal to 1/8 of annual debt service on the Bonds as specified in the Authority Annual Certificate less that month's deposits to the Expansion Project Fund from Authority Taxes (see Note 3a) plus the cumulative amount of any prior months' deficiencies in transfers described in Note 3a.
- 7b. Remaining State Sales Tax revenues are paid to the State General Revenue Fund for other State purposes.
- 8a. Moneys in the Expansion Project Fund, to the extent requested in the Authority Annual Certificate, may be used only for the purpose of paying debt service on and maintenance of reserve funds in respect of the Bonds. Payments from the Expansion Project Fund to the Trustee are subject to annual appropriation by the State.
- 8b. Provided that all amounts deposited in the Expansion Project Fund and requested by the Authority Annual Certificate have been paid pursuant thereto, then to the extent State Sales Tax revenues have previously been deposited in the Expansion Project Fund (see Note 7a) and amounts to cover prior months' deficiencies have been transferred from the Authority Tax Fund to the Expansion Project Fund (see Note 3a), amounts equal to such deposits and deficiency transfers shall be transferred to the General Revenue Fund of the State.
9. Debt service shall be payable from the Trustee to the Bondholders.

Debt Service Deposit Agreements

In April 1995, the Authority entered into the Third Supplemental Indenture and pursuant to the Third Supplemental Indenture, two Debt Service Deposit Agreements. Under those Agreements, the Authority received a lump sum payment of \$25.6 million and the counterparties received the right to investment earnings on amounts paid by the State Treasurer from the Expansion Project Fund and deposited by the Trustee in the Revenue Fund and the Principal and Interest Accounts in the Bond Fund applicable to certain Series of the Bonds and Bonds that refund those Series of Bonds. Pursuant to the Third Supplemental Indenture, the Authority deposited \$2 million of the lump sum payment into an Excess Revenue Reserve Subaccount in the Excess Revenue Account where it is available to pay debt service and deposited the balance of the lump sum payment into Excess Revenue Project Subaccounts. Amounts deposited to the Excess Revenue Project Subaccounts have been applied to pay for costs of the Expansion Project and for other purposes permitted under the Act.

MBIA BOND INSURANCE POLICY (2002)

The following information has been furnished by MBIA Insurance Corporation (“*MBIA*”) for use in this Official Statement. Reference is made to Appendix L for a specimen of MBIA’s Financial Guaranty Insurance Policy.

The MBIA Bond Insurance Policy (2002) unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Authority to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Series 2002 Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the MBIA Bond Insurance Policy (2002) shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the Series 2002 Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a “*Preference*”).

The MBIA Bond Insurance Policy (2002) does not insure against loss of any prepayment premium which may at any time be payable with respect to any Series 2002 Bonds. The MBIA Bond Insurance Policy (2002) does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Series 2002 Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. The MBIA Bond Insurance Policy (2002) also does not insure against nonpayment of principal or interest on the Series 2002 Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Series 2002 Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a Series 2002 Bond the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Series 2002 Bonds or presentment of such other proof of ownership of the Series 2002 Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Series 2002 Bonds as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Series 2002 Bonds in any legal proceeding related to payment of insured amounts on the Series 2002 Bonds, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Series 2002 Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

MBIA

MBIA is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the “*Company*”). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates. Additionally, MBIA is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the policy and MBIA set forth under the heading “MBIA BOND INSURANCE POLICY (2002)”. Additionally, MBIA makes no representation regarding the Series 2002 Bonds or the advisability of investing in the Series 2002 Bonds.

The MBIA Bond Insurance Policy (2002) is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA Information

The following documents filed by the Company with the Securities and Exchange Commission (the “SEC”) are incorporated herein by reference:

- (1) The Company’s Annual Report on Form 10-K for the year ended December 31, 2001; and
- (2) The Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2002.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, after the date of this Official Statement and prior to the termination of the offering of the Series 2002 Bonds offered hereby shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company’s Annual Report on Form 10-K for the year ended December 31, 2001, and (2) the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2002), are available (i) over the Internet at the SEC’s web site at <http://www.sec.gov>; (ii) at the SEC’s public reference room in Washington D.C.; (iii) over the Internet at the Company’s web site at <http://www.mbia.com>; and (iv) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2001, MBIA had admitted assets of \$8.5 billion (audited), total liabilities of \$5.6 billion (audited), and total capital and surplus of \$2.9 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of March 31, 2002, MBIA had admitted assets of \$8.6 billion (unaudited), total liabilities of \$5.7 billion (unaudited), and total capital and surplus of \$2.9 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Financial Strength Ratings of MBIA

Moody’s Investors Service, Inc. rates the financial strength of MBIA “Aaa.”

Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. rates the financial strength of MBIA “AAA.”

Fitch, Inc. rates the financial strength of MBIA “AAA.”

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Series 2002 Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Series 2002 Bonds. MBIA does not guaranty the market price of the Series 2002 Bonds nor does it guaranty that the ratings on the Series 2002 Bonds will not be revised or withdrawn.

FGIC RESERVE POLICY (2002)

The following information has been furnished by Financial Guaranty Insurance Company ("*Financial Guaranty*") for use in this Official Statement. Reference is made to Appendix M for a specimen of Financial Guaranty's Municipal Bond Debt Service Reserve Fund Policy.

Concurrently with the issuance of the Series 2002 Bonds, Financial Guaranty will issue its Municipal Bond Debt Service Reserve Fund Policy (previously defined herein as the FGIC Reserve Policy (2002)). The FGIC Reserve Policy (2002) unconditionally guarantees the payment of that portion of the principal or accreted value (as applicable) of and interest on the Bonds Outstanding under the Indenture that has become due for payment, but shall be unpaid by reason of nonpayment by the Authority; provided that the aggregate amount paid under the FGIC Reserve Policy (2002) may not exceed the maximum amount set forth in the FGIC Reserve Policy (2002), which maximum amount represents the Debt Service Reserve Requirement. Financial Guaranty will make such payments to the Trustee for the Bonds on the later of the date on which such principal, accreted value or interest (as applicable) is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail from the Trustee of the nonpayment of such amount by the Authority. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an Owner of such Bond which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final nonappealable order of a court having competent jurisdiction.

The FGIC Reserve Policy (2002) is non-cancelable and the premium will be fully paid at the time of delivery of the Series 2002 Bonds. The FGIC Reserve Policy (2002) covers failure to pay principal of the Bonds Outstanding under the Indenture on their respective stated maturity dates, or dates on which the same shall have been called for mandatory sinking fund redemption, and not on any other date on which such Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment. The FGIC Reserve Policy (2002) will terminate on June 15, 2042.

Generally, in connection with its issuance of a Reserve Policy, Financial Guaranty requires, among other things, (i) that, so long as it has not failed to comply with its payment obligations under the Reserve Policy, it be granted the power to exercise any remedies available at law or under the authorizing document other than (A) acceleration of the bonds or (B) remedies which would adversely affect holders in the event that the issuer fails to reimburse Financial Guaranty for any draws on the Reserve Policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its issuance of the FGIC Reserve Policy (2002) are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the Authority is required to provide additional or substitute credit enhancement, and related matters.

The FGIC Reserve Policy (2002) is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "*Corporation*"), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation ("*GE Capital*"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of March 31, 2002, the total capital and surplus of Financial Guaranty was approximately \$1.03 billion. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 125 Park Avenue, New York, New York 10017, Attention: Communications Department (telephone number: 212-312-3000) or to the New York State Insurance Department at 25 Beaver Street, New York, New York 10004-2319, Attention: Financial Condition Property/Casualty Bureau (telephone number: 212-480-5187).

AUTHORITY TAXES

General Description

The taxes levied by the Authority consist of the Restaurant Tax, the Hotel Tax, the Car Rental Taxes and the Airport Departure Tax. With the exception of the Airport Departure Tax, these taxes are collected, administered and enforced by the Illinois Department of Revenue (the "*Department*") consistent with rules and procedures previously implemented for other similar taxes. The City of Chicago collects, administers and enforces the Airport Departure Tax pursuant to an intergovernmental agreement with the Authority.

The Authorizing Legislation also provides that certain surplus amounts, if any, derived from a tax imposed by the Illinois Sports Facilities Authority in the City of Chicago (the “*Sports Authority Hotel Tax*”) that remain after certain prior deposit requirements are met are deposited into the Authority Tax Fund, as further described below.

The term “*Authority Taxes*,” as used in this Official Statement, includes the Restaurant Tax, the Hotel Tax, the Car Rental Taxes and the Airport Departure Tax imposed by the Authority and any such surplus amounts derived from the Sports Authority Hotel Tax that are deposited in the Authority Tax Fund.

Restaurant Tax

The Restaurant Tax is imposed at the rate of one percent on the sale of food, alcoholic beverages and soft drinks that are sold for consumption either on the premises where sold or off the premises where the principal source of a retailer’s gross receipts is from the sale of food, alcoholic beverages and soft drinks prepared for immediate consumption.

The tax is imposed within three areas specifically delineated in the Authorizing Legislation, which areas generally approximate the central business area of the City of Chicago, Chicago-O’Hare International Airport and Chicago Midway Airport.

The Restaurant Tax is collected, administered and enforced by the Department consistent with the State’s “Retailers Occupation Tax Act,” including applicable rules and regulations. Retailers receive a 1.75 percent discount on their tax liability as a reimbursement for expenses in record keeping, preparing and filing returns, remitting taxes and supplying data to the Department. Two percent of the collections is paid into the Tax Compliance and Administration Fund in the State Treasury for payment to the Department to cover costs incurred by the Department. All other amounts collected, less any amount determined by the Department to be necessary for the payment of refunds, are paid to the State Treasurer, *ex officio*, as trustee for the Authority, for deposit into a trust fund held outside the State Treasury and administered as described below. See “The Authority Tax Fund” under this caption.

Hotel Tax

The Hotel Tax is imposed at the rate of 2.5 percent upon the gross rental receipts from the renting, leasing or letting of hotel rooms within the City of Chicago, not including additional charges arising from any other hotel tax imposed by the State or a governmental agency. The tax excludes such receipts received from permanent residents of a hotel.

The Hotel Tax is collected, administered and enforced by the Department consistent with the State’s “Hotel Operators’ Occupation Tax Act,” including applicable rules and regulations. Hotel operators receive a 2.1 percent discount (or \$25.00 per calendar year, whichever is greater) on their tax liability as a reimbursement for expenses in record keeping, preparing and filing returns, remitting taxes and supplying data to the Department. All other amounts collected, less any amount determined by the Department to be necessary for the payment of refunds, are paid to the State Treasurer, *ex officio*, as trustee for the Authority, for deposit into a trust fund held outside the State Treasury and administered as described below. See “The Authority Tax Fund” under this caption.

Car Rental Taxes

The Car Rental Taxes are imposed at the rate of six percent upon (a) the gross receipts of persons engaged in the business of renting automobiles within Cook County and (b) the rental price of automobiles used within Cook County that were rented outside Illinois but which are titled or registered with an agency of the State. The taxes are not levied on the rental of automobiles used for taxicabs or livery service and, in addition, governmental agencies and certain charitable, religious and educational entities are exempted from the taxes.

The Car Rental Taxes are collected, administered and enforced by the Department consistent with the State's "Automobile Renting Occupation and Use Tax Act," including applicable rules and regulations. All amounts collected, less any amount determined by the Department to be necessary for the payment of refunds, are paid to the State Treasurer, *ex officio*, as trustee for the Authority, for deposit into a trust fund held outside the State Treasury and administered as described below. See "The Authority Tax Fund" under this caption.

Airport Departure Tax

The Airport Departure Tax is imposed by the Authority upon all persons engaged in the business of providing ground service to passengers for hire leaving Chicago-O'Hare International Airport or Chicago Midway Airport (the "*Airports*"). The tax is not imposed on governmental agencies providing ground transportation from the Airports. The tax is imposed on departures from the Airports with passengers for hire at the rate of (a) \$2.00 per taxi or livery vehicle, (b) \$1.00 per passenger in a bus or van operated by a person who is regulated by the Interstate Commerce Commission or Illinois Commerce Commission and who operates scheduled service from the Airports and charges fares on a per passenger basis, and (c) for any other departure in a bus or van, \$9.00 per bus or van with a capacity of 1 - 12 passengers; \$18.00 per bus or van with a capacity of 13 - 24 passengers; and \$27.00 per bus or van with a capacity of over 24 passengers.

Pursuant to an intergovernmental agreement between the Authority and the City of Chicago, the City collects, administers and enforces the Airport Departure Tax. All amounts collected, less collection, administrative and enforcement costs of the City and the Authority in an amount equal to the greater of 7.5 percent of the collections or \$835,000, and less any amount determined to be necessary for the payment of refunds, are paid to the State Treasurer, *ex officio*, as trustee for the Authority, for deposit into a trust fund held outside the State Treasury and administered as described below. See "The Authority Tax Fund" under this caption.

Surplus Sports Authority Funds

The Authority is authorized to receive certain surplus funds, if any, generated by the Illinois Sports Facilities Authority (the "*Sports Authority*") from the Sports Authority Hotel Tax, an occupation tax imposed by the Sports Authority upon all persons engaged in the business of renting, leasing or letting rooms in a hotel in the City of Chicago. The amount of such surplus available to the Authority is derived from amounts paid by the Sports Authority to the State Treasurer, after the obligations of the Sports Authority have been paid. Prior to amendments that became effective for Fiscal Year 2002, the amount of such surplus was equal to the balance

remaining after the lesser of (i) \$5 million, and (ii) one-half of the amount to be paid by the Sports Authority was deposited by the State Treasurer into the State General Revenue Fund. As a result of the amendments, the amount of such surplus is currently equal to the balance remaining after \$5 million paid by the Sports Authority has been deposited by the State Treasurer into the State General Revenue Fund and the State Treasurer has reimbursed the City of Chicago for payments the City has made from its share of the State income tax on account of its obligations to reimburse the State for payments made in respect to certain Sports Authority bonds. The Authority's share of such surplus Sports Authority funds is to be deposited by the State Treasurer into the Authority Tax Fund described below.

The Authority Tax Fund

The proceeds of the Authority Taxes paid to the State Treasurer, *ex officio*, as trustee for the Authority, are deposited into a trust fund held outside the State Treasury (the "*Authority Tax Fund*"). Amounts in the Authority Tax Fund are to be applied or retained as follows:

- (1) to make refunds of overpayments of Authority Taxes;
- (2) an amount equal to deposits of Authority Taxes during the Fiscal Year ended June 30, 1993, approximately \$29.6 million, has been retained as a reserve for payments described in clause (3);
- (3) on the 20th day of each month during each Fiscal Year, 1/8th of the Adjusted Debt Service Requirements certified in the Authority Annual Certificate as necessary to pay the debt service on the bonds and notes payable from amounts to be appropriated from the Expansion Project Fund for such Fiscal Year is deposited in the Expansion Project Fund until an amount equal to (a) 100 percent of such certified amount plus (b) any cumulative deficiencies in amounts deposited into the Expansion Project Fund under this clause (3) has been so deposited; provided that such deposits to the Expansion Project Fund in any Fiscal Year shall be made only if the Illinois General Assembly shall have appropriated an amount equal to such certified amount for payment from the Expansion Project Fund to the Authority;
- (4) the balance shall be maintained in the Authority Tax Fund; and
- (5) any balance remaining in the Authority Tax Fund (other than the amounts described in clauses (1) and (2), above) on each June 30, shall constitute "surplus" revenues for the Fiscal Year ended on such June 30. Any such surplus revenues shall be paid to the Trustee to replenish any deficiencies in the funds or accounts held under the Indenture, including funds or accounts maintained pursuant to Debt Service Deposit Agreements, and any remaining surplus revenues shall be paid to the Authority for deposit in the Surplus Revenues Fund. Any such surplus amounts paid to the Authority under this clause (5) may be used solely for debt service on or redemption of the bonds or notes and for the purpose of repair, replacement and improvement of the grounds, buildings and facilities of the Authority. Under current law, amounts in excess of \$50 million received by the Authority under this clause (5) and held on any June 30 shall be used only for debt service on or redemption of bonds or notes.

Collections

The following table shows the historical Authority Tax revenues for the Fiscal Years ended as shown.

<u>Authority Tax</u>	1997 Amount Collected	1998 Amount Collected	1999 Amount Collected	2000 Amount Collected	2001 Amount Collected	2002 ⁽¹⁾ Estimated Collections
Restaurant Tax	\$ 16,693,179	\$ 17,624,242	\$ 19,160,520	\$ 20,334,568	\$ 23,032,312	\$ 21,802,152
Hotel Tax	22,380,196	24,667,360	27,369,707	28,785,723	32,791,140	27,563,979
Car Rental Taxes	21,102,001	21,598,457	25,068,339	25,209,083	28,073,098	24,300,958
Airport Departure Tax	7,677,818	8,382,750	8,565,205	9,105,333	9,670,818	7,666,221
Surplus Sports Authority Funds ⁽²⁾	2,016,950	3,090,850	3,109,824	3,311,943	2,502,712	0
Interest Earnings	<u>1,759,819</u>	<u>1,466,476</u>	<u>1,294,281</u>	<u>1,208,708</u>	<u>1,714,449</u>	<u>745,511</u>
Total	<u>\$ 71,629,963</u>	<u>\$ 76,830,135</u>	<u>\$ 84,567,876</u>	<u>\$ 87,955,358</u>	<u>\$ 97,784,529</u>	<u>\$ 82,078,820</u>
Balance in Authority Tax Fund at Fiscal Year End ⁽³⁾	<u>\$ 29,622,665</u>	<u>\$ 29,622,665</u>	<u>\$ 29,622,665</u>	<u>\$ 29,622,665</u>	<u>\$ 29,622,665</u>	<u>\$ 27,927,014</u>

1. Annualized estimates based upon ten-months' actual unaudited collections and two months' estimated collections.
2. Effective for Fiscal Year 2002, the method for determining the surplus funds available to the Authority from the Sports Authority Hotel Tax was revised as described above under the subcaption "Surplus Sports Authority Funds."
3. Net of distributions made to the Authority on the following July 20 as permitted by the Indenture and the Authorizing Legislation.

The Authority estimates that Authority Tax collections for Fiscal Year 2002 will be approximately 16 percent less than collections for Fiscal Year 2001. Authority management believes the principal causes of the reduction in collections are the general economic downturn and the impact of the September 11 tragedy on the travel and tourism industry. The dramatic declines in collections during the immediate aftermath of the tragedy have abated, but the current economic downturn continues to restrain collections to some extent. The Authority anticipates that collections of Authority Taxes will continue to be sufficient to pay debt service on the Bonds when due. However, actual receipts of Authority Taxes may vary from such anticipated collections and the variance may be material. Neither the Authority, the Underwriters nor any other participant in this transaction represents or warrants or provides any assurance that such anticipated collections will be realized. See "SECURITY AND SOURCES OF PAYMENT" for a discussion of the source of payment for the Bonds if Authority Taxes are insufficient therefor.

THE STATE SALES TAX

General

The State Sales Tax Deposits consist of a specified portion of the State Sales Tax revenues, and, to the extent appropriated on an annual basis by the Illinois General Assembly, will constitute a source for payment of debt service on the Bonds. As described below, 20 percent of the sales tax receipts collected by the State under the State Sales Tax Acts is distributed to local governments and certain State funds and the remaining 80 percent of such receipts is State revenue. The State Sales Tax Acts currently impose sales tax at a unified State and local rate of 6.25 percent, consisting of a five percent State rate portion (representing 80 percent of collections) and a 1.25 percent local rate portion (representing 20 percent of collections). Except where the context requires otherwise, references in this Official Statement to “State Sales Tax revenues” and the “State’s Sales Tax revenues” include only the State’s 80 percent portion of total State collected sales tax receipts. The State’s Sales Tax revenues aggregated approximately \$6.32 billion for the Fiscal Year ended June 30, 2001 and approximately \$4.84 billion for the nine months ended March 31, 2002.

Components of State Sales Taxes

The State Sales Tax revenues consist of the receipts of four separate taxes imposed and collected by the State in connection with retail sales of certain tangible personal property and the transfer of tangible personal property incident to a sale of service. The four taxes are:

- (1) the Retailer’s Occupation Tax imposed on persons engaged in the business of selling tangible personal property at retail within the State (this tax is the primary source of State Sales Tax revenues);
- (2) the Use Tax imposed on the privilege of using tangible personal property in the State;
- (3) the Service Occupation Tax imposed on the cost of tangible personal property sold as an incident to service by persons engaged in the business of selling services in the State; and
- (4) the Service Use Tax imposed on the privilege of using tangible personal property acquired incidental to a purchase of services.

The State Sales Tax is currently imposed on the gross receipts from the retail sale or the cost price of tangible personal property transferred by the retailer or the serviceman and is collected by the seller from the purchaser, except that use taxes imposed on out of state purchases may be remitted directly to the State by purchasers. State Sales Tax payments are collected by the Department. Taxpayers with an average monthly State Sales Tax liability in excess of \$20,000 are required to file returns and remit payments four times per month.

Priority of Transfers of State Sales Tax Revenues

The priority of transfers of the State Sales Tax revenues is as follows:

(1) 1.75 percent thereof is required to be transferred to a separate fund in the State Treasury for the payment, subject to annual appropriation, of debt service on the Authority's outstanding Dedicated State Tax Revenue Bonds (\$272,690,000 principal amount outstanding);

(2) The remaining State Sales Tax revenues are subject to a first and prior claim and charge in support of the State's Build Illinois Bonds presently or hereafter outstanding (\$3.54 billion presently authorized and \$1.76 billion principal amount anticipated to be outstanding after the scheduled June 15, 2002 principal payments) until each monthly transfer to the Build Illinois Bond Retirement and Interest Fund has been made as required by the Build Illinois Bond Act; and

(3) State Sales Tax revenues are required to be deposited on a monthly basis into the Expansion Project Fund; provided that such State Sales Tax Deposits shall be made only to the extent the Authority Taxes required to be deposited in the Expansion Project Fund from the Authority Tax Fund (see "AUTHORITY TAXES – The Authority Tax Fund") are insufficient to satisfy the deposit requirements for the Expansion Project Fund; and, further provided, that the amounts of such State Sales Tax Deposits shall not exceed the specified "Total Deposits," as described under "SECURITY AND SOURCES OF PAYMENT – Sources of Funds to the Expansion Project Fund – State Sales Tax Deposits."

The amount of State Sales Tax revenues pledged to the priority claim and charge in support of the Build Illinois Bonds may be increased as the result of additional issuances of Build Illinois Bonds or as a result of amendatory legislation increasing the amounts of State Sales Tax revenues so pledged. The Act provides, in effect, that such increases will not result in an impairment of any contract with the owners of the Bonds so long as they do not result in aggregate debt service payable on the Build Illinois Bonds and any bonds issued pursuant to the Act and payable from State Sales Tax revenues in any Fiscal Year exceeding 33-1/3 percent of the State Sales Tax revenues for the most recently completed Fiscal Year at the time of such increase. See "SECURITY AND SOURCES OF PAYMENT – State Pledge to and Agreement with Bondowners." In Fiscal Year 2001, 33-1/3 percent of the approximately \$6.32 billion of State Sales Tax revenues was approximately \$2.107 billion.

The first priority deposits of State Sales Tax revenues in support of the Authority's Dedicated State Tax Revenue Bonds and the State's Build Illinois Bonds aggregated \$30,468,777 and \$240,150,354, respectively, during the Fiscal Year ended June 30, 2001.

Historical State Sales Tax Revenues

The following table shows the historical State Sales Tax revenues for each of the Fiscal Years ended June 30, 1991 through 2001, and the estimated State Sales Tax revenues for the Fiscal Year ending June 30, 2002.

State Sales Tax Revenues (Dollars in Millions)

<u>Fiscal Year</u>	<u>State Sales Tax Revenues</u>
1991	\$ 4,102
1992	4,230
1993	4,346
1994	4,641
1995	4,936
1996	5,092
1997	5,296
1998	5,596
1999	5,949
2000	6,393
2001	6,320 ¹
2002	6,471 (estimated)

1. In Fiscal Year 2001, a portion of the State Sales Tax on gasoline was subject to a six-month moratorium that resulted in a reduction in State Sales Tax revenues of approximately \$150 million.

Sources: Records of the State Comptroller for 1991 - 2001.
2002 Estimate, State Bureau of the Budget (estimate, April 2002).

State Sales Tax revenues available for deposit to the Expansion Project Fund are subject to a prior claim for debt service on the State's Build Illinois Bonds and the Authority's Dedicated State Tax Revenue Bonds. See "Priority of Transfers of State Sales Tax Revenues." The prior claims on State Sales Tax revenues and the remaining State Sales Tax revenues that would have been available for deposit to the Expansion Project Fund for the Fiscal Year ended June 30, 2001 are shown in the following table.

**State Sales Tax Revenues
Available For Deposit
To Expansion Project Fund**

	<u>Fiscal Year 2001</u>
State Sales Tax Revenues	\$ 6,319,746,158
First Priority Deposits	
– Dedicated State Tax Revenue Bonds	30,468,777
– Build Illinois Bonds ¹	240,150,354
State Sales Tax Revenues Available for Deposit to Expansion Project Fund	\$ 6,049,127,027
Maximum Total Deposit to Expansion Project Fund ²	\$ 275,000,000
Ratio of State Sales Tax Revenues Available to Maximum Total Deposit	22 to 1

-
1. Reflects \$1.690 billion Build Illinois Bonds outstanding at June 30, 2001. The Legislature has authorized \$3.54 billion of Build Illinois Bonds. See “Priority of Transfers of State Sales Tax Revenues” above.
 2. Maximum Total Deposits increase incrementally from \$93 million in Fiscal Year 2002 to \$275 million in Fiscal Year 2023 and are fixed for each Fiscal Year thereafter to Fiscal Year 2042. See “SECURITY AND SOURCES OF PAYMENT – Sources of Funds to the Expansion Project Fund – State Sales Tax Deposits.”

THE AUTHORITY

General

The Authority is a political subdivision, unit of local government, body politic and municipal corporation of the State of Illinois constituted pursuant to the Act with its principal office in Chicago, Illinois.

The Authority, created in 1955 and formerly named the Metropolitan Fair and Exposition Authority, is authorized to promote, operate and maintain fairs, expositions, meetings and conventions within Cook County, Illinois; to arrange, finance, operate, maintain and otherwise provide for industrial, commercial, cultural, educational, trade and scientific exhibits and events; and to construct, equip, operate and maintain grounds, buildings and facilities for such purposes. The Authority is also authorized by law to provide for the recreational, cultural, commercial and residential development of Navy Pier in Chicago; and to construct, equip and maintain grounds, buildings and facilities for such purposes.

Organization and Management

The Authority is governed by a board (the “*Board*”) consisting of the members identified on the page facing the inside front cover of this Official Statement and serving staggered five-year terms. Members of the Board serve until their successors are appointed and qualified. Six members are appointed by the Governor of Illinois with the advice and consent of the State Senate, six members are appointed by the Mayor of the City of Chicago, and the Chairman is appointed by the Mayor with the approval of the Governor.

The Chief Executive Officer of the Authority, who is appointed by the Governor with the approval of the Mayor, is responsible for the management of the properties, business and employees of the Authority, subject to the general control of the Board.[†]

The following individuals serve as officers of the Authority:

Kelly R. Welsh was appointed Chairman of the Board of the Authority in 1994. He is Executive Vice President and General Counsel for Northern Trust Corporation. Previously he was Executive Vice President and General Counsel for Ameritech. Prior to joining Ameritech in 1993, he was the Corporation Counsel for the City of Chicago, serving as its chief legal officer. Before beginning his work in 1989 at the City of Chicago, he was a partner with the firm of Mayer, Brown & Platt. Mr. Welsh earned a bachelor’s degree cum laude from Harvard College in 1974, a master’s degree from Sussex University in England in 1975 and a law degree magna cum laude from Harvard Law School in 1978.

Patrick F. Daly has served as Vice-Chairman since 1985. Mr. Daly is Chairman of the Daly Group, L.L.C., comprised of Dalan Development Corporation, PFDA, Inc., Armanco, Inc. and DEI, Inc., all Chicago based companies involved in real estate development, brokerage, construction, management, architecture and engineering. In 1972, Mr. Daly earned a Bachelors of Science Degree with Honors and Distinction in Architecture and a Bachelor of Arts Degree with Honors and Distinction in Architectural History from the University of Illinois at Chicago.

William P. Tuggle has been a member of the Board since 1989 and the Secretary/Treasurer of the Board since 1993. He also serves as the Chairman of the Board’s Affirmative Action Committee. Previously, Mr. Tuggle served on the Health and Hospital Governing Commission of Cook County. He attended the University of Illinois and is a graduate of DePaul College of Law. He is currently engaged in the private practice of law.

Jon W. Clay was appointed Acting Chief Operating Officer of the Authority in 2002. Prior to his appointment, Mr. Clay served as the Navy Pier General Manager since 1995, prior to that he served as Acting Chief Executive Officer for 14 months, and as Senior Director of Facilities Development to the Authority between 1989 and 1994. During this time, Mr. Clay oversaw design and construction services on McCormick Place South Building Expansion and

[†] On April 2, 2002, Scott R. Fawell, who became Chief Executive Officer in February 1999, was placed on a leave of absence by the Board after the announcement of an indictment brought by the United States Attorney for the Northern District of Illinois for alleged actions related to his positions in the Illinois Secretary of State’s Office and as campaign manager during the 1998 Illinois gubernatorial campaign. The Board has named Jon W. Clay as Acting Chief Operating Officer to carry out the duties of the Chief Executive Officer.

the Redevelopment of Navy Pier. Mr. Clay has a degree in architecture from Case-Western Reserve University.

James F. Fricke became Chief Financial Officer of the Authority in June 2000. He was the Director of Budgets and Treasury Management for the Authority since May 1992. Previously he was the Director of Budgets for Merchandise Mart Properties Incorporated (a property management company) where he was employed since 1983. Prior to that he was employed by Nabisco Brands and Aetna Bank. Mr. Fricke graduated from Northern Illinois University with majors in Finance and Accounting in 1978.

Renée C. Benjamin became General Counsel to the Authority in 1997. From 1993 to 1997 she served as a staff attorney in the contracts division and then as a supervisory attorney in the aviation division of the City of Chicago Department of Law. Prior to that she served as Senior Counsel for Bechtel Corporation, a multi-national engineering and construction company headquartered in San Francisco, CA. Ms. Benjamin obtained her law degree in 1979 from the University of California at Berkeley, Boalt Hall School of Law.

Facilities

The Authority owns and operates two principal facilities: (1) the McCormick Place Complex, the largest exhibition and meeting center in North America, located at 23rd Street and Martin Luther King Drive in Chicago; and (2) Navy Pier, an historical landmark providing cultural, exhibition, recreation and related uses for the enjoyment of visitors, located directly east of Lake Shore Drive at Grand Avenue in Chicago.

McCormick Place Complex. McCormick Place is the largest exhibition and convention facility in the United States, offering 2.2 million square feet of exhibit space in the North Hall, the South Hall and the Lakeside Center, 114 meeting rooms, the largest ballroom in Chicago, the 4,249-seat Arie Crown Theater, and the Hyatt Hotel at McCormick Place (the “Hotel,” as defined below). McCormick Place is the industry leader as measured both by the size of trade shows hosted and by the number of persons attending. McCormick Place hosts more than three million visitors annually.

McCormick Place represents a significant government investment that provides important economic benefits to the State of Illinois and the City of Chicago. For example, using recognized econometric models, the Authority has previously estimated that operations at McCormick Place annually produce approximately \$1.6 billion in direct spending in the State which, in turn, accounts for approximately 44,000 jobs state wide and in excess of \$170 million in state and local tax revenues.

The original McCormick Place opened its doors in 1960. After seven years of success, it was destroyed by fire in 1967. A new facility, now known as The Lakeside Center at McCormick Place (“*Lakeside Center*”), opened in 1971. Although the new building was larger than the original structure, demand soon exceeded capacity and a second structure (the “*North Hall*”) was opened in 1987 just across Lake Shore Drive. The North Hall features over 741,000 square feet of exhibition space, 29 meeting rooms, service areas and various support facilities.

In 1991, to preserve and enhance McCormick Place's preeminence in the trade show segment of the meetings market and to attract a larger share of the medium and large convention segment of the meetings market, and because the North Hall and Lakeside Center were operating at near capacity and could not satisfy client demand for additional or reconfigured space, the Authority proposed and the State authorized the issuance of Bonds to finance the expansion of the grounds, buildings and facilities at the McCormick Place Complex. The Bond authorization was further increased in 1998 and 1999 and again in 2001 to finance the Series 2002 Projects. To date, portions of the proceeds of Bonds issued under the Indenture have financed the costs of land acquisition, design and construction of an exhibition, convention and meeting facility (the "*South Hall*") on a site located immediately south and west of the Lakeside Center and the North Hall; the remodeling of the Lakeside Center and the North Hall; the construction of a concourse physically connecting all three exhibition facilities; the construction of new parking facilities and the reconstruction of existing parking facilities; the design and construction of various offsite infrastructure improvements, including new ramps to the Stevenson Expressway at State Street and the relocation of the northbound lanes of Lakeshore Drive; the construction and expansion of a dedicated bus lane between downtown Chicago and the McCormick Place Complex; and the refunding of the Hotel Bonds.

The South Hall, which opened in December 1996 within budget and ahead of schedule, features 840,000 square feet of exhibition space, 33,000 and 22,000 square foot ballrooms, food service facilities and 43 meeting rooms.

In December 1998, the Authority acquired from the Chicago Park District a 2,050-space underground parking garage located adjacent to the Lakeside Center (the "*Lakeside Parking Garage*"). A substantial rehabilitation of the Lakeside Parking Garage will be completed in 2002.

The Authority also owns a hotel (known as the "*Hyatt Hotel at McCormick Place*") and parking garage adjacent to the convention facilities at McCormick Place (the "*Hotel*"). The Hotel, which opened for business in June 1998, is a 33-story facility featuring 800 guest rooms, a 600-car parking garage, meeting rooms, a health club, restaurant and other amenities. Hyatt Corporation operates and manages the Hotel pursuant to a management agreement with the Authority that expires in June 2009. The Hotel was financed by the Hotel Bonds which were refunded by the Series 1999 Bonds.

The Authority constructed additional parking facilities, administrative offices and a conference center at the McCormick Place Complex (the "*Conference Center Facilities*"). The Conference Center Facilities consist of a six-level parking structure and surface parking that will accommodate 3,100 vehicles, new office facilities for the Authority's staff, a 140,000 square foot conference center, and above-ground enclosed connections to the convention center and the Hotel. The Conference Center Facilities opened in the fall of 2001.

In cooperation with the City of Chicago, the Authority constructed a dedicated bus lane located along a railroad right of way west of Lake Shore Drive between Randolph Street in downtown Chicago and the McCormick Place Complex (the “*Busway Project*”). The Busway Project was completed in January 2002 and opened for operations, and is used to transport conventioners on chartered buses from downtown hotels to McCormick Place.

Navy Pier Complex. In 1989, the statutory responsibility for operating and maintaining Navy Pier, a 450-foot wide pier structure extending three-fifths of a mile into Lake Michigan, was transferred from the City of Chicago to the Authority. Prior to that time, for nearly 80 years Navy Pier served a wide variety of purposes, including shipping, recreation, education and festivals, but was under-used and in need of rehabilitation. In conjunction with the transfer of responsibility, the Authority was authorized to undertake the structural repair, renovation and redevelopment of Navy Pier. The State of Illinois made a \$150 million grant to finance a portion of the repair, renovation and redevelopment work. The Authority completed the conversion of Navy Pier into a public destination with a mix of cultural, exhibition, recreational and related uses for the enjoyment of visitors.

In recent years, Navy Pier has hosted more than eight million visitors annually. Navy Pier’s current tenant space is fully leased. Current attractions include the Chicago Shakespeare Theatre, an Illinois non-profit organization that presents live performances of Shakespearean plays, educational and outreach programs, lectures and other theatrical performances in a state-of-the-art 500-seat theater; a 3-D IMAX theater; the Chicago Children’s Museum; restaurants and shops.

Other Debt

The Authority has other outstanding debt that is not secured by the Indenture. This other debt includes the Authority’s Dedicated State Tax Revenue Bonds, which are payable from moneys from time to time on deposit in the Metropolitan Fair and Exposition Authority Improvement Bond Fund in the State Treasury. These bonds were issued to finance and refinance the McCormick Place facilities existing prior to the Expansion Project. These bonds are payable from sources and secured by revenues separate and apart from the sources and revenues that secure the Bonds. Currently, \$272,690,000 principal amount of these bonds are outstanding.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened against the Authority challenging the existence of the Authority or seeking to restrain or enjoin the issuance, sale and delivery of the Series 2002 Bonds or challenging the legality or validity of or the security for those Bonds.

TAX MATTERS

Series 2002A Bonds and Series 2002B Bonds

Summary of Co-Bond Counsel's Opinion

Katten Muchin Zavis Rosenman and Charity & Associates, P.C., Co-Bond Counsel, are of the opinion that under existing law, interest on the Series 2002A Bonds and the Series 2002B Bonds (collectively, the "*Tax Exempt Bonds*") is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "*Code*"), Co-Bond Counsel are of the opinion that interest on the Tax Exempt Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Co-Bond Counsel are further of the opinion that the Tax Exempt Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Tax Exempt Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Tax Exempt Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Tax Exempt Bonds is not exempt from Illinois income taxes.

Special Tax Treatment of Tax Exempt Bonds Issued at a Premium or a Discount, Including Capital Appreciation Bonds and Deferred Interest Bonds

The difference (if any) between the initial price at which a substantial amount of each maturity of the Tax Exempt Bonds is sold to the public (the "*Offering Price*") and the principal amount payable at maturity of such Tax Exempt Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Tax Exempt Bond, the difference between the two is known as "bond premium;" if the Offering Price is lower than the maturity value of a Tax Exempt Bond, the difference between the two is known as "original issue discount."

Bond premium and original issue discount are amortized over the term of a Tax Exempt Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is subtracted from the owner's tax basis in the Tax Exempt Bond. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Tax Exempt Bond for Federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the Tax Exempt Bond. The Tax Exempt Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon disposition of the Tax Exempt Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Tax Exempt Bond).

The Offering Prices of all of the Capital Appreciation Bonds are higher than the respective original principal amounts of such Tax Exempt Bonds. Nevertheless, the Capital Appreciation Bonds are treated as having been issued with original issue discount, as described above, based on the respective Offering Price for each maturity of such Capital Appreciation Bonds, and are not treated as having been issued at a premium for Federal income tax purposes.

Tables showing the accretion of tax-exempt interest on each maturity of the Capital Appreciation Bonds and the Deferred Interest Bonds for Federal income tax purposes are included in Appendices J and K, respectively. The table of Accreted Values for purposes of the Indenture, which is included as Appendix I, should not be used for Federal income tax purposes.

Owners of Tax Exempt Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Tax Exempt Bonds. For example, under the laws of Illinois, original issue discount on the Tax Exempt Bonds is deemed to be received (and is subject to tax) in the year of accrual even though there is no corresponding cash payment until a later year.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal tax purposes of interest on the Tax Exempt Bonds. Among these requirements are the following:

- *Limitations on Private Use.* The Code includes limitations on the amount of Tax Exempt Bond proceeds that may be used in the trade or business of, or used to make or finance loans, to persons other than governmental units.
- *Investment Restrictions.* Except during certain “temporary periods,” proceeds of the Tax Exempt Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as a part of a “minor portion”) may generally not be invested in investments having a yield that is “materially higher” than the yield on the Tax Exempt Bonds.
- *Rebate of Arbitrage Profit.* Unless the Tax Exempt Bonds qualify for one of several exemptions, earnings from the investment of the “gross proceeds” of the Tax Exempt Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Tax Exempt Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term “gross proceeds” includes the original proceeds of the Tax Exempt Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Tax Exempt Bonds.

Risks of Non-Compliance

In the event that the Authority fails to comply with the requirements of the Code, interest on the Tax Exempt Bonds may become includable in the gross income of the owners thereof for Federal income tax purposes retroactively to the date of issue. In such event, the Indenture requires neither acceleration of payment of principal of, or interest on, the Tax Exempt Bonds nor payment of any additional interest or penalties to the owners of the Tax Exempt Bonds.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Tax Exempt Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Tax Exempt Bonds which may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. **PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE TAX EXEMPT BONDS.**

In General. Owners of the Tax Exempt Bonds will generally be denied a deduction for otherwise deductible interest on any debt which is treated for Federal income tax purposes as incurred or continued to purchase or carry the Tax Exempt Bonds. As discussed below, special allocation rules apply to financial institutions.

Corporate Owners. Interest on the Tax Exempt Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to Federal income taxes based thereon. Thus, for example, interest on the Tax Exempt Bonds is taken into account not only in computing the corporate alternative minimum tax but also the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Individual Owners. Receipt of interest on the Tax Exempt Bonds may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of interest on the Tax Exempt Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of interest on the Tax Exempt Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Financial Institutions. Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Tax Exempt Bonds.

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Tax Exempt Bonds held by such a company is allocated to the shareholder.

Change in Law

The opinion of Co-Bond Counsel and the descriptions of the tax law contained in this Official Statement are based upon statutes, judicial decisions, regulations, rulings, and other official interpretations of the law in existence on the date the Tax Exempt Bonds are issued. There can be no assurance that such law or the interpretations thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Tax Exempt Bonds are Outstanding in a manner that would adversely affect the value or the tax treatment of ownership of Tax Exempt Bonds.

Series 2002C Bonds

Interest on the Series 2002C Bonds (Taxable) under present law is NOT excludable from the gross income of the owners thereof for federal income tax purposes.

Interest on the Series 2002C (Taxable) is not exempt from present State of Illinois income taxes.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Authority of the Series 2002 Bonds are subject to the approving legal opinions of Katten Muchin Zavis Rosenman, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel to the Authority. The proposed form of the opinions of Co-Bond Counsel to the Authority are included as Appendices E and F and will be delivered with the Series 2002 Bonds. Certain legal matters will be passed upon for the Authority by Renée C. Benjamin, Esq., its General Counsel, and by Mayer, Brown, Rowe & Maw, Chicago, Illinois, its special counsel. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Bell, Boyd & Lloyd LLC, Chicago, Illinois, and Burke Burns & Pinelli, Ltd., Chicago, Illinois.

UNDERWRITING

A group of underwriters (the “*Underwriters*”), managed by Salomon Smith Barney, LaSalle Capital Markets (a division of ABN AMRO Financial Services, Inc.), Loop Capital Markets, LLC, and J. P. Morgan Securities Inc., have agreed, jointly and severally, to purchase the Series 2002 Bonds subject to certain conditions set forth in the Bond Purchase Agreement with the Authority. The Bond Purchase Agreement provides that the obligations of the Underwriters to accept delivery of the Series 2002 Bonds are subject to various conditions of the Bond Purchase Agreement, but the Underwriters will be obligated to purchase all the Series 2002 Bonds, if any Series 2002 Bonds are purchased. The Underwriters have agreed to purchase the Series 2002 Bonds for a price of \$1,482,847,671.17 (reflecting an underwriting discount of \$10,354,750.73 and a net bond premium on the Series 2002 Bonds of \$405,474,403.70). The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2002 Bonds to the public.

The prices and other terms respecting the offering and sale of the Series 2002 Bonds may be changed from time to time by the Underwriters after such Bonds are released for sale, and the Series 2002 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such Bonds into investment accounts.

CO-FINANCIAL ADVISORS

Public Sector Group, Inc. and Davis Financial, Inc. (collectively, the “*Co-Financial Advisors*”), have been engaged by the Authority to perform professional services in the capacity of financial advisors. The Co-Financial Advisors have provided advice on the plan of financing and structure of the Series 2002 Bonds, reviewed certain legal and disclosure documents, including this Official Statement, for financial matters, and reviewed the pricing of the Series 2002 Bonds by the Underwriters. The information set forth herein has been obtained from the Authority and other sources that are believed to be reliable. The Co-Financial Advisors have not independently verified the factual information contained in this Official Statement, but have relied on the information supplied by the Authority and other sources who have certified that it contains no material misstatement or omission of information.

RATINGS

Moody’s Investors Service (“*Moody’s*”) has assigned the Series 2002 Bonds an underlying rating of “Aa3,” Standard & Poor’s Ratings Services Group, a division of The McGraw-Hill Companies, Inc. (“*Standard & Poor’s*”) has assigned the Series 2002 Bonds an underlying rating of “AA-,” and Fitch Ratings (“*Fitch*”) has assigned the Series 2002 Bonds an underlying rating of “AA-.” These ratings reflect only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from applicable rating agency. The Authority has furnished to the rating agencies certain information and materials relating to the Series 2002 Bonds, including certain information and materials that have not been included in the Official Statement. Generally, rating agencies base their ratings on

their own investigations, studies and assumptions. There is no assurance that any rating will continue for any given period of time, or that any rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market prices of the Series 2002 Bonds. The Authority and the Underwriters have undertaken no responsibility either to bring to the attention of the registered owners of the Series 2002 Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal. The foregoing ratings do not reflect any bond insurance relating to any portion of the Series 2002 Bonds.

The ratings on the Series 2002 Bonds as insured by MBIA are based on the MBIA Bond Insurance Policy (2002) issued by MBIA. Moody's rates bond issues insured by MBIA "Aaa," Standard & Poor's rates bond issues insured by MBIA "AAA" and Fitch rates bond issues insured by MBIA "AAA." These ratings reflect only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from applicable rating agency. There is no assurance that any rating will continue for any given period of time, or that any rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market prices of the Series 2002 Bonds.

AUTHORITY FINANCIAL STATEMENTS

The combined general purpose financial statements of the Authority included in Appendix A to this Official Statement as of and for the year ended June 30, 2001 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Series 2002 Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in such schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the Refunded Bonds (see "PLAN OF FINANCE"), and (2) the computations of yield on both the securities and the Series 2002A Bonds and the Series 2002B Bonds contained in such schedules used by Co-Bond Counsel to the Authority in its determination that the interest on the Tax Exempt Bonds is excludable from gross income for federal income tax purposes. Grant Thornton LLP will express no opinion on the assumptions provided to them, nor as to the exclusion from gross income for federal income tax purposes of the interest on the Tax Exempt Bonds.

CONTINUING DISCLOSURE

The Authority will enter into a continuing disclosure undertaking (the “*Continuing Disclosure Agreement*”) for the benefit of the registered owners of the Series 2002 Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission (the “*SEC*”) under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events that will be noticed on an occurrence basis and a summary of other terms of the Continuing Disclosure Agreement, including termination, amendment and remedies, are set forth in “APPENDIX G – SUMMARY OF CONTINUING DISCLOSURE AGREEMENT.”

A failure by the Authority to comply with the Continuing Disclosure Agreement will not constitute a default under the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Continuing Disclosure Agreement. See “Consequence of Failure of the Authority to Provide Information” in Appendix G. A failure by the Authority to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2002 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2002 Bonds and their market price. Except as set forth below, the Authority is in compliance with undertakings previously entered into pursuant to the Rule.

The Authority did not file an Annual Report (including its Annual Financial Information and Audited Financial Statements) for the fiscal year ending June 30, 1997, with respect to its 1996A Bonds in a timely manner. The Authority has filed such Annual Report with all current NRMSIRs, and intends to file all future Annual Reports in a timely manner.

MISCELLANEOUS

The summaries or descriptions contained in this Official Statement, including the Appendices hereto, of provisions in the Authorizing Legislation, the Indenture, the DTC Book-Entry System and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such ordinances, laws, documents or provisions.

Accordingly, such summaries, descriptions and references are qualified by reference to the complete documents relating to such matters for further information, copies of which will be furnished by the Authority on request.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract or agreement with the holders of any of the Series 2002 Bonds.

At the time of delivery of the Series 2002 Bonds, the Authority will furnish a certificate executed by the Chairman and the Chief Financial Officer stating that to the best of their knowledge, after reasonable investigation, the Official Statement, other than the information under the captions “MBIA BOND INSURANCE POLICY (2002)” and “FGIC RESERVE POLICY (2002)” and in Appendices E, F, H, L, and M, as to which no representation, warranty or agreement is made, did not (as of its date) and does not (at the delivery date of the Series 2002 Bonds) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Authority has authorized the distribution of this Official Statement.

This Official Statement has been duly executed and delivered on behalf of the Metropolitan Pier and Exposition Authority.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

By: _____ /s/ Kelly R. Welsh
Chairman

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APPENDIX A
AUTHORITY FINANCIAL STATEMENTS

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***Metropolitan Pier and
Exposition Authority***

*Combined General Purpose Financial Statements
for the Year Ended June 30, 2001 and
Independent Auditors' Report*

METROPOLITAN PIER AND EXPOSITION AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Metropolitan Pier and Exposition Authority
Chicago, Illinois

We have audited the accompanying combined general purpose financial statements of the Metropolitan Pier and Exposition Authority (the "Authority") as of June 30, 2001, and for the year then ended, listed in the foregoing table of contents. These combined general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these combined general purpose financial statements based on our audit. We did not audit the financial statements of the accounts maintained by Hyatt Corporation for Hyatt Regency McCormick Place - Chicago, which represent five percent and twenty-two percent, respectively, of the assets and revenues of the General Fund. Furthermore, we did not audit the financial statements of the Authority's Retirement Plan, which are shown as the Pension Trust Fund. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the General Fund and the Pension Trust Fund, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such combined general purpose financial statements present fairly, in all material respects, the financial position of the Metropolitan Pier and Exposition Authority at June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 12, 2001, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

September 12, 2001

**Deloitte
Touche
Tohmatsu**

METROPOLITAN PIER AND EXPOSITION AUTHORITY

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2001 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

(\$ in Thousands)

	Governmental Fund Types		Fiduciary Fund Types		Account Groups		Total	
	General	Debt Service	Capital Projects	Agency	Pension Trust Fund	General Fixed Assets	Long-term Debt	(Memorandum Only) 2001 2000
ASSETS:								
Cash and cash equivalents (Note 2)	\$ 1,543		\$ 28	\$ 817				\$ 2,388 \$ 1,266
Investments (Note 3)	28,778							28,778 24,087
Investments - designated (Note 3)	31,723	\$ 19,575	177,883		\$ 20,239			249,420 316,622
Accounts receivable - less allowance for doubtful accounts of \$425 and \$406 in 2001 and 2000	11,333							11,333 13,855
Authority taxes receivable (Note 4)		53,425						53,425 42,788
Interest receivable (Note 4)	816		1,191	68	1,700			2,007 1,601
Due from other funds (Note 5)	4,254							6,022 6,367
Prepaid expenditures	1,719							1,719 1,167
General fixed assets (Note 6)						\$ 1,877,065		1,877,065 1,877,011
Amount available in Debt Service Fund								19,575 19,765
Amount to be provided for retirement of long-term debt								1,906,246 1,900,078
Amount to be provided for pension liability								3,522 3,590
TOTAL ASSETS	\$ 80,166	\$ 73,000	\$ 179,102	\$ 885	\$ 21,939	\$ 1,877,065	\$ 1,929,343	\$ 4,161,500 \$ 4,208,197
LIABILITIES, EQUITY AND OTHER CREDITS:								
Liabilities:								
Accounts payable and accrued expenses	\$ 28,680		\$ 21,634	\$ 847				\$ 51,161 \$ 44,671
Advance deposits	8,036							8,036 8,009
Retainage payable			6,423					6,423 3,673
Due to other funds (Note 5)	1,768		4,216	38				6,022 6,367
Workers' compensation (Note 11)	4,120							4,120 3,038
Expansion Project Bonds (Note 7)						\$ 1,638,486		1,638,486 1,618,629
Other long-term debt (Note 7)						287,335		287,335 301,214
Deferred Authority tax revenue		\$ 53,425						53,425 42,788
Long-term pension liability (Notes 7 and 8)							3,522	3,522 3,590
Total liabilities	42,604	53,425	32,273	885			1,929,343	2,058,530 2,031,979
Equity and other credits:								
Investment in general fixed assets						\$ 1,877,065		1,877,065 1,877,011
Fund balances:								
Reserved for debt service		19,575						19,575 19,765
Reserved for workers' compensation claims	4,120							4,120 3,038
Reserved for prepaid expenditures	1,719							1,719 1,167
Reserved for employee benefit plan					\$ 21,939			21,939 21,706
Unreserved - designated for capital projects	31,723		146,829					178,552 233,531
Total equity and other credits	37,562	19,575	146,829		21,939	1,877,065		2,102,970 2,176,218
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 80,166	\$ 73,000	\$ 179,102	\$ 885	\$ 21,939	\$ 1,877,065	\$ 1,929,343	\$ 4,161,500 \$ 4,208,197

See notes to combined general purpose financial statements.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2001 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

(\$ in Thousands)

	Governmental Fund Types			Total	
	General	Debt Service	Capital Projects	(Memorandum Only) 2001	2000
REVENUES:					
McCormick Place and Navy Pier operations	\$ 183,540			\$ 183,540	\$ 172,965
Grants from State of Illinois	5,309	\$ 30,469		35,778	35,430
Authority taxes		79,832	\$ 13,165	92,997	88,727
Interest on investments	3,915	2,022	13,279	19,216	17,630
Federal Grants	495			495	295
Miscellaneous			141	141	107
	<u>193,259</u>	<u>112,323</u>	<u>26,585</u>	<u>332,167</u>	<u>315,154</u>
Total revenues					
EXPENDITURES:					
Current:					
McCormick Place and Navy Pier operations	190,539			190,539	173,336
Debt Service:					
Interest		83,838		83,838	82,058
Bond and note retirement (Note 7)		27,750		27,750	26,345
Miscellaneous		24		24	23
Capital Projects			103,551	103,551	60,861
	<u>190,539</u>	<u>111,612</u>	<u>103,551</u>	<u>405,702</u>	<u>342,623</u>
Total expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	2,720	711	(76,966)	(73,535)	(27,469)
OTHER FINANCING SOURCES (USES):					
Operating transfers-in	1,087	101,881	36,614	139,582	277,441
Operating transfers-out	(104)	(102,782)	(36,696)	(139,582)	(277,441)
Payment for bond refundings					(309,991)
Proceeds from bond issuances (Note 7)					424,338
Payment of note payable (Note 7)					(20,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES					
	3,703	(190)	(77,048)	(73,535)	66,878
FUND BALANCES - Beginning of year					
	<u>33,859</u>	<u>19,765</u>	<u>223,877</u>	<u>277,501</u>	<u>210,623</u>
FUND BALANCES - End of year					
	<u>\$ 37,562</u>	<u>\$ 19,575</u>	<u>\$ 146,829</u>	<u>\$ 203,966</u>	<u>\$ 277,501</u>

See notes to combined general purpose financial statements.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ALL BUDGETED GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2001
(\$ in Thousands)**

	General Fund			Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
McCormick Place and Navy Pier operations	\$175,807	\$183,540	\$ 7,733						
Grants from State of Illinois	4,800	5,309	509	\$ 31,617	\$ 30,469	\$ (1,148)	\$ 12,467	\$ 13,165	\$ 698
Authority taxes				80,041	79,832	(209)			
Interest on investments	2,643	3,915	1,272		2,022	2,022		13,279	13,279
Federal Grants		495	495						
Miscellaneous								141	141
Total revenues	183,250	193,259	10,009	111,658	112,323	665	12,467	26,585	14,118
EXPENDITURES:									
Current:									
McCormick Place and Navy Pier operations	181,162	190,539	(9,377)						
Debt Service:									
Interest				83,838	83,838				
Bond retirement				27,750	27,750				
Miscellaneous					24	(24)			
Capital Projects							149,308	103,551	45,757
Total expenditures	181,162	190,539	(9,377)	111,588	111,612	(24)	149,308	103,551	45,757
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,088	\$ 2,720	\$ 632	\$ 70	\$ 711	\$ 641	\$ (136,841)	\$ (76,966)	\$ 59,875

See notes to combined general purpose financial statements.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS PENSION TRUST FUND YEAR ENDED JUNE 30, 2001 (\$ in Thousands)

ADDITIONS:

Additions to net assets attributed to:

Investment income:

Net increase in value of Plan's interest in insurance contracts \$ 184

Net investment income 184

Employer contributions 1,933

Total additions 2,117

DEDUCTIONS:

Deductions from net assets attributed to:

Net decrease in value of Plan's interest in pooled separate accounts (896)

Benefits paid to participants (778)

Administrative expenses (210)

Total deductions (1,884)

INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 233

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year 21,706

End of year \$ 21,939

See notes to combined general purpose financial statements.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2001 (\$ in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization of the Authority - The Illinois General Assembly created the Metropolitan Fair and Exposition Authority in 1955 and renamed it as Metropolitan Pier and Exposition Authority (“Authority”) in July 1989 as a municipal corporation pursuant to the Metropolitan Pier and Exposition Authority Act. The purpose of the Authority is to promote, operate and maintain fairs, expositions and conventions in the Chicago metropolitan area and, in connection therewith, to arrange, finance and maintain industrial, cultural, educational, trade and scientific exhibits and to construct, equip and maintain auditoriums and exposition buildings for such purposes. The Authority is responsible for overseeing the financing, renovation and operations of Chicago’s Navy Pier and the expansion of existing trade, convention and exposition facilities at McCormick Place. In addition, in 1998, the Authority began operations at its new 800-room convention center hotel, the Hyatt Regency McCormick Place (the “Hotel”). The Authority hired Hyatt Hotels Corporation to operate the Hotel.

Reporting Entity - In evaluating how to define the Authority (primary government) for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by Governmental Accounting Standards Board (“GASB”) Statement No. 14. The basic criteria for classifying an entity as a component unit are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Included in the Authority’s reporting entity is the Metropolitan Pier and Exposition Authority Retirement Plan (the “Plan”), a single-employer defined benefit plan established under the authority of the Board of Directors of the Authority. The Plan is reported as a Pension Trust Fund in these financial statements. Separate financial statements for the Plan can be obtained from the administrative office located at 301 East Cermak Road, Chicago, Illinois 60616.

Basis of Presentation - Fund Accounting - The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types and broad fund categories as follows:

Governmental Fund Types

The General Fund is the operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. These funds are also used to account for the expenditure of income received under Federal and State capital grant programs.

Fiduciary Fund Types

Agency funds account for assets held by the Authority in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of operations. These funds include the Authority's food service reserve funds.

The Pension Trust Fund is used to account for the accumulation of assets for the purpose of paying benefits when they become due in accordance with the terms of the Plan.

Account Groups

General Fixed Assets Account Group - This group of accounts is established to account for all land and fixed assets of the Authority.

General Long-term Debt Account Group - This group of accounts is established to account for all long-term debt and other long-term obligations of the Authority.

Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they are both measurable and available to finance expenditures of the current period). "Measurable" means when the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues accrued at June 30, 2001 are listed in Note 4 and there were no significant revenues considered as not subject to accrual. Expenditures are recorded when the liability is incurred, except for interest and principal on long-term debt, which are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made in the following year. Agency Funds are accounted for using the modified accrual basis of accounting. The Pension Trust Fund is accounted for using the accrual basis of accounting.

The Authority implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, for the year ended June 30, 2001. This statement establishes accounting and financial reporting standards to guide state and local governments' decisions about when, specifically which fiscal year, to report the results of nonexchange transactions involving cash and other financial and capital resources. The implementation of this statement did not have a material impact on the Authority's combined general purpose financial statements.

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement is effective for the Authority for periods beginning after June 15, 2001. This statement establishes specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information (RSI) other than MD&A. The Authority has not finalized the quantification of the effects of implementation on its combined general purpose financial statements.

Budgetary Information - The Metropolitan Pier and Exposition Authority ("MPEA") Act requires the Authority to annually develop and adopt a financial plan covering a period of at least three fiscal years.

Due to the cyclical nature of the major McCormick Place events, operating revenues and expenses are anticipated to fluctuate annually. As a result, the Authority uses a rolling three-year balanced budget approach to minimize the impact of these annual fluctuations.

The budgetary data included in the financial plan is prepared on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP") for all governmental funds. Consequently, a budgetary to GAAP basis reconciliation is not required. Project length budgets and annual financial plans are adopted for all Capital Projects Funds. All appropriations lapse at fiscal year-end.

On or before February 15th of each year, departments submit budget proposals to the Budget Director. The three-year financial plan is then prepared and presented to senior management for their review and approval. Before the proposed budget can be presented to the Board of Directors, it is submitted to the Finance Committee for review and approval.

Under the MPEA Act, the financial plan must be adopted by the Board of Directors at least 60 days prior to the beginning of the fiscal year (May 1). The Board is authorized to approve the financial plan if, in its judgment, the financial plan is complete and is reasonably capable of being achieved. After adoption by the Board, the financial plan must be filed with the Governor, Mayor, and General Assembly of the State of Illinois within ten days.

The Authority is required to report quarterly to the Governor, Mayor and General Assembly concerning compliance with its current fiscal year budget. The MPEA Act further requires the Authority to promptly notify the Governor, Mayor and General Assembly of any material change in the revenue or expenditure estimates in the financial plan and budget. There were no modifications to the budget for the current fiscal year.

A legal level of budgetary control is not specified in the MPEA Act. Budgets are prepared by fund and department. The Authority does not allow departments to make transfers between budgeted line items. Because of the nature of Authority operations, expenditures may exceed the amount budgeted with the approval of the Budget Director. The Board of Directors reviews and approves all contracts awarded through the competitive bidding process. In addition, the Board reviews and approves contracts exempted from competitive bidding and all expenditures on a monthly basis as part of their review of operating results.

Encumbrances - The Authority does not employ the encumbrance method of accounting to reserve current fund balance for subsequent year expenditures.

Investments - Investments consist primarily of government bond funds, and treasury bills and notes. Investments are stated at cost or cost adjusted for amortization of premiums or discounts, which approximates market in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. According to the Investment of Public Funds Act (30 ILCS 235/2), the Authority may invest in bonds, notes, certificates of indebtedness, treasury bills, or any other government-backed securities, interest-bearing savings accounts, certificates of deposit or time deposits, short-term corporation obligations, money market mutual funds and repurchase agreements. Investments in the Pension Trust Fund are stated at fair value and are in accordance with the Pension Trust Fund's investment policy.

General Fixed Assets - General fixed assets have been acquired for the general purposes of the Authority. Assets purchased are recorded as expenditures in the appropriate fund. General fixed assets are recorded at cost. Cost includes major expenditures for improvements and replacements which extend useful lives or increase capacity and interest cost associated with significant capital additions. Donated assets are recorded at their estimated fair value at the time of acquisition. Depreciation is not provided on general fixed assets. Beginning in fiscal year 1999, the Authority elected to prospectively report its investment in infrastructure assets. These assets are recorded at cost. In 2001, all infrastructure assets were transferred to the City of Chicago.

Compensated Absences - Vested or accumulated vacation and compensatory time is recorded as an accrued expense in the General Fund since these liabilities will be liquidated with currently available resources. The Authority's sick leave policy provides for an accumulation of earned sick leave. Sick leave does not vest and the Authority has no obligation for the accumulated sick leave until it is actually taken. Thus, no accrual for sick leave has been made.

Long-term Debt - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Funds for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-term Debt Account Group.

Deferred Authority Tax Revenue - Deferred Authority tax revenue consists of Authority taxes collected (restaurant, hotel, car rental and airport departure) by the State of Illinois and held in a state escrow account as a reserve to fund future debt service for the 1992A, 1994, 1996A, 1998 and 1999 Expansion Project Bonds. These amounts are also reported as Authority taxes receivable.

Fund Equity - Reserves represent those portions of fund equity not available to be appropriated for expenditure or legally segregated for a specific future use. Designated fund balances represent management's expected plans for future use of financial resources.

Interfund Transactions - Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers.

Pension Obligations - Accrued pension liability recorded in the General Long-term Debt Account Group equals the actuarially determined net pension obligation at June 30, 2001.

Management's Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

Total "Memorandum Only" Columns - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles, nor are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

2. CASH AND CASH EQUIVALENTS

As of June 30, 2001, the carrying amount of the Authority's cash deposits was \$2,388 and the bank balance was \$5,810. The bank balance is covered by federal depository insurance to a maximum of \$100 per account. Of the Authority's bank balance as of June 30, 2001, \$3,489 was invested in an overnight government money market fund, \$700 was collateralized with securities held by the Authority's agents but not in the Authority's name and \$1,621 was uncollateralized.

3. INVESTMENTS

Investments as of June 30, 2001 are as follows:

Governmental Funds Investments	Risk Category	Fair Value
U.S. government securities	1	\$ 69,761
Guaranteed investment contracts	1	161,810
Commercial paper	1	17,639
Government money market funds	N/A	<u>8,749</u>
 Total Governmental Funds investments		 257,959
Pension Trust Fund Investments		
Mutual funds - equity	2	8,733
Mutual funds - fixed income	2	8,719
Money market funds	N/A	114
Other	2	<u>2,673</u>
 Total Pension Trust Fund investments		 <u>20,239</u>
 Total investments		 <u>\$ 278,198</u>

Investments of a governmental entity are classified into the following categories of credit risk:

Risk Category 1 - Insured or registered, or securities held by the Authority or its agent in the Authority's name.

Risk Category 2 - Uninsured and unregistered, with securities held by the counterpart's trust department or agency, in the Authority's name.

Risk Category 3 - Uninsured and unregistered, with securities held by the counterpart or by its trust department or agent but not in the Authority's name. (This includes the portion of the carrying amount of any repurchase agreement that exceeds the market value of the underlying securities.)

Risk Category N/A - Certain investments are not categorized.

Certain of the Authority's investments are designated for specific use. Designated investments as of June 30, 2001 are as follows:

General Fund:	
Capital projects	\$ 31,723
Debt Service Fund:	
Dedicated State Tax Revenue Bonds	17,349
Expansion Project Bonds	<u>2,226</u>
Total Debt Service Fund	19,575
Capital Projects Fund:	
1998 Bond proceeds	69,879
1999 Bond proceeds	92,020
Capital Repair and Replacement Fund	<u>15,984</u>
Total Capital Projects Fund	177,883
Pension Trust Fund	<u>20,239</u>
Total investments designated	249,420
Other General Fund investments	<u>28,778</u>
Total investments	<u><u>\$ 278,198</u></u>

4. RECEIVABLES

Receivables (excluding accounts receivable resulting from McCormick Place and Navy Pier operations) accrued by the Authority at June 30, 2001 consisted of the following:

General Fund:	
Interest receivable	\$ 816
Debt Service Fund:	
Authority taxes receivable	53,425
Capital Projects Fund:	
Interest receivable	<u>1,191</u>
Total	<u><u>\$ 55,432</u></u>

5. DUE FROM/DUE TO FUNDS WITHIN THE AUTHORITY

Interfund receivables/payables as of June 30, 2001 comprise the following:

	Due From (Receivable Fund)	Due To (Payable Fund)
General Fund	\$4,254	\$1,768
Capital Projects Funds:		
McCormick Place Expansion Fund		3,458
Navy Pier Management Funds		320
McCormick Place Construction Fund		438
Agency Funds	68	38
Pension Trust Fund	<u>1,700</u>	<u> </u>
 Total	 <u>\$6,022</u>	 <u>\$6,022</u>

6. GENERAL FIXED ASSETS

A summary of changes in the General Fixed Assets Account Group follows:

	Balance July 1, 2000	Additions	Disposals/ Adjustments	Balance June 30, 2001
Land	\$ 131,878	\$ 2,291	\$ (1,470)	\$ 132,699
Exposition facilities	1,534,669	3	40,552	1,575,224
Furniture and fixtures	25,911	274	(725)	25,460
Machinery and equipment	39,556	1,939	(20,168)	21,327
Infrastructure	104,558		(104,558)	
Construction in progress	<u>40,439</u>	<u>58,743</u>	<u>23,173</u>	<u>122,355</u>
 Total	 <u>\$1,877,011</u>	 <u>\$ 63,250</u>	 <u>\$ (63,196)</u>	 <u>\$1,877,065</u>

7. LONG-TERM DEBT

Changes in long-term debt during the year were as follows:

	Balance July 1, 2000	Maturities/ Retirements	Issuance/ Accretion	Balance June 30, 2001
Expansion Project Bonds:				
Series 1992A McCormick Place Expansion Project Bonds, maturing June 15, 2027, some subject to prior redemption, bearing stated interest at 4.35% to 50.0% (yielding 4.35% to 6.75%), payable semiannually; bonds with 50% stated rate were issued at a premium of approximately four times face value	\$331,217	\$ (4,675)	\$ 17,877	\$ 344,419
Series 1994A and B McCormick Place Expansion Project Bonds, maturing June 15, 2029, some subject to prior redemption, bearing stated interest at 4.25% to 50.0% (yielding 4.25% to 6.70%), payable semiannually; bonds with 50.0% stated interest rate were issued at a premium of approximately four times face value	152,049	(340)	6,030	157,739
Series 1996A McCormick Place Expansion Refunding Bonds, maturing June 15, 2027, some subject to prior redemption, bearing stated interest at 4.1% to 6%, payable semiannually	502,928	(8,950)	9,915	503,893
Series 1998A and B McCormick Place Expansion Refunding Bonds, maturing June 15, 2029, some subject to prior redemption, bearing stated interest at 4.5% to 50.0% (yielding 4.325% to 5.04%), payable semiannually; bonds with 50.0% stated interest rate were issued at a premium of approximately five times face value	188,765			188,765

	Balance July 1, 2000	Maturities/ Retirements	Issuance/ Accretion	Balance June 30, 2001
Series 1999 A, B, C and D McCormick Place Expansion Project Bonds, maturing December 15, 2028, some subject to prior redemption, bearing stated interest at 5.25% to 7.16% (yielding 5.3% to 7.16%), payable semiannually	<u>\$ 443,670</u>			<u>\$ 443,670</u>
Subtotal Expansion Project Bonds	1,618,629	\$ (13,965)	\$ 33,822	1,638,486
Dedicated State Tax Revenue Bonds:				
Series 1986A Dedicated State Tax Revenue Bonds, maturing June 1, 2015, subject to prior redemption, bearing interest at 5% to 6.5%, payable semiannually	19,725			19,725
Series 1992 Dedicated State Tax Revenue Bonds, maturing June 1, 2010, subject to prior redemption, bearing interest at 4% to 6.75%, payable semiannually	151,925	(11,275)		140,650
Series 1995 Dedicated State Tax Revenue Bonds, maturing June 1, 2011, subject to prior redemption, bearing interest at 4.3% to 6.25%, payable semiannually	34,690	(2,355)		32,335
Series 1997 Dedicated State Tax Revenue Refunding Bonds, maturing June 1, 2006, subject to prior redemption, bearing interest at 4% to 4.75%, payable semiannually	94,780	(155)		94,625
Capital Leases:				
Note payable, Allied Capital, in monthly installments through June 1, 2001 with interest imputed at 7%	<u>94</u>	<u>(94)</u>		
Other Long-Term Debt	301,214	(13,879)		287,335
Long-term pension liability	<u>3,590</u>	<u>(68)</u>		<u>3,522</u>
Total long-term debt and long-term obligations	<u>\$ 1,923,433</u>	<u>\$ (27,912)</u>	<u>\$ 33,822</u>	<u>\$ 1,929,343</u>

Annual Requirements - The annual requirements to amortize general long-term debt outstanding as of June 30, 2001, including total interest payments of \$2,160,459, are as follows:

Year Ending June 30	Amount
2002	\$ 115,625
2003	120,590
2004	124,620
2005	128,609
2006	133,593
Thereafter	<u>3,466,765</u>
Total	<u>\$4,089,802</u>

The total fund balance of the Debt Service Funds at June 30, 2001 of \$19,575 is available to service the Authority's long-term debt as of June 30, 2001. The 1992A, 1994, 1996A, 1998 and 1999 Expansion Project Bonds (the "Expansion Project Bonds") are serviced with the proceeds of four taxes collectively referred to as Authority taxes. Components of Authority taxes include restaurant tax, car rental tax, hotel tax, and airport departure tax. The Authority is also authorized to receive certain surplus funds, if any, generated by the Illinois Sports Facilities Authority. In addition, the State of Illinois established and holds a reserved escrow account with a June 30, 2001 balance of \$29,623 to offset any shortfalls in the receipt of Authority taxes used to make debt service payments on the Expansion Project Bonds. The \$29,623 escrow amount is included in both the Authority taxes receivable and Deferred Authority tax revenue line items in the June 30, 2001 combined balance sheet. An allocated portion of the State of Illinois sales tax is also available to service the Expansion Project Bonds in the event of shortfalls in Authority taxes. The debt service for 1986A, 1992, 1995 and 1997 Dedicated State Tax Revenue Bonds is supported exclusively by dedicated state sales tax receipts. The Authority is subject to certain covenants in the Expansion Project Bonds and the Dedicated State Tax Revenue Bonds lending agreements. The Authority was in compliance with such covenants at June 30, 2001.

In accordance with the Third Supplemental Indenture of Trust applicable to the McCormick Place Expansion Project Bonds and the McCormick Place Expansion Project Refunding Bonds, the Authority, during fiscal year 1995, entered into two Debt Service Deposit Agreements. Under these agreements, the Authority received a lump-sum payment of \$25,600 in exchange for giving up the right to receive future earnings on investments of debt service balances. The Authority has no liability or continuing exposure for interest rate risk related to future earnings on such balances. Such risk is retained by the counterparty. The Indenture also called for the establishment of an "Excess Revenue Reserve Subaccount" to meet applicable debt service requirements in the event that adequate funds to meet such requirements are not otherwise available. The "Excess Revenue Reserve Subaccount" was established from the proceeds of the Debt Service Deposit Agreements and is recorded in the Authority's Debt Service Funds. The remaining proceeds were used to finance the Authority's ongoing construction activities.

The Authority has refunded all or a portion of various bond issues by depositing U.S. Government securities in irrevocable trusts to provide for future debt service payments on the refunded bonds. As a result, such bonds are considered to be deceased and the liability for these bonds has been removed from the balance sheet. As of June 30, 2001, the original balances and the related escrow funds for refunded outstanding bonds are as follows:

Description	Series	Original Issue	Outstanding	Escrow
1994 refunding of McCormick Place Expansion Project Bonds	1992A	\$ 34,330	\$ 29,365	\$ 73,414
1996 refunding of McCormick Place Expansion Project Bonds	1992A	445,998	435,843	493,172
1998A refunding of McCormick Place Expansion Project Bonds	1992A	51,905	29,000	32,459
1998A refunding of McCormick Place Expansion Project Bonds	1994	45,291	45,291	48,776
1999 refunding of McCormick Place Expansion Project Bonds	1992A, 1994 1996, 1998	129,145	109,710	127,470
1999 refunding of McCormick Place Hospitality Facilities Revenue Bonds	1996A	<u>127,420</u>	<u>127,420</u>	<u>150,465</u>
Total		<u>\$834,089</u>	<u>\$776,629</u>	<u>\$925,756</u>

8. PENSION PLAN

Plan Description - The Authority maintains a single-employer, defined benefit pension plan (the "Plan") which covers all full-time, nonrepresented employees and certain union-represented employees. The payroll for employees covered by the Plan as of the most recent actuarial valuation date, July 1, 2000, was \$18,774; the Authority's total fiscal 2000 payroll was \$54,356. Total payroll includes employees covered under a number of separate union plans. At July 1, 2000, Plan membership consists of:

Group	Members
Retirees and beneficiaries receiving benefits	71
Vested terminated employees	96
Active employees:	
Fully vested	212
Nonvested	<u>157</u>
Total	<u>536</u>

Employees are eligible for the Plan on the first day of the month after attaining age 21 and completing one year of service, provided they are hired before their sixty-fifth birthday. Employees are 100% vested after five years of service or after attaining age 55.

The Plan was established under the authority of the Board of Directors of the Metropolitan Pier and Exposition Authority. The Authority contributes the amounts necessary to fund the Plan using the projected unit credit cost method.

Employees earn a basic annual pension benefit equal to 1½ % of earnings for each year of service after July 1, 1978 plus any pension benefits accrued prior to July 1, 1978. After completing ten years of service, employees are eligible for a minimum pension benefit equal to 3.33% of their final average earnings times years of service up to a maximum of 15 years. Employees eligible for the minimum pension always receive the greater of their basic pension or their minimum pension. Normal retirement under the Plan is age 65, but employees are eligible for an early retirement pension upon attaining age 55. Early retirement pensions are reduced to reflect a longer expected payment period. The Authority issues a publicly available financial report that includes financial statements and required supplementary information for the Plan.

The Authority accounts for its pension liability in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” GASB Statement No. 27 requires the accrued pension liability be calculated as the cumulative difference, including interest, between the employer’s required contributions in accordance with the Plan’s actuarially required contribution funding requirements and the actual contributions made by the employer.

Funding Policy and Annual Pension Cost - Contribution requirements of the Plan may be amended by the Board of Directors of the Authority. The Authority’s annual pension cost for the current year and related information for the Plan is as follows:

Contribution rates:	
Authority	- Actuarially determined
Plan members	- N/A
Annual pension cost (“APC”)	- \$1,866
Actuarially determined contribution:	
Authority	- \$1,880
Plan members	- N/A
Actuarial valuation date	- July 1, 2000
Actuarial cost method	- Projected Unit Credit
Remaining amortization period	- 40 years
Asset valuation method	- Fair value
Actuarial assumptions:	
Investment rate of return	- 8.0 %
Projected salary increases	- 5.0 %
Cost-of-living increases	- 3.0 %

There were no assumption changes for the Plan from the prior year valuation.

The following represents the significant components of the APC and changes in Net Pension Obligation (“NPO”) during the year ended June 30, 2001:

NPO - June 30, 2000	\$ 3,590
Annual required contribution (“ARC”)	1,880
Interest on NPO	287
Adjustment to ARC	<u>(301)</u>
Annual pension cost	<u>1,866</u>
NPO before contributions	5,456
Total contributions	<u>(1,934)</u>
NPO - June 30, 2001	<u><u>\$ 3,522</u></u>

Funding Progress - The following summarizes the funding progress for the Plan:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/1998	\$16,419	\$ 16,102	\$ (317)	102%	\$ 13,518	0.00%
7/1/1999	18,876	18,986	110	99%	16,406	0.67%
7/1/2000	21,706	21,817	111	99%	18,774	0.59%

Three-Year Trend Information - The following summarizes fund information for the Plan:

Year Ended	Annual Pension Cost (APC)	Actuarially Determined Contributions	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/99	\$ 1,663	\$ 1,678	117.00%	\$ 3,592
6/30/00	1,873	1,887	99.38%	3,590
6/30/01	1,866	1,880	102.88%	3,522

9. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In 1998, the Authority implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. As a result of these legislated changes, the Authority amended its plan and established a Deferred Compensation Plan and Trust (“Trust”) during fiscal year 1998. Such Trust guarantees that all 457 assets are used exclusively to pay benefits to participants and their beneficiaries. As such, the Authority does not report plan assets and liabilities in the combined general purpose financial statements. The assets of the deferred compensation plan, consisting primarily of open-ended mutual funds, approximated \$19,294 as of June 30, 2001.

10. LEASE COMMITMENTS

The Authority’s East Exposition Building (Lakeside Center) and the adjoining underground parking facility are constructed on land leased from the Chicago Park District. Prior to January 1, 1999, the lease agreement provided for a nominal rental (one dollar annually). Effective January 1, 1999, the Authority entered into an amended lease agreement adjusting annual lease payments and extending the lease agreement through December 31, 2028. Total expenditures recorded under this operating lease were \$263 for the year ended June 30, 2001. The future minimum lease payments for noncancelable leases are as follows:

Year Ending June 30	Amount
2002	\$ 422
2003	431
2004	314
2005	314
2006	299
Thereafter	<u>21,108</u>
Total	<u>\$ 22,888</u>

Rental expense under operating leases for the year ended June 30, 2001 was \$403.

11. COMMITMENTS AND CONTINGENCIES

The Authority has entered into various construction contracts related to McCormick Place and Navy Pier. The total projected cost of these projects is \$1,663,549 of which \$150,296 remains to be spent. The McCormick Place Expansion of the South Building was completed in December 1996; the Lakeside Center was completed in November 1997; the Hyatt Regency McCormick Place was completed in June 1998; the Shakespeare Theater was completed in October 1999; and the parking garage and conference center on Martin Luther King Drive were completed in August 2001. Current major projects for the Authority include the dedicated bus lane, the Lakeside Garage retrofit, and various other capital improvements.

The Authority has certain contingent liabilities resulting from litigation, claims and commitments incident to the ordinary course of business. Also, federal and state grant programs are subject to audit and the potential disallowance of costs. Management expects that final resolution of any such contingencies will not materially affect the financial position of the Authority.

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to customers, employees, contractors or vendors; and natural disasters. The Authority utilizes a comprehensive insurance program for its property and casualty coverage provided by commercial insurance carriers. The Authority has a self-insured program for workers' compensation for individual claims up to \$350 and is fully insured for claims in excess of \$350 up to the State of Illinois statutory limit. All risk-financing activities are accounted for in the General Fund.

Currently, the Authority's third-party administrator calculates the claims liabilities amount required for outstanding workers' compensation claims. The liability and expenditures are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The total claims liabilities related to individual workers' compensation claims in the amount of \$350 or less recorded in the General Fund are as follows:

Year-end June 30	July 1 Balance	Current Year Claims and Changes in Estimates	Actual Claim Payments	June 30 Balance
1999	3,582	974	1,205	3,351
2000	3,351	1,378	1,691	3,038
2001	3,038	2,833	1,751	4,120

12. SUBSEQUENT EVENT

On August 2, 2001, legislation that authorizes McCormick Place to move forward with an \$800 million expansion plan was signed into law by Governor George H. Ryan. The planned addition will include 600,000 square feet of exhibit space and 200,000 square feet of meeting rooms, including a 60,000 square-foot ballroom. The new proposed McCormick Place West is targeted for completion in 2007.

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APPENDIX B

TABLE OF REFUNDED BONDS

Series Designation/ Type of Bond	Maturity Date	Interest Rate	Aggregate Original Principal Amount	Accreted Value at Maturity (CABs)	Redemption Date	Redemption Price as a % of	
						Principal/	Accreted Value
							Full or Partial Refunding
<u>Series 1992A</u>							
1992A/CIB	6/15/03	5.900%	\$ 775,000.00	\$			Partial
1992A/CIB	6/15/05	7.250	17,310,000.00				Partial
1992A/CIB	6/15/06	8.500	23,295,000.00				Partial
1992A/CAB	6/15/08	0.000	15,442,482.45	41,785,000.00			Partial
1992A/CAB	6/15/09	0.000	14,702,615.20	42,770,000.00			Partial
1992A/CAB	6/15/10	0.000	15,854,908.05	49,635,000.00			Partial
1992A/CAB	6/15/11	0.000	14,851,288.35	49,635,000.00			Full
1992A/CAB	6/15/13	0.000	6,101,856.75	23,475,000.00			Partial
1992A/CAB	6/15/14	0.000	2,656,165.25	10,915,000.00			Partial
1992A/CAB	6/15/21	0.000	3,059,690.40	20,220,000.00			Partial
<u>Series 1994A</u>							
1994A/CAB	6/15/09	0.000%	\$ 274,407.15	\$ 705,000.00			Partial
1994A/CAB	6/15/10	0.000	165,005.75	455,000.00			Partial
1994A/CAB	6/15/11	0.000	1,223,655.00	3,625,000.00			Partial
1994A/CAB	6/15/22	0.000	610,690.60	3,860,000.00			Partial
<u>Series 1994B</u>							
1994B/CAB	6/15/09	0.000%	\$ 105,092.10	\$ 270,000.00			Partial
1994B/CAB	6/15/10	0.000	65,277.00	180,000.00			Partial
1994B/CAB	6/15/11	0.000	467,520.60	1,385,000.00			Full
1994B/CAB	6/15/12	0.000	433,182.00	1,380,000.00			Partial
1994B/CAB	6/15/22	0.000	218,329.80	1,380,000.00			Partial
1994B/CAB	6/15/23	0.000	204,405.60	1,380,000.00			Partial

<u>Series Designation/ Type of Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Aggregate Original Principal Amount</u>	<u>Accreted Value at Maturity (CABs)</u>	<u>Redemption Date</u>	<u>Redemption Price as a % of Principal/ Accreted Value</u>	<u>Full or Partial Refunding</u>
<u>Series 1998A</u>							
1998A/CIB	6/15/10	5.500%	\$ 2,510,000.00	\$			Partial
1998A/CIB	6/15/11	5.500	2,645,000.00				Partial
1998A/CIB	6/15/12	5.500	4,815,000.00				Partial
1998A/CIB	6/15/13	5.500	2,925,000.00				Partial
1998A/CIB	6/15/14	5.500	3,090,000.00				Partial
1998A/CIB	6/15/15	5.500	3,260,000.00				Partial
1998A/CIB	6/15/16	5.500	3,435,000.00				Partial
1998A/CIB	6/15/17	5.500	3,625,000.00				Partial
1998A/CIB	6/15/18	5.500	3,825,000.00				Partial
1998A/CIB ¹	12/15/23	5.500	18,005,000.00				Partial

1. Term Bond: Mandatory Sinking Fund Payment redemption information as shown in the following table:

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
6/15/19	\$ 3,990,000.00	6/15/19	100%
6/15/20	3,575,000.00	6/15/20	100
6/15/21	1,160,000.00	6/15/21	100
12/15/21	1,810,000.00	12/15/21	100
6/15/22	1,895,000.00	6/15/22	100
12/15/22	1,910,000.00	12/15/22	100
6/15/23	3,665,000.00	6/15/23	100

<u>Series Designation/ Type of Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Aggregate Original Principal Amount</u>	<u>Accreted Value at Maturity (CABs)</u>	<u>Redemption Date</u>	<u>Redemption Price as a % of Principal/ Accreted Value</u>	<u>Full or Partial Refunding</u>
<u>Series 1998B</u>							
1998B/CIB ²	12/15/23	5.500%	\$ 6,870,000.00	\$			Partial
<u>Series 1999A</u>							
1999 A/CIB	12/15/11	5.550%	\$ 2,605,000.00	\$	12/15/09	101%	Partial
1999 A/CIB	12/15/13	5.700	3,655,000.00		12/15/09	101	Partial
1999 A/CIB	12/15/14	5.750	5,845,000.00		12/15/09	101	Partial

2. Term Bond; Mandatory Sinking Fund Payment redemption information as shown in the following table:

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
6/15/19	\$ 45,000.00	6/15/19	100%
12/15/19	315,000.00	12/15/19	100
6/15/20	370,000.00	6/15/20	100
12/15/20	2,220,000.00	12/15/20	100
6/15/21	1,165,000.00	6/15/21	100
12/15/21	535,000.00	12/15/21	100
6/15/22	565,000.00	6/15/22	100
12/15/22	570,000.00	12/15/22	100
6/15/23	1,085,000.00	6/15/23	100

Proceeds of Series 2002C Bonds

<u>Series Designation/ Type of Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Aggregate Original Principal Amount</u>	<u>Accreted Value at Maturity (CABs)</u>	<u>Redemption Date</u>	<u>Redemption Price as a % of Principal/ Accreted Value</u>	<u>Full or Partial Refunding</u>
<u>Series 1992A</u>							
1992A/CAB	6/15/11	0.000%	\$ 324,642.85	\$ 1,085,000.00			Full
<u>Series 1994A</u>							
1994A/CAB	6/15/11	0.000%	\$ 546,847.20	\$ 1,620,000.00			Partial
<u>Series 1994B</u>							
1994B/CIB	6/15/04	50.000%	\$ 1,250,000.00	\$			Partial
1994B/CAB	6/15/11	0.000	535,032.60	1,585,000.00			Full
1994B/CAB	6/15/12	0.000	214,350.60	635,000.00			Partial
<u>Series 1996A</u>							
1996A/CIB	6/15/07	6.000%	\$ 4,390,000.00	\$	6/15/06	102%	Partial
1996A/CAB	6/15/12	0.000	4,040,628.00	10,245,000.00			Partial

APPENDIX C

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in the Original Indenture, as amended and supplemented to date, and the Seventh Supplemental Indenture. Capitalized terms used in this Official Statement not defined herein have the meanings assigned to them in the Indenture.

“*Account*” or “*Accounts*” shall mean any one or more of the accounts created or established within any Fund under the Original Indenture or under any Supplemental Indenture.

“*Accreted Value*” shall mean with respect to any Bond that is a Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (determined on the basis of the initial principal amount per \$5,000 at maturity thereof) plus the amount assuming compounding (as set forth in the applicable Supplemental Indenture) of earnings which would be produced on the investment of such initial principal amount, beginning on the dated date of such Capital Appreciation Bond and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce \$5,000 at maturity. As of any Valuation Date, the Accreted Value of any Capital Appreciation Bond shall mean the amount set forth for such date in the applicable Supplemental Indenture authorizing such Bond and as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, using for such calculation 30 day months and a 360 day year and (2) the difference between the Accreted Values for such Valuation Dates.

“*Additional Bonds*” shall mean Bonds issued pursuant to the Indenture as from time to time supplemented, other than the Series 1992A Bonds, including without limitation the Series 2002 Bonds, but in no event shall Additional Bonds include Subordinate Securities.

“*Adjustable Rate Bond*” shall mean any Bond, the interest rate on which is not established at the time of calculation at a single numerical rate for the remaining term of such Bond, but for which the period between redeterminations of the interest rate is more than two (2) years.

“*Adjusted Debt Service Requirements*” shall mean, for any period, as of any date of calculation, the aggregate Debt Service Requirements on Outstanding Bonds for such period taking into account the following adjustments:

- (i) With respect to Bonds that bear interest at a Variable Interest Rate, the aggregate Debt Service Requirements thereon shall be determined as if each such Bond bore interest at the Maximum Interest Rate; provided however, (A) if the Authority (1) enters into a Qualified Swap Agreement with a Swap Provider requiring the Authority to pay a fixed interest rate on a notional amount, and (2) has made a determination that such

Qualified Swap Agreement was entered into for the purpose of providing substitute interest payments for a particular maturity of Bonds in a principal amount equal to the notional amount of the Qualified Swap Agreement, then during the term of such Qualified Swap Agreement and so long as the Swap Provider under such Qualified Swap Agreement is not in default under such Qualified Swap Agreement the interest rate on such Bonds shall be determined as if such Bonds bore interest at the fixed interest rate payable by the Authority under such Qualified Swap Agreement and (B) if (1) Bonds of a specific maturity within a series bear interest at a Variable Interest Rate and Bonds which bear a Variable Interest Rate of another series with the same maturity are issued in an equal principal amount to the first such series of Bonds of the same maturity and (2) the Variable Interest Rate of the first series of such Bonds varies inversely to the Variable Interest Rate of the second series of such Bonds of the same maturity so that the combined interest rate for the aggregate principal amount of such Bonds of the same specific maturity for both such series is determined by the Authority to result in a combined fixed interest rate, then so long as the same principal amount of each maturity of such series of Bonds remain Outstanding, the aggregate Debt Service Requirements thereon shall be determined as if all such Variable Interest Rate Bonds of such series and maturity bore interest at the combined fixed interest rate so determined by the Authority with respect to such aggregate principal amount of such Bonds.

(ii) With respect to Fixed Interest Rate Bonds, if the Authority (1) enters into a Qualified Swap Agreement with a Swap Provider requiring the Authority to pay a variable interest rate on a notional amount and (2) has made a determination that such Qualified Swap Agreement was entered into for the purpose of providing substitute interest payments for a particular maturity of Bonds in a principal amount equal to the notional amount of the Qualified Swap Agreement, then during the term of such Qualified Swap Agreement and so long as the Swap Provider under such Qualified Swap Agreement is not in default under such Qualified Swap Agreement the interest rate on such Bonds shall be determined as if such Bonds bore interest at the Maximum Interest Rate on the notional amount of such Bonds.

(iii) Except to the extent described in (iv) below, with respect to Bonds secured by a Credit Facility, the aggregate Debt Service Requirements thereon shall be deemed to include all periodic Bond Related Costs and other payments to (including any payment required to reimburse) the related Credit Provider (including any Debt Service Reserve Fund Credit Provider), but shall not include any amounts payable as principal of and interest and premium with respect to any reimbursement obligation to such Credit Provider except and to the extent that such payments on such reimbursement obligation are required to be made to the Credit Provider in excess of any corresponding Debt Service Requirements with respect to such Bonds during such period.

(iv) With respect to Optional Tender Bonds, the aggregate Debt Service Requirements thereon shall not include any amounts payable to a Credit Provider pursuant to any reimbursement obligation arising as the result of the payment of any purchase price with respect to such Bonds on a Purchase Date except to the extent that, and for any period during which, the Authority is obligated to reimburse the Credit Provider for payments made by such Credit Provider directly or indirectly in satisfaction

of any obligation to purchase such Bonds on any Purchase Date following the application of any proceeds of any remarketing of such Bonds.

(v) The aggregate Debt Service Requirements for any period on any Bonds shall not include (1) any interest which is payable from Capitalized Interest which is to be transferred to an Interest Account in the Bond Fund from a Capitalized Interest Account or (2) the amount of Debt Service Requirements on Bonds to be paid from amounts in the Debt Service Reserve Fund at the time of such computation for the period in question, but only if any such amount described in (1) or (2) is available and is to be applied under the applicable Supplemental Indenture to make interest payments on such Bonds when due.

(vi) With respect to Crossover Refunding Bonds, the aggregate Debt Service Requirements thereon until the Crossover Refunding Bonds Break Date shall be disregarded.

(vii) If the Authority enters into a Qualified Swap Agreement with a Swap Provider requiring the Authority to pay any amount in excess of the amount to be received by the Authority in connection therewith for the period for which any calculation of Adjusted Debt Service Requirements is to be made under the Indenture, then, to the extent not taken into account in (i) and (ii) above, the net amount of such payments which may be required of the Authority (using the Maximum Interest Rate for such purpose if such amount is subject to any variation) shall be included in the Adjusted Debt Service Requirements.

For purposes of this definition of Adjusted Debt Service Requirements, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of any Deferred Interest Bonds becoming due at maturity or by virtue of Mandatory Sinking Fund Requirements shall be included in the calculation of accrued and unpaid and accruing interest or principal installments on the date on which or for the period during which such amounts become due and payable unless otherwise specified in the Supplemental Indenture authorizing such Capital Appreciation Bonds or Deferred Interest Bonds.

“*AMBAC*” shall mean AMBAC Insurance Corporation, a Wisconsin stock insurance corporation, or any successor thereto, in its capacity as the issuer of a bond insurance policy with respect to any of the Bonds.

“*AMBAC Bond Insurance Policy*” shall mean collectively the AMBAC Bond Insurance Policy (Series 1992A) and the AMBAC Bond Insurance Policy (Series 1996A).

“*AMBAC Insured Bonds*” shall mean the AMBAC Insured Bonds (Series 1992A) and the AMBAC Insured Bonds (Series 1996A).

“*Appreciated Value*” shall mean with respect to any Bond that is a Deferred Interest Bond until the Interest Commencement Date thereon, an amount equal to the principal amount of such Deferred Interest Bond (determined on the basis of the initial principal amount per \$5,000 at the Interest Commencement Date thereof) plus the amount, assuming compounding (as set forth in the applicable Supplemental Indenture) of earnings which would be produced on the investment of such initial principal amount, beginning on the dated date of such Deferred

Interest Bond and ending on the Interest Commencement Date, at a yield which, if produced until the Interest Commencement Date, will produce \$5,000 at the Interest Commencement Date. As of any Valuation Date, the Appreciated Value of any Bond that is a Deferred Interest Bond shall mean the amount set forth for such date in the Supplemental Indenture authorizing such Deferred Interest Bond and as of any date other than a Valuation Date, the sum of (i) the Appreciated Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (2) the difference between the Appreciated Values for such Valuation Dates.

“*Authority*” shall mean Metropolitan Pier and Exposition Authority, a political subdivision, unit of local government, body politic and municipal corporation of the State of Illinois, or any successor to its functions.

“*Authority Act*” shall mean the “Metropolitan Pier and Exposition Authority Act,” as now or hereafter amended, 70 ILCS 210/1 et seq.

“*Authority Annual Certificate*” shall mean the certificate described in Appendix D hereto under the caption “Authority Annual Certificate” required by the Original Indenture and Section 8.25f(b) of the Finance Act to be made annually to the State Comptroller, the State Treasurer, the Illinois Department of Revenue and the Trustee, as such certification is amended from time to time as necessary.

“*Authority Representative*” shall mean the Chairman of the Authority, the Chief Executive Officer of the Authority or such other officer identified by resolution of the Authority Board as being the “Authority Representative” for purposes of the Indenture.

“*Authority Taxes*” shall mean all of those taxes, charges, fees, impositions, levies or other amounts imposed by the Authority or authorized to be collected under the Authority Tax Ordinances together with any amounts required to be deposited into the Authority Tax Fund by Section 19 of the Illinois Sports Facilities Authority Act as amended, 70 ILCS 3205/19 et. seq.

“*Authority Tax Fund*” shall mean the statutory trust fund to be held by the Treasurer of the State of Illinois outside the State Treasury pursuant to the Authority Act (particularly Section 13 thereof).

“*Authority Tax Ordinances*” shall mean that certain Ordinance entitled “Metropolitan Pier And Exposition Authority Hotel Tax Ordinance” (and also known as the “MPEA Hotel Tax Ordinance”) adopted by the Authority on July 21, 1992; that certain Ordinance entitled “Metropolitan Pier and Exposition Authority Auto Rental Tax Ordinance” (and also known as the “MPEA Auto Rental Tax Ordinance”) adopted by the Authority on July 21, 1992; that certain Ordinance entitled “Metropolitan Pier and Exposition Authority Auto Rental Use Tax Ordinance” (and also known as the “MPEA Auto Rental Use Tax Ordinance”) adopted by the Authority on July 21, 1992; that certain Ordinance entitled “Ordinance Imposing Metropolitan Pier and Exposition Authority Retailers’ Occupation Tax” adopted by the Authority on July 21, 1992; and that certain Ordinance entitled “Metropolitan Pier and

Exposition Authority (or MPEA) Airport Departure Tax Ordinance” adopted by the Authority on October 20, 1992, and as amended by a Substitute Ordinance adopted by the Authority on December 11, 1992 and as further amended by an Ordinance adopted by the Authority on January 19, 1993, each as now or hereafter amended and any other further ordinance adopted by the Board of the Authority under or pursuant to the Authority Act for the express purpose of raising amounts thereunder to be pledged pursuant to the Original Indenture or any Supplemental Indenture.

“*Authorizing Legislation*” shall mean the Authority Act and Public Act 87-733, Public Act 90-0612, Public Act 91-0101 and Public Act 92-208.

“*Bond Closing*” shall mean the date on which there is delivery by the Authority of, and payment for, a series of Bonds.

“*Bond Counsel*” shall mean any qualified firm of lawyers selected by the Authority whose expertise in matters relating to the issuance of obligations by states and their political subdivisions, the interest on which is excludable from gross income for purposes of Federal income taxation, is nationally recognized.

“*Bond Fund*” shall mean the fund by that name established by of the Original Indenture, together with any and all Interest Accounts, Principal Accounts, Capitalized Interest Accounts, Redemption Accounts, Credit Accounts, Expense Accounts, Rebate Accounts, and Purchase Accounts established therein pursuant to any Supplemental Indentures.

“*Bond Register*” shall mean the register maintained by the Bond Registrar pursuant to the Original Indenture.

“*Bond Registrar*” shall mean the Trustee or any successor trustee appointed as Bond Registrar pursuant to the Original Indenture.

“*Bond Related Costs*” shall mean (a) all costs, fees and expenses of the Authority incurred or reasonably related to any Liquidity Facility, Credit Facility, any remarketing or other secondary market transactions and any Qualified Swap Agreement (whether requiring the Authority to pay fixed or variable amounts) that the Authority has determined was entered into for the purposes of providing substitute interest payments for a particular series or maturity of Bonds, (b) initial and acceptance fees of any Fiduciary, together with any fees of Bond Counsel, attorneys, feasibility consultants, engineers, financial advisors, remarketing agents, rebate consultants, accountants and other advisors retained by the Authority in connection with a series of Bonds, and (c) any other fees, charges and expenses that may be lawfully incurred by the Authority relating to Bonds, including, without limitation, any obligation of the Authority to a Credit Provider for a series of Bonds to repay or reimburse any amounts paid by such Credit Provider due to payment under such Credit Facility and any interest on such repayment obligation unless any such amount constitutes a Bond Service Charge for such series.

“*Bond Service Charges*” shall mean, for any applicable time period or date, the scheduled principal of and premium, if any, and interest and the fees, expenses and costs of the Trustee, Bond Registrar and Paying Agent, if any, on any of the Bonds accruing for that period or due and payable on that date. In determining Bond Service Charges, accruing for any period

or due and payable on any date, Mandatory Sinking Fund Requirements accruing for that period or due on that date shall be included together with any amount required to be paid for the replenishment of any reserve, and any amounts due with respect to Crossover Refunding Bonds prior to the Crossover Refunding Bonds Break Date shall be excluded if and to the extent that such amounts are payable out of Defeasance Securities.

“*Bond Year*” shall mean for each series of Bonds, the period ending on the first June 15 following the Bond Closing for such series of Bonds and each twelve-month calendar period thereafter ending on June 15; provided that, for the purposes of Section 148 of the Code, the Authority may elect a different “bond year” as permitted thereby.

“*Bondowner*” or “*Owner*” shall mean the person in whose name a Bond is registered in the Bond Register.

“*Bonds*” shall mean the McCormick Place Expansion Project Bonds issued and Outstanding pursuant to the Indenture, but in no event shall Bonds include Subordinate Securities.

“*Business Day*” shall mean any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in Chicago and any other city where the principal corporate trust office of the Trustee or the principal office of any Credit Provider is located are authorized to close by law or executive order of a regulatory or administrative authority having jurisdiction in connection therewith.

“*Capital Appreciation Bonds*” shall mean any Bonds as to which interest is payable only at the maturity or prior redemption thereof. For the purposes of (i) receiving payment of the redemption price, if any, of a Capital Appreciation Bond that is redeemed prior to maturity, and (ii) computing the principal amount of Capital Appreciation Bonds held by the Owner thereof in giving any notice, consent, request, or demand pursuant to the applicable Supplemental Indenture for any purpose whatsoever, the principal amount of a Capital Appreciation Bond as of a specific date shall be deemed to be its Accreted Value as of such date.

“*Capitalized Interest*” shall mean that portion of the proceeds of a series of Bonds, if any, together with any available earnings thereon that are restricted to be used to pay interest due or to become due on any Bonds.

“*Capitalized Interest Account*” shall mean a Capitalized Interest Account established within the Bond Fund as may be provided in a Supplemental Indenture.

“*Code*” or “*Internal Revenue Code*” shall mean the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations.

“*Cost of Issuance Account*” shall mean a Cost of Issuance Account, if any, established within the Cost of Issuance Fund as may be provided in a Supplemental Indenture.

“*Cost of Issuance Fund*” shall mean the fund by that name established by the Original Indenture.

“*Credit Account*” shall mean any Account by that name in the Bond Fund or Debt Service Reserve Fund, as applicable, established by the Indenture.

“*Credit Agreement*” shall mean any reimbursement agreement or similar instrument between the Authority (and, if so drafted, the Trustee) and a Credit Provider with respect to a Credit Facility.

“*Credit Facility*” shall mean a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider with respect to all or a specific portion of one or more series of Bonds to satisfy in whole or in part the Authority’s obligation to maintain a Reserve Requirement with respect thereto or to secure (a) the payment of debt service (which may include the premium due on payment of a Bond) on Bonds of a specified series, or a specific portion thereof, (b) the payment of the purchase price (which may include accrued interest to the date of purchase) of Bonds of a specified series, or a specific portion thereof, on the applicable purchase dates or tender dates, or (c) both the payment of debt service on a specified series of Bonds, or a specific portion thereof, and the payment of the purchase price of Bonds of a specified series, or a specific portion thereof, but only if the debt obligations of such Credit Provider are rated in one of the two highest Rating Categories by S&P and Moody’s, and by Fitch, but only if Fitch is then rating such obligations and is also a Rating Agency with respect to the Bonds secured by such Credit Facility.

“*Credit Provider*” shall mean the bank, insurance company, financial institution or other entity providing a Credit Facility pursuant to a Credit Agreement.

“*Crossover Refunding Bonds*” shall mean any Additional Bonds the proceeds of which: (i) are deposited in an escrow account with a Fiduciary, (ii) cannot be applied to the purpose for which such Crossover Refunding Bonds are to be issued until the Crossover Refunding Bonds Break Date, (iii) must be certified by the Authority to be sufficient, together with the investment income thereon, after the payment of Bond issuance costs and Bond Related Costs, if any, to pay the Bond Service Charges on such series on and prior to such Crossover Refunding Bonds Break Date and (iv) other than paying or providing for the payment of Bond issuance costs and Bond Related Costs, if any, cannot be used for any purpose (subject to lien and other requirements of the Indenture) other than the payment of such Bond Service Charges on such Crossover Refunding Bonds on and prior to the Crossover Refunding Bonds Break Date.

“*Crossover Refunding Bonds Break Date*” shall mean the date specified in the Supplemental Indenture authorizing a series of Crossover Refunding Bonds as the date upon which the proceeds of such Crossover Refunding Bonds can be applied to the purpose for which such Crossover Refunding Bonds are to be issued upon the satisfaction of certain conditions, which conditions shall be set forth in such Supplemental Indenture.

“*Current Interest Bonds*” shall mean all Bonds which are not (a) Capital Appreciation Bonds or (b) prior to the Interest Commencement Date, Deferred Interest Bonds.

“*Debt Service Deposit Agreements*” shall mean any agreement pursuant to which amounts on deposit in the Funds or Accounts are invested prior to application to pay principal,

interest or other amounts, when due, with respect to the Bonds or other obligations listed under “Flow of Revenues” in Appendix D.

“*Debt Service Requirements*” shall mean during the applicable period and as of any date of calculation with respect to any series of Outstanding Bonds, the aggregate of the Bond Service Charges on such series. For purposes of this definition, unless provided to the contrary in the applicable Supplemental Indenture authorizing the issuance of Capital Appreciation Bonds and Deferred Interest Bonds, the scheduled principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Interest Bonds becoming due at maturity or by virtue of Mandatory Sinking Fund Requirements shall be included in the calculations of accrued and unpaid and accruing interest or principal payments in the year in which such payments are required to be made.

“*Debt Service Reserve Account*” shall mean any Debt Service Reserve Account established within the Debt Service Reserve Fund as may be provided in a Supplemental Indenture.

“*Debt Service Reserve Fund*” shall mean the fund by that name established by the Indenture.

“*Debt Service Reserve Fund Credit Facility*” shall mean a Credit Facility provided to satisfy all or any portion of the Debt Service Reserve Requirement.

“*Debt Service Reserve Fund Policy*” shall mean the Municipal Bond Debt Service Reserve Fund Policy issued by the Debt Service Reserve Fund Credit Provider (2002) in the principal amount of the Debt Service Reserve Requirement on the date of issuance of the Series 2002 Bonds and any replacement, renewal, supplement thereto or additional Debt Service Reserve Fund Credit Facility, from time to time securing Outstanding Bonds under the Indenture.

“*Debt Service Reserve Fund Credit Provider (2002)*” shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto, in its capacity as issuer of the Debt Service Reserve Fund Policy.

“*Debt Service Reserve Fund Credit Providers*” shall mean (a) the Debt Service Reserve Fund Credit Provider (2002) and (b) the Credit Provider with respect to any additional or replacement Debt Service Reserve Fund Credit Facility.

“*Debt Service Reserve Fund Policy Agreement (2002)*” shall mean the Debt Service Reserve Fund Policy Agreement between the Debt Service Reserve Fund Credit Provider (2002) and the Authority, as now or hereafter amended or supplemented.

“*Debt Service Reserve Fund Policy Agreements*” shall mean the Debt Service Reserve Fund Policy Agreement (2002) and any renewal, amendment, supplement or additional debt service reserve fund policy agreement or similar agreement or arrangement relating to a Debt Service Reserve Fund Credit Facility.

“Debt Service Reserve Requirement” shall mean as of any date of calculation, the sum of the Reserve Requirements applicable to each series of Bonds then Outstanding.

“Defeasance Securities” shall mean (subject to any more restrictive definition imposed by law or by any special provision contained in a Supplemental Indenture whether or not in connection with a Credit Facility or a Credit Provider):

(i) direct and general obligations of, or obligations which as to principal and interest are unconditionally guaranteed as to full and timely payment by, the United States of America, to the payment of which the full faith and credit of the United States of America is irrevocably and unconditionally pledged, including evidences of direct ownership of proportionate interests in future principal or interest payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in safekeeping in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated. The obligations described in this paragraph are hereinafter called *“United States Government Obligations;”* and

(ii) pre-refunded municipal obligations meeting the following conditions:

(a) the municipal obligations (1) are not subject to redemption prior to maturity or (2) the trustee, paying agent or escrow agent has been given irrevocable instructions concerning their calling and redemption and the issuer of such municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or non-callable United States Government Obligations that may be applied only to interest, principal and premium payments of such municipal obligations;

(c) the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the cash and United States Government Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; and

(e) the United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

“Deferred Interest Bonds” shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Supplemental Indenture

authorizing such series and the Appreciated Value for such series is compounded on the Valuation Date for such series.

“*Delivery Date*” shall mean the date of original delivery of a series of Bonds to the Original Purchaser.

“*Depository*” shall mean a trust company or other fiduciary acting as a depository pursuant to a Depository Letter Agreement with respect to Global Certificates for any series of Bonds or any portion thereof.

“*Depository Letter Agreement*” shall mean with respect to a series of Bonds issued as Global Certificates, the Depository Letter Agreement by and among the Authority, the Trustee and the Depository identified in the related Supplemental Indenture.

“*Discharge Date*” shall mean the date on which all Outstanding Bonds are discharged under the Indenture.

“*DTC*” shall mean The Depository Trust Company, New York, New York, as Depository for the Series 2002 Bonds and its successors and assigns.

“*DTC Participants*” shall mean those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series 2002 Bonds as Depository.

“*Event of Default*” shall mean, with respect to the Indenture, any of the events set forth as such in Appendix D hereto under the caption “Default and Remedies.”

“*Escrow Agent*” for the purpose of the Seventh Supplemental Indenture only shall mean BNY Midwest Trust Company or any permitted successor, as Escrow Agent under the Escrow Agreement.

“*Escrow Agreement*” shall mean, for the purpose of the Seventh Supplemental Indenture only, the 2002 Escrow Agreement dated as of June 15, 2002 by and among the Authority, the Trustee and the Escrow Agent with respect to the Refunded Bonds, as amended or supplemented as permitted thereby.

“*Excess Earnings*” shall mean the amount of investment earnings on moneys held in the Funds and Accounts held under the Indenture, or in any other fund or account relating to Tax-Exempt Bonds, required to be transferred to the Rebate Fund as earnings on the “gross proceeds” (as defined by or under the Code) of Tax-Exempt Bonds in excess of the “yield” (calculated as required by or under the Code) on such Tax-Exempt Bonds.

“*Excess Revenue Account*” shall mean the Account by that name in the Revenue Fund established by the Indenture.

“*Excess Revenues*” shall mean amounts deposited to the Excess Revenue Account.

“*Expansion Project*” shall mean the “Expansion Project” as defined in the Authority Act.

“*Expense Account*” shall mean an Expense Account established within the Bond Fund as provided in a Supplemental Indenture.

“*Fiduciary*” shall mean any bank or other organization acting in a fiduciary capacity with respect to any Bonds, whether as Trustee, Paying Agent, Bond Registrar, tender agent, or escrow agent, or in a similar function; provided that a Depository shall not be considered a Fiduciary.

“*Fifth Supplemental Indenture*” shall mean the Fifth Supplemental Indenture of Trust dated as of August 15, 1998, between the Authority and the Trustee, as such Fifth Supplemental Indenture may, from time to time, as amended or supplemented.

“*Final Payment Date*” shall mean the Maturity Date, Discharge Date or Purchase Date on which all Outstanding Bonds of a specific series either mature, are to be redeemed, are defeased and discharged in the manner provided by the Indenture, or are purchased in the manner described in Appendix D hereto under the caption “Bond Fund - (G) “Purchase Account,” whichever date is earlier.

“*Finance Act*” shall mean “An Act in relation to State Finance,” as amended 30 ILCS 105/1 et seq.

“*Financial Guaranty*” shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

“*Financial Guaranty Bond Insurance Policies*” shall mean the Financial Guaranty Bond Insurance Policy (Series 1992A), the Financial Guaranty Bond Insurance Policy (Series 1994), the Financial Guaranty Bond Insurance Policy (Series 1998) and the Financial Guaranty Bond Insurance Policy (Series 1999).

“*Financial Guaranty Insured Bonds*” shall mean the Financial Guaranty Insured Bonds (Series 1992A), the Financial Guaranty Insured Bonds (Series 1994, Financial Guaranty Insured Bonds (Series 1998) and the Financial Guaranty Bond Insurance Policy (Series 1999).

“*First Supplemental Indenture*” shall mean the First Supplemental Indenture of Trust dated as of December 15, 1992 between the Authority and the Trustee as such First Supplemental Indenture may, from time to time be amended or supplemented.

“*Fiscal Agent (Financial Guaranty Bond Insurance Policies)*” shall mean the Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1992A)), the Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1994)), the Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1998)) and the Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1999)).

“*Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1992A))*” for purposes of the First Supplemental Indenture only, shall mean Citibank, N.A., New York, New

York, or its successor, as Fiscal Agent with respect to the Financial Guaranty Bond Insurance Policy (Series 1992A).

“Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1994)),” for the purpose of the Second Supplemental Indenture only, shall mean State Street Bank and Trust Company, N.A., New York, New York, or its successor, as Fiscal Agent with respect to the Financial Guaranty Bond Insurance Policy (Series 1994).

“Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1998)),” for the purpose of the Fifth Supplemental Indenture only, shall mean State Street Bank and Trust Company, N.A., or any successor as Fiscal Agent with respect to the Financial Guaranty Bond Insurance Policy (Series 1998).

“Fiscal Agent (Financial Guaranty Bond Insurance Policy (Series 1999)),” for the purpose of the Sixth Supplemental Indenture only, shall mean State Street Bank and Trust Company, N.A., or any successor as Fiscal Agent with respect to the Financial Guaranty Bond Insurance Policy (Series 1999).

“Fiscal year” shall mean the fiscal year of the State which currently is the twelve month period ending June 30 of each calendar year.

“Fitch” shall mean Fitch Ratings, or any successor thereof which qualifies as a “Rating Agency” under the Indenture.

“Fixed Interest Rate Bond” shall mean (a) a Bond, the interest rate on which is established (with no right to vary) at the time of calculation at a single numerical rate for the remaining term of such Bond, or (b) all of those Bonds of a specific maturity described in clause (B)(1) and (2) of subsection (i) of the definition of Adjusted Debt Service Requirements.

“Fourth Supplemental Indenture” shall mean the Fourth Supplemental Indenture of Trust dated as of September 15, 1996 between the Authority and the Trustee as such Fourth Supplemental Indenture may, from time to time, be amended or supplemented.

“Funds” shall mean the Revenue Fund, Bond Fund, Debt Service Reserve Fund, Cost of Issuance Fund and Project Fund (and all of the Accounts, subaccounts and subfunds created therein), but shall in no event include the Surplus Revenues Fund, McCormick Place Expansion Project Fund or the Authority Tax Fund or any Rebate Account.

“Global Certificate” shall mean Bonds in the form of one certificate per maturity (or any specific portion of a maturity entitled to the benefit of a Credit Facility or with respect to which interest or principal is to be computed or paid differently than with respect to other Bonds of the same maturity), each representing the entire principal amount of a series of Bonds (or such specific portion thereof) due on a particular maturity date, which single certificate per maturity (or such specific portion thereof) may be transferred on the Bond Register as required by the Uniform Commercial Code, but which may not be exchanged for smaller denominations unless the Authority determines to issue Replacement Bonds as provided in the Indenture.

“Hotel Bonds” shall mean the Authority’s McCormick Place Convention Complex Hospitality Facilities Revenue Bonds, Series 1996A, issued in the original aggregate principal amount of \$127,420,000.

“Improvements” shall mean the McCormick Place Expansion Project together with any expansion, construction, reconstruction, equipping, modification or other betterment of the grounds, buildings and facilities of the Authority to be financed in whole or in part with Bonds or any other costs permitted to be paid by the Authority Act out of Bond proceeds.

“Indenture” shall mean the Original Indenture and, as to each series of Bonds, any Supplemental Indenture pertaining thereto, as the Original Indenture or any Supplemental Indenture may from time to time be amended or supplemented.

“Independent Accountant” shall mean a certified public accountant or firm of certified public accountants selected by the Authority and acceptable to the Trustee, and not a full-time employee or officer of the Authority.

“Independent Counsel” shall mean any attorney designated by the Trustee, duly admitted to practice law before the highest court of any state, who may be counsel to the Authority but who may not be a full-time employee of the Authority.

“Interest Account” shall mean the Account by that name in the Bond Fund established by the Original Indenture and for purposes of any series of Bonds, shall mean the Interest Account established within the Bond Fund by the applicable Supplemental Indenture.

“Interest Accounts” shall mean the Series 1992A Interest Account and any other Interest Account established within the Bond Fund as provided in a Supplemental Indenture.

“Interest Commencement Date” shall mean, with respect to any particular Deferred Interest Bonds, the date specified in the applicable Supplemental Indenture authorizing such Deferred Interest Bonds (which date must be prior to the maturity date for such Deferred Interest Bonds), after which interest accruing on such Deferred Interest Bonds shall be payable with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” shall mean June 15 and December 15 of each year.

“Interest Payment Period” with respect to any Bond or series of Bonds, shall mean the period from but not including a regularly scheduled Interest Payment Date to and including the next regularly scheduled Interest Payment Date, provided that any Supplemental Indenture may adjust this definition of the term “Interest Payment Period” with respect to any Bond or series of Bonds authorized to be issued thereunder in order to provide for the proper computation of or the timely transfer of amounts payable with respect to interest borne by such Bond or series of Bonds on any Interest Payment Date.

“Liquidity Facility” shall mean any agreement with a Credit Provider under or pursuant to which it agrees to purchase Optional Tender Bonds provided that the debt obligations of such Credit Provider are rated in one of the two highest Rating Categories by S&P and

Moody's if such Rating Agencies are then rating such obligations and by Fitch but only if Fitch is then rating such obligations and is also a Rating Agency with respect to the Optional Tender Bonds.

"Mandatory Sinking Fund Payment Dates" for any series of Bonds, shall mean the dates on which any Term Bond is subject to mandatory redemption prior to the stated maturity thereof, as specified in the Supplemental Indenture relating to such Bonds.

"Mandatory Sinking Fund Payments" shall mean the amounts of principal scheduled to be paid on account of Term Bonds on any specific Principal Payment Date or Dates prior to maturity, and shall include the payments which are required to be made to redeem the Bonds of any series in accordance with the Mandatory Sinking Fund Requirements after appropriate credits, if any, have been made.

"Mandatory Sinking Fund Requirements" shall mean the principal amount of Term Bonds which are required to be redeemed by mandatory sinking fund redemption, in the principal amounts, at the prices and on the dates as set forth in the applicable Supplemental Indenture including such amounts with respect to the Series 2002A Bonds set forth in this Official Statement under the heading "THE SERIES 2002 BONDS – Redemption – Mandatory Redemption – Series 2002A Bonds."

"Mandatory Tender Date" shall mean a date on which a series of Bonds, or specific Bonds included in such series, are required to be purchased by, or on behalf of, the Authority as provided in the Indenture or in the Supplemental Indenture authorizing such series of Bonds.

"Maturity Date" shall mean a Principal Payment Date, whether occurring by reason of a scheduled maturity of principal, upon redemption or otherwise.

"Maximum Interest Rate" shall mean during any applicable period and as of any date of calculation with respect to any particular Bonds, series of Bonds or other obligations which are Adjustable Rate Bonds or which bear interest at a Variable Interest Rate, a numerical rate of interest, which shall be set forth in the Supplemental Indenture authorizing such Bonds, that shall be the maximum rate of interest such Bonds may bear at any time during such applicable period.

"MBIA Insurance Corporation" shall mean MBIA Insurance Corporation, a stock insurance company incorporated under the laws of the State of New York, or any successor thereto, in its capacity as the issuer of the MBIA Insurance Corporation Bond Insurance Policy (Series 1994), the MBIA Insurance Corporation Bond Insurance Policy (Series 1996A) and the MBIA Insurance Corporation Insurance Policy (Series 2002).

"MBIA Insurance Corporation Insured Bonds (Series 2002)" shall mean all of the Series 2002 Bonds.

"MBIA Insurance Corporation Insured Bonds" shall mean the MBIA Insurance Corporation Insured Bonds (Series 1994), the MBIA Insurance Corporation Insured Bonds (Series 1996A) and the MBIA Insurance Corporation Insured Bonds (Series 2002).

“*MBIA Insurance Corporation Policy (Series 2002)*” shall mean the Financial Guaranty Insurance Policy dated July 2, 2002 issued by MBIA Insurance Corporation insuring the payment when due of the principal of and interest on the Series 2002 Bonds as provided therein.

“*MBIA Insurance Corporation Bond Insurance Policies*” shall mean the Municipal Bond Insurance Policy (Series 1994), the MBIA Insurance Corporation Policy (Series 1996A) and the MBIA Bond Insurance Policy (Series 2002).

“*McCormick Place Expansion Project*” shall mean the “Expansion Project” now or hereafter described in the Authority Act.

“*McCormick Place Expansion Project Bonds*” shall mean any and all Bonds, other than Hotel Bonds, issued and Outstanding under the Indenture.

“*McCormick Place Expansion Project Fund*” shall mean the McCormick Place Expansion Project Fund created in the State Treasury by the Finance Act.

“*Moody’s*” shall mean Moody’s Investors Services or any successor thereof which qualifies as a “Rating Agency.”

“*Non-Global Bonds*” shall mean Replacement Bonds, and any series of Additional Bonds which are not issued in the form of Global Certificates.

“*Optional Tender Bonds*” shall mean any Bonds which by their terms may be tendered by and at the option of, or are required to be tendered by, the Owner thereof for payment or purchase by the Authority or another party prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Owner thereof, provided, however, none of the Series 1992A Bonds, the Series 1994 Bonds, the Series 1996A Bonds, the Series 1998 Bonds, the Series 1999 Bonds or the Series 2002 Bonds are “Optional Tender Bonds” under the Indenture and the Authority may determine in any Supplemental Indenture that other Bonds are not “Optional Tender Bonds.”

“*Original Indenture*” means the Indenture of Trust by and between the Authority and the Trustee dated as of December 15, 1992.

“*Original Principal Amount*” when used with respect to a Capital Appreciation Bond, shall mean an amount equal to the aggregate original principal amount of such Bond, and not its Accreted Value unless otherwise provided in the related Supplemental Indenture and when used with respect to a Deferred Interest Bond, shall mean an amount equal to the aggregate original principal amount of such Bond, and not its Appreciated Value unless otherwise provided in the related Supplemental Indenture.

“*Original Purchaser*” shall mean the investment banker(s), broker-dealer(s), financial institution(s) or other person(s) which purchase a specific series of Bonds from the Authority upon the initial offering and sale of such series of Bonds; an investment banker or broker-dealer acting in the capacity of a placement agent shall not be deemed an “Original Purchaser.”

“*Outstanding Bonds*,” “*Bonds Outstanding*,” “*Bonds then Outstanding*” and the term “*Outstanding*” when otherwise used with reference to Bonds shall mean as of the date of determination, all Bonds theretofore issued and delivered under the Indenture as from time to time supplemented except:

(A) Bonds theretofore canceled by the Trustee or Paying Agent or delivered to the Trustee or Paying Agent for cancellation;

(B) Bonds for which payment or redemption moneys or securities (as described in Appendix D under the caption “Discharge of Lien”) shall have been theretofore deposited with the Trustee or Paying Agent in trust for the Owners of such Bonds; provided, however, that if such Bonds are to be redeemed, notice of such redemption shall have been duly given pursuant to the Indenture or irrevocable action shall have been taken to call such Bonds for redemption at a stated redemption date;

(C) Bonds in exchange for or in lieu of which other Bonds shall have been issued and delivered pursuant to the Indenture; and

(D) Optional Tender Bonds deemed tendered in accordance with the provisions of the Supplemental Indenture authorizing such Bonds on the applicable tender, adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payments as provided therein.

In determining requisite percentages of the Owners of aggregate principal amount of Bonds Outstanding for the purposes of direction, consent, approval or waiver under the terms and provisions of the Original Indenture and any Supplemental Indenture: (i) the aggregate “principal amount” of any Bonds that are Capital Appreciation Bonds shall be determined by their Accreted Value as of the date of such determination, and (ii) the aggregate “principal amount” of any Bonds that are Deferred Interest Bonds shall be determined by their Appreciated Value as of the date of such determination and provided, however, that in determining whether the Owners of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Bonds owned by the Authority shall be disregarded and deemed not to be Outstanding Bonds, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded.

“*Owner*” or “*Bondowner*” shall mean the person in whose name a Bond is registered in the Bond Register.

“*Participants*” shall mean the financial institutions or securities dealers for whom the Depository effects book-entry transfers and pledges of securities deposited and immobilized with the Depository.

“*Paying Agent*” shall mean Seaway National Bank of Chicago or any other entity designated by the Original Indenture or pursuant to a Supplemental Indenture as the agent of the

Authority and the Trustee to receive and disburse the principal of and premium, if any, and interest on the Bonds.

“*Payment Date*” shall mean a Maturity Date, an Interest Payment Date, a Purchase Date or the Discharge Date, as the case may be.

“*Permitted Investments*” shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority’s funds (and subject to any special provision contained in a Supplemental Indenture whether or not in connection with a Credit Facility or a Credit Provider):

(f) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America; any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, including obligations of any of the Federal agencies set forth in clause (b) below to the extent unconditionally guaranteed by the United States of America;

(g) bonds, debentures, or other evidences of indebtedness issued or guaranteed by the following United States government sponsored agencies: Federal Home Loan Mortgage Corporation, Farm Credit System, Federal Home Loan Banks, Federal National Mortgage Association, Student Loan Marketing Association, Financing Corporation, Resolution Trust Corporation, Resolution Funding Corporation or any other government-sponsored agencies which are not backed by the full faith and credit of the U.S. government which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

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

(i) project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(j) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase such obligations are rated in one of the two highest Rating Categories by S&P and Moody's, and by Fitch, if Fitch is a Rating Agency then rating such obligations;

(k) obligations of any state of the United States of America or any political subdivision of any state of the United States of America or any agency or instrumentality of any such state or political subdivision which shall be rated at the time of their purchase in one of the two highest Rating Categories by S&P and Moody's, and by Fitch, if Fitch is a Rating Agency then rating such obligations;

(l) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in custody by a bank or trust company or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed as to payment pursuant to a credit support arrangement provided by one or more financial institutions or insurance companies or associations the uninsured, unsecured and unguaranteed obligations of which shall be rated in the highest Rating Categories by S&P and Moody's, and by Fitch, if Fitch is a Rating Agency then rating such certificates or obligations or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being so rated at the time of purchase;

(m) certificates that evidence ownership of the right of payments of principal or interest on obligations described in clauses (a) through (g), provided that such obligations shall be held in custody by a bank or trust company or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$50,000,000;

(n) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of any bank or trust company in the United States which are rated at the time of purchase in one of the two highest Rating Categories by S&P and Moody's, and Fitch, if Fitch is a Rating Agency then rating such instruments;

(o) any repurchase agreements collateralized by securities described in clauses (a) through (f) above with any registered broker/dealer subject to Securities Investors' Protection Corporation jurisdiction, any primary broker/dealer or any commercial bank, if such broker/dealer or bank (or the parent or holding company of which) has an uninsured,

unsecured and unguaranteed obligation rated (an “unsecured rating”) of “Prime-1” and “A” or better by Moody’s and “A-1” or “A-3” or better by S&P and of “A-1” or “A-3” or better by Fitch if Fitch is a Rating Agency then rating such obligation, and provided (1) a specific written agreement governs the transaction; (2) the securities are held by a depository acting solely as agent for the Authority, and such depository is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and with combined capital, surplus and undivided profits of not less than \$25 million, and the Authority or Trustee shall have received written confirmation from such third party that it holds such securities; (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R 306.1 et seq. or 31 C.F.R 350.0 et seq. in such securities is created for the benefit of the Authority; (4) the repurchase agreement provides that the collateral securities will be valued no less frequently than monthly and will be liquidated if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; (5) the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to an interest payment date; and (6) the fair market value of the securities in relation to the amount of the repurchase obligations, including principal and interest, is equal to at least 100%;

(p) shares of an Investment Company, organized under the Investment Company Act of 1940, as amended, which invests its assets exclusively in obligations of the type described in clauses (a) through (j);

(q) investment agreements which either (1) represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest whole Rating Categories by S&P and Moody’s, and by Fitch, if Fitch is a Rating Agency then rating such institution or agreement, or (2) represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case such obligation being collateralized by securities described in clauses (a), (b) or (c) above in this definition of Permitted Investments and provided that such securities at all times have a market value (exclusive of accrued interest) at least equal to the amount invested under such investment agreement so secured; and

(r) any other investment permitted by State law that is rated at the time of purchase in one of the two highest Rating Categories by S&P and Moody’s, and by Fitch, if Fitch is a Rating Agency then rating such investment.

“*Policy Costs*” shall mean “Policy Costs” as such term is defined in the respective Debt Service Reserve Fund Policy Agreements.

“*Principal Account*” shall mean a Principal Account established within the Bond Fund as may be provided in a Supplemental Indenture.

“Principal Accounts” shall mean the Series 1992A Principal Account, the Series 1994 Principal Account, the Series 1996A Principal Account, the Series 1998 Principal Account, the Series 1999 Principal Account, the Series 2002 Principal Account and any other Principal Accounts established within the Bond Fund as provided in a Supplemental Indenture.

“Principal Payment Date” shall mean any date on which an installment of principal is scheduled to become due on Bonds, whether by scheduled maturity or Mandatory Sinking Fund Requirements or otherwise, which dates, unless otherwise provided by a Supplemental Indenture, shall be June 15 of each year (for series of Bonds on which principal will be paid annually) or June 15 and December 15 of each year (for series of Bonds on which principal will be paid semi-annually), commencing on such of those dates as may be provided in the applicable Supplemental Indenture.

“Project” shall mean the McCormick Place Expansion Project and the Improvements and other costs to be financed in connection with a series of Bonds.

“Project Fund” shall mean the Fund by that name established by the Original Indenture.

“Projects” shall mean the McCormick Place Expansion Project, the Navy Pier Project and any other costs paid for out of proceeds of Bonds as permitted by the Authority Act.

“Proportionate Basis” shall mean, when used with respect to the redemption of Bonds of a specific series, that the aggregate principal amount of such Bonds of each maturity of such series to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the principal amount of Bonds of that series to be redeemed bears to the principal amount of all Bonds of that series then Outstanding; provided that if the amount available for redemption of Bonds of any maturity is insufficient to redeem a multiple of \$5,000 principal amount of such maturity, such amount shall be applied to the redemption of the highest possible integral multiple of \$5,000 principal amount of such maturity. For purposes of the foregoing, Term Bonds shall be deemed to mature in the years and in the amounts of the Mandatory Sinking Fund Requirements set forth in the applicable Supplemental Indenture. Any Bonds purchased with moneys which would otherwise be applied to redemption on a Proportionate Basis on the next succeeding Payment Date shall be taken into account in determining “Proportionate Basis” with respect to such redemption. When used with respect to the purchase of Bonds, “Proportionate Basis” shall have the same meaning as set forth above, substituting “purchase” for “redemption,” and “purchased” for “redeemed.”

“Purchase Date” shall mean the date on which any Outstanding Bonds are purchased pursuant to the Original Indenture and any applicable Supplemental Indenture.

“Purchaser” shall mean the person or entity specified in a Supplemental Indenture as the original purchaser or purchasers of a series of Bonds.

“Qualified Swap Agreement” shall mean an agreement between the Authority and a Swap Provider (i) which agreement is either approved by, or following review of such agreement the rating upon all affected Bonds is confirmed by, S&P and Moody’s and Fitch and (ii) under which the Authority agrees to pay the Swap Provider an amount calculated at an

agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the Authority for a specific period of time an amount calculated at an agreed-upon rate or index based upon such notional amount, where the Swap Provider, or the person who guarantees the obligation of the Swap Provider to make its payments to the Authority, has unsecured obligations rated, as of the date the swap agreement is entered into, in one of the two highest applicable Rating Categories by S&P and Moody's and by Fitch, if Fitch is a Rating Agency then rating such Swap Provider or other person who guarantees such obligation, but only if any such Rating Agency is then rating (1) bonds secured by such agreements of the Swap Provider or (2) the series of Bonds to which such agreement may be related.

"Rating Agency" or *"Rating Agencies,"* as applicable, shall mean with respect to any specific series of Bonds, S&P, Moody's and Fitch, or any other recognized national credit rating agency, to the extent that any of them then has in effect a rating for such specific series of Bonds.

"Rating Category" shall mean one of the generic rating categories of the applicable Rating Agency, without regard to any refinements or gradation of such generic rating category by numerical or other modifier.

"Rebate Account" shall mean any Account by that name established in the Bond Fund pursuant to a Supplemental Indenture.

"Rebate Amount" shall mean the amount required to be paid to the United States Treasury pursuant to Section 148 of the Code as rebate of investment earnings (and, if applicable, actual or imputed earnings thereon) to the extent such investment earnings are in excess of the yield on a series of Tax-Exempt Bonds and are subject to rebate.

"Rebate Expert" shall mean such firm of accountants, lawyers or other persons experienced in matters relating to compliance with the rebate requirements under Section 148(f) of the Code, selected by the Authority and acceptable to the Trustee or, upon failure of the Authority to designate a Rebate Expert, the person designated by the Trustee pursuant to the Indenture.

"Record Date" shall mean with respect to any Interest Payment Date on a series of Bonds, (i) the first (1st) day of the month (whether or not a Business Day) in which such Interest Payment Date occurs or (ii) if the Authority shall be in default in payment of interest due on such Payment Date, a special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the Authority; notice of such special Record Date shall be mailed not less than ten (10) days preceding such special Record Date, to the Owner at the close of business on the fifth (5th) Business Day preceding the date of mailing; provided that the Record Date under clause (i) for Variable Rate Bonds or Adjustable Rate Bonds may be as specified in the related Supplemental Indenture; and provided, further that the Authority may provide in the applicable Supplemental Indenture for different regular or special Record Dates for any series of Bonds.

"Redemption Account" shall mean the Account by that name in the Bond Fund established by the Original Indenture or any Supplemental Indenture.

“*Refunded Bonds*” shall mean the Bonds described in Appendix B to this Official Statement.

“*Refunding Account*” shall mean the Refunding Account established within the Project Fund as provided in the Seventh Supplemental Indenture.

“*Related Agreements*” or “*Related Documents*” shall mean any Credit Facility, Credit Agreement or Pledge Agreement related to a series of Bonds or a specific portion thereof, including security agreements or instruments made for the benefit and with the consent of the Trustee or a Credit Provider as creditor to secure payment of any series of Bonds or a specific portion thereof, or any amount due to a Credit Provider; but excluding the Original Indenture and all Supplemental Indentures: provided, that the term “*Related Agreements*” or “*Related Documents*,” when used in relation to a specific series of Bonds or a specific portion thereof, shall include only such Related Documents as have been entered into for such series of Bonds or a specific portion thereof, and shall not include documents, agreements or other items entered into only for the purposes of a different series of Bonds or a specific portion thereof.

“*Remarketing Agent*” shall mean the broker-dealer appointed as Remarketing Agent for a specific series of Bonds pursuant to the Original Indenture and the applicable Supplemental Indenture.

“*Remarketing Agreement*” shall mean the Remarketing Agreement for a series of Bonds, or a specific portion thereof, including any amendments and supplements thereto, between the Remarketing Agent and the Authority.

“*Replacement Bonds*” shall mean Bonds which replace Global Certificates as provided in the Original Indenture.

“*Representative*” shall mean, the Chairman, the Chief Executive Officer or the Secretary of the Authority or an officer of a Credit Provider, or any other person at any time designated to act on behalf of the Authority or Credit Provider, as the case may be, as evidenced by a written certificate furnished to the other party and the Trustee containing the specimen signature of such person and signed for the Authority by its Chairman or Secretary or for a Credit Provider by an officer thereof.

“*Reserve Requirement*” for any series of Bonds shall be established in the Supplemental Indenture providing for the issuance of such Bonds and shall be the amount which, when added to the amount then on deposit in the Debt Service Reserve Fund upon the issuance of such series of Bonds, shall be equal to the lesser of:

(1) the amount necessary to cause the resulting amount to the Debt Service Reserve Fund to equal fifty percent (50%) of the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all then Outstanding Bonds (including any Bonds then proposed to be issued); or

(2) an amount equal to ten percent (10%) of the lesser of (i) the original principal amount of such Bonds proposed to be issued or (ii) the “issue price” of such Bonds proposed to be issued, determined as required by Section 148 of the Code; or

(3) the maximum amount permitted under Section 148 of the Code to be derived from the proceeds of the Bonds proposed to be issued and held in the Debt Service Reserve Fund;

provided that the calculation of the maximum amount of interest to become due on Variable Rate Bonds and Adjustable Rate Bonds shall be based on the methodology specified in the definition of Adjusted Debt Service Requirements; and provided further that the calculation of the maximum amount of principal and interest to become due on a series of Bonds shall exclude the principal amount of such Bonds to be paid from amounts on deposit in the Debt Service Reserve Fund. The Debt Service Reserve Requirement may be satisfied by cash, Permitted Investments or a Debt Service Reserve Fund Credit Facility, or any combination thereof.

“Responsible Agent” shall mean any person duly authorized and designated by the Trustee to act on its behalf in carrying out the applicable duties and powers of the Trustee as set forth in the Indenture as from time to time supplemented; any action required by the Trustee under the Indenture may be taken by a Responsible Agent.

“Restricted Obligations” shall mean obligations which are issued by the United States Treasury and any other Permitted Investments, investment in which will not cause the Bonds to be federally guaranteed obligations, within the meaning of Section 149(d) of the Code.

“Revenue” or *“Revenues”* shall mean all amounts received from time to time by the Authority or the Trustee which are (a) from the McCormick Place Expansion Project Fund; (b) any Surplus Revenues received by the Trustee for deposit into the Revenue Fund as described in Appendix D under the caption “Flow of Revenues”; (c) proceeds of a Credit Facility, if any, received by the Trustee to pay the principal of, premium, if any, purchase price and interest on any series of Bonds or a specific portion thereof; (d) amounts, if any, which represent net operating revenues of the Authority which are available to pay Debt Service Requirements on the Outstanding Bonds, but only and when any such amounts shall have been deposited with the Trustee for the credit of the Revenue Fund pursuant to a resolution of the Authority board; (e) other amounts (including, without limitation, earnings on the Funds and Accounts and any net amounts received by the Authority from a Swap Provider) required by the Indenture or Related Agreements to be deposited in the Revenue Fund established pursuant to the Indenture (other than any Rebate Amount and other than any amounts in the Surplus Revenues Fund or any Rebate Account); and (f) other amounts, funds, accounts, revenues, receivables, or other security irrevocably pledged or assigned pursuant to a Supplemental Indenture; provided however, notwithstanding any other provision of the Original Indenture or any Supplemental Indenture to the contrary, the Authority may provide in any Supplemental Indenture authorizing any series of Bonds that the payments to be made under and the amounts to be received with respect to any Qualified Swap Agreement, Credit Facility, Liquidity Facility or Related Agreements shall constitute Revenues which are only available to secure the specific Bonds or specific series of Bonds authorized by such Supplemental Indenture.

“Revenue Fund” shall mean the fund by that name created by the Original Indenture.

“S&P” shall mean Standard & Poor’s Rating Group or any successor thereof which qualifies as a “Rating Agency.”

“SLGS” shall mean United States Treasury obligations - State and Local Government Series, as provided for in the United States Treasury Regulation 31 CFR 344.

“*Second Supplemental Indenture*” shall mean the Second Supplemental Indenture of Trust dated as of May 15, 1994 between the Authority and the Trustee as such Second Supplemental Indenture may, from time to time, be amended or supplemented.

“*Series 1992A Bonds*” shall mean those Bonds which were issued and are Outstanding under the First Supplemental Indenture.

“*Series 1992A Credit Facilities*” shall mean the Financial Guaranty Bond Insurance Policy (Series 1992A), the AMBAC Bond Insurance Policy and the Debt Service Reserve Fund Policy, or such other Credit Facilities which relate to Series 1992A Bonds which are, as of the date of reference thereto, Outstanding.

“*Series 1992A Credit Providers*” shall mean Financial Guaranty, AMBAC and the Debt Service Reserve Fund Credit Providers, or such Series 1992A Credit Providers which have issued Series 1992A Credit Facilities which relate to Series 1992A Bonds which are, as of the date of reference thereto, Outstanding.

“*Series 1994 Bonds*” shall mean the Series 1994A Bonds, the Series 1994B Bonds and the Series 1994 Taxable Bonds authorized to be issued under the Second Supplemental Indenture.

“*Series 1994B Bonds*” shall mean the \$67,549,191.45 aggregate original principal amount of McCormick Place Expansion Project Bonds, Series 1994B, issued under the Second Supplemental Indenture.

“*Series 1994 Credit Facilities*” shall mean the Financial Guaranty Bond Insurance Policy (Series 1994), the MBIA Insurance Corporation Bond Insurance Policy (Series 1994) and the Debt Service Reserve Fund Policy, or such other Credit Facilities as relate to Series 1994 Bonds which are, as of the date of reference thereto, Outstanding under the Second Supplemental Indenture.

“*Series 1994 Credit Providers*” shall mean the MBIA Insurance Corporation, Financial Guaranty, and the Debt Service Reserve Fund Credit Providers, or such Series 1994 Credit Providers which have issued Series 1994 Credit Facilities which relate to Series 1994 Bonds which are, as of the date of reference thereto, Outstanding under the Second Supplemental Indenture.

“*Series 1996A Bonds*” shall mean the \$498,993,944.70 aggregate original principal amount McCormick Place Expansion Project Refunding Bonds, Series 1996A, issued under the Fourth Supplemental Indenture.

“Series 1996A Credit Facility” shall mean any one of the Series 1996A Credit Facilities.

“Series 1996A Credit Providers” shall mean AMBAC Indemnity, MBIA and the Debt Service Reserve Fund Credit Providers, or such Series 1996 Credit Providers which have issued Series 1996 Credit Facilities which relate to Series 1996A Bonds which are, as of the date of reference thereto, Outstanding under the Fourth Supplement Indenture.

“Series 1998 Bonds” shall mean the Series 1998A Bonds and the Series 1998B Bonds issued under the Fifth Supplemental Indenture.

“Series 1998A Bonds” shall mean the \$100,740,000 aggregate original principal amount McCormick Place Expansion Project Refunding Bonds, Series 1998A, issued under the Fifth Supplemental Indenture.

“Series 1998B Bonds” shall mean the \$100,000,000 aggregate original principal amount of McCormick Place Expansion Project Bonds, Series 1998B, issued under the Fifth Supplemental Indenture.

“Series 1998 Credit Facilities” shall mean the Financial Guaranty Bond Insurance Policy (Series 1998) and the Debt Service Reserve Fund Policy, or such other Credit Facilities as relate to Series 1998 Bonds which are, as of the date of reference thereto, Outstanding under the Fifth Supplemental Indenture.

“Series 1998 Credit Providers” shall mean the Debt Service Reserve Fund Credit Providers, or such Series 1998 Credit Providers which have issued Series 1998 Credit Facilities which relate to Series 1998 Bonds which are, as of the date of reference thereto, Outstanding under the Fifth Supplemental Indenture.

“Series 1998 Project Bonds” shall mean the Series 1998B Bonds authorized to be issued under the Fifth Supplemental Indenture.

“Series 1998 Refunding Bonds” shall mean the Series 1998A Bonds authorized to be issued under the Fifth Supplemental Indenture.

“Series 1999 Bonds” shall mean the Series 1999A Bonds, the Series 1999B Bonds, the Series 1999C Bonds and the Series 1999D Taxable Bonds authorized to be issued under the Sixth Supplemental Indenture.

“Series 1999 Credit Facilities” shall mean the Financial Guaranty Bond Insurance Policy (Series 1999) and the Debt Service Reserve Fund Policy, or such other Credit Facilities as relate to Series 1999 Bonds which are, as of the date of reference thereto, Outstanding under the Sixth Supplemental Indenture.

“Series 1999 Credit Providers” shall mean the Debt Service Reserve Fund Credit Providers, or such Series 1999 Credit Providers which have issued Series 1999 Credit Facilities which relate to Series 1999 Bonds which are, as of the date of reference thereto, Outstanding under the Sixth Supplemental Indenture.

“*Series 1999 Project Bonds*” shall mean the Series 1999A Bonds authorized to be issued under the Sixth Supplemental Indenture.

“*Series 1999 Refunding Bonds*” shall mean the Series 1999B Bonds, Series 1999C Bonds and Series 1999D Taxable Bonds authorized to be issued under the Sixth Supplemental Indenture.

“*Series 1999A Bonds*” shall mean the \$133,435,000 aggregate original principal amount of McCormick Place Expansion Project Bonds, Series 1999A, issued under the Sixth Supplemental Indenture.

“*Series 1999ABC Bonds*” shall mean the Series 1999A Bonds, the Series 1999B Bonds and the Series 1999C Bonds, issued under the Sixth Supplemental Indenture.

“*Series 1999B Bonds*” shall mean the \$134,230,000 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 1999B, issued under the Sixth Supplemental Indenture.

“*Series 1999C Bonds*” shall mean the \$152,915,000 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 1999C, authorized to be issued under the Sixth Supplemental Indenture.

“*Series 1999D Taxable Bonds*” shall mean the \$23,090,000 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 1999D (Taxable), authorized to be issued under the Sixth Supplemental Indenture.

“*Series 2002 Bonds*” shall mean the Series 2002A Bonds, the Series 2002B Bonds and the Series 2002C Bonds, authorized to be issued under the Seventh Supplemental Indenture.

“*Series 2002A Bonds*” shall mean the \$802,008,690.15 aggregate original principal amount of McCormick Place Expansion Project Bonds, Series 2002A, authorized to be issued under the Seventh Supplemental Indenture.

“*Series 2002B Bonds*” shall mean the \$269,354,328.05 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 2002B, authorized to be issued under the Seventh Supplemental Indenture.

“*Series 2002C Bonds*” shall mean the \$16,365,000 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable) authorized to be issued under the Seventh Supplemental Indenture.

“*Series 2002 Credit Facilities*” shall mean the MBIA Insurance Corporation Bond Insurance Policy (Series 2002) and the Debt Service Reserve Fund Policy, or such other Credit Facilities as they relate to Series 2002 Bonds which are, as of the date of reference thereto, Outstanding under the Seventh Supplemental Indenture.

“*Series 2002 Credit Facility*” shall mean any one of the Series 2002 Credit Facilities.

“*Series 2002 Credit Providers*” shall mean MBIA Insurance Corporation and the Debt Service Reserve Fund Policy Credit Providers, or such Series 2002 Credit Providers which have issued Series 2002 Credit Facilities which relate to Series 2002 Bonds which are, as of the date of reference thereto, Outstanding under the Seventh Supplemental Indenture.

“*Series 2002 Depository Letter*” shall mean the blanket letter of representation from the Authority to DTC dated March 12, 1996 in the form attached as Appendix A to the Fourth Supplemental Indenture.

“*Seventh Supplemental Indenture*” shall mean the Seventh Supplemental Indenture of Trust dated as of June 15, 2002, between the Authority and the Trustee, as such Seventh Supplemental Indenture may, from time to time, be amended or supplemented.

“*Sixth Supplemental Indenture*” shall mean the Sixth Supplemental Indenture of Trust dated as of August 15, 1999, between the Authority and the Trustee, as such Sixth Supplemental Indenture may, from time to time, be amended or supplemented.

“*State*” shall mean the State of Illinois.

“*State Sales Tax Deposits*” shall mean all amounts required to be deposited into the McCormick Place Expansion Project Fund by reason of Section 9 of the Use Tax Act, 35 ILCS 105/9; Section 9 of the Service Use Tax, 35 ILCS 110/9; Section 9 of the Service Occupation Tax Act, 35 ILCS 115/9; and Section 3 of the Retailers’ Occupation Tax Act, 35 ILCS 120/3.

“*Statutory Reserve*” shall be the amount, if any, currently on deposit as a reserve under item “second” in Section 13(g) of the Authority Act.

“*Subordinate Securities*” shall mean obligations of the Authority issued subject to the conditions described in Appendix D under the caption “Conditions to the Issuance of Subordinate Securities.”

“*Subordinate Securities Fund*” shall mean the fund by that name created by the Original Indenture.

“*Substitute Depository*” shall mean a trust company or other fiduciary which replaces a Depository.

“*Supplemental Indenture*” shall mean any supplemental indenture supplementing or amending the terms of the Original Indenture and entered into by the Authority and the Trustee pursuant to the provisions of the Original Indenture related to the issuance of Additional Bonds, Refunding Bonds and Subordinate Securities and as described in Appendix D under the captions “Supplemental Indentures Not Requiring Consent of Bondowners” and “Supplemental Indentures Requiring Consent of Owners.”

“*Surplus Revenues*” shall mean the “surplus revenues” described in Section 13(g) of the Authority Act and, whether or not included within such Section 13(g), any investment earnings received by the Authority or the Trustee with respect to amounts on deposit in the Authority Tax Fund.

“*Surplus Revenues Capital Repair and Rehabilitation Account*” shall mean the Account by that name described in Appendix D under the caption “Surplus Revenues Fund.”

“*Surplus Revenues Debt Service Account*” shall mean the Account by that name described in Appendix D under the caption “Surplus Revenues Fund.”

“*Surplus Revenues Fund*” shall mean the fund described in Appendix D under the caption “Surplus Revenues Fund,” to be held by the Authority and to not be encumbered by the lien of the Indenture.

“*Surplus Revenues Fund Capital Repair and Rehabilitation Requirement*” shall mean the amount of Surplus Revenues specified by the Authority from time to time in a certificate signed by an Authorized Officer and filed with the Trustee which amount shall initially be \$50,000,000 and thereafter shall be such amount of Surplus Revenues which the Authority reasonably expects to apply to repair, replacement and improvement of the grounds, buildings and facilities of the Authority or other costs permitted by the Authority Act (including Section 13(g) thereof) and which does not exceed the greater of (a) \$50,000,000 or (b) the amount specified or permitted from time to time in Section 13(g) of the Authority Act.

“*Surplus Revenues Fund Debt Service Requirement*” shall mean the amount of Surplus Revenues which exceeds the Surplus Revenues Fund Capital Repair and Rehabilitation Requirement as of June 30 of any year so long as any of the Bonds remain Outstanding.

“*Swap Provider*” shall mean the counterparty with whom the Authority enters into a Qualified Swap Agreement.

“*Taxable Bonds*” shall mean any Bonds which are not Tax-Exempt Bonds on the date of original issue thereof.

“*Tax Covenants*” shall mean the covenants of the Authority expressed or incorporated by reference into the Original Indenture, or in the corresponding section of a Supplemental Indenture providing for assurance of the preservation of the tax-exempt character of the interest on a series of Tax-Exempt Bonds.

“*Tax-Exempt Bonds*” shall mean Bonds issued pursuant to the Indenture for which the Authority receives, on the date of the Bond Closing therefor, an opinion of Bond Counsel to the effect that interest on such Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code.

“*Term Bonds*” shall mean Bonds which are subject to scheduled Mandatory Sinking Fund Requirements prior to maturity.

“*Total Deposits*” shall mean, for any Fiscal Year, the maximum amount of State Sales Tax Deposits for such Fiscal Year that may be deposited into the McCormick Place Expansion Project Fund under Section 8.25f of the Finance Act.

“*Treasury*” shall mean the United States Department of the Treasury, and any successor to its functions.

“*Treasury Regulations*” shall mean all proposed, temporary or final Income Tax Regulations issued or amended with respect to the Code by the Treasury or Internal Revenue Service.

“*Trustee*” shall mean Amalgamated Bank of Chicago, located in Chicago, Illinois, and any co-trustee or successor trustee appointed, qualified and then acting as such under the provisions of the Original Indenture.

“*Trust Estate*” shall mean the Revenues, the tangible and intangible properties, rights and other assets described in the Granting Clauses of the Original Indenture as from time to time supplemented, and (with respect to a specific series of Bonds or specific Bonds within a series) such funds, rights, properties and assets pledged to secure a series of Bonds or specific Bonds within a series pursuant to a Supplemental Indenture.

“*Trust Moneys*” shall have the meaning assigned thereto in Appendix D under the caption “Pledge of Revenues; Creation of Funds and Accounts; ‘Trust Moneys’ Defined”.

“*Unpaid Bonds*” shall mean all Outstanding Bonds and any other Bonds which have neither matured nor been redeemed or purchased and canceled under the Original Indenture.

“*Valuation Date*” shall mean (i) with respect to any Bonds that are Capital Appreciation Bonds, the date or dates set forth in the Supplemental Indenture authorizing such Bonds on which specific Accreted Values are assigned to such Bonds and (ii) with respect to any Bonds that are Deferred Interest Bonds, the date or dates prior to the Interest Commencement Date set forth in the Supplemental Indenture authorizing such Bonds on which specific Appreciated Values are assigned to such Bonds.

“*Variable Interest Rate*” shall mean a variable interest rate or rates to be borne by a series of Bonds or other obligations any one or more maturities within a series of Bonds, a specific portion thereof. The method of computing such variable interest rate shall be specified in the Supplemental Indenture authorizing such Bonds or Related Agreements approved thereby.

“*Variable Rate Bond*” shall mean any Bond which bears a Variable Interest Rate which rate is not established at the time of calculation at a single numerical rate for the remaining term of such Bond and for which the period from the most recent determination of the rate to the next such date for redetermination of the rate is two (2) years or less.

“*Verification Agent*” shall mean Grant Thornton LLP.

“Verification Report” shall mean the Verification Report dated July 2, 2002 with respect to the Refunded Bonds, prepared by the Verification Agent, addressed to the Authority, the Escrow Agent, the Trustee and Bond Counsel.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. For definitions of capitalized terms used in this summary see Appendix C. This summary does not purport to be comprehensive or definitive. All references herein to the Original Indenture or any Supplemental Indenture are qualified in their entirety by all terms and provisions of the Original Indenture and the applicable Supplemental Indenture to which reference is hereby made. Copies of the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, the Seventh Supplemental Indenture and the Escrow Agreement are available at the offices of the Authority, 301 East Cermak Road, Chicago, Illinois. All references to the Bonds (and each series of Bonds) are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the Original Indenture, each Supplemental Indenture and the Escrow Agreement. Certain provisions of the Indenture have been summarized elsewhere in this Official Statement, including under the caption entitled 'THE SERIES 2002 BONDS'.

Payment of Principal, Premium and Interest

Solely from the monies derived from the Revenues and amounts otherwise available from the Trust Estate, the Authority will duly and punctually pay the principal of, premium, if any, and interest on the Bonds in accordance with the terms of the Bonds and the Indenture.

Credit Facilities

The Authority may obtain a Credit Facility for the benefit of the Owners of all or any portion of any series of Bonds issued. The terms and conditions for each such Credit Facility shall be set forth in the applicable Supplemental Indenture and in the related Credit Agreement. Each Credit Facility shall be held by the Trustee for the sole and exclusive benefit of the Owners of the series of Bonds (or specific Bonds within such series) secured by such Credit Facility, and such Credit Facility shall not be an asset available for the benefit of the Owners of any other Bonds. At the time of issuance of the Series 1992A Bonds, the Authority caused to be issued (1) the AMBAC Bond Insurance Policy insuring the payment when due of the principal of and interest on the AMBAC Insured Bonds and (2) the Financial Guaranty Bond Insurance Policy (Series 1992A) that guarantees payment of principal of and interest on the Financial Guaranty Insured Bonds (Series 1992A). At the time of issuance of the Series 1994 Bonds, the Authority caused to be issued (1) the MBIA Insurance Corporation Bond Insurance Policy (Series 1994) insuring the payment when due of the principal of and interest on the MBIA Insurance Corporation Insured Bonds (Series 1994) and (2) the Financial Guaranty Bond Insurance Policy (Series 1994) that guarantees payment of principal of and interest on the Financial Guaranty Insured Bonds (Series 1994). At the time of issuance of the Series 1996 Bonds,

the Authority caused to be issued (1) the AMBAC Bond Insurance Policy (Series 1996A) insuring the payment when due of the principal of and interest on the AMBAC Insured Bonds (Series 1996A) and (2) the MBIA Bond Insurance Policy (Series 1996A) that guarantees payment of principal of and interest on the MBIA Insured Bonds (Series 1996A). At the time of issuance of the Series 1998 Bonds, the Authority caused to be issued (1) the Financial Guaranty Bond Insurance Policy (Series 1998) insuring the payment when due of the principal of and interest on the Financial Guaranty Insured Bonds (Series 1998). At the time of issuance of the Series 1999 Bonds, the Authority caused to be issued (1) the Financial Guaranty Bond Insurance Policy (Series 1999) insuring the payment when due of the principal of and interest on the Financial Guaranty Insured Bonds (Series 1999). At the time of issuance of the Series 2002 Bonds, the Authority will cause to be issued (1) the MBIA Insurance Corporation Bond Insurance Policy (Series 2002) insuring the payment when due of the principal of and interest on the MBIA Insurance Corporation Insured Bonds (Series 2002). In addition, the Authority has caused to be issued the Debt Service Reserve Fund Policy to satisfy the Reserve Requirement for the Bonds.

Authority Annual Certificate

The Authority agrees to prepare the Authority Annual Certificate for each Fiscal Year in which there are Outstanding Bonds and to cooperate with the Trustee and take such other action and execute and file such further requests, vouchers, instruments and certificates as the Trustee, the State Treasurer, the State Comptroller or the Department of Revenue may request or deem necessary or appropriate to permit or cause amounts which have been appropriated from the McCormick Place Expansion Project Fund to be paid on a timely basis directly to the Trustee pursuant to the Authorizing Legislation and the Indenture. Such Authority Annual Certificate (and any and all amendments thereto and modifications thereof) shall be filed with the Treasurer and Comptroller of the State, the Illinois Department of Revenue and the Trustee. The Authority Annual Certificate shall be filed with respect to each Fiscal Year not earlier than the June 2 nor later than the June 15 preceding the commencement of such Fiscal Year. Each such Authority Annual Certificate shall certify the amount necessary and required, during the Fiscal Year with respect to which the Authority Annual Certificate is made, to pay the Debt Service Requirements (including amounts to be paid with respect to arrangements to provide additional security or liquidity) on all Outstanding Bonds. For such purpose, the Authority shall determine such debt service requirements to be equal to the amount determined in subsection (D) below. To determine such amount, the Authority shall calculate:

(A) The amount necessary to pay (1) Adjusted Debt Service Requirements (which, for the purpose of this subsection shall be deemed to include any accumulated deficiencies in the Debt Service Reserve Fund), (2) any fees and expenses of a Fiduciary (to the extent not included in Adjusted Debt Service Requirements) and (3) any Bond Related Costs described in clause (a) of the definition thereof, which will come due and payable with respect to any Outstanding Bonds during such Fiscal Year;

(B) The amount on deposit in the Bond Fund and Revenue Fund, as of the date of the Authority Annual Certificate, after subtracting therefrom any unpaid Bond Service Charges and Bond Related Costs required to be paid before such Fiscal Year;

(C) The portion, if any, of the amount certified under subsection (B) above which represents net operating revenues of the Authority which are available to pay Debt Service Requirements on the Outstanding Bonds, which amount shall have been deposited with the Trustee for credit to the Revenue Fund or Bond Fund prior to or concurrently with the filing of the Authority Annual Certificate; and

(D) The amount necessary to be paid by the State Treasurer from the McCormick Place Expansion Project Fund to the Trustee to pay the Adjusted Debt Service Requirements on the Outstanding Bonds (which, for the purpose of this subsection shall be deemed to include any accumulated deficiencies in the Debt Service Reserve Fund), plus the other amounts described in subsections (A)(2) and (3) above, during the Fiscal Year for which the Authority Annual Certificate is prepared and filed (which amount shall in no event be less than the amount computed by deducting the amounts certified pursuant to subsections (B) and (C) above from the amount certified pursuant to subsection (A) above).

In addition to the certification described above, the Authority Annual Certificate shall also request payments to the Trustee of all cumulative deficiencies (if any) in amounts previously certified for payment but not received for previous months and years. Any Authority Annual Certificate shall be amended from time to time as necessary to request all amounts the Authority is entitled to request under the Authorizing Legislation to pay Adjusted Debt Service Requirements, the other amounts described in subsection (A) above and any amounts required to replenish all required reserves under the Indenture relating to Outstanding Bonds (including Bonds issued subsequent to delivery of the Authority Annual Certificate for any Fiscal Year) as and when due.

Notwithstanding the foregoing, the amount certified for each Fiscal Year by the Authority pursuant to subsection (D) above shall not exceed an amount which, when added to the monies on deposit in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund, and available for payment of Debt Service Requirements on Outstanding Bonds, would be sufficient to pay all Adjusted Debt Service Requirements and the other amounts described in subsection (A) which are due and to become due on all Outstanding Bonds to and including the last Principal Payment Date for all Outstanding Bonds.

Irrevocable Direction to State Treasurer and Comptroller to Pay Amounts From McCormick Place Expansion Project Fund and Certain Amounts From the Authority Tax Fund to the Trustee

So long as any Bonds are Outstanding under the Indenture, the Authority has irrevocably and unconditionally requested and directed the State Treasurer and the State Comptroller to pay directly to the Trustee (by warrant or, upon written direction of the Authority, by wire transfer) the following: (1) any and all amounts payable to the Authority from time to time from the McCormick Place Expansion Project Fund pursuant to any Authority Annual Certificate and (2) any and all amounts which constitute Surplus Revenues payable to the Authority from time to time from the Authority Tax Fund.

Budget Requests

The Indenture requires that on or before each February 1, the Authority shall request that State officials include in the State's Executive Budget for the next succeeding Fiscal Year an amount equal to the Total Deposit for such Fiscal Year as set forth in Section 8.25f(b) of the Finance Act. In the event that such amount is not appropriated by the General Assembly for any Fiscal Year, the Authority shall promptly request and take all steps to seek inclusion of such appropriation in a supplemental appropriation for such Fiscal Year.

Pledge of Revenues; Creation of Funds and Accounts; "Trust Moneys" Defined

(A) Pledge of Revenues. The proceeds of each series of Bonds and all Revenues and other sums pledged and assigned by the Indenture to the Trustee for the benefit of the Bondowners are to be deposited in the Funds and Accounts described in subsection (B) under this caption, and, upon deposit with the Trustee in said Funds and Accounts, such amounts shall not be subject to any lien or attachment by any creditor of the Authority or any Credit Provider or other person other than the lien of the Indenture. The Revenues and other sums so pledged and assigned shall include all of the following:

(1) Amounts received by the Authority or the Trustee from the McCormick Place Expansion Project Fund and any Surplus Revenues received by the Authority or the Trustee from the Authority Tax Fund and required to be deposited in the Revenue Fund as described by subsection (A) under the caption "Flow of Revenues" in this Appendix D;

(2) Bond proceeds;

(3) Proceeds of a Credit Facility, if any, drawn to pay the principal of, premium, if any, and interest on any series of Bonds or a specific portion thereof;

(4) All amounts, if any, which represent net operating revenues of the Authority which are available to pay Debt Service Requirements on the Outstanding Bonds, but only if and when any such amount shall have been deposited with the Trustee for the credit of the Revenue Fund pursuant to a resolution of the Authority's governing board;

(5) All other amounts (including, without limitation, earnings on the Funds and Accounts and any net amounts received by the Authority from a Swap Provider) required by the Indenture or Related Agreements to be deposited in any Fund or Account (other than any Rebate Amount and other than any amounts in the Surplus Revenues Fund or any Rebate Account); and

(6) Any other amounts, funds, accounts, revenues, receivables, or other security pledged or assigned pursuant to a Supplemental Indenture.

(B) Creation of Funds and Accounts. The following Funds and Accounts are established with the Trustee, to be held and administered as trust funds under and pursuant to the terms of the Indenture:

(1) The Revenue Fund and an Excess Revenue Account therein;

(2) The Cost of Issuance Fund, and such accounts therein as the Authority shall determine in any Supplemental Indenture;

(3) The Bond Fund, with such separate Accounts, subaccounts or subfunds therein as shall be provided in the Original Indenture or in any Supplemental Indenture creating each series of Bonds including, as applicable, any of the following Accounts therein:

(a) An Interest Account;

(b) A Principal Account;

(c) A Capitalized Interest Account;

(d) A Redemption Account;

(e) A Credit Account with respect to each Credit Facility other than a Debt Service Reserve Fund Credit Facility;

(f) An Expense Account;

(g) A Purchase Account;

(h) A Rebate Account; and

(i) Any other Account established by the applicable Supplemental Indenture.

(4) The Project Fund, with such separate Accounts therein as the Authority shall determine in any Supplemental Indenture;

(5) The Debt Service Reserve Fund, with such separate Debt Service Reserve Accounts and Credit Accounts therein as the Authority shall determine in any Supplemental Indenture;

(6) The Subordinate Securities Fund, with such separate Accounts therein for each series of Subordinate Securities as provided in the Supplemental Indenture creating such series, including as applicable, the following Accounts therein:

- (a) An Interest Account;
- (b) A Principal Account;
- (c) A Capitalized Interest Account;
- (d) A Redemption Account;
- (e) An Expense Account;
- (f) A Credit Account;
- (g) A Purchase Account;
- (h) A Rebate Account; and
- (i) Any other Account established by the applicable Supplemental Indenture.

(C) “Trust Moneys” Defined. All moneys received by the Trustee as provided in the Indenture to be held and applied under Article Five of the Original Indenture (other than amounts in or required to be transferred to the Surplus Revenues Fund or any Rebate Account), or required to be paid to the Trustee and whose disposition is not elsewhere specifically provided for in the Indenture, including, but not limited to the investment income of all moneys held by the Trustee under the Indenture (all such moneys being sometimes called “Trust Moneys” under the Indenture) shall be held by the Trustee as a part of the Trust Estate, and, upon the exercise by the Trustee of any remedy specified under the caption “Default and Remedies” in this Appendix D, such Trust Moneys shall be applied in accordance with the provisions of the Indenture summarized in this Appendix D under the caption “Priority of Payment and Application of Moneys” except to the extent that the Trustee is holding Trust Moneys and/or Government Obligations for the payment of any specified series of Bonds or a specific portion thereof which are no longer deemed to be Outstanding under the Indenture which moneys and/or Government Obligations shall be applied only as provided in the Indenture. Prior to such application as described under the caption “Priority of Payment and Application of Moneys” in this Appendix D, all or any part of the Trust Moneys shall be held, invested, withdrawn, paid or applied by the Trustee, from time to time, as provided in the Indenture.

(D) Provision for Credit Facilities. A Supplemental Indenture may provide with respect to any Bonds which are, at the relevant time, secured by a Credit Facility that monies for the payment of principal or redemption price of, premium, if any, and interest on such Bonds shall be drawn from the Credit Facility and in connection

therewith the Supplemental Indenture which creates such Bonds may provide for application of Trust Moneys in the related Accounts in the Bond Fund to reimburse the Credit Provider for such drawing if required or permitted by a Rating Agency in connection with the award of a credit rating to such Bonds.

(E) Provision for Qualified Swap Agreements. Notwithstanding any other provision of the Indenture, a Supplemental Indenture may, with respect to any Qualified Swap Agreement which was executed and delivered in connection with any one or more series of Bonds and to which reference was made in the Supplemental Indenture creating such series of Bonds, provide for application of Trust Moneys in the related Accounts in the Bond Fund to make any required net payments due under such Qualified Swap Agreement on a parity with interest payments on Bonds if required or permitted by a Rating Agency in connection with the award of a credit rating to such Bonds.

(F) Subaccounts. The Authority or Trustee may establish one or more subaccounts within any of the foregoing Funds or Accounts in order to provide for the proper administration of and accounting for the moneys and securities held therein, and the Trustee shall establish such subaccounts to the extent required by a Supplemental Indenture.

Flow of Revenues

(A) By the Indenture the Authority has irrevocably assigned to and directed the State Treasurer to make payment of all Surplus Revenues to the Trustee to be applied as therein provided. The Trustee shall deposit Surplus Revenues upon receipt into the Revenue Fund if and to the extent necessary (1) to make up any deficiency resulting from a failure to receive the amounts certified or requested by the Authority in the Authority Annual Certificates for any prior Fiscal Year or (2) to remedy any deficiency in the Bond Fund for any reason (including for the purpose of funding any Rebate Amount), and upon such deposit, the amounts so deposited shall constitute Revenues under the Indenture. Except as provided in the previous sentence, Surplus Revenues shall be paid over to the Authority and deposited into the Surplus Revenues Fund.

(B) Except as provided in this subsection (B), all Revenues shall upon receipt be deposited in the Revenue Fund and shall thereupon become Trust Moneys subject to the lien of the Indenture. Proceeds of a Credit Facility shall be deposited and applied as provided in the related Supplemental Indenture, Credit Facility, Credit Agreement and Related Agreements. In addition, if and to the extent specifically provided in any Supplemental Indenture, Revenues which are derived from a source other than Authority Taxes or the McCormick Place Expansion Project Fund and which secure only a specific series of Bonds or specific Bonds within a series of Bonds, may be required by the Supplemental Indenture to be deposited, transferred, segregated or applied in a manner so as to assure deposit in the Accounts related to and for the benefit of such series of Bonds or Bonds within such series and upon such deposit, transfer, segregation or application such Revenues shall thereupon become Trust Moneys subject to the lien of the Indenture for such specific series of Bonds or specific Bonds within such series of Bonds.

(C) Except as provided in subsection (D) below, the Revenues deposited in the Revenue Fund shall be remitted or transferred monthly to the other Funds and Accounts within ten (10) Business Days of the receipt of Revenues so long as any Bonds remain Outstanding in the following amounts in the following order of priority:

(1) to each Interest Account, (i) for any Bonds which are Fixed Interest Rate Bonds an amount equal to one hundred fifty percent (150%) of that portion of the Adjusted Debt Service Requirements which constitutes all of the interest accruing or to accrue for all Interest Payment Periods which commence during the current Bond Year (whether or not any such Interest Payment Period ends with such current Bond Year) for such Fixed Interest Rate Bonds divided by the number of months occurring within such Bond Year with respect to such Fixed Interest Rate Bonds until each such Interest Account has on deposit with respect to such Bonds payable from such Interest Account an amount equal to 100% of the aggregate interest accruing or to accrue with respect to such Fixed Interest Rate Bonds for all such Interest Payment Periods which commence during such current Bond Year (whether or not any such Interest Payment Period ends within such current Bond Year) and (ii) for any Bonds which are not Fixed Interest Rate Bonds, an amount equal to one hundred fifty percent (150%) of the amount of that portion of the Adjusted Debt Service Requirements which constitutes interest accruing or to accrue with respect to all Interest Payment Periods which commence during the current Bond Year (whether or not any such Interest Payment Period ends within such current Bond Year) for such Bonds divided by the number of Interest Payment Dates within such Bond Year until such Interest Account has on deposit with respect to such Bonds an amount equal to 100% of the aggregate interest accruing or to accrue with respect to such Bonds payable from such Interest Account for all such Interest Payment Periods which commence during such current Bond Year (whether or not any such Interest Payment Period ends within such current Bond Year) (such transfers to be subject to the credits provided for below in clause (b) of this paragraph (1)); subject in each case to any credit with respect to any amounts on deposit in any applicable Capitalized Interest Account or the Project Fund and any earnings thereon to the extent required to be used and available for payment of interest on specific Bonds as contemplated in any applicable Supplemental Indenture and, in connection with this paragraph (1) above, (a) any net payment which the Authority is required to make with respect to any Qualified Swap Agreement shall be treated in the same manner and shall have the same claim upon Revenues as interest on the series of Bonds to which such Qualified Swap Agreement shall relate and (b) as of each Interest Payment Date for Bonds which are described in paragraph (1)(ii) above, to the extent that the actual interest payable with respect to such Bonds in any Interest Payment Period is less than the amount deposited into the Interest Account, then the excess amount so deposited shall be applied as a credit to reduce the amount otherwise required to be deposited in the next succeeding month or months pursuant to this paragraph (1)(ii); and then

(2) to each Principal Account, an amount equal to one hundred fifty percent (150%) of the principal due on the next succeeding December 15 and June 15 on the series of Bonds payable from such Principal Account divided by twelve until each such Principal Account has on deposit an amount equal to 100% of the aggregate principal of such Bonds payable therefrom on such December 15 and June 15; and, following the transfer of amounts for interest and principal under this subsection (C)(1) and (2) but prior to any further transfer required under the Indenture, Revenues shall be transferred to each Rebate Account in the amount required to comply with the Authority's Tax Covenants (see the caption "Tax-Exempt Status of the Bonds"), then

(3) to each Credit Account in the Bond Fund, an amount sufficient to pay any principal or interest then owing to a Credit Provider under the applicable Supplemental Indenture and Credit Agreement by reason of any drawing of amounts under the related Credit Facility for the payment of principal of or interest or premium on any Bonds, provided that the amount transferred pursuant to this section (C)(3) shall in no event be greater than the sum of (a) amounts received under the related Credit Facility for payment of amounts to or for the benefit of Owners of Bonds secured by such Credit Facility and (b) interest thereon at the lesser of (i) the rate specified in the Credit Agreement or (ii) the applicable rate of interest on the Bond or Bonds paid out of the proceeds of such Credit Facility; provided, that the amounts of the transfers described above in paragraphs (1), (2) and (3) shall be reduced to the extent of moneys previously transferred or required to be transferred to said Accounts under the Indenture or of a Supplemental Indenture; and then

(4) to each Redemption Account, the amount of available Revenues required to redeem Bonds subject to redemption pursuant to the related Supplemental Indenture; and then

(5) to each Expense Account, the amount then due and owing to the Trustee, any Paying Agent, Bond Registrar or other Fiduciary as Bond Service Charges which have not otherwise been provided for in (1), (2), (3) or (4) above; and then

(6) to the Debt Service Reserve Fund and to each Debt Service Reserve Account therein (if any), the amount of any transfer required by subsection (A)(1)(ii) or subsection (A)(2) set forth under the caption "Debt Service Reserve Fund" to restore any deficiency in the Debt Service Reserve Fund and any account therein or to pay any amounts then owing to a Credit Provider pursuant to a Credit Agreement relating to a Debt Service Reserve Fund Credit Facility; and then

(7) to each Expense Account, any amounts which are Bond Related Costs then due and owing relating to the administration (including remarketing) of the Bonds of the related series provided, however, no Authority Taxes or State Sales Tax Deposits shall be used to pay any Bond Related Costs other than those

described in clause (a) of the definition of Bond Related Costs and such other fees and expenses of Fiduciaries as the Authority has agreed to pay or cause to be paid; and then

(8) except as may be provided in one or more Supplemental Indentures to the contrary, to each Credit Account in the Bond Fund, the total amount then owing to the Credit Provider(s) under the applicable Credit Agreement(s) and not otherwise paid or provided for pursuant to (3) above; and then

(9) to the extent not prohibited by law or the Indenture (including any Supplemental Indenture) to any Project Account to the extent necessary to reimburse such Project Account for amounts applied pursuant to clause 3 under the caption “Deficiencies in the Interest Accounts or Principal Accounts” below; and then

(10) except as may be provided in one or more Supplemental Indentures to the contrary, to the Subordinate Securities Fund or other debt service fund established with respect to any Subordinate Securities, but only in amounts and at the times required to pay principal, interest and other amounts thereon as and when due, all as more further provided in any Supplemental Indenture authorizing the series of Subordinate Securities as permitted by the Indenture; and then

(11) except as may be provided in one or more Supplemental Indentures to the contrary, to the Excess Revenue Account for application pursuant to subsection (F) below.

(D) The Authority Act provides that the Revenues to be derived from the McCormick Place Expansion Project Fund shall be paid upon the Authority’s direction (as provided in the Original Indenture) to the Trustee on the first day of each month after July 1 of each Fiscal Year, subject to the annual appropriation of such amounts as are requested in the Authority Annual Certificate. Assuming timely appropriation and receipt of such Revenues on a monthly basis the Trustee shall apply such Revenues in the manner provided above in subsection (C). If, for any reason, such Revenues from the McCormick Place Expansion Project Fund shall not be timely received beginning on the first day of the first month after July 1 in any Fiscal Year, then the Trustee shall apportion such Revenues as and when received in such manner as it deems fair and equitable so as to accomplish the funding of the Accounts described in the order of priority as provided in subsection (C) above in the same manner and proportion as would have occurred had the Revenues from the McCormick Place Expansion Project Fund been received monthly at the times and in the amounts as described in the first sentence of this subsection (D).

(E) Solely for the purpose of administering matters arising under this caption entitled “Flow of Revenues,” any interest which is payable on Capital Appreciation Bonds or, prior to the Interest Commencement Date, on Deferred Interest Bonds, shall be deemed to be “due” in the Bond Year in which payment is scheduled to be made thereon and, for such purposes, such amounts shall be deemed to be “principal”

under subsection (C)(2) above rather than “interest” as described in subsection (C)(1) above.

(F) Subject to (G) below, amounts deposited into the Excess Revenue Account shall be applied as follows:

(1) To the extent that Surplus Revenues have been deposited in the Revenue Fund, and if all deficiencies in all Funds and Accounts under the Indenture have been restored, then the Trustee, at the request of the Authority is authorized to transfer to the Authority for deposit into the Surplus Revenues Fund, any amounts in the Excess Revenues Account which do not exceed the amount of Surplus Revenues previously deposited in the Revenue Fund; and

(2) Otherwise, any amounts on deposit in the Excess Revenue Account shall be transferred to the Revenue Fund and treated as current Revenues.

(G) The Authority may provide for a different allocation or priority of application of Excess Revenues in a Supplemental Indenture it being understood that no Excess Revenues shall be applied for any other such purpose in the event that there exists a deficiency in any Account within the Bond Fund or Debt Service Reserve Fund.

The operation of the Excess Revenue Project Subaccounts is governed by the provisions of Section 5.5(H) of the Indenture.

Bond Fund

(A) There shall be deposited into the Bond Fund all amounts required to be remitted, transferred or otherwise deposited therein as provided under the caption “Flow of Revenues” in this Appendix D together with such additional amounts to be deposited into various specified Accounts within the Bond Fund as described under this caption.

(B) Interest Accounts.

(1) Interest Accounts are created by the First Supplemental Indenture with respect to the Series 1992A Bonds, by the Second Supplemental Indenture with respect to the Series 1994 Bonds, by the Fourth Supplemental Indenture with respect to the Series 1996A Bonds, by the Fifth Supplemental Indenture with respect to the Series 1998 Bonds by the Sixth Supplemental Indenture with respect to the Series 1999 Bonds and by the Seventh Supplemental Indenture with respect to the Series 2002 Bonds. There shall be deposited in each Interest Account in the Bond Fund upon issuance of each series of Bonds, the amount of any accrued interest received from the Original Purchaser thereof and all other amounts required by subsection (C)(1) below.

Prior to the application of any amounts from the Revenue Fund to pay interest on the Bonds pursuant to the Original Indenture, the First Supplemental Indenture requires the Trustee to first apply accrued interest received upon the

issuance of the Series 1992A Bonds and, thereafter, amounts transferred from the Series 1992A Capitalized Interest Account described under the caption “Capitalized Interest Accounts” below as credits; the Second Supplemental Indenture requires the Trustee to first apply amounts, if any, transferred from the Series 1994 Capitalized Interest Account described under the caption “Capitalized Interest Accounts” below as a credit. Prior to the application of any amounts from the Revenue Fund to pay interest on the Series 1996A Bonds pursuant to the Original Indenture, the Fourth Supplemental Indenture requires the Trustee to first apply accrued interest deposited in the Interest Account upon the issuance of the Series 1996A Bonds; the Sixth Supplemental Indenture requires the Trustee to first apply accrued interest received upon the issuance of the Series 1999A Bonds, and, thereafter amounts transferred from the Series 1999A Capitalized Interest Account described under the caption “Capitalized Interest Accounts” below as credits, and the Seventh Supplemental Indenture requires the Trustee to first apply accrued interest received upon the issuance of the Series 2002A Bonds, and, thereafter amounts transferred from the Series 2002A Capitalized Interest Account described under the caption “Capitalized Interest Accounts” below as credits. Thereafter, the amount required to pay interest on the Bonds will be transferred from the Revenue Fund. No Capitalized Interest Account is created by the Fourth Supplemental Indenture or the Fifth Supplemental Indenture. If on any Interest Payment Date there are not sufficient amounts on deposit in the Interest Account to pay the total amount of interest coming due on the Bonds on such Interest Payment Date, the Trustee shall forthwith transfer to the Interest Account from other Funds and Accounts, an amount equal to the deficiency, in the same order as set forth in subsections (i) through (vi) under the caption “Deficiencies in the Interest Accounts or Principal Accounts” below in this Appendix D. Interest income derived from the investment of amounts on deposit in the Interest Account shall remain in the Interest Account and shall be credited against the amount next due to be transferred to the Interest Account from the Revenue Fund as described in subsection (C)(1) below. Notwithstanding the foregoing, any Rebate Amount on deposit in the Interest Account shall be transferred to the Rebate Account at the direction of the Authority.

(2) On each Interest Payment Date the Trustee shall withdraw from the Interest Account an amount sufficient to pay the interest coming due on the Bonds on such Interest Payment Date and shall use such amounts to pay, or make provision with the Paying Agent for the payment of, interest on the Bonds on such Interest Payment Date; provided however, that if and to the extent payment of interest on the Bonds, or any series thereof or specific portion thereof, shall be made from moneys drawn under a Credit Facility (other than a Debt Service Reserve Fund Credit Facility), the Trustee shall transfer to the subaccount in the Credit Account relating to such a series of Bonds or specific portion thereof and remit to the Credit Provider from said subaccount in the Credit Account, on the Interest Payment Date, all moneys replaced by Credit Facility proceeds or the Trustee shall otherwise apply such moneys as provided in the related Supplemental Indenture, Credit Agreement or Related Agreement. (In such circumstances, rather than establish a Credit Account, the First Supplemental

Indenture provides that AMBAC and Financial Guaranty are each subrogated to the rights of Owners of the AMBAC Insured Bonds (Series 1992A) and Financial Guaranty Insured Bonds (Series 1992A), respectively, and are entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured Bonds; rather than establish a Credit Account, the Second Supplemental Indenture provides that MBIA Insurance Corporation and Financial Guaranty are each subrogated to the rights of Owners of the Municipal Bond Investors Assurance Corporation Insured Bonds (Series 1994) and Financial Guaranty Insured Bonds (Series 1994), respectively, and are entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured Bonds; rather than establish a Credit Account, the Fourth Supplemental Indenture provides that AMBAC Indemnity and MBIA are each subrogated to the rights of the Owners of the AMBAC Insured Bonds and MBIA Insured Bonds, respectively, and are entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such Insured Bonds; rather than establish a Credit Account, the Fifth Supplemental Indenture provides that Financial Guaranty is subrogated to the rights of the Owners of the Financial Guaranty Insured Bonds (Series 1998), and is entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such Insured Bonds; rather than establish a credit account, the Sixth Supplemental Indenture provides that Financial Guaranty is subrogated to the rights of the Owners of the Financial Guaranty Insured Bonds (Series 1999), and is entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such Financial Guaranty Insured Bonds (Series 1999) and Credit Account, and the Seventh Supplemental Indenture provides that MBIA Insurance Corporation is subrogated to the rights of the Owners of the MBIA Insurance Corporation Insured Bonds (Series 2002), and is entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such MBIA Insurance Corporation Insured Bonds (Series 2002) and Credit Account.

(C) Principal Accounts.

(1) A Series 1992A Principal Account is created by the First Supplemental Indenture, a Series 1994 Principal Account is created by the Second Supplemental Indenture, a Series 1996A Principal Account is created by the Fourth Supplemental Indenture, a Series 1998 Principal Account is created by the Fifth Supplemental Indenture, a Series 1999 Principal Account is created by the Sixth Supplemental Indenture and a Series 2002 Principal Account is created by the Seventh Supplemental Indenture. There shall be transferred to the Principal Accounts, monthly, an amount required to be transferred from the Revenue Fund pursuant to subsection (C)(2) below. If on any Principal Payment Date there are not sufficient amounts on deposit in the Principal Accounts to pay the total amount of principal coming due on the Bonds on such Principal Payment Date, the Trustee shall forthwith transfer to the Principal Accounts from other Funds and Accounts, an equal amount to the deficiency, in the same order as is set forth in subsections (i) through (vi) under the caption "Deficiencies in the Interest

Accounts or Principal Accounts” below in this Appendix D. All interest income derived from the investment of amounts on deposit in the Principal Accounts shall remain in the Principal Accounts and be credited against the amount next due to be transferred to the Principal Accounts from the Revenue Fund as described in subsection (C)(2) below. Notwithstanding the foregoing, any Rebate Amount on deposit in the Principal Accounts shall be transferred to the Rebate Fund at the direction of the Authority.

(2) Amounts on deposit from time to time in the Principal Account shall be used on any Interest Payment Date to provide sums equal to any deficiency in any Interest Account as described under the caption “Deficiencies in the Interest Accounts or Principal Accounts.”

(3) On or before each Principal Payment Date, the Trustee shall withdraw from the Principal Accounts an amount sufficient to pay the scheduled principal coming due on the Bonds on such Principal Payment Date, and shall use such amounts to pay, or make provision with the Paying Agents for the payment of, principal of the Bonds on such Principal Payment Date, whether by reason of Stated Maturity or by reason of Mandatory Sinking Fund Requirements applicable to any Term Bonds; provided, however, that if and to the extent payment of principal coming due on the Bonds, or any series thereof or specific portion thereof, shall be made from monies drawn under a Credit Facility (other than a Debt Service Reserve Fund Credit Facility), the Trustee shall transfer to the subaccount within the Credit Account related to such series of Bonds or specific portion thereof and remit to the Credit Provider from said subaccount within the Credit Account, on the Principal Payment Date on which payment is made, all monies then on deposit in the Series 1992A Principal Account replaced by Credit Facility proceeds or the Trustee shall otherwise apply such moneys as provided in the related Supplemental Indenture, Credit Agreement or Related Agreement. (In such circumstances, rather than establish a Credit Account, the First Supplemental Indenture provides that AMBAC and Financial Guaranty are each subrogated to the rights of Owners of the AMBAC Insured Bonds and Financial Guaranty Insured Bonds (Series 1992A), respectively, and are entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured Bonds. Rather than establish a Credit Account, the Second Supplemental Indenture provides that MBIA Insurance Corporation and Financial Guaranty are each subrogated to the rights of Owners of the MBIA Insurance Corporation Insured Bonds (Series 1994) and Financial Guaranty Insured Bonds (Series 1994), respectively, and are entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured Bonds. Rather than establish a Credit Account, the Fourth Supplemental Indenture provides that AMBAC Indemnity and MBIA are each subrogated to the rights of Owners of the AMBAC Insured Bonds and MBIA Insured Bonds, respectively, and are entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such Insured Bonds. Rather than establish a Credit Account, the Fifth Supplemental Indenture provides that Financial Guaranty is subrogated to the rights of Owners of the Financial

Guaranty Insured Bonds (Series 1998) and is entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured Bonds. Rather than establish a Credit Account, the Sixth Supplemental Indenture provides that Financial Guaranty is subrogated to the rights of Owners of the Financial Guaranty Insured Bonds (Series 1999) and is entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured bonds.) Rather than establish a Credit Account, the Seventh Supplemental Indenture provides that MBIA Insurance Corporation is subrogated to the rights of Owners of the MBIA Insurance Corporation Insured Bonds (Series 2002) and is entitled to receive pro rata payments of principal and interest thereunder to the extent payments have been made on such insured bonds.)

(D) Redemption Accounts.

A Series 1992A Redemption Account is created by the First Supplemental Indenture for the Series 1992A Bonds, a Series 1994 Redemption Account is created by the Second Supplemental Indenture for the Series 1994 Bonds, a Series 1996A Redemption account is created by the Fourth Supplemental Indenture, a Series 1998 Redemption Account is created by the Fifth Supplemental Indenture, a Series 1999 Redemption Account is created by the Sixth Supplemental Indenture and a Series 2002 Redemption Account is created by the Seventh Supplemental Indenture.

(1) Any Surplus Revenues received by the Trustee as described below in subsection (F) under the caption “Surplus Revenues Fund” in this Appendix D, any excess Bond proceeds and other amounts to be used to prepay Bonds pursuant to the provisions of the Original Indenture described below in subsection (D) under the caption “Project Fund” in this Appendix D and any applicable Supplemental Indenture and such other sums designated for the prepayment of Bonds by the Authority shall be deposited in the Redemption Account and applied as provided by the Supplemental Indenture or if no provision is made by the applicable Supplemental Indenture, such amounts at the direction of the Authority shall be applied to purchase Bonds to be surrendered to the Trustee as a credit against Debt Service Requirements when due or to pay the principal of and premium, if any, of the Bonds then subject to and called for redemption. If on any Interest Payment Date there are not sufficient amounts on deposit in the Interest Accounts to pay the total amount of interest coming due on the Bonds on such Interest Payment Date or if on any Principal Payment Date there are not sufficient amounts on deposit in the Principal Accounts to pay the total amount of principal coming due on the Bonds on such Principal Payment Date the Trustee shall transfer from any sums on deposit in the Redemption Accounts to the Interest Accounts or Principal Accounts, as the case may be, an amount sufficient to make up any such deficiency as described below under the caption “Deficiencies in the Interest Accounts or Principal Accounts.” At the time of such transfer the Trustee shall notify the Authority of such transfer.

(2) If the series of Bonds to be redeemed (or any specific Bonds within such series) is secured by a Credit Facility, and the related Credit Facility or Credit Agreement provides that payment of principal of such series of Bonds (or specific Bonds within such series) will be made from such Credit Facility, the Trustee shall transfer to the subaccount within the Credit Account related to such series of Bonds and remit to the Credit Provider from such subaccount within the Credit Account, on the redemption date, all monies then on deposit in the Redemption Accounts replaced by Credit Facility proceeds.

(3) Any funds transferred to a Redemption Account from a Project Account as excess proceeds shall be applied only to redeem Bonds of the series from which such Project Account proceeds were derived. Other funds transferred to a Redemption Account shall be applied to redeem Bonds then subject to redemption as provided in the applicable Supplemental Indenture or, if the Supplemental Indenture does not specifically so provide, as the Authority shall direct in writing.

(4) All income derived from the investment of amounts on deposit in the Redemption Accounts shall be transferred to the applicable Interest Accounts and applied as a credit against the amounts next due to be transferred to the Interest Accounts from the Revenue Fund as provided in subsection (C)(1) above. Notwithstanding the foregoing, any Rebate Amount on deposit in the Redemption Account shall be transferred to the Rebate Fund.

(5) Notwithstanding any other provisions of the Indenture, moneys on deposit in a Redemption Account may be withdrawn therefrom only to the extent that such moneys have not theretofore been committed to the purchase or redemption of Bonds for which proper notice has been given.

(E) Expense Accounts.

(1) The Trustee shall create a separate Expense Account for each series of Bonds, with such subaccounts therein as the Authority shall from time to time provide, unless the Authority provides in a Supplemental Indenture or otherwise directs in writing that one such Account shall relate to Bonds of more than one series. A Series 2002 Expense Account has been created by the Seventh Supplemental Indenture.

(2) The Trustee shall transfer from the Revenue Fund to the applicable Expense Account the amounts directed by subsection (C)(5) and (7) under the caption "Flow of Revenues" for the payment of amounts therein specified. The Trustee may rely in good faith upon written directions of the Authority as to the amount to be transferred to an Expense Account, or disbursed therefrom to any payee, to the extent the Trustee has not previously been provided with the information necessary to make such a determination.

(3) All income derived from the investment of amounts on deposit in an Expense Account shall be retained therein and applied as a credit against the amounts next due to be transferred to such Expense Account from the Revenue Fund as provided in subsection (C)(5) and (7) under the caption “Flow of Revenues”; provided that all Rebate Amounts on deposit in any Expense Account shall be transferred to the related Rebate Account upon the direction of the Authority.

(F) Capitalized Interest Accounts. The Series 2002A Capitalized Interest Account is created under the Seventh Supplemental Indenture, to which certain proceeds of the sale of Bonds shall be deposited. As provided in the Seventh Supplemental Indenture, on each date Revenues are transferred pursuant to subsection (C)(1) under the caption “Flow of Revenues,” the Trustee shall transfer from the applicable Capitalized Interest Account to the related Interest Accounts, the amount of interest required to be transferred pursuant to such subsection (C)(1) under the caption “Flow of Revenues.” Each transfer shall be made on or immediately prior to the day on which the Trustee transfers or otherwise remits Revenues as provided in such subsection (C) above and shall be credited against the transfer then due from the Revenue Fund. Investment income on amounts held in the Capitalized Interest Accounts (net of investment losses and amounts required to be transferred to the Rebate Fund) shall be credited to the Capitalized Interest Accounts. No Capitalized Interest Account is created by the Fourth Supplemental Indenture or the Fifth Supplemental Indenture.

(G) Purchase Account.

(1) The Trustee shall deposit funds in the Purchase Account as follows and as provided in any Supplemental Indenture:

(a) the proceeds of remarketing of Bonds, except to the extent such proceeds are required by the terms of a Supplemental Indenture and related Remarketing Agreement to be paid to Bondowners selling such Bonds or to a Credit Provider which has provided the funds required to purchase Bonds;

(b) funds provided by a Credit Provider to purchase Bonds;

(c) other funds provided to the Trustee by the Authority or any other person accompanied by a written direction to deposit such funds in the Purchase Account; and

(d) any other funds required to be so deposited by a Supplemental Indenture.

(2) Funds from time to time held in the Purchase Account shall be disbursed therefrom as provided in the related Supplemental Indenture, or as directed in writing by the Authority, which direction may not be inconsistent with the other provisions of the Indenture or the applicable related Supplemental Indenture.

(3) Unless otherwise provided in the applicable Supplemental Indenture, all income derived from the investment of amounts on deposit in the Purchase Account shall be transferred upon receipt to the Revenue Fund; provided that all Rebate Amounts on deposit in the Purchase Account shall be transferred to the related Rebate Account upon direction of the Authority.

(H) Credit Account.

(1) To the extent so provided in the applicable Supplemental Indenture, the Trustee shall create a separate Credit Account within the Bond Fund for each series of Bonds (or specific Bonds within a series) secured by a Credit Facility which is not a Debt Service Reserve Fund Credit Facility. In addition, for any Credit Facility which constitutes a bond insurance policy or similar instrument pursuant to which the Credit Provider is entitled to subrogation rights as to amounts paid to Bond Owners secured thereby, the Supplemental Indenture relating thereto may provide for payment directly to such Credit Provider of available amounts in the Principal and Interest Accounts by reason of such subrogation rather than establishing a Credit Account and requiring a transfer of such amounts thereto prior to payment of such amounts to such a Credit Provider.

(2) All amounts drawn under a Credit Facility for which a Credit Account is established under this subsection (H) to pay the principal or redemption price of, purchase price of, premium, if any, and interest on, any series of Bonds or a specific portion thereof, shall be deposited in the related Principal Account, Interest Account, Purchase Account or other Account created under the related Supplemental Indenture and the Trustee shall apply such amounts to the purpose for which they were drawn, as further provided in the related Supplemental Indenture, Credit Agreement and Related Agreements. Promptly following such deposit and application, the Trustee shall transfer from the appropriate Fund or Account to the applicable Credit Account all Revenues or other amounts replaced by Credit Facility proceeds or such Revenues, or other amounts which become available by reason of the application of such Credit Facility proceeds as provided in the Supplemental Indenture, all of which amounts shall not exceed the amounts drawn on the Credit Facility and deposited pursuant to the first sentence of this subsection (H)(2) plus interest thereon at a rate which is the lesser of (a) the interest rate specified in the Credit Agreement or (b) the interest rate or rates on the Bonds paid with the proceeds of the Credit Facility. The Trustee shall remit such amounts from the applicable Credit Account to the applicable Credit Provider as shall be provided in the related Supplemental Indenture or Credit Agreement.

(3) The proceeds of any Credit Facility (other than a Debt Service Reserve Fund Credit Facility) issued in connection with and for the benefit of any series of Bonds (or specific Bonds within a series) shall be deposited as provided in this subsection (H) and the Supplemental Indenture for the related series of Bonds (or specific Bonds within a series) and shall be transferred and/or applied

solely for the benefit of the Bondowners of the series of Bonds (or specific Bonds within a series) to which the Credit Facility relates; and accordingly, the Owners of the Bonds of any other series shall not be entitled to the benefit of, or receive, the proceeds of a Credit Facility which does not secure the Bonds held by such Owners.

(4) The provisions of this section (H) are subject in all respects to the terms and conditions of each Credit Facility, Credit Agreement, Related Agreements and the related Supplemental Indenture.

Pro Rata Payments

In the event the amount then on deposit in the Interest Accounts or the Principal Accounts on a Payment Date is not sufficient to pay to the Owners of the Bonds the full amount of interest on and principal of all Outstanding Bonds then due and such deficiency cannot be cured as provided under the caption “Deficiencies in the Interest Accounts or Principal Accounts,” the Trustee shall nonetheless pay out all moneys on deposit in the Interest Accounts and Principal Accounts to the persons entitled thereto, pro rata according to the amount owed to each (subject in all events to any provisions to the contrary as to Credit Facilities or other amounts which a Supplemental Indenture may pledge or otherwise provide for under procedures by which specific Revenues thereunder are for the specific benefit of a series of Bonds or specific Bonds within a series).

Debt Service Reserve Fund

(A) An initial deposit to the credit of the Debt Service Reserve Fund is to be made by the Trustee from the proceeds of each series of Bonds in an amount equal to the Reserve Requirement (if any) for that series in the Supplemental Indenture or, in lieu thereof, the Authority may cause a Debt Service Reserve Fund Credit Facility to be delivered to the Trustee for such purpose. The Debt Service Reserve Fund Policy will be delivered to satisfy this requirement with respect to all Bonds outstanding immediately following the delivery of the Series 2002 Bonds. Thereafter the Debt Service Reserve Fund shall be maintained at the Debt Service Reserve Requirement by transfers to the Debt Service Reserve Fund from the Revenue Fund as provided in subsection (C)(6) under the caption “Flow of Revenues”; provided, however, (1) in the event the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement because of a transfer therefrom required pursuant to subsection (A) below under the caption “Deficiencies in the Interest Accounts or Principal Accounts,” then the Authority shall be required to restore the deficiency caused thereby (i) to the extent there are any amounts on deposit in the Surplus Revenues Debt Service Account by the transfer to the Trustee for deposit into the Debt Service Reserve Fund of the full amount on deposit in the Surplus Revenues Debt Service Account or such lesser amount a will cure such deficiency in the Debt Service Reserve Fund and, to the extent the full deficiency cannot be so cured, such amounts shall be applied ratably to each Account within the Debt Service Reserve Fund which has a deficiency, and (ii) to the extent any deficiency remains following application as provided in this subsection (A)(1)(i), by transfers of Revenues pursuant to subsection (C)(6) under the caption “Flow of Revenues” until such

deficiency is remedied and all amounts owed under or in connection with a Debt Service Reserve Fund Credit Facility, any related Credit Agreement and any Related Agreements have been paid in full and (2) in the event the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement because of any valuation of the investment securities as determined by application of the provisions of the Indenture, the Authority shall be required to restore the deficiency caused thereby by transfers of Revenues pursuant to subsection (C)(6) under the caption “Flow of Revenues” in twenty-four substantially equal monthly deposits commencing on the first month following a determination that such deficiency exists.

(B) If on any Interest Payment Date there are not sufficient amounts on deposit in the Interest Accounts to pay the total amount of interest coming due on any Bonds entitled to the benefit and security of the Debt Service Reserve Fund on such Interest Payment Date or if on any Principal Payment Date there are not sufficient amounts on deposit in the Principal Accounts to pay the total amount of principal coming due on any Bonds entitled to the benefit and security of the Debt Service Reserve Fund on such Principal Payment Date, and after making the transfers required to be made from other Funds or Accounts described below under the caption “Deficiencies in the Interest Accounts or Principal Accounts” prior to a transfer from the Debt Service Reserve Fund, the Trustee shall transfer sums on deposit in the Debt Service Reserve Fund to the Interest Accounts or Principal Accounts, as the case may be, in an amount sufficient to make up any such deficiency for any Bonds entitled to the benefit and security of the Debt Service Reserve Fund. In all such events, the Trustee shall not draw on any Debt Service Reserve Fund Credit Facility until all cash and any investment securities have been liquidated and applied as aforesaid unless all Credit Providers which have provided a Debt Service Reserve Fund Credit Facility have consented in writing to a different order of liquidation of investments.

(C) Except as provided in (D) below, following any transfer required by subsection (B) above the Trustee shall withdraw from the Debt Service Reserve Fund, and remit to each Credit Provider, (other than a Credit Provider which has provided a Debt Service Reserve Fund Credit Facility) any amounts required by the Debt Service Reserve Fund Policy Agreements and any other applicable Credit Agreement to be paid to the Credit Provider under such Credit Agreement; provided that such remittance shall not exceed the amount then due to the applicable Credit Provider and permitted to be so paid pursuant to subsection (C)(3) under the caption “Flow of Revenues” and subsection (H) under the caption “Bond Fund”; and provided further, that if the amount then on deposit in the Debt Service Reserve Fund is not sufficient to pay when due all amounts then due to all Credit Providers, the Trustee shall pay to each Credit Provider entitled to such payments from the amount available (pro rata according to the amount due to each Credit Provider) of the debt then due until all funds in the Debt Service Reserve Fund are exhausted.

(D) Debt Service Reserve Fund Credit Facility.

(1) The Trustee shall deposit in the related Debt Service Reserve Fund all amounts drawn under or in connection with a Debt Service Reserve Fund Credit Facility required to pay the principal or redemption price of and interest on, any series of Bonds or a specific portion thereof and shall apply such amounts to the purpose for which they were drawn as provided below under the caption “Deficiencies in the Interest Accounts or Principal Accounts” and as may be further provided in the related Supplemental Indenture.

(2) To the extent so provided in the applicable Supplemental Indenture, the Trustee shall create a separate Debt Service Reserve Fund Credit Account for each Debt Service Reserve Fund Credit Facility.

(3) If and to the extent that the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement and Revenues are transferred to the Debt Service Reserve Fund pursuant to subsection (C)(6) under the caption “Flow of Revenues,” such Revenues shall be applied first to satisfy any obligation of the Authority with respect to the Debt Service Reserve Fund Policy Agreements and any other applicable Credit Agreement or Related Agreements which relates to a Debt Service Reserve Fund Credit Facility, including interest or expenses relating to any repayment obligation of the Authority which may arise by reason of a drawing on such Debt Service Reserve Fund Credit Facility.

(4) The foregoing provisions are subject in all respects to the terms and conditions of each Debt Service Reserve Fund Credit Facility, Related Agreements and the related Supplemental Indenture.

(E) No later than thirteen (13) months preceding the final maturity date of each series of Bonds, the Authority shall elect in writing whether to apply amounts in the Debt Service Reserve Fund to the payment of the amount due on such final maturity date. The amount so applied shall not exceed the lesser of (1) the Debt Service Reserve Requirement attributable to that series of Bonds, or (2) the amount actually on deposit in the Debt Service Reserve Fund and attributable to that series of Bonds. If the Authority elects to so apply amounts in the Debt Service Reserve Fund, the amount to be so applied shall be transferred, in one-twelfth (1/12) installments, to the related Interest Accounts and Principal Accounts and each amount transferred shall be credited against the monthly amounts transferable from the Revenue Fund to the related Interest Accounts and Principal Accounts on account of the series of Bonds for which the election is made.

(F) All income derived from the investment of amounts on deposit in the Debt Service Reserve Fund shall be retained therein at all times when the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, and at all other times shall be transferred to the Revenue Fund and applied as otherwise described above under “Flow of Funds”; provided, that in all events, all Rebate Amounts allocable to amounts on deposit in the Debt Service Reserve Fund shall be transferred to the related Rebate Account.

Surplus Revenues Fund

(A) The Surplus Revenues Fund, and the Surplus Revenues Capital Repair and Rehabilitation Account and the Surplus Revenues Debt Service Account, shall be established by the Authority as separate, segregated Accounts with a financial institution selected by the Authority, which financial institution shall not be deemed a “Fiduciary” under or subject to the terms of the Indenture.

(B) Neither the Surplus Revenues Fund nor either Account therein shall be subject to the lien of the Indenture nor shall the Surplus Revenues Fund nor either Account therein be part of the Trust Estate established by the Indenture.

(C) All Surplus Revenues shall be paid to the Trustee and, once any required deposit to the Revenue Fund is made as described in subsection (A) under the caption “Flow of Revenues,” the remaining Surplus Revenues shall be paid forthwith to the Authority for deposit to the Surplus Revenues Fund.

(D) Following the satisfaction of the requirements as described in subsection (A) under the caption “Flow of Revenues,” there shall be deposited in the Surplus Revenues Fund, all Surplus Revenues transferred by the Treasurer of the State of Illinois to the Authority pursuant to item ‘fifth’ in Section 13(g) of the Authority Act and such other amounts as described in subsection F(2) under the caption “Flow of Revenues.” Except as described in subsection (A) under the caption “Flow of Revenues,” and under this caption, the Trustee shall have no obligation under this paragraph to collect, receive, disburse or account for such Surplus Revenues, and neither the Trustee, nor any Bondowner or Credit Provider, shall have any interest in or lien on such Surplus Revenues or the proceeds thereof except only as may be agreed to in writing by the Authority (and the Authority shall be under no obligation to enter into any such agreement).

(E) The Authority shall deposit all Surplus Revenues in the Surplus Revenues Capital Repair and Rehabilitation Account from time to time so long as the amount therein is not in excess of the Surplus Revenues Capital Repair and Rehabilitation Requirement. The Authority may apply the moneys on deposit in the Surplus Revenues Capital Repair and Rehabilitation Account at the times and in the amounts it determines appropriate, but only for such purposes as the Authority Act shall, from time to time, permit.

(F) If on any date there are not sufficient amounts on deposit in the Bond Fund to pay any scheduled principal or interest on the Bonds, the Authority may transfer from the Surplus Revenues Debt Service Account or the Surplus Revenues Capital Repair and Rehabilitation Account to the Revenue Fund the amount sufficient to cure any deficiency as provided in subsection (B) under the caption “Deficiencies in the Interest Accounts or Principal Accounts.” If on any date the amount on deposit in the Excess Revenue Reserve Subaccount is less than its required amount, the Authority shall transfer from the Surplus Revenues Debt Service Account or the Surplus Revenues

Capital Repair and Rehabilitation Account to the Excess Revenue Reserve Subaccount the amount of the deficiency.

(G) At any time the Authority may pay over or otherwise transfer to the Trustee amounts on deposit in the Surplus Revenues Fund for deposit into the Redemption Account or any other Fund or Account for any purpose permitted under the Indenture including the payment of principal and interest on any Bonds.

(H) Earnings on amounts held in the Surplus Revenues Fund shall be retained therein or disbursed as determined by the Authority, provided that amounts held in the Surplus Revenues Fund shall be transferred to the Surplus Revenue Debt Service Account if and to the extent that the amounts on deposit in the Surplus Revenues Capital Repair and Rehabilitation Account exceed the Surplus Revenues Capital Repair and Rehabilitation Requirement.

Deficiencies in the Interest Accounts or Principal Accounts

(A) In the event that on a Payment Date, the amounts then on deposit in the Interest Accounts or the Principal Accounts are not sufficient to pay to the Owners of the Bonds the full amount of interest on and principal of all Outstanding Bonds then due, the Trustee shall promptly notify the Authority of such fact and thereafter withdraw from other Funds and Accounts, in the following order, and transfer to the Interest Accounts or Principal Accounts, as appropriate, an amount equal to the deficiency:

(1) (a) the Revenue Fund other than amounts held in the Excess Revenue Account, then (b) the Excess Revenue Project Subaccounts, and then (c) the Excess Revenue Reserve Subaccount;

(2) any Redemption Account (other than amounts held therein to pay and redeem Bonds for which notice of redemption has theretofore been given, and amounts held therein to defease Outstanding Bonds as summarized below under the caption "Discharge of Lien");

(3) the Project Fund (to the extent such application is permitted by the Supplemental Indenture governing same);

(4) the Debt Service Reserve Fund;

(5) any Principal Account (for deficiencies in any Interest Account);
and

(6) any Interest Account (for deficiencies in any Principal Account);

provided, however, that if such Payment Date is a December 15 the Trustee shall, after notifying the Authority of such deficiency, (i) first transfer from the Interest Account to the Principal Account or from the Principal Account to the Interest Account an amount equal to such deficiency; provided that (a) any such transfer shall be made only from and to the extent of amounts on deposit in

such transferring Account in excess of the amount of interest or principal (as the case may be) required to be paid to Owners of the Bonds from such transferring Account on such December 15, (b) the amount then on deposit in the Debt Service Reserve Fund shall not be less than the Debt Service Reserve Requirement, (c) any such transfer shall be made from any accounts or subaccounts separately administered (by series of Bonds or otherwise) within such transferring Account in such amounts or proportions as the Authority shall direct in writing or, in the absence of such direction, as the Trustee shall determine, and (d) any such transfer shall constitute a temporary advance from such transferring Account to such transferee Account and all Revenues thereafter required to be deposited into the transferee Account pursuant to subsection (C)(1) or (2) under the caption "Flow of Revenues," as appropriate, shall instead be deposited in the transferring account until such advance has been reimbursed in full, and (ii) second, to the extent any such transfer is insufficient to fully cure such deficiency, the Trustee shall thereafter withdraw an amount equal to any remaining deficiency from other Funds, Accounts and Subaccounts in accordance with this subsection (A) without regard to this proviso.

For purposes of the provisions under this caption the terms "Interest Account" and "Principal Account" shall mean the Accounts so named and established in the Bond Fund by section 5.1(B)(3)(a) and (b) of the Original Indenture (as described under Section (B)(3)(a) and (b) under the caption "Pledge of Revenues; Creation of Funds and Accounts; Trust Moneys' Defined") and shall include, in each case, all accounts or subaccounts created and separately administered therein (by series of Bonds or otherwise) pursuant to Supplemental Indentures. In determining whether on any Payment Date the amount then on deposit in the Interest Account or the Principal Account is sufficient to pay to the Owners of the Bonds the full amount of the interest on and principal of all Outstanding Bonds then due, the amount on deposit in each such Account shall include the aggregate amount on deposit in such Account and in all such separately administered accounts and subaccounts within such Account and the Trustee shall apply such aggregate amount to the payment of interest or principal then due from the Interest Account or the Principal Account (as the case may be) without regard to any administrative account or subaccount designations within such Accounts.

The Seventh Supplemental Indenture permits the application of amounts in the Project Fund as described in (3) above. Deficiencies in the Interest Accounts shall be fully cured prior to curing any deficiency in the Principal Accounts.

(B) In lieu of or in addition to the withdrawals and transfers described in subsection (A) above, the Authority shall have the option to withdraw from the Surplus Revenues Fund (as described in subsection (F) under the caption "Surplus Revenues Fund") amounts necessary to pay such deficiency.

Cost of Issuance Fund

(A) The Trustee may establish within the Cost of Issuance Fund a separate, segregated Account for the benefit of one or more series of Bonds as provided in the Supplemental Indenture creating such series of Bonds. There shall be deposited in the Cost of Issuance Fund, from the proceeds of each series of Bonds, the amount specified pursuant to the Supplemental Indenture creating such Account. An initial amount described in the Official Statement in the table appearing under the caption “PLAN OF FINANCE” is required to be deposited therein. Further deposits to the Cost of Issuance Fund may be made from time to time as the Authority shall determine from any lawful source including from any Account in the Project Fund as described in subsection (B) under the caption “Project Fund.”

(B) Amounts from time to time on deposit in the Cost of Issuance Fund shall be disbursed to or upon the order of the Authority to pay the costs of issuance of a series of Bonds. The term “costs of issuance” shall include those amounts described in or permitted by a related Supplemental Indenture.

Project Fund

(A) Proceeds of one or more series of Bonds issued for a specific purpose or project shall be deposited in a separate, segregated Account within the Project Fund and shall be disbursed by the Trustee for the payment of the costs specified or authorized in the related Supplemental Indenture and permitted by the Authority Act. The Seventh Supplemental Indenture requires the amount of proceeds from the Series 2002A Bonds described in the Official Statement in the table under the caption ‘PLAN OF FINANCE’ to be deposited to the Project Account at the time the Series 2002A Bonds are issued and delivered. The Seventh Supplemental Indenture also creates the Refunding Account within the Project Fund for the sole purpose of receiving the net proceeds of the Series 2002B Bonds and the Series 2002C Bonds and applying such proceeds solely to defease the Refunded Bonds.

(B) Upon a written request of an Authority Representative, the Trustee shall transfer monies from the Project Fund to the Authority or its construction escrow agent for the purpose of providing funds for the payment of the costs authorized in the Supplemental Indenture authorizing the issuance of a series of Bonds. In addition, so long as such transfer or use is not prohibited by any applicable Supplemental Indenture, the Trustee shall transfer monies from the Project Fund to the Cost of Issuance Fund pursuant to any written request of an Authority Representative. The Seventh Supplemental Indenture does not contain such a prohibition. All such transfers shall be paid from requisitions submitted by an Authorized Representative to the Trustee from time to time as shall be provided by any such Supplemental Indenture. The Seventh Supplemental Indenture provides that such requisition must include a certification by the Authority that the amount requested thereby (1) will be applied to pay or reimburse the Authority for payment of costs of the Improvements financed by the 2002A Bonds, and (2) that the application of the proceeds of the Series 2002A Bonds, as applicable, to the purpose specified in the requisition will not violate any covenant or agreement with respect to

Tax-Exempt Bonds contained in the applicable sections of the Original Indenture and the related Supplemental Indenture. The Seventh Supplemental Indenture further provides that expenditures for certain costs of the Projects may only be made in compliance with certificates and agreements which contain certain tax covenants relating to the Series 2002A Bonds, as applicable. Disbursements of such Project Fund moneys by the Authority or the Authority's construction escrow agent (if any) for costs of construction shall be governed by rules and procedures of the Authority which shall be adopted to assure (1) that all monies derived from the Project Fund shall be used solely for the purposes of the Improvements and other costs financed, specified or authorized by the related Supplemental Indenture, and in compliance with the Authority Act and (2) that payments made from time to time will be for work, materials and services actually provided at or before the time of disbursement. Disbursements from the Series 2002A Project Account are required to be made to pay debt service on the Bonds under the circumstances described above under the caption "Deficiencies in the Interest Accounts or Principal Accounts" and such disbursements are required to be made prior to any claim being made on the Series 2002 Credit Facilities.

(C) The completion of any Project financed by one or more series of Bonds, shall be evidenced by a certificate of completion issued by the Authority and delivered to the Trustee, supported by certificates from the construction manager or the project architect/engineer stating the amount, if any, required for the payment of any remaining costs financed by such series of Bonds. Thereafter, the balance in the Project Fund, in excess of the amount, if any, stated in such certificate shall be applied by the Trustee as provided in subsection (D) below and the applicable Supplemental Indenture. Thereafter, if the Authority shall deliver a certificate to the Trustee stating that part or all of the amount retained in the Project Fund pursuant to this paragraph is no longer required for the payment of any remaining costs financed by such series of Bonds, the Trustee shall also apply any such excess amount as provided in subsection (D) below and the applicable Supplemental Indenture.

(D) The proceeds of any series of Bonds (and any earnings thereon) in the Project Fund in excess of the amount required to pay all costs financed thereby shall be transferred to the applicable Redemption Account and shall thereafter be promptly applied as described under the caption "Payment of Bonds" in this Appendix D to cause Bonds to be deemed paid as provided in the Indenture and any applicable provision of the related Supplemental Indenture; provided that the excess proceeds of Taxable Bonds, or of Tax-Exempt Bonds (if the Authority has received an opinion of Bond Counsel to the effect that such transfer will not impair the tax-exempt status of such Tax-Exempt Bonds), may be transferred to such other Fund or Account as the Authority may direct to the extent not prohibited by a Supplemental Indenture. The Seventh Supplemental Indenture provides that the Authority may select any Series 2002 Bonds, to cause to be deemed paid by the application of excess amounts in the Project Fund following completion of construction. Any amounts on deposit in the Project Fund in excess of the amount required to pay all costs financed by the related series of Bonds shall to the extent such amounts are attributable to a source other than the proceeds of Bonds or earnings thereon, be transferred or applied as directed by the Authority. Prior to any transfer from the Project Fund of the proceeds of any series of Tax-Exempt Bonds (or earnings

thereon) contemplated by this subsection, the Trustee shall cause the Authority to cause a Rebate Expert to calculate the Rebate Amount, if any, attributable to the investment of funds in the appropriate Account in the Project Fund, and shall transfer the Rebate Amount so calculated to the Rebate Fund prior to transferring any remaining monies as provided for in the Indenture.

(E) If permitted or required by the applicable Supplemental Indenture, amounts on deposit from time to time in the Project Fund shall be applied on any Payment Date to provide sums equal to any deficiency in the Interest Accounts or Principal Accounts as provided for in the Indenture.

(F) Notwithstanding anything in the Indenture to the contrary, Rebate Amounts attributable to Tax-Exempt Bonds and on deposit in the Project Fund shall be transferred to the Rebate Fund.

Deposit of Funds with Paying Agent

(A) The Trustee shall transfer and remit sums from the Bond Fund to the Paying Agent in advance of each Payment Date, from the balance then on hand in the Bond Fund, sufficient to pay all principal, interest and redemption premiums then due on Bonds. The Paying Agent shall hold in trust for the Owners of such Bonds all sums so transferred to it until paid to such Owners or otherwise disposed of as provided in the Indenture. If the Paying Agent is other than the Trustee, the Trustee shall designate each such transfer by the series designation of the series of Bonds to which it relates, and the monies so received by the Paying Agent shall be held in trust only for the Owners of the Bonds of the designated series.

(B) Interest on each Bond including accrued interest to the date of deposit and interest, to the extent permitted by law, on overdue installments of interest at the rate borne by such Bond, (1) shall cease on its maturity date, or on any prior redemption date, provided that funds sufficient for the payment thereof with accrued interest and any redemption premium have been deposited with the Paying Agent on or before the maturity date or redemption date, as the case may be, and in the case of redemption, that the requirements of the applicable Supplemental Indenture have been complied with, or (2) shall cease on any date after maturity or a redemption date on which such deposit has been made, and the Owner shall have no further rights with respect to the Bonds or under the Indenture except to receive the payment so deposited.

(C) If any Bond is not presented for payment when due and funds sufficient to pay such Bond shall have been paid to the Trustee (or other Paying Agent, if any): (1) all liability of the Authority for payment of such Bond shall forthwith cease, (2) such Bond shall forthwith cease to be entitled to any lien, benefit or security under the Indenture and the Owner of such Bond shall forthwith have no rights in respect thereof except to receive payment thereof, and (3) the Trustee (or other Paying Agent, if any) shall hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond. Any moneys still held by the Trustee (or other Paying Agent, if any) after four years and eleven months from the date on which the Bond with respect to which

such amount was paid to the Trustee (or other Paying Agent, if any), shall, if and to the extent permitted by law, be paid by the Trustee (or other Paying Agent, if any) to the Authority and the Trustee shall thereupon be discharged from the trust and all liability of the Paying Agent or the Trustee with respect to such trust money; and the Bondowners shall thereafter be entitled to look only to the Authority for payment, and the Authority shall not be liable for any interest thereon.

Additional Bonds

(A) All of the Bonds issued under a Supplemental Indenture shall collectively be a charge and lien upon the Revenues and the Trust Estate as provided in the Indenture and such charge and lien shall be prior to any other charge and lien upon the Revenues and Trust Estate. Except as permitted by the Indenture, no additional obligations payable from and secured by a lien on the Revenues and the remainder of the Trust Estate (except as to any Credit Facility which secures only a specific series of Bonds or specific Bonds of a series) shall be hereafter issued unless the lien on the Trust Estate and Revenues securing such additional obligations is expressly made a junior and subordinate lien upon the Revenues and the Trust Estate as described under the caption “Conditions to the Issuance of Subordinate Securities” in this Appendix D.

(B) So long as no Event of Default has occurred and is continuing, the Authority, from time to time after the execution and delivery, may enter into a Supplemental Indenture providing for the issuance of Additional Bonds for any purpose for which bonds or other obligations may be now or hereafter issued under the Authority Act.

(C) Any such Additional Bonds may bear interest at any rate lawful at the time of the issuance thereof and may mature over any period of time not exceeding the maximum maturity permitted by law, and may provide for such other payment terms and conditions as the Authority shall determine in a Supplemental Indenture.

(D) The Authority shall make such covenants, representations and agreements in the Supplemental Indenture related to each series of Additional Bonds which are Tax-Exempt Bonds as may be necessary or desirable in the opinion of Bond Counsel to assure the tax exempt status thereof.

Conditions to the Issuance of Additional Bonds

(A)(1) Additional Bonds payable from and secured by a lien on the Revenues and the remainder of the Trust Estate (except as to any Credit Facility which secures only a specific series of Bonds or specific Bonds of a series) on a parity basis with the then Outstanding Bonds may be hereafter issued if and only if the Trustee shall receive:

(a) a certificate of the Chairman of the Authority that no Event of Default under the Indenture has occurred and shall continue to exist immediately following the date of issuance of the Additional Bonds to be issued; and

(b) a certificate of the Chairman of the Authority that the amount of State Sales Tax Deposits which is authorized by law to be deposited in the McCormick Place Expansion Project Fund in each future Fiscal Year pursuant to the Authority Annual Certificate is not less than the Adjusted Debt Service Requirements for such Fiscal Year on all Outstanding Bonds, including for such purposes, the Additional Bonds to be issued; and

(c) an opinion of Bond Counsel or Independent Counsel stating, among other things, that subject to (1) a sufficient annual appropriation by the Illinois General Assembly and (2) the filing of the required Authority Annual Certificates and based upon the certificate described in subsection (b) above the State Treasurer will be required to pay from the McCormick Place Expansion Project Fund to the Trustee the amounts required to be included in the Authority Annual Certificates for all Outstanding Bonds including the Additional Bonds proposed to be issued.

(2) For purposes of the certification described in subsection (A)(1)(b) above, there shall be excluded from the Adjusted Debt Service Requirements any amounts otherwise due or to become due on Outstanding Bonds which have been refunded and are no longer Outstanding Bonds as a result of the issuance of such Additional Bonds.

(B) Any Supplemental Indenture which authorizes Additional Bonds shall establish the amount which shall be the Reserve Requirement to be funded in connection with such series of Additional Bonds and may amend the Indenture in order to provide for the funding, application and replenishment of any Account within the Debt Service Reserve Fund in connection therewith.

(C) If the Additional Bonds are subject to mandatory purchase or are to be purchased upon optional tender by the Owners thereof, any Revenues required to be segregated or set aside by the Authority to fulfill its purchase obligation shall be deemed additional Adjusted Debt Service Requirements with respect to the related series of Bonds in the amounts and at the times such amounts are required to be so set aside.

(D) The conversion of Variable Rate Bonds or Adjustable Rate Bonds to Fixed Interest Rate Bonds shall not be treated as the issuance of Additional Bonds subject to the other requirements described under this caption unless the interest rate to be borne by such Bonds from and after the date of conversion will exceed the maximum rate taken into account for the purposes of computing Adjusted Debt Service Requirements under subsection (A)(1)(b) above.

Refunding Bonds

(A) Notwithstanding the provisions described under the captions “Additional Bonds” and “Conditions to Issuance of Additional Bonds” above:

(1) Additional Bonds may be issued if and to the extent needed to refund maturing Bonds payable from the Revenues and the remainder of the Trust Estate in case the moneys in the Bond Fund are or will be insufficient to pay the same at maturity, which refunding Additional Bonds may be on a parity with other Bonds as to interest payments, but shall mature subsequent to all the Bonds which are payable from the Trust Estate and which are Outstanding upon issuance of the refunding Additional Bonds.

(2) Additional Bonds may be issued payable from the Revenues and the remainder of the Trust Estate to refund or advance refund all or any portion of the Bonds (or any series thereof or specific Bonds within a series) then Outstanding if the Authority files with the Trustee a certificate of the Chairman of the Authority to the effect that in each future Fiscal Year the amount that the Chairman of the Authority may certify as necessary and required to be deposited in the McCormick Place Expansion Project Fund pursuant to the Authority Annual Certificate is not less than the Adjusted Debt Service Requirements on all Outstanding Bonds, including for such purposes, any refunding Additional Bonds to be issued.

(B) Tax-Exempt Bonds shall not be advance refunded except as permitted by the Code.

Conditions to the Issuance of Subordinate Securities

(A) The Authority may issue, and pay principal, interest and other amounts due with respect to, Subordinate Securities payable out of the Revenues and other amounts which constitute the Trust Estate only as provided under this caption.

(B) Subordinate Securities payable from and secured by a lien, claim and charge which is junior and subordinate to the lien, claim and charge on the Revenues and the remainder of the Trust Estate securing any Outstanding Bonds (1) shall not be subject to acceleration of maturity except pursuant to a mandatory sinking fund and (2) shall not contain provisions which permit the declaration of an Event of Default under the Indenture upon any failure to pay principal of or interest on Subordinate Securities as and when due.

(C) Any series of Subordinate Securities shall provide that no Revenues shall be transferred or otherwise remitted from the Revenue Fund to the Subordinate Securities Fund for the payment of any amount of principal, interest or other amounts thereon if, as of the date such transfer or remittance is to be made, there are insufficient Revenues to make the deposits required by subsections (C)(1), (2), (3), (4), (5) and (6) under the caption "Flow of Revenues" in this Appendix D or to make any required transfers described under the caption "Deficiencies in the Interest Accounts or Principal Accounts."

Tax-Exempt Status of the Bonds

The Authority covenants in the Indenture to maintain the tax exempt status of the Tax-Exempt Bonds, and further covenants that, except as provided in the Supplemental Indenture, the “proceeds” of the Tax-Exempt Bonds (as such term is deferred in Section 148 of the Code) will not be used in a manner that would cause such Tax-Exempt Bonds to be “arbitrage bonds” (as such term is defined in Section 148 of the Code) and that it will file with the United States Internal Revenue Service any and all reports necessary to comply with the Code.

In the event that a profit is earned from the investment of bond proceeds at a yield above the bond calculated pursuant to the Code, the Authority covenants that such amounts earned in excess of the yield will be rebated to the United States Treasury. Notwithstanding the foregoing, if the Authority delivers to the Trustee an opinion of Bond Counsel that failure to make any rebate payments to the United States with respect to a series of Tax-Exempt Bonds will not adversely affect the tax-exempt status of the series of Tax-Exempt Bonds, then no rebate shall be required under the Indenture.

Investment of Funds.

Moneys held for the credit of the Funds established by the Indenture shall be held by the Trustee as required by law and shall at the written request or verbal request confirmed in writing, of the Authority Representative, or in the absence of such direction at the initiative of the Trustee, to the extent practicable and permitted by the Authority Act, be invested as received and reinvested by the Trustee in such securities as are authorized by law and which are Permitted Investments. The type, amount and maturity of such investments shall be as specified by the Authority Representative, subject to the approval of the Trustee; provided that (i) sums in the Bond Fund may in any event only be invested in securities which mature or are subject to redemption or repurchase at the option of the Trustee on or prior to the date or dates on which the Trustee anticipates that cash funds will be required, (ii) sums in the Debt Service Reserve Fund may never be invested in Permitted Investments at a price less than the par value thereof unless an opinion of Bond Counsel is first filed with the Trustee that such investment will not impair the tax exempt status of the Outstanding Tax-Exempt Bonds and (iii) any sums in the Debt Service Reserve Fund allocable to Tax-Exempt Bonds, together with the amounts, if any, in the Statutory Reserve which, pursuant to a written opinion of Bond Counsel such amounts are allocable to the Bonds, in excess of a “reasonably required reserve” for arbitrage purposes may only be invested in Restricted Obligations.

In computing the amount in any Fund, investments and accrued but unpaid interest thereon shall be deemed a part thereof, and such investments, other than in the Debt Service Reserve Fund, shall be valued at par value, or at the redemption price thereof, if then redeemable at the option of the holder; provided that in any event for purposes of determining whether any balance in a Fund may only be invested at a restricted yield to comply with Section 148(f) of the Code and related Treasury Regulations, any investments in the Fund shall be valued at their par value or the price (less accrued interest) at which they were purchased, whichever is the greater.

Discharge of Lien

Whenever the conditions specified in either clause (1) or clause (2) of the following subsection (A) and the conditions specified in the following subsections (B), (C), (D) and (E), to the extent applicable, shall exist, namely:

(A) either

(1) all Bonds have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding, however,

(a) Bonds for whose payment money has theretofore been deposited in trust or segregated and held in trust by a trust company or bank in the State having the power of a trust company and possessing capital and surplus of not less than \$100,000.000 as required by Section 10.1(f) of the Authority Act (which trust company or bank may be the Paying Agent or Trustee if the same otherwise is qualified to so as under Section 10.1 (f) of the Authority Act) and thereafter repaid to the Authority or discharged from such trust as provided under the caption “Deposit of Funds with Paying Agent”, and

(b) Bonds alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in the Indenture, and (i) which, prior to the satisfaction and discharge of the Indenture have not been presented to the Paying Agent or the Trustee with a claim of ownership and enforceability by the Owner thereof, or (ii) whose enforceability by the Owner thereof has been determined adversely to the Owner by a court of competent jurisdiction or other competent tribunal; or

(2) the Authority has deposited or caused to be deposited as trust funds:

(i) with the Paying Agent as provided under the caption “Deposit of Funds with Paying Agent” cash which shall be sufficient, or

(ii) with the Trustee cash and/or Defeasance Securities, which do not permit the redemption thereof at the option of the issuer thereof, the principal of, premium, if any, and interest on which when due (or upon the redemption thereof at the option of the holder), will, without reinvestment, provide cash which together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient to pay and discharge the entire indebtedness on Bonds not theretofore canceled by the Trustee or delivered to the Trustee for cancellation by the payment of interest on and principal (and premium, if any) of the Bonds which have

become due and payable or which shall become due at their stated maturity or redemption date, as the case may be. and which are to be discharged under the provisions of the Indenture, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of the Authority; and

(B) the Authority has paid, caused to be paid or made arrangements satisfactory to the Trustee for the payment of all other sums payable under the Indenture and under any Credit Facility, Credit Agreement and other Related Documents by the Trustee or the Authority until the Bonds secured by such Credit Facility are so paid; and

(C) the Authority has delivered to the Trustee a report of an Independent Accountant stating that the cash and payments to be made on the Defeasance Securities referred to in clause (2) of subsection (A) above will be sufficient to pay when due the principal of, premium, if any, and interest on the Bonds to be defeased; and

(D) if discharge is to be effected under clause (2) of subsection (A), an opinion of Bond Counsel is delivered to the Trustee stating in effect that such discharge will not impair the tax exempt status of the then Outstanding Tax-Exempt Bonds; and

(E) if full discharge and satisfaction of the Indenture is to be effected under clause (2) of subsection (A) above, an opinion of Independent Counsel to the effect that all conditions precedent to the satisfaction and discharge of the Indenture have been complied with;

then, the rights of Owners of such Bonds shall be limited to the cash or cash and securities deposited as provided in clause (1) or (2) of subsection (A) above, and the rights and interest granted by the Indenture and any related Supplemental Indenture, to or for the benefit of the Trustee or Bondowners shall cease, terminate and become null and void, and the Authority and the Trustee shall, at the expense of the Authority, execute and deliver such instruments of satisfaction and transfer as may be necessary, and forthwith the estate, right, title and interest of the Trustee in and to all rights under the Indenture and any Supplemental Indenture (except the moneys or securities or both deposited as required above) shall thereupon be discharged and satisfied.

Payment of Bonds

Any series of Bonds or a portion of any series of Bonds shall be deemed paid, if the conditions set forth in clause (1) or (2) of subsection (A) under the caption "Discharge of Lien" above and, if clause (2) is applicable and securities are deposited in trust, subsections (B), (C) and (D) of such caption, have been satisfied with respect thereto even though other Bonds may remain Outstanding and, if notice shall have been given as provided in the Indenture, such portion of Bonds or such series of Bonds shall

cease to be entitled to any lien, benefit or security under the Indenture. However, the liability of the Authority in respect of such portion of the Bonds or such series of Bonds, as the case may be, shall continue, but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Defeasance Securities deposited with the Trustee as aforesaid.

Default and Remedies

(A) Events of Default. Subject to the provisions described under the caption “Waiver of an Event of Default,” any of the following events is defined as and declared to be and to constitute an Event of Default (whatever the reason for such an Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) If default shall be made in the due and punctual payment of any interest on any Outstanding Bond secured by the Indenture; or

(2) If default shall be made in the due and punctual payment of the principal of or any redemption premium on any Outstanding Bond secured by the Indenture, whether at the stated maturity thereof or at the date fixed for redemption thereof; or

(3) If default shall be made in the due and punctual payment of any other moneys required to be paid to the Trustee under the provisions of the Original Indenture or any Supplemental Indenture, Credit Agreement or Related Document and such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default, shall have been given by the Trustee to the Authority, or to the Authority and the Trustee by the Owners of not less than a majority in aggregate principal amount of then Outstanding Bonds; or

(4) If default shall be made in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority contained in the Indenture, any Supplemental Indenture, the Bonds, Credit Agreement or Related Document, and such default shall have continued for a period of thirty (30) days after written notice thereof given in the manner provided in clause (3) above.

(B) Remedies.

(1) Upon the occurrence of an Event of Default, the Trustee may proceed to pursue any available remedy by suit at law or in equity to enforce all rights of the Bondowners, including without limitation the right to the payment of the principal or premium, if any, and interest on the then Outstanding Bonds out of any available Revenues or any remainder of the Trust Estate and, without limiting the foregoing, the Trustee shall, subject to the provisions described under the caption “Direction of Proceedings by Bondowners,” proceed to protect and enforce its rights and the rights of

Bondowners under the Authority Act, the Finance Act, the Indenture, any Credit Facility and any Related Document by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Indenture or in aid of execution of any power granted in the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee (being advised by Independent Counsel) shall deem most expedient in the interests of the Bondowners; provided, however, that the Trustee shall have tire right to decline to comply with any request of Bondowners if the Trustee shall be advised by Independent Counsel that the action so requested may not lawfully be taken or if the Trustee in good faith shall determine that such action would be unjustly prejudicial to the Bondowners not parties to such request and provided, further, that notwithstanding any other provision of the Indenture or under any Supplemental Indenture and under no circumstances (including in an Event of Default, upon an act of bankruptcy, upon a determination of insolvency, in connection with a receivership proceeding or otherwise) shall the Trustee, any Bondowner or any other person have the right or power to accelerate the maturity of any Bonds.

(2) Upon the occurrence of an Event of Default under any Related Document, the Trustee may also enforce any and all rights or obligations of the Authority thereunder.

(3) No remedy conferred upon or reserved to the Trustee in the Indenture (or to the Bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy (i) given to the Trustee or to the Owners or (ii) stow or hereafter existing at law or in equity or by statute.

(4) No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(5) No waiver of any Event of Default, whether by the Trustee or by the Owners, shall extend to or shall affect any subsequent Event of Default or impair any rights or remedies consequent thereon.

Under certain circumstances, a Credit Provider may have rights to direct the Trustee to take, or to consent to, certain actions upon a default under the Indenture or a Supplemental Indenture. See “CERTAIN PROVISIONS RELATING TO CREDIT FACILITIES AND CREDIT PROVIDERS” below.

Direction of Proceedings By Bondowners

The Owners of a majority in aggregate principal amount of the then Outstanding Bonds shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Original Indenture, the Supplemental Indentures and the Related Documents or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Priority of Payment and Application of Moneys

All Bonds issued and secured under the Indenture shall be equally and ratably secured by and payable from the Bond Fund, without priority of one Bond over any other, except as otherwise expressly provided (a) in the Original Indenture with respect to Bonds of a specific series (or specific Bonds within a series) secured by a Credit Facility or (b) in a Supplemental Indenture or (c) with respect to moneys or assets whether or not held in the Bond Fund pledged to secure one or more series of Bonds (or specific Bonds within a series) and not other Bonds. Upon the occurrence of an Event of Default, all moneys collected pursuant to action taken pursuant to the Trustee's or Bondowners' remedies under the Indenture 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, and after any other prior application of such moneys has been made as is required by law shall be deposited in such Fund or Funds described under the captions "Pledge of Revenues; Creation of Funds and Accounts; "Trust Moneys' Defined" as the Trustee deems appropriate; and all moneys in the Bond Fund (and, at the discretion of the Trustee except when otherwise required by the Indenture, any other Fund), excluding however (A) any moneys held in trust for the payment of any Bonds or interest thereon which have matured or otherwise become payable prior to such Event of Default, and (B) any moneys (such as Credit Facility proceeds) pledged exclusively to secure one or more specific series of Bonds (or specific Bonds within a series) shall be applied as provided as follows:

Unless the principal of all Bonds shall have become due and payable, all such moneys in the respective Funds securing such obligations shall be applied consistent with the respective priorities of liens and the respective purposes for such Funds each as follows:

FIRST: To the payment of 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, 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 of the persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds which shall have become due (other than Bonds which have matured or have otherwise become payable prior to such Event of Default and moneys for the payment of which are held in trust pursuant to the provisions of the Indenture) in the order of their due dates and, if the amount available shall not be sufficient to pay in full the unpaid principal and redemption premium, if any, on Bonds due on any particular due date, then to the payment ratably, according to the amount of principal and premium, if any, due on such date, to the persons entitled thereto, without any discrimination or privilege; and

THIRD: To the payment of interest and premium, if any, on and the principal of the Bonds and to the redemption of such Bonds, as thereafter may from time to time become due, all in accordance with the provisions of Article Five of the Original Indenture; and

FOURTH: To reimburse the Trustee for costs and expenses under the first unnumbered paragraph under this caption.

Whenever moneys are to be applied by the Trustee as stated above, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard to the source of such moneys, the priority of liens securing the Bonds, 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 (i) fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue and (ii) on or before such date set aside the moneys necessary to effect such application. The Trustee shall give to the Bondowners mailed notice of the deposit with it of any such moneys and of the fixing of any such date. Neither the Trustee nor any Paying Agent shall 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.

Rights and Remedies of Owners

No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Original Indenture, a Supplemental Indenture, a Credit Facility, Credit Agreement or any Related Documents or for the execution of any trust or for the appointment of a receiver, unless: (i) a default thereunder shall have become an Event of Default and the Owners of a majority in aggregate principal amount of the 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 granted under the Indenture or to institute such action, suit or proceeding in its own name; (ii) such Owners shall have offered to indemnify the Trustee as provided in the Indenture; and (iii) the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time the remedies granted in the Indenture, or to institute

such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are declared in every such case at the option of the Trustee under the Indenture to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Original Indenture, a Supplemental Indenture, a Credit Facility, Credit Agreement or a Related Document, or for the appointment of a receiver or for any other remedy thereunder; 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 the Indenture, by its, his, her or their action or to enforce any right thereunder except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of the Owners of all Bonds then Outstanding; provided, however, that nothing shall be construed to preclude any Bondowner from enforcing, or impair the right of any Bondowner to enforce, the payment by the Trustee of principal of, and interest and premium, if any, on any Bond of such Bondowner at or after its date of maturity, if and to the extent that such payment is required to be made to such Bondowner by the Trustee from available funds in accordance with the terms of the Indenture.

Waiver of an Event of Default

The Indenture gives the Trustee the right at its discretion to waive any Event of Default and its consequences and requires the Trustee to do so upon written request of the Owners of (1) a majority in aggregate principal amount of all the Bonds then Outstanding with respect to which default in the payment of principal, premium, and interest, or any of them, exists, or (2) a majority in aggregate principal amount of all the Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (A) any Events of Default in the payment of the principal of or premium on any Outstanding Bonds on the redemption date or a the date of maturity specified therein or (B) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver all arrearages of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such Event of Default shall have occurred, and all arrearages of payments of principal and premium, if any, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such Event of Default shall have occurred, and all expenses of the Trustee and Paying Agents in connection with such Event of Default, shall have been paid or provided for. No such waiver or rescission shall extend to any subsequent or other Events of Default, or impair any right consequent thereon.

Notice Required For Certain Events of Default Time to Cure Permitted

Anything in the Indenture to the contrary notwithstanding, no default under clause (3) or (4) listed under the heading “Defaults and Remedies – Events of Default” herein shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee to the Authority, and the Authority shall have had the time permitted by the applicable subsection after receipt of such notice to correct said default or cause said default to be corrected and the Authority shall not have corrected said default or caused said default to be corrected within said

time; provided, however, if said default occurs under such clause (4) and is such that it can be corrected but not within the stated time, it shall not constitute an Event of Default if corrective action is instituted by the Authority within said time and diligently pursued until the default is corrected. With regard to any alleged default concerning which notice is given to the Authority under such provisions, the Authority hereby names and appoints the Trustee as its attorney-in-fact and agent with full authority to perform any covenant or obligation of the Authority alleged in said notice to constitute a default, in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution; provided that the Trustee shall give the Authority notice of its intention so to perform on behalf of the Authority, and provided further that the Authority may at any time, by a writing addressed to the Trustee, cancel, withdraw, limit or modify the appointment hereby made. With respect to any series of Bonds or a specific portion thereof secured by a Credit Facility, the provisions of this paragraph shall apply to the related Credit Provider as though the Credit Provider were named therein.

Notice to Owners of Default

The Trustee shall give to the Bondowners written notice of all Events of Default known to the Trustee, within ninety (90) days after the occurrence of an Event of Default; provided that, except in the case of an Event of Default in the payment of the principal of or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors or chief executive officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Owners.

Trustee's Fees, Charges and Expenses

For acting under the Indenture, the Trustee shall be entitled to payment and/or reimbursement for reasonable fees for services rendered and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under the Indenture. 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 interest on or principal or premium, if any, of any Bond and upon the money received by it under the Indenture, for said fees, advances, counsel fees, costs and expenses incurred by it.

Resignation or Removal of the Trustee

The Trustee shall not resign from the trusts created by the Indenture unless and until a successor trustee has been appointed, which successor has agreed in writing to perform the duties of the Trustee and Bond Registrar. Subject to the preceding sentence, the Trustee and any successor trustee may at any time resign from the trusts by giving thirty (30) days written notice to the Authority and by first class mail to each Owner of Bonds as shown on the Bond Register. Such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor trustee by the Owners or by the Authority. The Trustee may be removed at any time by an instrument

or concurrent instruments in writing delivered to the Trustee, and to the Authority, and signed by the Owners of a majority in aggregate principal amount of then Outstanding Bonds.

Appointment of Successor Trustee. Successor Paying Agent and Co-Trustee

In case the Trustee shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the terms of the Indenture, 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 Authority or, if the Authority fails to appoint a successor, by the Owners of a majority in aggregate principal amount of the then Outstanding Bonds, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorney-in-fact, duly authorized. In case of such vacancy the Authority by resolution of its governing body may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Owners. Any such temporary trustee so appointed by the Authority shall immediately and without further act be superseded by the Trustee so appointed by such Owners. Every such Trustee appointed shall be a trust company or bank having trust powers and having a reported capital and surplus 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.

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

The provisions of the Indenture with respect to removal, resignation and appointment of a successor trustee shall be equally applicable to resignation, removal and appointment of a successor to the Paying Agent. The Trustee shall be eligible for appointment as successor to the Paying Agent.

Supplemental Indentures Not Requiring Consent of Bondowners

The Authority and the Trustee may supplement the Indenture without notice to or consent of any Bondholder so as to thereby:

- (1) provide for the issuance of Bonds or Additional Bonds or Subordinate Securities,
- (2) make such changes as may be necessary to obtain the award of an investment grade rating for all or any series of Bonds by a Rating Agency,
- (3) cure any ambiguity or formal defect or omission in the Original Indenture or in any Supplemental Indenture,

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

(5) more precisely identify the Trust Estate, or any other property which may become a part of the Trust Estate,

(6) subject to the lien and pledge of the Indenture additional revenues, properties or collateral,

(7) evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee and/or Paying Agent,

(8) modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to prevent any interest on Tax-Exempt Bonds from becoming taxable under the Code or as permitted by the Indenture,

(9) effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding however the provisions referred to in Section 316(a)(2) of said True Indenture Act of 1939,

(10) make any other change which is required by any provision of the Indenture or which is deemed by the Trustee necessary to reconcile the Indenture with the Related Documents, or any amendments thereto, or

(11) make any other change which in the judgment of the Authority and Trustee is necessary or desirable and will not materially prejudice any non-consenting Owner of a Bond.

Under certain circumstances, a Credit Provider may have rights to consent or withhold consents in connection with certain actions under the Original Indenture or the Supplemental Indenture and such rights may be supplemental to or in lieu of rights of Bondowners generally or owners of Bonds secured by the related Credit Facility. See “CERTAIN PROVISIONS RELATING TO CREDIT FACILITIES AND CREDIT PROVIDERS” below.

Supplemental Indentures Requiring Consent of Owners

The Trustee, upon receipt of an instrument evidencing the consent to the below-mentioned Supplemental Indenture by the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds, shall join with the Authority in the execution of such other supplemental indenture or indentures as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Original Indenture or in any Supplemental Indenture; provided, however, that nothing shall permit or be construed as permitting (1) an extension of the maturity of the principal or of the

interest on any Bond, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as may be otherwise expressly provided in the Indenture, or (4) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (5) modifying any of the provisions of this paragraph without the consent of the Owners of one hundred percent (100%) of the principal amount of all Bonds adversely affected thereby (“100% Bondowners’ Consent”).

If at any time the Authority shall request the Trustee to enter into any such supplemental indenture which does not require 100% Bondowners’ Consent, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Bondowners. If the Owners of a majority in aggregate principal amount of the then Outstanding Bonds at the time of the execution of any such supplemental indenture shall have consented to and approved the execution, 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 Authority from executing the same or from taking any action. Anything in the Indenture to the contrary notwithstanding, a supplemental indenture which adversely affects the rights of the Authority shall not become effective unless and until the Authority shall have consented (either in writing or by inaction) to the execution and delivery of such supplemental indenture.

Under certain circumstances, a Credit Provider may have rights to consent or withhold consents in connection with certain actions under the Original Indenture or the Supplemental Indenture and such rights may be supplemental to or in lieu of rights of Bondowners generally or owners of Bonds secured by the related Credit Facility. See “CERTAIN PROVISIONS RELATING TO CREDIT FACILITIES AND CREDIT PROVIDERS” below.

Amendments to Related Documents Not Requiring Bondowner Consent

The Authority and/or the Trustee may, without the consent of or notice to the Bondowners, consent to any amendment, change or modification of the Credit Facility, Credit Agreement or any of the Related Documents:

- (1) which may be required or permitted without Bondowner consent by the provisions of the Indenture;
- (2) for the purpose of curing any ambiguity or formal defect or omission;
- (3) to reconcile any Credit Facility, Credit Agreement or a Related Document with any amendment or supplement to the Indenture including any Supplemental Indenture; or

(4) to effect any other change in a Credit Facility, Credit Agreement or a Related Document which, in the judgment of the Authority and Trustee, will not materially prejudice any non-consenting Owner of a Bond.

Amendments to Related Documents Requiring Bondowner Consent

Except for (1) amendments, changes or modifications not requiring Bondowner consent, and (2) amendments, changes or modifications permitted by any Credit Facility, Credit Agreement or Related Document, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of any Related Document, without the giving of notice and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided that in no event shall such amendment, change or modification relieve the Authority of the obligation under the Credit Facility, Credit Agreement or any Related Document to make when and as due any payments required for the payment of principal, interest and any premium due or to become due on the Bonds unless the consent of the Owners of all Bonds adversely affected thereby is first secured. If the Owners of a majority in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such amendment shall consent to the execution thereof, 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 Authority from executing the same or from taking any action pursuant to the provisions thereof. Nothing in this paragraph shall permit or be construed as permitting a reduction or change in the stated maturities of the Bonds.

Limitation of Liability of Authority and its Officers, Employees and Agents

To the extent permitted by law, no provision, covenant or agreement contained in the Original Indenture or any Supplemental Indenture or the Bonds, or any obligation imposed upon the Authority, or the breach thereof, shall constitute or give rise to or impose upon any of the Authority's officers, employees or agents a pecuniary liability or give rise to or impose a charge upon the Authority's general credit or taxing powers (other than the Authority Taxes to the extent pledged in the Indenture). In making the agreements, provisions and covenants set forth in the Indenture, the Authority has not obligated itself except with respect to the Revenues and the Trustee Estate and the application thereof as provided in the Indenture.

CERTAIN PROVISIONS RELATING TO CREDIT FACILITIES AND CREDIT PROVIDERS

Special Provisions Relating To Financial Guaranty and Financial Guaranty Insured Bonds

The First Supplemental Indenture contains special provisions relating to Financial Guaranty and the Financial Guaranty Insured Bonds (Series 1992A), the Second Supplemental Indenture contains similar special provisions relating to Financial Guaranty and the Financial Guaranty Insured Bonds (Series 1994), the Fifth Supplemental Indenture contains similar provisions relating to Financial Guaranty and the Financial Guaranty Insured Bonds (Series 1998) and the Sixth Supplemental Indenture contains similar provisions relating to the Financial Guaranty Insured Bonds (Series 1999). Notwithstanding anything in the First Supplemental Indenture, the Second Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Financial Guaranty Bond Insurance Policies to the contrary, the special provisions in the First Supplemental Indenture shall only be applicable during the period any Financial Guaranty Insured Bonds (Series 1992A) are Outstanding and Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1992A); the special provisions in the Second Supplemental Indenture shall only be applicable during the period any Financial Guaranty Insured Bonds (Series 1994) are Outstanding and Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1994), the special provisions in the Fifth Supplemental Indenture shall only be applicable during the period any Financial Guaranty Insured Bonds (Series 1998) are Outstanding and Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1998) and the special provisions in the Sixth Supplemental Indenture shall only be applicable during the period any Financial Guaranty Insured Bonds (Series 1999) are Outstanding and Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1999). In the event that the Financial Guaranty Insured Bonds (Series 1992A) are paid in full, or during any period that there exists a default under the Financial Guaranty Bond Insurance Policy (Series 1992A), such special provisions shall cease to be effective, Financial Guaranty shall have no rights under the First Supplemental Indenture and the Authority shall no longer be subject to such provisions. In the event that the Financial Guaranty Insured Bonds (Series 1994) are paid in full, or during any period that there exists a default under the Financial Guaranty Bond Insurance Policy (Series 1994), such special provisions shall cease to be effective, Financial Guaranty shall have no rights under the Second Supplemental Indenture and the Authority shall no longer be subject to such provisions. In the event that the Financial Guaranty Insured Bonds (Series 1998) are paid in full, or during any period that there exists a default under the Financial Guaranty Bond Insurance Policy (Series 1998), such special provisions shall cease to be effective, Financial Guaranty shall have no rights under the Fifth Supplemental Indenture and the Authority shall no longer be subject to such provisions. In the event that the Financial Guaranty Insured Bonds (Series 1999) are paid in full, or during any period that there exists a default under the Financial Guaranty Bond Insurance Policy (Series 1999), such special provisions shall cease to be effective, Financial Guaranty shall have no rights under the

Sixth Supplemental Indenture and the Authority shall no longer be subject to such provisions. However, so long as such special provisions are effective, in the event of any conflict between such special provisions and the provisions of the Original Indenture, such special provisions shall control and be followed. The foregoing notwithstanding, each such special provision in the First Supplemental Indenture may be modified, amended or waived with the prior written consent of Financial Guaranty so long as Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1992A) and the Trustee, but without the consent of the Owners of any of the Bonds; each such special provision in the Second Supplemental Indenture may be modified, amended or waived with the prior written consent of Financial Guaranty so long as Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1994) and the Trustee, but without the consent of the Owners of any of the Bonds; each such special provision in the Fifth Supplemental Indenture may be modified, amended or waived with the prior written consent of Financial Guaranty so long as Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1998) and the Trustee, but without the consent of the Owners of any of the Bonds and each such special provision in the Sixth Supplemental Indenture may be modified, amended or waived with the prior written consent of Financial Guaranty so long as Financial Guaranty is not in default under the Financial Guaranty Bond Insurance Policy (Series 1999) and the Trustee, but without the consent of the Owners of any of the Bonds.

Consent of Financial Guaranty Required

(A) Any provision of the Indenture expressly recognizing or granting rights in or to Financial Guaranty may not be amended in any manner which affects the rights of Financial Guaranty under either the First Supplemental Indenture, Second Supplemental Indenture, Fifth Supplemental Indenture or Sixth Supplemental Indenture without the prior written consent of Financial Guaranty. Unless otherwise provided, Financial Guaranty's consent shall be required in addition to Bondowner consent, when required, for the initiation or approval of any action not described in the preceding sentence which requires Bondowner consent.

(B) Anything in the Original Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as therein defined, Financial Guaranty shall be entitled to control and direct the enforcement of all rights and remedies granted to Owners of the Financial Guaranty Insured Bonds (Series 1992A), the Financial Guaranty Insured Bonds (Series 1994), the Financial Guaranty Insured Bonds (Series 1998) under the Indenture and the Financial Guaranty Insured Bonds (Series 1999).

Notices to Financial Guaranty

While any of the Financial Guaranty Bond Insurance Policies is in effect, the Authority shall furnish to Financial Guaranty a copy of any financial statement of the Authority and a copy of any audit and annual report of the Authority, a copy of any notice to be given to the Owners of the Financial Guaranty Insured Bonds (Series 1992A), the Financial Guaranty Insured Bonds (Series 1994), or the Financial Guaranty Insured Bonds (Series 1998) or the Financial Guaranty Insured Bonds (Series 1999),

including, without limitation, notice of any redemption of or defeasance of Financial Guaranty Insured Bonds, the Authority's annual audited financial statements, a statement of the amount on deposit in the Bond Fund and Debt Service Reserve Fund as of the last valuation, and, if not presented in the audited financial statements, a statement of the balance in the Authority Tax Fund as of the preceding June 30 and the amount of Surplus Revenues payable as of the succeeding July 20, any official statement or other disclosure document, if any, prepared in connection with the issuance of Additional Bonds or Subordinate Securities, notice of any draw upon or deficiency due to market fluctuation in the amount, if any, on deposit in the Debt Service Reserve Fund, notice of the redemption, other than pursuant to Mandatory Sinking Fund Requirements of any of the Financial Guaranty Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof, and such additional information as Financial Guaranty may reasonably request from time to time.

The Trustee shall notify Financial Guaranty of any failure of the Authority to provide any Authority Annual Certificate. The Authority will permit Financial Guaranty to discuss the affairs, finances and accounts of the Authority or any information Financial Guaranty may reasonably request regarding the security for the Bonds with appropriate officers of the Authority. The Trustee will permit Financial Guaranty to have access to and to make copies of all books and records relating to the Bonds at any reasonable time. Financial Guaranty shall have the right to receive an official record of the collections of Authority Taxes.

Notwithstanding any other provision of the Indenture, the Trustee shall immediately notify Financial Guaranty if at any time there are insufficient moneys to make any payments of principal and/or interest as and when due and immediately upon the occurrence of any Event of Default.

Valuation of Investments

All investments in the Debt Service Reserve Fund shall be valued by the Trustee as frequently as deemed necessary by Financial Guaranty, but not less often than annually, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in the Debt Service Reserve Fund resulting from a decline in market value shall be restored no later than the succeeding valuation date. Investments purchased with funds on deposit in the Debt Service Reserve Fund shall have a term to maturity not greater than five years.

Events of Default: Supplemental Indentures

The Trustee shall give Financial Guaranty immediate notice of any payment default and notice of any other Event of Default known to the Trustee within 30 days of the Trustee's knowledge thereof.

For all purposes of the provisions of the Original Indenture governing Events of Default, except the giving of notice of default to Owners of Financial Guaranty Insured Bonds, Financial Guaranty shall be deemed to be the sole Owner of the Financial

Guaranty Insured Bonds for so long as it has not failed to comply with its payment obligations under the Financial Guaranty Bond Insurance Policies.

For all purposes of Article Twelve of the Original Indenture governing Supplemental Indentures, the prior written consent of Financial Guaranty shall also be required in each instance where the consent of the Owners of Financial Guaranty Insured Bonds is required.

Trustee Provisions

The Trustee shall furnish Financial Guaranty with written notice of any resignation or removal of the Trustee and the Authority shall furnish Financial Guaranty with written notice of the appointment of any successor thereto.

The Trustee shall not take the Financial Guaranty Bond Insurance Policies into account in determining whether the rights of Owners of the Financial Guaranty Insured Bonds are adversely affected by actions taken pursuant to the terms and provisions of the Indenture.

Financial Guaranty shall be included as a party in interest and as a party entitled to (i) notify the Trustee of the occurrence of an Event of Default and (ii) request the Trustee to intervene in judicial proceedings that affect the Financial Guaranty Insured Bonds or the security therefor. The Trustee shall be required to accept notice of default from Financial Guaranty.

Any Rating Agency rating the Financial Guaranty Insured Bonds must receive notice of each Supplemental Indenture and a copy thereof at least 15 days in advance of its execution or adoption.

Payment Procedure Pursuant to Financial Guaranty Bond Insurance Policy

The First Supplemental Indenture, the Second Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture each contains detailed provisions relating to notices to be given to Financial Guaranty in the event a payment may be required under the Financial Guaranty Bond Insurance Policy (Series 1992A), Financial Guaranty Bond Insurance Policy (Series 1994), Financial Guaranty Bond Insurance Policy (Series 1998) and Financial Guaranty Bond Insurance Policy (Series 1999), as applicable, requiring the provision of the Bond Register to Financial Guaranty under such circumstances, the making available to Financial Guaranty of a list of Owners of the Financial Guaranty Insured Bonds, setting forth the procedures for such Owners to obtain payment from Financial Guaranty or the applicable Fiscal Agent (Financial Guaranty Bond Insurance Policy) and providing for the subrogation of Financial Guaranty to the rights of Bondowners upon payment under the Financial Guaranty Bond Insurance Policies.

In the event that the Trustee has notice that any payment of principal or interest on a Financial Guaranty Insured Bond has been recovered from an Owner of a Financial Guaranty Insured Bond pursuant to the United States Bankruptcy Code by a

trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to Financial Guaranty, notify all Owners of Financial Guaranty Insured Bonds that in the event that any such Owner's payment is so recovered, such Owner of a Financial Guaranty Insured Bond will be entitled to payment from Financial Guaranty to the extent of such recovery, and the Trustee shall furnish to Financial Guaranty its records evidencing the payment of principal of and interest on the Financial Guaranty Insured Bonds which have been made by the Trustee and subsequently recovered from Owners of Financial Guaranty Insured Bonds, and the dates on which such payments were made.

Financial Guaranty shall, to the extent it makes payment of principal of or interest on the Financial Guaranty Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Bond Insurance Policies and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Trustee shall note the rights of Financial Guaranty as subrogee on the Bond Register upon receipt from Financial Guaranty of proof of the payment of interest thereon to the Owners of Financial Guaranty Insured Bonds and (2) in the case of subrogation as to claims for past due principal, the Trustee shall note the rights of Financial Guaranty as subrogee on the Bond Register for the Financial Guaranty Insured Bonds upon receipt of proof of the payment of principal thereof to the Owners of Financial Guaranty Insured Bonds. Notwithstanding anything in the Indenture or the Financial Guaranty Insured Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to Financial Guaranty to the extent that Financial Guaranty is a subrogee with respect thereto.

Payments with respect to claims for interest on and principal of Financial Guaranty Insured Bonds disbursed by the Trustee from proceeds of the Financial Guaranty Bond Insurance Policies shall not be considered to discharge the obligation of the Authority with respect to such Financial Guaranty Insured Bonds, and Financial Guaranty shall become the Owner of such unpaid Financial Guaranty Insured Bonds and claims for the interest in accordance with the special provisions of the First, Second, Fifth or Sixth Supplemental Indenture, as applicable, relating to Financial Guaranty.

The Authority and the Trustee agree in the First Supplemental Indenture, the Second Supplemental Indenture, the Fifth Supplemental Indenture and Sixth Supplemental Indenture for the benefit of Financial Guaranty that: (i) to the extent Financial Guaranty makes payments, directly or indirectly (as by paying through the Trustee), on account of principal of or interest on the Financial Guaranty Insured Bonds, Financial Guaranty will be subrogated to the rights of such Owner of Financial Guaranty Insured Bonds to receive the amount of such principal and interest from the Authority, with interest thereon as provided and solely from the sources stated in the Indenture and the Financial Guaranty Insured Bonds, and (ii) they will accordingly pay to Financial Guaranty the amount of such principal and interest, with any interest thereon as provided in the Indenture or the Financial Guaranty Insured Bonds, but only from the sources and in the manner provided in the Indenture for the payment of principal of and interest on the Financial Guaranty Insured Bonds to an Owner of Financial Guaranty Insured Bonds.

and will otherwise treat Financial Guaranty as the owner of such rights to the amount of such principal and interest.

Special Provisions For the Benefit of Financial Guaranty

(A) No Variable Rate Bonds may be issued by the Authority if secured on a parity basis by the Revenues unless (i) the requirements of the Original Indenture are satisfied with respect to the issuance of Additional Bonds, (ii) written notification of the terms and amount of such Variable Rate Bonds is provided by the Authority to each Rating Agency rating certain Bonds insured by Financial Guaranty, (iii) the Authority requests, in writing, a credit review and approval thereof by Financial Guaranty, and (iv) Financial Guaranty gives its written consent to the issuance of such Variable Rate Bonds, subject to any conditions which Financial Guaranty may then require.

(B) In addition to the terms and conditions of the Original Indenture governing the issuance of Additional Bonds payable from and secured by a lien on the Revenues and the remainder of the Trust Estate (except as to any Credit Facility which secures only a specific series of Bonds or specific Bonds of a series) on a parity basis with the then Outstanding Bonds, if such Additional Bonds are to be issued for a purpose other than refunding all of the Outstanding Series 1992A Bonds, Series 1994 Bonds, Series 1998 Bonds and Series 1999 Bonds, then notwithstanding satisfaction of the other applicable terms and conditions of the Original Indenture, no such Additional Bonds may be issued unless the Trustee and Financial Guaranty receive a certificate of the Chairman of the Authority to the effect that the amount of State Sales Tax Deposits which are authorized by law to be deposited in the McCormick Place Expansion Project Fund in each future Fiscal Year pursuant to the Authority Annual Certificate is not less than the Adjusted Debt Service Requirements for such Fiscal Year on all Outstanding Bonds, including for such purposes, the Additional Bonds to be issued and Bonds which will remain Outstanding immediately following the date of delivery of such Additional Bonds.

(C) The Authority shall not enter into a Qualified Swap Agreement without the prior written consent of Financial Guaranty.

(D) The definition of the term “Adjusted Debt Service Requirements” shall be deemed to exclude the provisions contained therein in clauses (A) and (B) of paragraph (i) and all of paragraph (ii) unless Financial Guaranty agrees in writing to the application of such clauses or paragraphs.

(E) Notice of the redemption of any Bonds, other than pursuant to Mandatory Sinking Fund Requirements and excepting any notice that refers to any Bonds that are the subject of an advance refunding, shall be circulated only if sufficient funds have been deposited with the Trustee to pay the redemption price of the Bonds to be redeemed.

(F) Notwithstanding any provision governing Events of Default to the contrary in the Original Indenture, in determining whether a payment default has occurred or whether a payment on the Bonds has been made under the Indenture, no effect shall be given to payments made under the Financial Guaranty Bond Insurance Policy.

Requirements For Debt Service Reserve Fund Credit Facilities in the Future

The Authority has agreed with Financial Guaranty that any Debt Service Reserve Fund Credit Facility other than the Debt Service Reserve Fund Policy shall conform to the following requirements:

(1) The Credit Provider of such Debt Service Reserve Fund Credit Facility shall be a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on bonds such as the Bonds if the claims paying ability of such Credit Provider shall be rated “AAA” or “Aaa” by S&P or Moody’s, respectively, or, if such Debt Service Reserve Fund Credit Facility is issued to the Trustee by an entity other than a municipal bond insurer, the form and substance of such instrument and the issuer thereof shall be approved by Financial Guaranty.

(2) If any such Debt Service Reserve Fund Credit Facility is a letter of credit, such letter of credit shall be payable in one or more draws upon presentation by the Trustee of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of such letter of credit shall be required to notify the Authority and the Trustee, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the Authority shall deposit in the Debt Service Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Fund together with any other Debt Service Reserve Fund Credit Facility, to equal the Reserve Requirement on all outstanding Bonds, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the expiring Debt Service Reserve Fund Credit Facility is replaced by a Debt Service Reserve Fund Credit Facility which qualifies under the related Supplemental Indenture. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The related Supplemental Indenture shall direct the Trustee to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement Debt Service Reserve Fund Credit Facility is in place or the Debt Service Reserve Fund is fully funded in its required amount.

(3) The use of any Debt Service Reserve Fund Credit Facility pursuant to the special provisions in certain Supplemental Indentures shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to Financial Guaranty. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the bonds (or any other account party under the letter of credit).

(4) The obligation to reimburse the Credit Provider of any Debt Service Reserve Fund Credit Facility for any fees, expenses, claims or draws upon the Debt Service Reserve Fund Credit Facility shall be subordinate to the payment of principal of and interest on Bonds as provided in the "Flow of Funds" provisions of the Original Indenture. The right of the Credit Provider of any Debt Service Reserve Fund Credit Facility to payment or reimbursement of its fees and expenses and all other amounts shall be on a parity with the rights of the Debt Service Reserve Fund Credit Provider (2002). The Debt Service Reserve Fund Credit Facility shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the Credit Provider of the Debt Service Reserve Fund Credit Facility to reimbursement will be further subordinated to cash replenishment of the Debt Service Reserve Fund to an amount equal to the difference between the full original amount available under the Debt Service Reserve Fund Credit Facility and the amount then available for further draws or claims.

(5) if (a) a Credit Provider which issues a Debt Service Reserve Fund Credit Facility becomes insolvent or (b) a Credit Provider which issues a Debt Service Reserve Fund Credit Facility defaults in its payment obligations thereunder or (c) the claims-paying ability of the Credit Provider of a Debt Service Reserve Fund Credit Facility which is an insurance policy or surety bond falls below "AAA" by S&P or "Aaa" by Moody's or (d) the rating of a Credit Provider which issues a Debt Service Reserve Fund Credit Facility which is a letter of credit falls below "AA" by S&P, then the obligation to reimburse such Credit Provider, whether pursuant to a Credit Agreement, a Related Document or by virtue of the "Flow of Funds" provisions of the Original Indenture, shall be fully subordinated to the application of other available Revenues to fund any other amount described in Clauses (1) through (6), inclusive, of the "Flow of Funds" provisions of the Original Indenture.

(6) If (a) the revolving reinstatement feature described in (4) above is suspended or terminated or (b) the rating of the claims paying ability of the Credit Provider of the Debt Service Reserve Fund Credit Facility falls below a S&P “AAA” or a Moody’s “Aaa” or (c) the rating of the Credit Provider of a Debt Service Reserve Fund Credit Facility which is a letter of credit falls below a S&P “AA”, the Authority shall either (i) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in such Debt Service Reserve Account to equal the Reserve Requirement on all outstanding Bonds entitled to the benefit of such Account, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such Debt Service Reserve Fund Credit Facility within six months of such occurrence.

(7) In the event (a) the rating of the claims-paying ability of the Credit Provider of a Debt Service Reserve Fund Credit Facility which is an insurance company falls below “A” by S&P or Moody’s or (b) the rating of the issuer of the letter of credit falls below “A” by S&P or (c) the Credit Provider of a Debt Service Reserve Fund Credit Facility defaults in its payment obligations or (d) such Credit Provider becomes insolvent, the Authority shall either (i) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in such Account to equal to Reserve Requirement on all Outstanding Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (ii) replace such Debt Service Reserve Fund Credit Facility with a surety bond, insurance policy or letter of credit meeting the requirements in (1) or (2) above within six months of such occurrence.

(8) Where applicable, the amount available for draws or claims under the Debt Service Reserve Fund Credit Facility may be reduced by the amount of cash or Permitted Investments deposited in the Debt Service Reserve Account pursuant to clause (i) of the preceding subparagraph (6) or (7).

(9) If the Authority chooses the above described alternatives to a cash-funded Debt Service Reserve Fund or any Account therein, any amounts owed by the Authority to the Credit Provider of such Debt Service Reserve Fund Credit Facility as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of Adjusted Debt Service Requirements required to be made pursuant to the Indenture for all purposes.

(10) Each Supplemental Indenture shall require the Trustee to ascertain the necessity for a claim or draw upon any related Debt Service Reserve Fund Credit Facility and to provide notice to the Credit Provider of each Debt Service Reserve Fund Credit Facility in accordance with its terms not later than three Business Days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Debt Service Reserve Fund Credit Facility) prior to each Interest Payment Date.

(11) Cash on deposit in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Debt Service Reserve Fund Credit Facility. If and to the extent that more than one Debt Service Reserve Fund Credit Facility is deposited in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Special Provisions Relating to AMBAC and AMBAC Insured Bonds

The First Supplemental Indenture and Fourth Supplemental Indenture each contains special provisions relating to AMBAC and AMBAC Insured Bonds. Notwithstanding anything in the First Supplemental Indenture and the Fourth Supplemental Indenture or in the AMBAC Bond Insurance Policies to the contrary, these special provisions shall only be applicable during the period any AMBAC Insured Bonds are Outstanding and AMBAC is not in default under the applicable AMBAC Bond Insurance Policy. In the event that the AMBAC Insured Bonds are paid in full, or during any period that there exists a default under the applicable AMBAC Bond Insurance Policy, these special provisions shall cease to be effective, AMBAC shall have no rights under the First Supplemental Indenture or Fourth Supplemental Indenture, as applicable, and the Authority shall no longer be subject to such special provisions. However, so long as such special provisions are effective, in the event of any conflict between such special provisions and the provisions of the Original Indenture, such special provisions shall control and be followed. The foregoing notwithstanding, each such special provision may be modified, amended or waived with the prior written consent of AMBAC so long as AMBAC is not in default under the AMBAC Bond Insurance Policies and the Trustee, but without the consent of the Owners of any of the Bonds.

Consent of AMBAC Required in Certain Circumstances

(A) Any provision of the Indenture expressly recognizing or granting rights in or to AMBAC may not be amended in any manner which affects the rights of AMBAC under the First Supplemental Indenture or the Fourth Supplemental Indenture without the prior written consent of AMBAC. Unless otherwise provided, AMBAC's consent shall be required in addition to Bondowner consent, when required, for the initiation or approval of any action not described in the preceding sentence which requires Bondowner consent.

(B) Anything in the Original Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as therein defined, AMBAC shall be entitled to control and direct the enforcement of all rights and remedies granted to Owners of the AMBAC Insured Bonds under the Indenture.

(C) Notwithstanding any provision to the contrary in the Original Indenture, the Authority shall not issue Additional Bonds which are Variable Rate Bonds, Adjustable Rate Bonds or Bonds subject to mandatory purchase by the Authority secured by the Indenture without the prior written consent of AMBAC.

(D) The Authority shall not enter into a Qualified Swap Agreement without the prior written consent of AMBAC.

Bonds Outstanding

Notwithstanding anything in the Indenture to the contrary, in the event that the principal and/or interest due on the AMBAC Insured Bonds shall be paid by AMBAC pursuant to the AMBAC Bond Insurance Policies, then the AMBAC Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Authority to the Owners shall continue to exist and shall run to the benefit of AMBAC, and AMBAC shall be subrogated to the rights of such Owners.

Miscellaneous Provisions

To the extent that the Indenture confers upon or gives or grants to AMBAC any right, remedy or claim under or by reason of the Indenture, AMBAC is explicitly recognized as being a third-party beneficiary under the Indenture and may enforce any such right, remedy or claim conferred, given or granted under the Indenture.

Special Provisions Relating to MBIA Insurance Corporation and MBIA Insurance Corporation Insured Bonds

The Second Supplemental Indenture, the Fourth Supplemental Indenture and the Seventh Supplemental Indenture contain special provisions relating to MBIA Insurance Corporation and MBIA Insurance Corporation Insured Bonds. Notwithstanding anything in the Second Supplemental Indenture, the Fourth Supplemental Indenture or in the applicable MBIA Insurance Corporation Bond Insurance Policies to the contrary, these special provisions shall only be applicable during the period any applicable MBIA Insurance Corporation Insured Bonds are Outstanding and MBIA Insurance Corporation is not in default under the applicable MBIA Insurance Corporation Bond Insurance Policy. In the event that the applicable MBIA Insurance Corporation Insured Bonds are paid in full, or during any period that there exists a default under the applicable MBIA Insurance Corporation Bond Insurance Policy these special provisions shall cease to be effective, MBIA Insurance Corporation shall have no rights under the Second Supplemental Indenture, the Fourth Supplemental Indenture or the Seventh Supplemental Indenture (as applicable) and the Authority shall no longer be subject to such special provisions. However, so long as such special provisions are effective, in the event of any conflict between such special provisions and the provisions of the Original Indenture, such special provisions shall control and be followed. The foregoing notwithstanding, each such special provision may be modified, amended or waived with the prior written consent of MBIA Insurance Corporation so long as MBIA Insurance Corporation is not in default under the applicable MBIA Insurance Corporation Bond Insurance Policy and the Trustee, but without the consent of the Owners of any of the Bonds.

Consent of MBIA Insurance Corporation Required in Certain Circumstances

(A) Certain provisions of the Indenture expressly recognizing or granting rights in or to MBIA Insurance Corporation may not be amended in any manner which affects the rights of MBIA Insurance Corporation under the Second Supplemental Indenture, the Fourth Supplemental Indenture or the Seventh Supplemental Indenture without the prior written consent of MBIA Insurance Corporation. Unless otherwise provided, MBIA Insurance Corporation's consent shall be required in addition to Bondowner consent, when required, for the initiation or approval of any action not described in the preceding sentence which requires Bondowner consent.

(B) Anything in the Original Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as therein defined, MBIA Insurance Corporation shall be entitled to control and direct the enforcement of all rights and remedies granted to Owners of the MBIA Insurance Corporation Insured Bonds under the Indenture.

(C) Notwithstanding any provision to the contrary in the Original Indenture, the Authority shall not issue Additional Bonds which are Variable Rate Bonds, Adjustable Rate Bonds or Bonds subject to mandatory purchase by the Authority secured by the Indenture without the prior written consent of MBIA Insurance Corporation.

Bonds Outstanding

Notwithstanding anything in the Indenture to the contrary, in the event that the principal and/or interest due on the MBIA Insurance Corporation Insured Bonds shall be paid by MBIA Insurance Corporation pursuant to an MBIA Insurance Corporation Bond Insurance Policy, then the applicable series of MBIA Insurance Corporation Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Authority to the Owners shall continue to exist and shall run to the benefit of MBIA Insurance Corporation, and MBIA Insurance Corporation shall be subrogated to the rights of such Owners.

Miscellaneous Provisions

To the extent that the Indenture confers upon or gives or grants to MBIA Insurance Corporation any right, remedy or claim under or by reason of the Indenture, MBIA Insurance Corporation is explicitly recognized as being a third-party beneficiary under the Indenture and may enforce any such right, remedy or claim conferred, given or granted the Indenture.

Special Provisions Relating to the Debt Service Reserve Fund Credit Provider

The Seventh Supplemental Indenture contains special provisions, including, without limitation, changes to the definition of “Permitted Investments” under the Indenture, for the benefit of Financial Guaranty in its capacity as Debt Service Reserve Fund Credit Provider under the Debt Service Reserve Fund Policy. Such special provisions shall only be applicable so long as no default has occurred and is continuing under the Debt Service Reserve Fund Policy. In the event that the Bonds are paid in full and all Policy Costs have been paid to the Debt Service Reserve Fund Credit Provider (2002), or during any period that there exists a default under the Debt Service Reserve Fund Policy, such special provisions shall cease to be effective, the Debt Service Reserve Fund Credit Provider (2002) shall have no rights under the Seventh Supplemental Indenture, and the Authority shall no longer be subject to such provisions. However, so long as such special provisions are in effect, in the event of any conflict between such special provisions and the Original Indenture, such special provisions shall control and be followed. The foregoing notwithstanding, each such special provision may be modified, amended or waived with the prior written consent of the Debt Service Reserve Fund Credit Provider (2002) so long as the Debt Service Reserve Fund Credit Provider (2002) is not in default under the Debt Service Reserve Fund Policy and the Trustee, but without the consent of the Owners of any of the Bonds.

Consents

(A) Any provision of the Indenture expressly recognizing or granting rights in or to the Debt Service Reserve Fund Credit Provider (2002) may not be amended in any manner which affects the rights of the Debt Service Reserve Fund Credit Provider (2002) under the Seventh Supplemental Indenture without the prior written consent of the Debt Service Reserve Fund Credit Provider (2002).

(B) Unless otherwise provided in this Section, the Debt Service Reserve Fund Credit Provider (2002)’s consent shall be required in addition to Bondowner consent, when required, for the initiation or approval of any action not described in (A) above which requires Bondowner consent.

Valuation of Investments

So long as the Debt Service Reserve Fund Policy is in effect the same provisions governing the valuation of investments in the Debt Service Reserve Fund as are described above under the caption “Valuation of Investments” relating to Financial Guaranty in its capacity as the Credit Provider of the Financial Guaranty Bond Insurance Policies shall be in effect with respect to the Debt Service Reserve Fund Credit Provider (2002).

Payment Procedure Pursuant to Debt Service Reserve Fund Policy

(A) In the event that, on the third Business Day, and again on the Business Day, prior to any Interest Payment Date on any of the Bonds, there is not on deposit with the Trustee sufficient moneys in the Principal Accounts, Interest Accounts or Capitalized Interest Accounts to pay all principal of and interest on the Bonds due on the third following or following, as the case may be, Business Day, the Trustee shall immediately notify the Debt Service Reserve Fund Credit Provider (2002) or its designees on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency. In making a determination as to the sufficiency of amounts available to make such payments, the Trustee shall not take into account amounts available under Credit Facilities which constitute municipal bond insurance, it being understood that drawings under such circumstances will be made first on any Debt Service Reserve Fund Policy securing the Bonds pro rata in accordance with the amounts available thereunder prior to any other type of Credit Facility.

(B) If the deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall so notify the Debt Service Reserve Fund Credit Provider (2002) or its designees.

(C) In addition to the foregoing, the Trustee shall make such demands on the Debt Service Reserve Fund Credit Provider (2002) as shall be required under the Debt Service Reserve Fund Policy in accordance with its terms so that moneys will be available as and when required pursuant to the Original Indenture.

Special Provisions For the Benefit of the Debt Service Reserve Fund Credit Provider (2002)

So long as the Debt Service Reserve Fund Policy is in effect the same special provisions established for the benefit of Financial Guaranty as are described above under the caption "Special Provisions For the Benefit of Financial Guaranty" and the provisions relating to additional Debt Service Reserve Fund Credit Facilities as described under the caption "Requirements for Debt Service Reserve Fund Credit Facilities in the Future," each relating to Financial Guaranty in its capacity as the Credit Provider of the Financial Guaranty Bond Insurance Policies, shall apply to the Debt Service Reserve Fund Credit Provider (2002).

Notwithstanding any other special provision of the Seventh Supplemental Indenture, no Additional Bonds shall be issued without the written consent of the Debt Service Reserve Fund Credit Provider (2002) if any Policy Costs are past due and owing under the Debt Service Reserve Fund Policy Agreement (2002).

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APPENDIX E

FORM OF OPINION OF CO-BOND COUNSEL TO THE AUTHORITY – TAX EXEMPT BONDS

July 2, 2002

The Board of the Metropolitan
Pier and Exposition Authority

Dear Members:

We have examined a record of proceedings relating to the issuance of \$802,008,690.15 aggregate original principal amount of McCormick Place Expansion Project Bonds, Series 2002A (the “Series 2002A Bonds”) and \$269,354,328.05 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 2002B (the “Series 2002B Bonds” and together with the Series 2002A Bonds, the “Bonds”) of the Metropolitan Pier and Exposition Authority (the “Authority”), a political subdivision, unit of local government, body politic and municipal corporation of the State of Illinois (the “State”). The Bonds are authorized and issued pursuant to the Metropolitan Pier and Exposition Authority Act, 70 Illinois Compiled Statutes 210 (the “Authority Act”) and by virtue of ordinances adopted by the Board of the Authority on June 4, 2002 and June 14, 2002 (collectively, the “Bond Ordinance”), an Indenture of Trust, dated as of December 15, 1992, as amended and supplemented (the “Original Indenture”), between the Authority and Amalgamated Bank of Chicago, as trustee (the “Trustee”), and a Seventh Supplemental Indenture of Trust, dated as of June 15, 2002 (the “Seventh Supplemental Indenture” and, together with the Original Indenture, the “Indenture”).

Concurrently with the issuance of the Bonds, the Authority will issue \$16,365,000 aggregate original principal amount of its McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable) (the “Series 2002C Bonds”). The Bonds and the Series 2002C Bonds are McCormick Place Expansion Project Bonds issued pursuant to Section 13.2 of the Authority Act and are additional bonds under the Original Indenture.

Pursuant to Section 13.2 of the Authority Act and the Original Indenture, the Authority has issued various series of its McCormick Place Expansion Project Bonds and may, by supplemental indenture, authorize and hereafter issue additional bonds for the purposes and upon the terms and conditions prescribed in the Original Indenture. Such additional bonds, when issued, shall, equally with the Bonds, the Series 2002C Bonds and all other McCormick Place Expansion Project Bonds theretofore issued under the Original Indenture, be entitled to the benefits and security of the Original Indenture, including the pledge of Revenues and other moneys and securities herein mentioned.

The Bonds consist of Current Interest Bonds, Capital Appreciation Bonds and Deferred Interest Bonds. The Bonds are dated as of July 2, 2002 and are issued and issuable only as fully registered bonds in the authorized denominations referred to in the Indenture.

The Current Interest Bonds bear interest from their date payable on December 15, 2002 and semiannually thereafter on each June 15 and December 15. The Capital Appreciation Bonds bear interest that compounds semiannually and is payable at maturity. The Deferred Interest Bonds bear interest on their respective Appreciated Values from their respective Interest Commencement Dates payable on the June 15 or December 15 next following such Interest Commencement Date and semiannually thereafter on each June 15 and December 15.

The Series 2002A Bonds that are Current Interest Bonds mature on the following maturity dates, in the principal amounts, and bear interest at the rates of interest per annum as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>
June 15, 2008	\$13,350,000	5.25%	December 15, 2028	\$260,320,000	5.00%
June 15, 2009	17,015,000	5.25	June 15, 2041	63,970,000	5.75
June 15, 2010	27,940,000	5.25	June 15, 2042	265,360,000	5.25
June 15, 2023	20,000,000	5.50			

The Series 2002A Bonds that are Deferred Interest Bonds mature on June 15 of the following years, have an Interest Commencement Date of June 15, 2017 and are issuable in the original principal amounts and in the total Appreciated Value at the Interest Commencement Date, and bear interest at the rates of interest per annum, as set forth below:

<u>Year</u>	<u>Original Principal Amount</u>	<u>Total Appreciated Value at Interest Commencement Date</u>	<u>Rate of Interest</u>
2024	\$12,857,734.30	\$29,795,000	5.70%
2025	17,261,600.00	40,000,000	5.70
2026	13,914,756.80	32,480,000	5.75
2027	4,594,697.25	10,725,000	5.75

The Series 2002A Bonds that are Capital Appreciation Bonds are issuable in the following original principal amounts and mature (without option of prior redemption) on the following maturity dates, in the total Accreted Value at maturity as set forth below:

<u>Maturity Date</u>	<u>Total Original Principal Amount</u>	<u>Total Accreted Value at Maturity</u>
December 15, 2023	\$5,180,068.80	\$ 63,110,000
December 15, 2024	3,988,530.00	54,600,000
December 15, 2025	4,186,644.00	64,400,000
December 15, 2026	2,409,290.40	41,640,000
December 15, 2029	6,595,539.05	161,695,000
June 15, 2030	3,682,151.20	95,690,000
December 15, 2030	5,869,528.50	161,695,000
June 15, 2031	3,276,425.60	95,690,000
December 15, 2031	5,224,365.45	161,695,000
June 15, 2032	2,916,631.20	95,690,000
December 15, 2032	4,648,731.25	161,695,000
June 15, 2033	2,595,112.80	95,690,000
December 15, 2033	4,137,775.05	161,695,000
June 15, 2034	2,309,956.60	95,690,000
December 15, 2034	3,681,795.15	161,695,000
June 15, 2035	2,055,421.20	95,690,000
December 15, 2035	3,277,557.65	161,695,000
June 15, 2036	1,829,592.80	95,690,000
December 15, 2036	2,916,977.80	161,695,000
June 15, 2037	1,628,643.80	95,690,000
December 15, 2037	2,595,204.75	161,695,000
June 15, 2038	1,448,746.60	95,690,000
December 15, 2038	2,310,621.55	161,695,000
June 15, 2039	1,289,901.20	95,690,000
December 15, 2039	2,055,143.45	161,695,000
June 15, 2040	1,147,323.10	95,690,000
December 15, 2040	1,828,770.45	161,695,000
June 15, 2041	338,452.40	31,720,000

The Series 2002A Current Interest Bonds maturing on or after June 15, 2023 are subject to redemption prior to maturity at the option of the Authority, on and after June 15, 2012, as a whole or in part at any time, and if in part in such order of maturity as the Authority shall determine and within any maturity by lot, at the various redemption prices specified in the Series 2002A Current Interest Bonds and established pursuant to the Indenture.

The Series 2002A Current Interest Bonds maturing on December 15, 2028 are subject to mandatory redemption prior to maturity, by lot on the following dates by application of sinking fund payments in the following amounts, at a redemption price equal to the principal amount thereof to be redeemed:

<u>Date</u>	<u>Amount</u>
June 15, 2027	\$ 46,385,000
December 15, 2027	104,295,000

The Series 2002A Current Interest Bonds maturing on June 15, 2042 are subject to mandatory redemption prior to maturity, by lot, on December 15, 2041 by the application of a sinking fund payment in the amount of \$163,530,000, at a redemption price equal to the principal amount thereof to be redeemed.

The Series 2002A Deferred Interest Bonds are subject to redemption prior to maturity at the option of the Authority, on and after June 15, 2022, as a whole or in part at any time, and if in part in such order of maturity as the Authority shall determine and within any maturity by lot, at the various redemption prices specified in the Series 2002A Deferred Interest Bonds and established pursuant to the Indenture.

The Series 2002B Bonds that are Current Interest Bonds mature on June 15 in each of the years, in the principal amounts, and bear interest at the rates of interest per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>
2011	\$39,065,000	5.25%	2016	\$ 4,795,000	5.50%
2013	710,000	4 3/8	2021	49,910,000	5.00
2014	745,000	4.50	2023	60,000,000	5.75
2015	780,000	4.50			

The Series 2002B Bonds that are Deferred Interest Bonds mature on June 15 of the following years, have Interest Commencement Dates and are issuable in the original principal amounts and in the total Appreciated Values at the Interest Commencement Dates, and bear interest at the rates of interest per annum, as set forth below:

<u>Year</u>	<u>Interest Commencement Date</u>	<u>Original Principal Amount</u>	<u>Total Appreciated Value at Interest Commencement Date</u>	<u>Rate of Interest</u>
2017	June 15, 2012	\$ 9,031,946.15	\$15,055,000	5.20%
2018	June 15, 2012	8,915,070.70	15,005,000	5.30
2019	June 15, 2012	15,769,388.00	26,800,000	5.40
2020	June 15, 2012	23,449,457.60	40,240,000	5.50
2021	June 15, 2012	14,941,638.80	25,765,000	5.55
2022	June 15, 2017	34,179,674.70	78,630,000	5.65
2023	June 15, 2017	7,062,152.10	16,365,000	5.70

The Series 2002B Current Interest Bonds maturing on or after June 15, 2013 are subject to redemption prior to maturity at the option of the Authority, on and after June 15, 2012, as a whole or in part at any time, and in part in such order of maturity as the Authority shall determine and within any maturity by lot, at the various redemption prices specified in the Series 2002B Current Interest Bonds and established pursuant to the Indenture.

The Series 2002B Deferred Interest Bonds maturing on June 15 of the years 2018 to 2021, both inclusive, are subject to redemption prior to maturity at the option of the Authority, on and after June 15, 2017, as a whole or in part at any time, and if in part in such order of maturity as the Authority shall determine and within any maturity by lot, at the various redemption prices specified in the Series 2002B Deferred Interest Bonds and established pursuant to the Indenture.

In connection with the issuance of the Bonds we have examined the following: (a) the Constitution of the State, a certified copy of the Bond Ordinance and such laws as we deemed pertinent to this opinion; (b) executed counterparts of the Original Indenture and the Seventh Supplemental Indenture; and (c) such other documents, showings and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The Authority is a political subdivision, unit of local government, body politic and municipal corporation duly existing under the laws of the State. The Authority had and has all requisite power and authority under the Constitution and the laws of the State (i) to adopt the Bond Ordinance, (ii) to enter into the Original Indenture and the Seventh Supplemental Indenture with the Trustee and to issue the Bonds thereunder, and (iii) to perform all of its obligations under the Bond Ordinance, the Original Indenture and the Seventh Supplemental Indenture.

2. The Original Indenture and the Seventh Supplemental Indenture have been duly authorized, executed and delivered by the Authority, constitute valid and binding obligations of the Authority and are legally enforceable in accordance with their terms. The Indenture creates a valid pledge of Revenues (as defined in the Indenture) and other moneys and securities held thereunder for the benefit and security of the Bonds, subject to application thereof in the manner provided in the Indenture. The Indenture creates a valid security interest in the Revenues and other moneys and securities held by the Trustee under the terms of the Indenture subject to the application thereof in the manner provided in the Indenture.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited and special obligations of the Authority and are enforceable in accordance with their terms. The Bonds are entitled to the benefits and security of the Indenture and are payable from the Revenues and other moneys and securities pledged therefor under the Indenture.

4. Subject to the annual appropriation by the General Assembly of the State and the annual filing by the Authority of Annual Certifications with the Treasurer of the State and the Comptroller of the State pursuant to the Indenture and Section 8.25f of the State Finance Act, 30 Illinois Compiled Statutes 105, the Treasurer of the State is required to pay to the Trustee from the McCormick Place Expansion Project Fund in each fiscal year that the Bonds are scheduled to be outstanding the amounts certified by the Authority in such Authority Annual Certification as necessary and required for the purpose of paying principal of, premium, if any, and interest on the McCormick Place Expansion Project Bonds (including the Bonds) when due, but not in excess of the limitation on the annual amount set forth in said Section 8.25f of the State Finance Act.

5. Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not private activity bonds; therefore, interest on the Bonds does not constitute an item of tax preference for purposes of computing individual or corporate alternative minimum income. You are advised, however, that interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exemption from Federal income taxes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use and tax ownership of the property financed with the proceeds of the Bonds. The Authority has covenanted in the Indenture to comply with these requirements.

With respect to the exclusion from gross income for Federal income tax purposes of interest on the Bonds, we have relied on the verification report of Grant Thornton LLP, certified public accountants, regarding the computation of the actuarial yield on the Bonds and of certain investments made with the proceeds of the Bonds.

Interest on the Bonds is not exempt from present Illinois income taxes.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds and the Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

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APPENDIX F

FORM OF OPINION OF CO-BOND COUNSEL TO THE AUTHORITY – TAXABLE BONDS

July 2, 2002

The Board of the Metropolitan
Pier and Exposition Authority

Dear Members:

We have examined a record of proceedings relating to the issuance of \$16,365,000 aggregate original principal amount of McCormick Place Expansion Project Refunding Bonds, Series 2002C (Taxable) (the “Bonds”) of the Metropolitan Pier and Exposition Authority (the “Authority”), a political subdivision, unit of local government, body politic and municipal corporation of the State of Illinois (the “State”). The Bonds are authorized and issued pursuant to the Metropolitan Pier and Exposition Authority Act, 70 Illinois Compiled Statutes 210 (the “Authority Act”) and by virtue of ordinances adopted by the Board of the Authority on June 4, 2002 and June 14, 2002 (collectively, the “Bond Ordinance”), an Indenture of Trust, dated as of December 15, 1992, as amended and supplemented (the “Original Indenture”), between the Authority and Amalgamated Bank of Chicago, as trustee (the “Trustee”), and a Seventh Supplemental Indenture of Trust, dated as of June 15, 2002 (the “Seventh Supplemental Indenture” and, together with the Original Indenture, the “Indenture”).

Concurrently with the issuance of the Bonds, the Authority will issue \$802,008,690.15 aggregate original principal amount of its McCormick Place Expansion Project Bonds, Series 2002A (the “Series 2002A Bonds”) and \$269,354,328.05 aggregate original principal amount of its McCormick Place Expansion Project Refunding Bonds, Series 2002B (the “Series 2002B Bonds”). The Bonds, the Series 2002A Bonds and the Series 2002B Bonds are McCormick Place Expansion Project Bonds issued pursuant to Section 13.2 of the Authority Act and are additional bonds under the Original Indenture.

Pursuant to Section 13.2 of the Authority Act and the Original Indenture, the Authority has issued various series of its McCormick Place Expansion Project Bonds and may, by supplemental indenture, authorize and hereafter issue additional bonds for the purposes and upon the terms and conditions prescribed in the Original Indenture. Such additional bonds, when issued, shall, equally with the Bonds, the Series 2002A Bonds, the Series 2002B Bonds and all other McCormick Place Expansion Project Bonds theretofore issued under the Original Indenture, be entitled to the benefits and security of the Original Indenture, including the pledge of Revenues and other moneys and securities herein mentioned.

The Bonds are Current Interest Bonds, are dated as of July 2, 2002 and are issued and issuable only as fully registered bonds in the authorized denominations referred to in the Indenture.

The Bonds bear interest from their date payable on December 15, 2002 and semiannually thereafter on each June 15 and December 15. The Bonds mature (without option of prior redemption) on June 15 in each of the years, in the principal amounts, and bear interest at the rates of interest per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>
2005	\$15,485,000	4.07%
2006	880,000	4.44

In connection with the issuance of the Bonds we have examined the following: (a) the Constitution of the State, a certified copy of the Bond Ordinance and such laws as we deemed pertinent to this opinion; (b) executed counterparts of the Original Indenture and the Seventh Supplemental Indenture; and (c) such other documents, showings and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The Authority is a political subdivision, unit of local government, body politic and municipal corporation duly existing under the laws of the State. The Authority had and has all requisite power and authority under the Constitution and the laws of the State (i) to adopt the Bond Ordinance, (ii) to enter into the Original Indenture and the Seventh Supplemental Indenture with the Trustee and to issue the Bonds thereunder, and (iii) to perform all of its obligations under the Bond Ordinance, the Original Indenture and the Seventh Supplemental Indenture.

2. The Original Indenture and the Seventh Supplemental Indenture have been duly authorized, executed and delivered by the Authority, constitute valid and binding obligations of the Authority and are legally enforceable in accordance with their terms. The Indenture creates a valid pledge of Revenues (as defined in the Indenture) and other moneys and securities held thereunder for the benefit and security of the Bonds, subject to application thereof in the manner provided in the Indenture. The Indenture creates a valid security interest in the Revenues and other moneys and securities held by the Trustee under the terms of the Indenture subject to the application thereof in the manner provided in the Indenture.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited and special obligations of the Authority and are enforceable in accordance with their terms. The Bonds are entitled to the benefits and security of the Indenture and are payable from Revenues and other moneys and securities pledged therefor under the Indenture.

4. Subject to the annual appropriation by the General Assembly of the State and the annual filing by the Authority of Annual Certifications with the Treasurer of the State and the Comptroller of the State pursuant to the Indenture and Section 8.25f of the State Finance Act, 30 Illinois Compiled Statutes 105, the Treasurer of the State is required to pay to the Trustee from the McCormick Place Expansion Project Fund in each fiscal year that the Bonds are scheduled to be outstanding the amounts certified by the Authority in such Authority Annual Certification as necessary and required for the purpose of paying principal of, premium, if any, and interest on the McCormick Place Expansion Project Bonds (including the Bonds) when due, but not in excess of the limitation on the annual amount set forth in said Section 8.25f of the State Finance Act.

Interest on the Bonds is not exempt from present Federal or Illinois income taxes.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds and the Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

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APPENDIX G

SUMMARY OF CONTINUING DISCLOSURE AGREEMENT

The Authority will enter into a continuing disclosure undertaking (the “*Continuing Disclosure Agreement*”) for the benefit of the registered owners of the Series 2002 Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission (the “*SEC*”) under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events that will be noticed on an occurrence basis and a summary of other terms of the Continuing Disclosure Agreement, including termination, amendment and remedies, are set forth below.

A failure by the Authority to comply with the Continuing Disclosure Agreement will not constitute a default under the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Continuing Disclosure Agreement. See “Consequence of Failure of the Authority to Provide Information” below. A failure by the Authority to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2002 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2002 Bonds and their market price.

The following is a brief summary of certain provisions of the Continuing Disclosure Agreement of the Authority and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Continuing Disclosure Agreement, a copy of which is available upon request from the Authority.

Annual Financial Information Disclosure

The Authority covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to each Nationally Recognized Municipal Securities Information Repository (a “*NRMSIR*”) then recognized by the SEC for purposes of the Rule and to any public or private repository designated by the State of Illinois as the state depository (the “*SID*”) and recognized as such by the SEC for purposes of the Rule. The Authority is required to deliver such information by December 31 of each year, commencing December 31, 2002.

“*Annual Financial Information*” means the information for the most recently completed Fiscal Year appearing under the captions “AUTHORITY TAXES – Collections” and “THE STATE SALES TAX – Historical State Sales Tax Revenues.”

“*Audited Financial Statements*” means the annual audited combined general purpose financial statements of the Authority prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time.

Events Notification; Material Events Disclosure

The Authority covenants that it will disseminate to each NRMSIR or to the Municipal Securities Rulemaking Board (the “*MSRB*”) and to the SID, if any, in a timely manner the disclosure of the occurrence of an Event (as described below) that is material, as materiality is interpreted under the Securities Exchange Act of 1934, as amended. The “Events” are:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities;
11. Rating changes.

Consequences of Failure of the Authority to Provide Information

The Authority shall give notice in a timely manner to each NRMSIR or to the *MSRB* and to the SID, if any, of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Continuing Disclosure Agreement.

Except as set forth below, the Authority is in compliance with undertakings previously entered into pursuant to the Rule. In the event of a failure of the Authority to comply with any provision of the Continuing Disclosure Agreement, any Bondowner may seek mandamus or specific performance by court order to cause the Authority to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Indenture, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the Authority to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

The Authority did not file an Annual Report (including its Annual Financial Information and Audited Financial Statements) for the fiscal year ending June 30, 1997, with respect to its 1996A Bonds in a timely manner. The Authority has filed such Annual Report with all current NRMSIRs, and intends to file all future Annual Reports in a timely manner.

Amendments; Waiver

Notwithstanding any other provision of the Continuing Disclosure Agreement, the Authority, by resolution or ordinance authorizing such amendment or waiver, may amend the Continuing Disclosure Agreement, and any provision of the Continuing Disclosure Agreement may be waived, if:

- (a) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted;
- (b) The Continuing Disclosure Agreement, as amended, or the provision, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or
- (c) The amendment or waiver does not materially impair the interests of the Bondowners as determined by parties unaffiliated with the Authority (such as Bond Counsel).

Termination of Continuing Disclosure Agreement

The Continuing Disclosure Agreement shall be terminated if the Authority shall no longer have any legal liability for any obligation or relating to repayment of the Series 2002 Bonds under the Indenture. The Authority shall give notice to each NRMSIR or MSRB and the SID, if any, in a timely manner if this is applicable.

Additional Information

Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statement or notice of occurrence of a material Event, in addition to that which is required by the Continuing Disclosure Agreement. If the Authority chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the Authority shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future disclosure or notice of occurrence of a material Event.

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APPENDIX H

DTC BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources the Authority and the Underwriters believe to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy or completeness thereof.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2002 Bonds. The Series 2002 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2002 Bonds of each Subseries, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2002 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2002 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2002 Bonds, except in the event that use of the book-entry system for the Series 2002 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2002 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notice and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2002 Bonds of a Series within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2002 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments (including redemption proceeds) on the Series 2002 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee or the Authority, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the

Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest (including redemption proceeds) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2002 Bonds of a Series at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the affected Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the affected Bonds will be printed and delivered.

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APPENDIX I

**TABLE OF ACCRETED VALUES FOR INDENTURE PURPOSES
PER \$5,000 MATURITY AMOUNT OF CAPITAL APPRECIATION BONDS
DUE JUNE 15 AND DECEMBER 15 OF THE YEARS LISTED
(INITIAL VALUE BASED UPON ORIGINAL PRINCIPAL AMOUNT)**

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APPENDIX J

**TABLE OF ACCRETED VALUES FOR FEDERAL INCOME TAX PURPOSES
PER \$5,000 MATURITY AMOUNT OF CAPITAL APPRECIATION BONDS
DUE JUNE 15 AND DECEMBER 15 OF THE YEARS LISTED
(INITIAL VALUE BASED UPON INITIAL OFFERING PRICE)**

Maturity Amt 000's	\$63,110	\$54,600	\$64,400	\$41,640	\$161,695	\$95,690	\$161,695	\$95,690	\$161,695	\$95,690	\$161,695
Initial Offering Yield	5.790%	5.820%	5.850%	5.860%	5.920%	5.940%	5.940%	5.960%	5.960%	5.970%	5.970%
Maturity	12/15/23	12/15/24	12/15/25	12/15/26	12/15/29	6/15/30	12/15/30	6/15/31	12/15/31	6/15/32	12/15/32
Initial Offering Price	29.391	27.579	25.864	24.357	20.157	19.471	18.909	18.261	17.733	17.169	16.672
Initial Offering Cost	\$1,469.55	\$1,378.95	\$1,293.20	\$1,217.85	\$1,007.85	\$973.55	\$945.45	\$913.05	\$886.65	\$858.45	\$833.60
7/2/02	\$1,469.55	\$1,378.95	\$1,293.20	\$1,217.85	\$1,007.85	\$973.55	\$945.45	\$913.05	\$886.65	\$858.45	\$833.60
12/15/02	1,508.00	1,415.25	1,327.40	1,250.10	1,034.80	999.70	970.85	937.65	910.50	881.65	856.10
6/15/03	1,551.65	1,456.40	1,366.25	1,286.75	1,065.45	1,029.40	999.70	965.60	937.65	907.95	881.65
12/15/03	1,596.60	1,498.80	1,406.20	1,324.45	1,096.95	1,059.95	1,029.40	994.40	965.60	935.05	907.95
6/15/04	1,642.80	1,542.40	1,447.30	1,363.25	1,129.45	1,091.45	1,059.95	1,024.00	994.40	963.00	935.05
12/15/04	1,690.35	1,587.30	1,489.65	1,403.20	1,162.90	1,123.85	1,091.45	1,054.50	1,024.00	991.70	963.00
6/15/05	1,739.30	1,633.50	1,533.25	1,444.30	1,197.30	1,157.25	1,123.85	1,085.95	1,054.50	1,021.35	991.70
12/15/05	1,789.65	1,681.05	1,578.10	1,486.60	1,232.75	1,191.60	1,157.25	1,118.30	1,085.95	1,051.80	1,021.35
6/15/06	1,841.45	1,729.95	1,624.25	1,530.20	1,269.25	1,227.00	1,191.60	1,151.65	1,118.30	1,083.20	1,051.80
12/15/06	1,894.80	1,780.30	1,671.75	1,575.00	1,306.80	1,263.45	1,227.00	1,185.95	1,151.65	1,115.55	1,083.20
6/15/07	1,949.65	1,832.10	1,720.65	1,621.15	1,345.50	1,300.95	1,263.45	1,221.30	1,185.95	1,148.85	1,115.55
12/15/07	2,006.10	1,885.40	1,770.95	1,668.65	1,385.30	1,339.60	1,300.95	1,257.70	1,221.30	1,183.15	1,148.85
6/15/08	2,064.15	1,940.30	1,822.80	1,717.55	1,426.30	1,379.40	1,339.60	1,295.20	1,257.70	1,218.45	1,183.15
12/15/08	2,123.90	1,996.75	1,876.10	1,767.90	1,468.55	1,420.35	1,379.40	1,333.75	1,295.20	1,254.85	1,218.45
6/15/09	2,185.40	2,054.85	1,930.95	1,819.70	1,512.00	1,462.55	1,420.35	1,373.50	1,333.75	1,292.30	1,254.85
12/15/09	2,248.65	2,114.65	1,987.45	1,873.00	1,556.75	1,506.00	1,462.55	1,414.45	1,373.50	1,330.85	1,292.30
6/15/10	2,313.75	2,176.20	2,045.60	1,927.90	1,602.85	1,550.70	1,506.00	1,456.60	1,414.45	1,370.60	1,330.85
12/15/10	2,380.75	2,239.50	2,105.40	1,984.35	1,650.30	1,596.80	1,550.70	1,500.00	1,456.60	1,411.50	1,370.60
6/15/11	2,449.70	2,304.70	2,167.00	2,042.50	1,699.15	1,644.20	1,596.80	1,544.70	1,500.00	1,453.65	1,411.50
12/15/11	2,520.60	2,371.75	2,230.40	2,102.35	1,749.45	1,693.05	1,644.20	1,590.75	1,544.70	1,497.05	1,453.65
6/15/12	2,593.55	2,440.75	2,295.65	2,163.95	1,801.20	1,743.30	1,693.05	1,638.15	1,590.75	1,541.70	1,497.05
12/15/12	2,668.65	2,511.80	2,362.80	2,227.35	1,854.55	1,795.10	1,743.30	1,686.95	1,638.15	1,587.75	1,541.70
6/15/13	2,745.90	2,584.90	2,431.90	2,292.60	1,909.45	1,848.40	1,795.10	1,737.25	1,686.95	1,635.15	1,587.75
12/15/13	2,825.40	2,660.10	2,503.00	2,359.80	1,965.95	1,903.30	1,848.40	1,789.00	1,737.25	1,683.95	1,635.15
6/15/14	2,907.20	2,737.50	2,576.25	2,428.95	2,024.15	1,959.85	1,903.30	1,842.30	1,789.00	1,734.20	1,683.95
12/15/14	2,991.35	2,817.20	2,651.60	2,500.10	2,084.05	2,018.05	1,959.85	1,897.25	1,842.30	1,785.95	1,734.20
6/15/15	3,077.95	2,899.15	2,729.15	2,573.35	2,145.75	2,078.00	2,018.05	1,953.75	1,897.25	1,839.30	1,785.95
12/15/15	3,167.05	2,983.55	2,809.00	2,648.75	2,209.25	2,139.70	2,078.00	2,012.00	1,953.75	1,894.20	1,839.30
6/15/16	3,258.75	3,070.35	2,891.15	2,726.35	2,274.65	2,203.25	2,139.70	2,071.95	2,012.00	1,950.75	1,894.20
12/15/16	3,353.10	3,159.70	2,975.70	2,806.25	2,342.00	2,268.70	2,203.25	2,133.70	2,071.95	2,008.95	1,950.75
6/15/17	3,450.20	3,251.65	3,062.75	2,888.50	2,411.30	2,336.10	2,268.70	2,197.25	2,133.70	2,068.95	2,008.95
12/15/17	3,550.05	3,346.25	3,152.35	2,973.10	2,482.70	2,405.45	2,336.10	2,262.75	2,197.25	2,130.70	2,068.95
6/15/18	3,652.85	3,443.65	3,244.55	3,060.20	2,556.15	2,476.90	2,405.45	2,330.20	2,262.75	2,194.30	2,130.70
12/15/18	3,758.60	3,543.85	3,339.45	3,149.90	2,631.85	2,550.45	2,476.90	2,399.60	2,330.20	2,259.80	2,194.30
6/15/19	3,867.40	3,647.00	3,437.15	3,242.20	2,709.75	2,626.20	2,550.45	2,471.15	2,399.60	2,327.25	2,259.80
12/15/19	3,979.35	3,753.10	3,537.65	3,337.20	2,789.95	2,704.20	2,626.20	2,544.75	2,471.15	2,396.70	2,327.25
6/15/20	4,094.55	3,862.35	3,641.15	3,434.95	2,872.55	2,784.55	2,704.20	2,620.60	2,544.75	2,468.25	2,396.70
12/15/20	4,213.10	3,974.70	3,747.65	3,535.60	2,957.55	2,867.25	2,784.55	2,698.70	2,620.60	2,541.95	2,468.25
6/15/21	4,335.05	4,090.40	3,857.25	3,639.20	3,045.10	2,952.40	2,867.25	2,779.15	2,698.70	2,617.80	2,541.95
12/15/21	4,460.55	4,209.40	3,970.10	3,745.80	3,135.25	3,040.10	2,952.40	2,861.95	2,779.15	2,695.95	2,617.80
6/15/22	4,589.70	4,331.90	4,086.20	3,855.60	3,228.05	3,130.35	3,040.10	2,947.25	2,861.95	2,776.45	2,695.95
12/15/22	4,722.60	4,457.95	4,205.75	3,968.55	3,323.60	3,223.35	3,130.35	3,035.05	2,947.25	2,859.30	2,776.45
6/15/23	4,859.30	4,587.70	4,328.75	4,084.85	3,421.95	3,319.05	3,223.35	3,125.50	3,035.05	2,944.65	2,859.30
12/15/23	5,000.00	4,721.20	4,455.35	4,204.50	3,523.25	3,417.65	3,319.05	3,218.65	3,125.50	3,032.55	2,944.65
6/15/24	-	4,858.60	4,585.70	4,327.70	3,627.55	3,519.15	3,417.65	3,314.55	3,218.65	3,123.10	3,032.55
12/15/24	-	5,000.00	4,719.85	4,454.50	3,734.90	3,623.65	3,519.15	3,413.35	3,314.55	3,216.30	3,123.10
6/15/25	-	-	4,857.90	4,585.05	3,845.50	3,731.30	3,623.65	3,515.05	3,413.35	3,312.30	3,216.30
12/15/25	-	-	5,000.00	4,719.35	3,959.30	3,842.10	3,731.30	3,619.80	3,515.05	3,411.20	3,312.30
6/15/26	-	-	-	4,857.65	4,076.50	3,956.25	3,842.10	3,727.70	3,619.80	3,513.00	3,411.20
12/15/26	-	-	-	5,000.00	4,197.15	4,073.75	3,956.25	3,838.75	3,727.70	3,617.85	3,513.00
6/15/27	-	-	-	-	4,321.40	4,194.70	4,073.75	3,953.15	3,838.75	3,725.85	3,617.85
12/15/27	-	-	-	-	4,449.30	4,194.70	4,070.95	3,953.15	3,837.10	3,725.85	-
6/15/28	-	-	-	-	4,581.00	4,447.60	4,319.30	4,192.30	4,070.95	3,951.60	3,837.10
12/15/28	-	-	-	-	4,716.60	4,579.70	4,447.60	4,317.20	4,192.30	4,069.60	3,951.60
6/15/29	-	-	-	-	4,856.25	4,715.70	4,579.70	4,445.85	4,317.20	4,191.05	4,069.60
12/15/29	-	-	-	-	5,000.00	4,855.75	4,715.70	4,578.35	4,445.85	4,316.15	4,191.05
6/15/30	-	-	-	-	-	5,000.00	4,855.75	4,714.80	4,578.35	4,445.00	4,316.15
12/15/30	-	-	-	-	-	-	5,000.00	4,855.30	4,714.80	4,577.70	4,445.00
6/15/31	-	-	-	-	-	-	-	5,000.00	4,855.30	4,714.35	4,577.70
12/15/31	-	-	-	-	-	-	-	-	5,000.00	4,855.05	4,714.35
6/15/32	-	-	-	-	-	-	-	-	-	5,000.00	4,855.05
12/15/32	-	-	-	-	-	-	-	-	-	-	5,000.00
6/15/33	-	-	-	-	-	-	-	-	-	-	-
12/15/33	-	-	-	-	-	-	-	-	-	-	-
6/15/34	-	-	-	-	-	-	-	-	-	-	-
12/15/34	-	-	-	-	-	-	-	-	-	-	-
6/15/35	-	-	-	-	-	-	-	-	-	-	-
12/15/35	-	-	-	-	-	-	-	-	-	-	-
6/15/36	-	-	-	-	-	-	-	-	-	-	-
12/15/36	-	-	-	-	-	-	-	-	-	-	-
6/15/37	-	-	-	-	-	-	-	-	-	-	-
12/15/37	-	-	-	-	-	-	-	-	-	-	-
6/15/38	-	-	-	-	-	-	-	-	-	-	-
12/15/38	-	-	-	-	-	-	-	-	-	-	-
6/15/39	-	-	-	-	-	-	-	-	-	-	-
12/15/39	-	-	-	-	-	-	-	-	-	-	-
6/15/40	-	-	-	-	-	-	-	-	-	-	-
12/15/40	-	-	-	-	-	-	-	-	-	-	-
6/15/41	-	-	-	-	-	-	-	-	-	-	-
12/15/41	-	-	-	-	-	-	-	-	-	-	-
6/15/42	-	-	-	-	-	-	-	-	-	-	-

\$95.690	\$161.695	\$95.690	\$161.695	\$95.690	\$161.695	\$95.690	\$161.695	\$95.690	\$161.695	\$95.690	\$161.695	\$95.690	\$161.695	\$31.720
5.990%	6.030%	6.050%	6.050%	6.060%	6.060%	6.070%	6.070%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%
6/15/33	12/15/35	6/15/36	12/15/36	6/15/37	12/15/37	6/15/38	12/15/38	6/15/39	12/15/39	6/15/40	12/15/40	6/15/41	6/15/41	6/15/41
16.091	13.705	13.216	12.828	12.409	12.044	11.649	11.306	10.934	10.611	10.298	9.994	9.700	9.700	9.700
\$804.55	\$685.25	\$660.80	\$641.40	\$620.45	\$602.20	\$582.45	\$565.30	\$546.70	\$530.55	\$514.90	\$499.70	\$485.00	\$485.00	\$485.00
\$804.55	\$685.25	\$660.80	\$641.40	\$620.45	\$602.20	\$582.45	\$565.30	\$546.70	\$530.55	\$514.90	\$499.70	\$485.00	\$485.00	\$485.00
826.35	703.90	678.90	658.95	637.45	618.70	598.45	580.85	561.70	545.15	529.05	513.45	498.30	498.30	498.30
851.10	725.15	699.45	678.90	656.80	637.45	616.60	598.45	578.80	561.70	545.15	529.05	513.45	513.45	513.45
876.60	747.00	720.60	699.45	676.70	656.80	635.35	616.60	596.40	578.80	561.70	545.15	529.05	529.05	529.05
902.85	769.55	742.40	720.60	697.20	676.70	654.60	635.35	614.55	596.40	578.80	561.70	545.15	545.15	545.15
929.90	792.75	764.85	742.40	718.30	697.20	674.50	654.60	633.20	614.55	596.40	578.80	561.70	561.70	561.70
957.75	816.65	788.00	764.85	740.10	718.30	694.95	674.50	652.45	633.20	614.55	596.40	578.80	578.80	578.80
986.45	841.25	811.80	788.00	762.50	740.10	716.05	694.95	672.30	652.45	633.20	614.55	596.40	596.40	596.40
1,016.00	866.60	836.35	811.80	785.60	762.50	737.80	716.05	692.75	672.30	652.45	633.20	614.55	614.55	614.55
1,046.40	892.75	861.65	836.35	809.40	785.60	760.20	737.80	713.80	692.75	672.30	652.45	633.20	633.20	633.20
1,077.75	919.65	887.75	861.65	833.95	809.40	783.25	760.20	735.50	713.80	692.75	672.30	652.45	652.45	652.45
1,110.05	947.40	914.60	887.75	859.20	833.95	807.00	783.25	757.85	735.50	713.80	692.75	672.30	672.30	672.30
1,143.30	975.95	942.25	914.60	885.25	859.20	831.50	807.00	780.90	757.85	735.50	713.80	692.75	692.75	692.75
1,177.50	1,005.40	970.75	942.25	912.05	885.25	856.75	831.50	804.65	780.90	757.85	735.50	713.80	713.80	713.80
1,212.80	1,035.70	1,000.15	970.75	939.70	912.05	882.75	856.75	829.10	804.65	780.90	757.85	735.50	735.50	735.50
1,249.10	1,066.95	1,030.40	1,000.15	968.20	939.70	909.55	882.75	854.30	829.10	804.65	780.90	757.85	757.85	757.85
1,286.55	1,099.10	1,061.55	1,030.40	997.50	968.20	937.15	909.55	880.30	854.30	829.10	804.65	780.90	780.90	780.90
1,325.05	1,132.25	1,093.65	1,061.55	1,027.75	997.50	965.60	937.15	907.05	880.30	854.30	829.10	804.65	804.65	804.65
1,364.75	1,166.35	1,126.75	1,093.65	1,058.90	1,027.75	994.90	965.60	934.60	907.05	880.30	854.30	829.10	829.10	829.10
1,405.60	1,201.55	1,160.85	1,126.75	1,090.95	1,058.90	1,025.10	994.90	963.00	934.60	907.05	880.30	854.30	854.30	854.30
1,447.70	1,237.75	1,195.95	1,160.85	1,124.00	1,090.95	1,056.20	1,025.10	992.30	963.00	934.60	907.05	880.30	880.30	880.30
1,491.10	1,275.10	1,232.15	1,195.95	1,158.10	1,124.00	1,088.25	1,056.20	1,022.45	992.30	963.00	934.60	907.05	907.05	907.05
1,535.75	1,313.55	1,269.40	1,232.15	1,193.15	1,158.10	1,121.30	1,088.25	1,053.55	1,022.45	992.30	963.00	934.60	934.60	934.60
1,581.75	1,353.15	1,307.80	1,269.40	1,229.35	1,193.15	1,155.35	1,121.30	1,085.60	1,053.55	1,022.45	992.30	963.00	963.00	963.00
1,629.10	1,393.95	1,347.35	1,307.80	1,266.60	1,229.35	1,190.40	1,155.35	1,118.60	1,085.60	1,053.55	1,022.45	992.30	992.30	992.30
1,677.90	1,435.95	1,388.15	1,347.35	1,304.95	1,266.60	1,226.55	1,190.40	1,152.60	1,118.60	1,085.60	1,053.55	1,022.45	1,022.45	1,022.45
1,728.15	1,479.25	1,430.10	1,388.15	1,344.50	1,304.95	1,263.75	1,226.55	1,187.65	1,152.60	1,118.60	1,085.60	1,053.55	1,053.55	1,053.55
1,779.90	1,523.85	1,473.40	1,430.10	1,385.25	1,344.50	1,302.10	1,263.75	1,223.75	1,187.65	1,152.60	1,118.60	1,085.60	1,085.60	1,085.60
1,833.20	1,569.80	1,517.95	1,473.40	1,427.20	1,385.25	1,341.65	1,302.10	1,260.95	1,223.75	1,187.65	1,152.60	1,118.60	1,118.60	1,118.60
1,888.15	1,617.15	1,563.85	1,517.95	1,470.45	1,427.20	1,382.35	1,341.65	1,299.25	1,260.95	1,223.75	1,187.65	1,152.60	1,152.60	1,152.60
1,944.70	1,665.90	1,611.20	1,563.85	1,515.00	1,470.45	1,424.30	1,382.35	1,338.75	1,299.25	1,260.95	1,223.75	1,187.65	1,187.65	1,187.65
2,002.90	1,716.10	1,659.90	1,611.20	1,560.90	1,515.00	1,467.55	1,424.30	1,379.45	1,338.75	1,299.25	1,260.95	1,223.75	1,223.75	1,223.75
2,062.90	1,767.85	1,710.15	1,659.90	1,608.20	1,560.90	1,512.05	1,467.55	1,421.40	1,379.45	1,338.75	1,299.25	1,260.95	1,260.95	1,260.95
2,124.70	1,821.15	1,761.85	1,710.15	1,656.95	1,608.20	1,557.95	1,512.05	1,464.60	1,421.40	1,379.45	1,338.75	1,299.25	1,299.25	1,299.25
2,188.35	1,876.05	1,815.15	1,761.85	1,707.15	1,656.95	1,605.25	1,557.95	1,509.15	1,464.60	1,421.40	1,379.45	1,338.75	1,338.75	1,338.75
2,253.85	1,932.65	1,870.05	1,815.15	1,758.85	1,707.15	1,653.95	1,605.25	1,555.00	1,509.15	1,464.60	1,421.40	1,379.45	1,379.45	1,379.45
2,321.40	1,990.90	1,926.65	1,870.05	1,812.15	1,758.85	1,704.15	1,653.95	1,602.30	1,555.00	1,509.15	1,464.60	1,421.40	1,421.40	1,421.40
2,390.90	2,050.95	1,984.90	1,926.65	1,867.10	1,812.15	1,755.90	1,704.15	1,651.00	1,602.30	1,555.00	1,509.15	1,464.60	1,464.60	1,464.60
2,462.50	2,112.75	2,044.95	1,984.90	1,923.65	1,867.10	1,809.20	1,755.90	1,701.20	1,651.00	1,602.30	1,555.00	1,509.15	1,509.15	1,509.15
2,536.25	2,176.45	2,106.85	2,044.95	1,981.95	1,923.65	1,864.10	1,809.20	1,752.90	1,701.20	1,651.00	1,602.30	1,555.00	1,555.00	1,555.00
2,612.25	2,242.10	2,170.55	2,106.85	2,042.00	1,981.95	1,920.65	1,864.10	1,806.20	1,752.90	1,701.20	1,651.00	1,602.30	1,602.30	1,602.30
2,690.45	2,309.70	2,236.20	2,170.55	2,103.85	2,042.00	1,978.95	1,920.65	1,861.10	1,806.20	1,752.90	1,701.20	1,651.00	1,651.00	1,651.00
2,771.05	2,379.35	2,303.85	2,236.20	2,167.60	2,103.85	2,039.00	1,978.95	1,917.70	1,861.10	1,806.20	1,752.90	1,701.20	1,701.20	1,701.20
2,854.05	2,451.05	2,373.55	2,303.85	2,233.30	2,167.60	2,100.90	2,039.00	1,976.00	1,917.70	1,861.10	1,806.20	1,752.90	1,752.90	1,752.90
2,939.50	2,524.95	2,445.35	2,373.55	2,300.95	2,233.30	2,164.65	2,100.90	2,036.05	1,976.00	1,917.70	1,861.10	1,806.20	1,806.20	1,806.20
3,027.55	2,601.10	2,519.35	2,445.35	2,370.70	2,300.95	2,230.35	2,164.65	2,097.95	2,036.05	1,976.00	1,917.70	1,861.10	1,861.10	1,861.10
3,118.25	2,679.50	2,595.55	2,519.35	2,442.50	2,370.70	2,298.05	2,230.35	2,161.75	2,097.95	2,036.05	1,976.00	1,917.70	1,917.70	1,917.70
3,211.60	2,760.30	2,674.05	2,595.55	2,516.50	2,442.50	2,367.80	2,298.05	2,227.45	2,161.75	2,097.95	2,036.05	1,976.00	1,976.00	1,976.00
3,307.80	2,843.55	2,754.95	2,674.05	2,592.75	2,516.50	2,439.65	2,367.80	2,295.15	2,227.45	2,161.75	2,097.95	2,036.05	2,036.05	2,036.05
3,406.90	2,929.25	2,838.30	2,754.95	2,671.35	2,592.75	2,513.70	2,439.65	2,364.95	2,295.15	2,227.45	2,161.75	2,097.95	2,097.95	2,097.95
3,508.90	3,017.60	2,924.15	2,838.30	2,752.30	2,671.35	2,590.00	2,513.70	2,436.85	2,364.95	2,295.15	2,227.45	2,161.75	2,161.75	2,161.75
3,614.00	3,108.55	3,012.60	2,924.15	2,835.65	2,752.30	2,668.60	2,590.00	2,510.90	2,436.85	2,364.95	2,295.15	2,227.45	2,227.45	2,227.45
3,722.25	3,202.30	3,103.75	3,012.60	2,921.60	2,835.65	2,749.60	2,668.60	2,587.25	2,510.90	2,436.85	2,364.95	2,295.15	2,295.15	2,295.15
3,833.75	3,298.85	3,197.60	3,103.75	3,010.10	2,921.60	2,833.05	2,749.60	2,665.90	2,587.25	2,510.90	2,436.85	2,364.95	2,364.95	2,364.95
3,948.55	3,398.30	3,294.35	3,197.60	3,101.35	3,010.10	2,919.05	2,833.05	2,746.95	2,665.90	2,587.25	2,510.90	2,436.85	2,436.85	2,436.85
4,066.80	3,500.75	3,394.00	3,294.35	3,195.30	3,101.35	3,007.65	2,919.05	2,830.45	2,746.95	2,665.90	2,587.25	2,510.90	2,510.90	2,510.90
4,188.60	3,606.30	3,496.70	3,394.00	3,292.10	3,195.30	3,098.90	3,007.65	2,916.50	2,830.45	2,746.95	2,665.90	2,587.25	2,587.25	2,587.25
4,314.05	3,715.05	3,602.45	3,496.70	3,391.85	3,292.10	3,192.95	3,098.90	3,005.15	2,916.50	2,830.45	2,746.95	2,665.90	2,665.90	2,665.90
4,443.25	3,827.05	3,711.45	3,602.45	3,494.65	3,391.85	3,289.90	3,192.95	3,096.50	3,005.15	2,916.50	2,830.45	2,746.95	2,746.95	2,746.95
4,576.35	3,942.45	3,823.70	3,711.45	3,600.55	3,494.65	3,389.75	3,289.90	3,190.65	3,096.50	3,005.15	2,916.50	2,830.45		

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APPENDIX K

**TABLE OF APPRECIATED VALUES
PER \$5,000 APPRECIATED VALUE AT
THE INTEREST COMMENCEMENT DATE
FOR DEFERRED INTEREST BONDS
DUE JUNE 15 OF THE YEARS LISTED**

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Maturity Amount 000's	\$15,055	\$15,005	\$26,800	\$40,240	\$25,765	\$78,630	\$16,365	\$29,795	\$40,000	\$32,480	\$10,725
Yield to Conversion	5.200%	5.300%	5.400%	5.500%	5.550%	5.650%	5.700%	5.700%	5.700%	5.750%	5.750%
Maturity Date	6/15/17	6/15/18	6/15/19	6/15/20	6/15/21	6/15/22	6/15/23	6/15/24	6/15/25	6/15/26	6/15/27
Conversion Date	6/15/12	6/15/12	6/15/12	6/15/12	6/15/12	6/15/17	6/15/17	6/15/17	6/15/17	6/15/17	6/15/17
Initial Offering Price	59.993	59.414	58.841	58.274	57.992	43.469	43.154	43.154	43.154	42.841	42.841
Initial Offering Cost	\$2,999.65	\$2,970.70	\$2,942.05	\$2,913.70	\$2,899.60	\$2,173.45	\$2,157.70	\$2,157.70	\$2,157.70	\$2,142.05	\$2,142.05
7/2/02	\$2,999.65	\$2,970.70	\$2,942.05	\$2,913.70	\$2,899.60	\$2,173.45	\$2,157.70	\$2,157.70	\$2,157.70	\$2,142.05	\$2,142.05
12/15/02	3,070.20	3,041.90	3,013.90	2,986.15	2,972.40	2,228.95	2,213.30	2,213.30	2,213.30	2,197.75	2,197.75
6/15/03	3,150.05	3,122.50	3,095.25	3,068.25	3,054.85	2,291.95	2,276.40	2,276.40	2,276.40	2,260.95	2,260.95
12/15/03	3,231.95	3,205.25	3,178.85	3,152.65	3,139.65	2,356.70	2,341.25	2,341.25	2,341.25	2,325.95	2,325.95
6/15/04	3,315.95	3,290.20	3,264.65	3,239.35	3,226.75	2,423.25	2,408.00	2,408.00	2,408.00	2,392.80	2,392.80
12/15/04	3,402.15	3,377.40	3,352.80	3,328.45	3,316.30	2,491.70	2,476.60	2,476.60	2,476.60	2,461.60	2,461.60
6/15/05	3,490.65	3,466.90	3,443.35	3,419.95	3,408.35	2,562.10	2,547.20	2,547.20	2,547.20	2,532.40	2,532.40
12/15/05	3,581.40	3,558.80	3,536.30	3,514.00	3,502.90	2,634.50	2,619.80	2,619.80	2,619.80	2,605.20	2,605.20
6/15/06	3,674.50	3,653.10	3,631.80	3,610.65	3,600.10	2,708.90	2,694.45	2,694.45	2,694.45	2,680.10	2,680.10
12/15/06	3,770.05	3,749.90	3,729.85	3,709.95	3,700.05	2,785.45	2,771.25	2,771.25	2,771.25	2,757.15	2,757.15
6/15/07	3,868.05	3,849.25	3,830.55	3,811.95	3,802.70	2,864.10	2,850.25	2,850.25	2,850.25	2,836.40	2,836.40
12/15/07	3,968.65	3,951.25	3,934.00	3,916.80	3,908.25	2,945.05	2,931.45	2,931.45	2,931.45	2,917.95	2,917.95
6/15/08	4,071.80	4,056.00	4,040.20	4,024.50	4,016.70	3,028.25	3,015.00	3,015.00	3,015.00	3,001.85	3,001.85
12/15/08	4,177.70	4,163.45	4,149.30	4,135.20	4,128.15	3,113.80	3,100.95	3,100.95	3,100.95	3,088.15	3,088.15
6/15/09	4,286.30	4,273.80	4,261.35	4,248.90	4,242.70	3,201.75	3,189.30	3,189.30	3,189.30	3,176.95	3,176.95
12/15/09	4,397.75	4,387.05	4,376.40	4,365.75	4,360.45	3,292.20	3,280.20	3,280.20	3,280.20	3,268.30	3,268.30
6/15/10	4,512.10	4,503.30	4,494.55	4,485.80	4,481.45	3,385.20	3,373.70	3,373.70	3,373.70	3,362.25	3,362.25
12/15/10	4,629.40	4,622.65	4,615.90	4,609.15	4,605.80	3,480.85	3,469.85	3,469.85	3,469.85	3,458.90	3,458.90
6/15/11	4,749.75	4,745.15	4,740.55	4,735.90	4,733.60	3,579.15	3,568.75	3,568.75	3,568.75	3,558.35	3,558.35
12/15/11	4,873.25	4,870.90	4,868.50	4,866.15	4,864.95	3,680.30	3,670.45	3,670.45	3,670.45	3,660.65	3,660.65
6/15/12	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	3,784.25	3,775.05	3,775.05	3,775.05	3,765.90	3,765.90
12/15/12	-	-	-	-	-	3,891.15	3,882.65	3,882.65	3,882.65	3,874.15	3,874.15
6/15/13	-	-	-	-	-	4,001.10	3,993.30	3,993.30	3,993.30	3,985.55	3,985.55
12/15/13	-	-	-	-	-	4,114.10	4,107.10	4,107.10	4,107.10	4,100.15	4,100.15
6/15/14	-	-	-	-	-	4,230.35	4,224.15	4,224.15	4,224.15	4,218.00	4,218.00
12/15/14	-	-	-	-	-	4,349.85	4,344.55	4,344.55	4,344.55	4,339.30	4,339.30
6/15/15	-	-	-	-	-	4,472.75	4,468.40	4,468.40	4,468.40	4,464.05	4,464.05
12/15/15	-	-	-	-	-	4,599.10	4,595.75	4,595.75	4,595.75	4,592.40	4,592.40
6/15/16	-	-	-	-	-	4,729.00	4,726.70	4,726.70	4,726.70	4,724.40	4,724.40
12/15/16	-	-	-	-	-	4,862.60	4,861.40	4,861.40	4,861.40	4,860.25	4,860.25
6/15/17	-	-	-	-	-	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00

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APPENDIX L

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

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FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation

President

Attest:

Assistant Secretary

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APPENDIX M

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE FUND POLICY

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Financial Guaranty Insurance
Company
125 Park Avenue
New York, NY 10017
(212) 312-3000
(800) 352-0001



A GE Capital Company

Municipal Bond Debt Service Reserve Fund Policy

Issuer:	Policy Number:
	Control Number: 0010001
Bonds: , together with any parity obligations issued under the authorizing document, as amended and supplemented, and secured by the same debt service reserve fund	Premium Maximum Amount:
Paying Agent:	Termination Date:

Financial Guaranty Insurance Company (“Financial Guaranty”), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay the paying agent named above or its successor, as paying agent for the Bonds (the “Paying Agent”), for the benefit of Bondholders, that portion (not to exceed the Maximum Amount set forth above) of the amount required to pay principal and interest (but not any prepayment premium) on the Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer. No payment shall be due hereunder for any event of Nonpayment that occurs after the Termination Date set forth above.

Financial Guaranty will make such payment to the Paying Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. Upon such disbursement, Financial Guaranty shall become entitled to reimbursement therefor (together with interest thereon) all as provided in the Debt Service Reserve Fund Policy Agreement between the Issuer and Financial Guaranty dated as of the Effective Date of this Policy. The Maximum Amount shall be automatically reinstated when and to the extent that the Issuer repays amounts disbursed hereunder, but shall not be reinstated to the extent of amounts received by Financial Guaranty constituting interest on amounts disbursed to the Paying Agent pursuant to this Policy. Financial Guaranty shall provide Notice to the Paying Agent of any reinstatement of any portion of the Maximum Amount within one Business Day of such reinstatement.

This Policy is non-cancellable for any reason, including the failure of the Issuer to reimburse Financial Guaranty for any payment made hereunder.

As used herein, the term “Bondholder” means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. “Due for Payment” means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a Bond, the stated date for payment of interest. “Nonpayment” in respect of a Bond means the failure of the Issuer to have provided

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sufficient funds to the Paying Agent for payment in full of all principal and interest Due for Payment on such Bond and includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from the Paying Agent for the Bonds to Financial Guaranty or from Financial Guaranty to the Paying Agent, as the case may be. "Business Day" means any day other than a Saturday, Sunday or a day on which the Paying Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

A handwritten signature in cursive script, appearing to read "Deborah M. Reif".

President

Effective Date:

Authorized Representative

State Street Bank and Trust Company, N.A., acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.

A handwritten signature in cursive script, appearing to be a stylized signature.

Authorized Officer



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