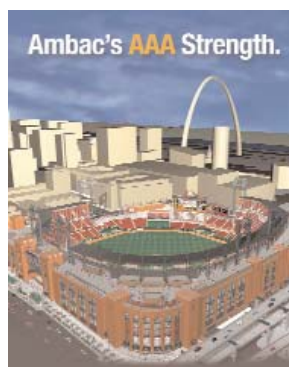


INSURED SENIOR NOTES PROVIDE KEY TO ST. LOUIS CARDINALS STADIUM FINANCING



\$200,500,000 **St. Louis Cardinals** **Taxable Fixed Rate Bonds - Series 2003**

The St. Louis Cardinals have a long and storied history as a professional baseball franchise. For more than 100 years, the Cardinals have been the major league baseball team of choice in the American heartland. With a strong fan base, wide regional appeal and the second most World Series' wins to the team's credit, the Cardinals are one of the most successful organizations in the history of the sport. When Cardinals management sought to finance and build a new stadium, the solid reputation of the franchise and its importance to St. Louis helped shape the financing package. Local government officials view the team as a critical asset to the city and agreed to participate in the financing plan.

To raise the \$400 million needed for construction, the team structured a multi-part financing that included a subordinated loan from St. Louis County, the sale of state tax credits, and a privately financed senior note issue. To help smooth the acceptance of the notes with investors, Ambac Assurance was asked to provide a financial guarantee on that portion of the deal. The Cardinals organization also pledged a major amount of equity financing and began work on a combination leveraged lease and traditional project financing.

With certain financing and construction deadlines looming, the complexity of the leveraged lease structure became an impediment to quickly closing the deal. As a result, the leveraged lease was dropped a week before closing and a more traditional project financing structure was used. Working quickly, the financing team revised the transaction to include a greater amount of Senior Notes and an increased equity contribution from the Cardinals organization. With wide-ranging experience in stadium financings, Ambac was able to help the Cardinals quickly analyze and structure the revised deal, ensuring that all parts of the financing closed on the required December date.

Collateral on the senior notes includes a mortgage on the ballpark, the assignment of the Cardinals' and ground leases, and other stadium-related revenues. These include funds from concession and novelty sales, luxury suite rentals, stadium naming rights, selected sponsorships and club seat revenues. The \$200 million senior note issue, guaranteed by Ambac, was privately placed as fixed rate notes with various institutions. Investors in the notes, attracted to the deal by the strength of the Cardinals franchise story, were reassured by the triple-A-rated Ambac guarantee enabling the Cardinals to save money on interest payment costs.

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