

OFFICIAL NOTICE OF SALE

\$61,925,000*

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2006, SERIES C Subject to Alternative Minimum Tax (AMT)

SEALED AND ELECTRONIC BIDS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (**Commission**), until 10:00 a.m. (Central Time) on July 11, 2006, when they will be publicly opened and read, for the purchase of \$61,925,000* State of Wisconsin General Obligation Bonds of 2006, Series C (**Bonds**). The Bonds are being sold pursuant to the terms and conditions stated below. Sealed bids must be delivered to the Capital Finance Office, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin. Electronic bids must be submitted through the PARITY[®] electronic bid submission system (**PARITY[®]**), which is an independent service and not an agent of the Commission. Sealed bids will be opened, electronic bids retrieved, and all bids publicly announced in the Capital Finance Office shortly after the deadline for bids.

Terms of Bonds. The Bonds will be dated their date of delivery (expected to be August 2, 2006), and will be payable as to principal through serial maturities on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2008	\$ 955,000	2017	\$ 1,305,000
2009	790,000	2018	1,380,000
2010	850,000	2019	1,475,000
2011	895,000	2020	1,560,000
2012	960,000	2021	1,670,000
2013	1,015,000	2022	1,775,000
2014	1,080,000	2023	1,885,000
2015	1,150,000	2024	2,010,000
2016	1,225,000	2025	2,130,000
		2026	2,265,000
		2027	2,420,000
		2028	2,570,000
		2029	2,735,000
		2030	2,905,000
		2031	3,095,000
		2032	3,290,000
		2033	3,500,000
		2034	3,725,000
		2035	3,960,000
		2036	4,210,000
		2037	3,140,000

Each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual principal payment dates immediately preceding the maturity date of such term bond. Term bonds may be created with a final maturity on any date; however, no term bond designated to mature on or after May 1, 2017 may contain any sinking fund payments before May 1, 2016. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

* Preliminary; subject to change. After selection of the winning bid, the Capital Finance Director may adjust the principal amount of any or all maturities, which could change the aggregate par amount of the Bonds. See **“ADJUSTMENT OF PRINCIPAL AMOUNTS AND PURCHASE PRICE”** in this Official Notice of Sale.

The Bonds will bear interest, payable on May 1, 2007 and semiannually thereafter on the first day of May and November, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The Bonds maturing in the years 2008 through 2016 are not subject to optional redemption, but are subject to special redemption as described later in this notice. The Bonds maturing on or after May 1, 2017 are subject to optional redemption at the option of the Commission on May 1, 2016 or any date thereafter, in whole or in part, in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the date of redemption. In the event of partial redemption, the Commission shall direct the maturity or maturities and the amount thereof so to be redeemed.

Mandatory Sinking Fund Redemption. To the extent the successful bidder so specifies in its bid, certain maturities of the Bonds will be subject to mandatory redemption prior to their stated maturity dates, in part, from mandatory sinking fund payments. In such event, the redemption price shall be equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the date of redemption.

Special Redemption. All Bonds are subject to special redemption prior to maturity (even if not subject to optional redemption as provided above) at the option of the Commission, on July 1, 2008 or any date thereafter, in whole or in part, at a redemption price equal to par (100%) of the principal amount to be redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the general obligation extendible municipal commercial paper being funded by the Bonds.

In addition, all Bonds are subject to special redemption prior to maturity (even if not subject to optional redemption as provided above) at the option of the Commission, on any date, in whole or in part, at a redemption price equal to par (100%) of the principal amount to be redeemed, plus accrued interest to the date of redemption, from the following sources (this redemption provision is commonly referred to as a “cross-call”):

- Prepayments of veterans housing loans funded from or attributed to *any* series of tax-exempt general obligation bonds issued to fund loans to veterans under the veterans housing loan program (**Tax-Exempt Veterans Mortgage Bonds**).
- Payments on veterans housing loans, or interest or income on investments in certain accounts, including money available from the Insurance Reserve Account, in excess of amounts required to meet scheduled debt service on all Tax-Exempt Veterans Mortgage Bonds and other costs associated with the veterans housing loan program.

Prepayments of mortgages originated with or attributed to any series of taxable general obligations issued primarily to fund loans to veterans who are not “qualified veterans” under federal tax law (**Taxable Veterans Mortgage Bonds**) shall not be used for special redemption of Tax-Exempt Veterans Mortgage Bonds, and prepayments of mortgages originated with or attributed to any series of Tax-Exempt Veterans Mortgage Bonds shall not be used for special redemption of Taxable Veterans Mortgage Bonds.

In the event of partial redemption, the Commission shall direct the maturities of the Bonds and the amounts thereof to be redeemed.

Book-Entry. The Commission has appointed The Depository Trust Company (**DTC**) as securities depository of the Bonds. The Bonds will initially be issued in book-entry-only form, and Bond certificates will be registered in the name of Cede & Co., as nominee for DTC. The State of Wisconsin (**State**) has filed with DTC a blanket issuer letter of representations for all obligations to be issued by the State. Individual purchases will be made in book-entry-only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples of \$5,000. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (**DTC Participants**).

Payments and Notices. The State will make payments of principal of, and interest on, the Bonds on the dates set forth above, to DTC in same-day funds. Owners of the Bonds will receive payments through the DTC Participants. Notices, if any, given by the State to DTC are redistributed in the same manner as are payments. The State is not

responsible for a failure by DTC or any DTC Participant to transfer payments or notices to owners of the Bonds or to follow the procedures established by DTC for its book-entry system.

Successor to Securities Depository. In the event that the relationship with DTC is terminated and the Commission does not appoint a successor securities depository, the Commission will prepare, authenticate, and deliver, at its expense, fully registered certificated Bonds in the denominations of \$5,000 or any integral multiple of \$5,000, in the aggregate principal amount of Bonds of the same maturities and interest rates then outstanding, to the DTC Participants.

Purpose and Pledge. The proceeds of the Bonds will be used to fund general obligation extendible municipal commercial paper previously issued to fund veterans housing loans. The Bonds will be issued pursuant to Chapters 18 and 20 of the Wisconsin Statutes and a resolution adopted by the Commission on December 21, 2005. The Bonds will be direct and general obligations of the State. The full faith, credit, and taxing power of the State will be irrevocably pledged to the payment of the principal of and interest on the Bonds, and there will be irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for the payment of the principal of and interest on the Bonds.

Minority Participation. It is the policy of the Commission to endeavor to ensure that 6% of the Bonds are underwritten by firms that are certified by the State as being minority owned. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State and wish to be, may contact the Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550. The successful bidder must provide to the Commission, no later than July 12, 2006, a list of all firms that are participating in the underwriting of the Bonds and the amount of each firm's initial liability.

Offering of Securities. The State offers to sell these securities by competitive bid. In the jurisdictions of Georgia, Illinois, Louisiana, Nebraska, New York, and North Dakota, the State's offer is limited to the following: brokers, dealers, banks, savings institutions, trust companies, insurance companies, investment companies, pension or profit sharing trusts, and other financial institutions. This does not constitute an offer in the State of Vermont, and no bids will be accepted from persons in the State of Vermont.

Insurance on Bonds. If the successful bidder obtains a bond insurance policy or a commitment for a policy for the Bonds, by or on behalf of it or any other member of its underwriting group, then the purchase of any such insurance policy or the issuance of any such commitment will be at the sole option and expense of the successful bidder. The successful bidder will be responsible for working with the Commission in making sure that disclosure information is provided about the bond insurer (for example, through a wrapper to the Official Statement). The successful bidder will also be responsible for the payment of any rating agency fees for the insured Bonds; the State will be responsible for the payment of rating agency fees for the underlying rating on all the Bonds.

The successful bidder will be required, as a condition for delivery of the Bonds, to certify the amount of the insurance premium and that this premium will be less than the present value of the interest expected to be saved as a result of such insurance. Failure of the bond insurer to issue its policy shall not constitute a failure on the part of the Commission to perform in accordance with the terms of this Official Notice of Sale or the bid.

Electronic Bidding. Each bidder submitting an electronic bid is responsible for making any arrangements, and paying any fees, needed to submit its bid through PARITY[®]. If any information provided by PARITY[®] conflicts with this Official Notice of Sale or the Preliminary Official Statement, then those documents shall control. The Commission assumes no responsibility or liability based on a bidder's submission of an electronic bid, including (but not limited to) any failure by PARITY[®] to correctly and timely transmit information contained in the electronic bid. Further information about PARITY[®] may be obtained from:

i-Deal LLC
1359 Broadway, FLR 2
New York, NY 10018
212-849-5021
parity@i-Deal.com

Sealed Bid. Any bid not submitted through PARITY[®] must use the Official Bid Form and shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for State of Wisconsin General Obligation Bonds of 2006, Series C.*

Official Bid Form. Each sealed bid must be made using the Official Bid Form, and each electronic bid shall be deemed to incorporate the provisions of the Official Bid Form. The Commission will treat an electronic bid as though the Official Bid Form were submitted with the same information and signed on behalf of the bidder by a duly authorized signatory. Each bidder should intend that its bid, whether submitted electronically or as a sealed bid, will constitute a valid offer that, if accepted by the Commission, will form a binding contract.

Award. The Bonds will be awarded at the lowest true interest cost rate to the State. The true interest cost rate for each bid will be determined on the basis of present value by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to August 2, 2006, and to the price bid. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, or if such bidders have an equal amount of minority-owned participation, then selection for award will be made among such bidders by the Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all Bonds and may be for a purchase price not less than 98% of the par amount of the Bonds (\$60,686,500) nor greater than 101% of the par amount of the Bonds (\$62,544,250). The Bonds maturing on or after May 1, 2017 may not have an initial offering price less than 98.5% of par. There shall be only one interest rate per maturity. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

No later than 15 minutes after verbal notification of being the apparent winning bidder, the bidder must communicate the “when, as, and if issued” offering prices of all Bonds to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to promptly disseminate the initial offering prices for all Bonds without the use of “NRO”.

Adjustment of Principal Amounts and Purchase Price. After selection of the winning bid, the Capital Finance Director may adjust the principal amount of any or all maturities, which could change the aggregate par amount for the Bonds. The principal amount of the maturities listed in the table on [page 1](#), along with the aggregate par amount of the Bonds, shall not change by more than 10%. The adjusted principal amounts for each maturity shall constitute the **Final Maturity Amounts**, and in aggregate, such adjusted principal amounts shall constitute the **Final Par Amount**. The adjustments may be needed so that Bond proceeds in the amount of approximately \$61,000,000 will be available to fund outstanding general obligation extendible municipal commercial paper. The Final Maturity Amounts and the Final Par Amount will be communicated to the successful bidder by 3:00 p.m. (Central Time) on the day of the sale. The purchase price bid by the successful bidder may also be adjusted to reflect the Final Par Amount. Any adjustment made in the purchase price will reflect the change in the dollar amount of the underwriter’s spread and original issue discount/premium but will not change the per-bond underwriter’s spread calculated for the original bid, based upon the interest rates set forth in the Official Bid Form or electronic proposal, and the assumed “when, as, and if issued” offering prices of the Bonds, as required to be delivered to the Commission as stated herein. The successful bidder may not withdraw its bid or change the interest rates bid or the initial reoffering prices as a result of any changes made to the bid amounts within these limits.

Bid Deposit. A certified, official, or cashier’s check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$1,240,000. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue a financial surety bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is assured by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in immediately available funds not later than 1:30 p.m. (Central Time) on July 12, 2006. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely.

Good-Faith Deposit. The good-faith deposit of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the Bonds. No interest will be allowed on the amount of the good-faith deposit. The Commission may apply the proceeds of the good-faith deposit to the purchase price for the Bonds. In the event that the successful bidder should fail to take up and pay for the Bonds in compliance with the terms of its bid, the Commission may, at its option, retain the good-faith deposit as liquidated damages or, at its further option, may retain the good-faith deposit as partial payment of actual damages or as security for any other remedy available to the Commission. The Commission shall return to the successful bidder the amount of the good-faith deposit on the failure of the Commission's part to perform in accordance with the terms of this Official Notice of Sale and the bid. All bids shall remain firm for five hours after the time bids are received for the Bonds, and an award of the Bonds, or rejection of all bids, will be made by the Capital Finance Director within the five-hour time period.

Certification of Price. The successful bidder shall certify, prior to delivery of the Bonds, the "issue price" of the Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986, as amended.

No Reimbursement of Voluntary GASB Fee. The State has no authority or appropriation to make voluntary payments to the Governmental Accounting Standards Board. For this reason, the State cannot remit this fee to the successful bidder as part of the closing and settlement for the Bonds. Bidders should not include the voluntary fee in the calculation of expenses for the transaction.

Closing and Delivery. The closing will be at a mutually agreeable location, at or about 9:30 a.m. (Eastern Time), on or about August 2, 2006. The Bonds will be delivered to DTC no later than the day prior to the closing. Payment for the Bonds must be made by wire in immediately available funds for credit at U.S. Bank National Association at said date and time. Should delivery be delayed beyond 45 days from the date of sale for any reason beyond the control of the State except failure of performance by the successful bidder, the State may cancel the award or the successful bidder may demand return of its good-faith deposit and thereafter its interest in and liability for the Bonds will cease.

Bond Opinion. The legality of the Bonds will be approved by Foley & Lardner LLP (**Bond Counsel**), whose unqualified approving opinion, in the form shown in the Preliminary Official Statement, will be furnished to the successful bidder without cost upon the delivery of the Bonds.

Closing Papers. There will also be furnished upon the delivery of the Bonds the usual closing papers, including a certificate stating that there is no litigation pending or threatened affecting the validity of or security for the Bonds and a certificate to the effect that the Official Statement prepared in connection with the sale of the Bonds, as of the date of the Official Statement and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Tax Exemption. In the opinion of Bond Counsel, the interest on the Bonds is, for federal income tax purposes, excluded from gross income, but is an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds is not excluded from State of Wisconsin income and franchise taxes.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed both a Master Agreement on Continuing Disclosure and an Addendum Describing Annual Report for General Obligations and will execute a Supplemental Agreement specifically for the Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

CUSIP Numbers. The Bonds will contain CUSIP numbers, but any error or omission with respect to the CUSIP numbers shall not constitute cause for refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of its bid.

Bidding Documents. The Preliminary Official Statement, which is available electronically at the web site shown below, is in a form that the State deems final as of June 30, 2006, except for the omission of information described in Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, but is subject to revision, amendment, and completion in a final official statement. The Preliminary Official Statement, Official Bid Form, and Continuing Disclosure Documents may be obtained from the Capital Finance Office web site at the following address:

www.doa.state.wi.us/capitalfinance

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin 53703, 608.266.2305, 608.267.7399, 608.267.0374, or DOACapitalFinanceOffice@wisconsin.gov.

Official Statements. The Commission will furnish to the successful bidder, without cost, up to 500 copies of the final Official Statement within seven business days after the award of the Bonds. If needed, the successful bidder may request additional copies of the final Official Statement from the Commission, which request shall not be unreasonably withheld or denied. The Commission will also furnish to the successful bidder an electronic copy of the final Official Statement, which will be in Adobe (PDF) format.

Dated: June 30, 2006

Frank R. Hoadley
Capital Finance Director