



STATE OF WISCONSIN

Notice of Listed **Material Event** #2002-14 Dated May 3, 2002

The obligations listed in this Notice are subject to the requirements of SEC Rule 15c2-12(b)(5) regarding an agreement to provide continuing disclosure.

Issuer: State of Wisconsin
Obligations: Transportation Revenue Commercial Paper Notes
CUSIP Numbers: 97712N Prefix (All) and 97712P Prefix (All)
Material Event: ***Substitution of Credit or Liquidity Providers.*** The **attached Credit Agreement** has been delivered to Deutsche Bank Trust Company Americas (f/k/a Bankers Trust Company), which is the Issuing and Paying Agent for the State of Wisconsin Transportation Revenue Commercial Paper Notes.

1. This Credit Agreement provides for a Line of Credit, which is a substitution to the Standby Letter of Credit that expires on May 6, 2002.
2. This Credit Agreement is dated May 1, 2002, but is effective May 6, 2002.
3. The Commitment Amount is \$150,000,000.

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing Annual Reports and giving notice of Listed Material Events when notice is required by the State's Master Agreement on Continuing Disclosure.

/s/ FRANK R. HOADLEY

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State of Wisconsin Capital Finance Office
Wisconsin Department of Administration
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(CONFORMED COPY)
CREDIT AGREEMENT

Dated as of

May 1, 2002

among the

STATE OF WISCONSIN,

WESTDEUTSCHE LANDESBANK GIROZENTRALE,
acting through its New York Branch,
Individually and as Administrative Agent

AND

BAYERISCHE LANDESBANK GIROZENTRALE,
acting through its New York Branch

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Exhibit A – Form of Advance Notice

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Schedule I – Individual Commitments

CREDIT AGREEMENT

THIS CREDIT AGREEMENT is dated as of May 1, 2002 (this "*Agreement*"), and is among the STATE OF WISCONSIN (the "*State*"), acting through the State of Wisconsin Building Commission (the "*Building Commission*"), WESTDEUTSCHE LANDESBANK GIROZENTRALE, acting through its New York Branch, individually and as Administrative Agent ("*WestLB*" and referred to in such capacity as the "*Administrative Agent*") and BAYERISCHE LANDESBANK GIROZENTRALE, acting through its New York Branch ("*BLB*" and together with WestLB referred to individually herein as a "*Bank*" and collectively herein as the "*Banks*").

RECITALS

WHEREAS, the State authorized the issuance of its State of Wisconsin Transportation Revenue Commercial Paper Notes (the "*Notes*"), in an aggregate amount not exceeding \$188,600,000, pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended, Section 84.59 of the Wisconsin Statutes, pursuant to a Program Resolution adopted by the Building Commission on April 23, 1997, as amended and supplemented (the "*Program Resolution*"), and pursuant to a General Resolution adopted by the Building Commission on June 26, 1986, as amended and supplemented (the "*General Resolution*") for the purpose of financing major highway projects and transportation facilities. The Notes were issued in anticipation of the issuance of transportation revenue bonds; and

WHEREAS, the Banks have previously issued that certain Standby Letter of Credit dated May 7, 1997 (the "*Existing Letter of Credit*"), issued by the Banks pursuant to that certain Credit Agreement dated as of May 7, 1997 (the "*Existing Agreement*"), among the Banks and the State, whereby the Banks agreed, subject to the terms of the Existing Agreement to purchase Notes tendered for purchase under the provisions of the Program Resolution; and

WHEREAS, the State has requested the Banks to enter into this Agreement, which Agreement shall constitute a substitute Liquidity Facility under the Program Resolution and used to purchase Notes at maturity; and

WHEREAS, to induce the Banks to enter into this Agreement, the State has agreed pursuant to the Program Resolution to execute and deliver a Promissory Note to each Bank and to secure the payment of all amounts from time to time due and owing under this Agreement by pledging to the Banks (i) a second lien on Program Income (as such term is defined in the General Resolution) deposited in the Subordinated Debt Service Fund held by the Trustee pursuant to the General Resolution and (ii) a first lien on the Note Fund (as defined in the Program Resolution) and any other accounts in the Note Fund created under the Program Resolution, together with any and all amounts on deposit therein from time to time. The Notes and the Promissory Notes are not general obligations of the State, its agencies, instrumentalities, or political subdivisions, and the Notes and Promissory Notes do not constitute "public debt" of the State as used in the Constitution and Statutes of the State. The State has previously issued transportation revenue bonds, and the Notes and Promissory Notes are issued on a basis junior

and subordinate to the previously issued bonds and to any bonds issued hereafter secured on a parity with such bonds in accordance with the General Resolution.

NOW, THEREFORE, in consideration of the premises and in order to induce the Banks to enter into this Agreement, the State, the Administrative Agent and the Banks hereby agree as follows:

SECTION 1. DEFINITIONS; ACCOUNTING TERMS AND DETERMINATIONS.

(a) *Definitions.* The following terms, as used herein, have the following respective meanings:

“*Advance*” means each Advance made by the Banks to the State pursuant to Section 2.1(b) hereof.

“*Advance Notice*” has the meaning set forth in Section 2.1(c) hereof.

“*Agreement*” means this Credit Agreement, as amended, modified or supplemented from time to time, in accordance with the provisions hereof.

“*Alternate Base Rate*” means, for any day, a rate of interest equal to the higher of (i) the Prime Rate or (ii) the Federal Funds Rate plus 0.50%.

“*Authorizing Resolution*” means each resolution adopted by the Building Commission authorizing the issuance of bonds or other obligations described in Section 8(o) hereof.

“*Available Commitment*” means, at any time the same is to be determined, the Commitment, minus the principal amount of any Advances then outstanding hereunder.

“*Bank*” means each Bank as described above and its successors.

“*Bonded Debt*” means obligations of the State issued under Chapter 18 of the Wisconsin Statutes.

“*Building Commission*” means the State of Wisconsin Building Commission.

“*Business Day*” means a day on which (a) banks located in Madison, Wisconsin, in New York, New York, and in each of the cities in which the principal office of any Bank, the Issuing and Paying Agent or the Dealer is located are not required or authorized by law or executive order to close for business or (b) The New York Stock Exchange is not closed.

“*Closing Date*” means the date on which all of the conditions precedent set forth in Section 3.1 of this Agreement have been satisfied.

“*Commitment*” means, initially, \$150,000,000 as such amount may be reduced pursuant to Section 2.1(h) hereof.

“*Commitment Termination Date*” means the date which is the earliest of (i) the Scheduled Commitment Termination Date, (ii) 5:00 p.m. (New York City time) on the date set forth in the notice of an Event of Default from the Administrative Agent on behalf of the Banks pursuant to Section 10(II) hereof, (iii) the date on which a Special Event of Default shall have occurred pursuant to Section 10(I) hereof, (iv) the date on which the Commitment shall have been reduced to zero and (v) the date on which the State replaces the Bank by obtaining a substitute Liquidity Facility.

“*Dealer*” means one of those entities designated as a dealer pursuant to the Program Resolution, and its successor and assigns.

“*Dealer Agreement*” means the Dealer Agreement entered into by the State pursuant to the Program Resolution, as the same may be amended, supplemented or extended from time to time pursuant to the terms thereof and hereof.

“*Debt*” of any Person means at any date, without duplication (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (excluding, however, industrial revenue bonds issued by such Person and other nonrecourse indebtedness, including, without limitation, bonds payable solely from revenues of a revenue-producing enterprise or system, of such Person), (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vi) all Debt of others guaranteed by such Person.

“*Default*” means any event or condition which constitutes an Event of Default or that with the giving of notice or the lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means, on any date, a rate of interest per annum equal to the Alternate Base Rate on such date plus 2% per annum.

“*Downgrade*” means each rating category reduction by any of Moody’s, Fitch or S&P of the long-term rating assigned to the State’s unenhanced transportation revenue bonds below “Aa3” (or its equivalent) by Moody’s, “AA-” (or its equivalent) by Fitch or “AA-” (or its equivalent) by S&P (for example, a rating reduction by S&P from “AA-” (or its equivalent) to “A+” (or its equivalent) would constitute one rating category reduction for purposes of this definition, and from “A-” (or its equivalent) to “BBB” (or its equivalent) would constitute two rating category reductions).

“*Event of Default*” shall have the meaning assigned to such term in Section 10 hereof.

“Existing Agreement” has the meaning set forth in the recitals hereof.

“Existing Letter of Credit” has the meaning set forth in the recitals hereof.

“Existing Promissory Notes” has the meaning set forth in Section 12.16 hereof.

“Federal Funds Rate” means, for any day, a rate of interest equal to the interest rate per annum (rounded upwards, if necessary, to the nearest 1/16 of 1%) offered in the interbank market to the Administrative Agent as the overnight Federal Funds Rate as of 10:00 A.M., New York City time on such date (or if such day is not a Business Day, the next preceding Business Day). Each determination of the Federal Funds Rate shall be conclusive and binding on the State absent manifest error.

“Fitch” means Fitch, Inc., and its successors and assigns.

“General Resolution” means the 1986 State of Wisconsin Building Commission Resolution 9, Adopted June 26, 1986, as amended and supplemented.

“Individual Commitment” means, with respect to each Bank, the amount set forth opposite the name of such Bank on Schedule I hereto as the same may be reduced from time to time as provided herein.

“Investment Grade” means any rating in one of the four highest rating categories of any Rating Agency without regard to any numerical designations or the symbols “+” and “-”.

“Issuing and Paying Agent” means Deutsche Bank Trust Company Americas (f/k/a Bankers Trust Company), as Issuing and Paying Agent for the Notes under the Program Resolution, or any successor issuing and paying agent of the Notes appointed in accordance with the Program Resolution.

“Lien” means, with respect to any asset, a mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Liquidity Rate” means a fluctuating rate of interest per annum equal to, (i) for the period from and including the date on which the Banks make an Advance hereunder through and including the date 30 days thereafter, the Federal Funds Rate plus 0.50%; (ii) for the period from and including the date 31 days after the Banks make an Advance hereunder, through and including the date 365 days after the Banks make an Advance hereunder, the Alternate Base Rate and (iii) thereafter, the Alternate Base Rate plus 1%; *provided, however*, that upon the occurrence of an Event of Default hereunder, the Liquidity Rate shall equal the Default Rate.

“*Majority Banks*” means, on any date of determination, Banks that collectively on such date (i) hold at least 66-2/3% of the Commitment, and (ii) if the Commitment has been terminated, hold at least 66-2/3% of the aggregate unpaid principal amount of the Obligations.

“*Maximum Rate*” means the lesser of (i) the maximum non-usurious rate of interest permitted by applicable law and (ii) 14% per annum.

“*Moody’s*” means Moody’s Investors Service, Inc. and its successors and assigns.

“*No-Issuance Notice*” means the written instruction, in the form attached hereto as *Exhibit B*, given by the Administrative Agent on behalf of the Banks to the State and the Issuing and Paying Agent pursuant to Section 10(II) hereof.

“*Note Fund*” means the Note Fund established pursuant to the Program Resolution.

“*Notes*” means the State’s Transportation Revenue Commercial Paper Notes to be issued pursuant to the Program Resolution, as such amount may be increased or decreased from time to time pursuant to the terms of the Program Resolution.

“*Obligations*” means all obligations and all liabilities of the State under this Agreement, including, but not limited to, its obligations to make all payments required by Section 2.1 and 2.2 hereof.

“*Offering Memorandum*” means the Offering Memorandum dated May 1, 2002, relating to the Notes, and any reoffering circular used in connection with a reoffering of the Notes.

“*Outstanding*” (i) with respect to the Notes, shall have the meaning assigned to such term in the Program Resolution, and (ii) with respect to Advances, means all Advances made by the Bank pursuant hereto and not repaid by the State.

“*Participant*” has the meaning assigned to that term in Section 8 hereof.

“*Participation*” has the meaning assigned to that term in Section 8 hereof.

“*Payment Office*” means with respect to each Bank, such Bank’s office located at the address indicated in Section 12.7 hereof, or such other office as such Bank may designate from time to time.

“*Percentage*” means, with respect to each Bank, the percentage equal to a fraction the numerator of which is such Bank’s Individual Commitment and the denominator of which is the Commitment.

“*Person*” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a state, regional or local government or political subdivision or an agency or instrumentality thereof.

“Pledged Collateral” means the Note Fund (as defined in the Program Resolution) and any other accounts in the Note Fund created under the Program Resolution, together with any and all amounts on deposit therein from time to time.

“Prime Rate” means, on any given day, the rate of interest publicly announced by the Administrative Agent from time to time at its office located in New York, New York, as its “base rate” regardless of whether such rate is actually charged to any customer of the Administrative Agent. Each determination of the Prime Rate shall be conclusive and binding on the State.

“Program Expense Fund” shall have the meaning set forth in the General Resolution.

“Program Expenses” shall have the meaning set forth in the General Resolution.

“Program Income” shall have the meaning set forth in the General Resolution.

“Program Resolution” means the resolution adopted by Building Commission on April 23, 1997, as amended and supplemented, authorizing, among other things, the issuance of the Notes.

“Promissory Note” means each promissory note of the State, substantially in the form set forth in the Program Resolution, evidencing the indebtedness of the State to the Banks under this Agreement with respect to amounts drawn under this Agreement pursuant to Section 3.1 hereof, as such promissory note may be modified or extended from time to time, and any promissory note issued in exchange or replacement therefor.

“Qualifying Bank” means a bank whose short-term unsecured debt is rated as high as the short-term unsecured debt of the Remaining Banks.

“Rating Agency” means Fitch, Moody’s or S&P.

“Related Documents” means and includes (without limitation) the Notes, the Program Resolution, the General Resolution, the Supplemental Resolution, the Promissory Notes, the Dealer Agreement and any and all other documents which the State has executed and delivered, or may hereafter execute and deliver, to evidence or secure the State’s obligations thereunder.

“Remaining Banks” means the Banks remaining after substitution of a Bank in accordance with Section 12.15 hereof.

“S&P” means Standard & Poor’s Ratings Group, and its successors and assigns.

“Scheduled Commitment Termination Date” shall mean 5:00 p.m. (New York City time) on May 5, 2003, as the same may be extended pursuant to the terms of this Agreement.

“Senior Bonds” means *“Bonds”* issued pursuant to the General Resolution that do not constitute Subordinated Indebtedness.

“*Special Event of Default*” means the occurrence of an Event of Default under Section 10(j), 10(k), 10(m), 10(n) or Section 10(o)(i) hereof.

“*State*” means the State of Wisconsin.

“*State’s Account*” means the Note Fund established pursuant to the Program Resolution.

“*Subordinated Indebtedness*” shall have the meaning set forth in the General Resolution.

“*Subordinated Debt Service Fund*” shall have the meaning set forth in the General Resolution.

“*Supplement*” or “*Supplements*” means any and all extensions, renewals, modifications, amendments, supplements and substitutions.

“*Supplemental Resolution*” means and includes each Supplemental Resolution adopted by the Building Commission authorizing the issuance of commercial paper notes under the Program Resolution.

“*Suspension Event*” means the occurrence of an event which causes the suspension of the obligations of the Banks hereunder pursuant to Section 10(III) or 10(V) hereof.

“*Taxes*” shall have the meaning assigned to such term in Section 2.2(f) hereof.

(b) *Gender; Plural.* All references made herein (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular numbers as well.

(c) *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the most recent audited financial statements of the State delivered to the Administrative Agent on behalf of the Banks.

SECTION 2. THE COMMITMENT

Section 2.1. The Commitment. (a) *Generally.* The State hereby requests each Bank, and each Bank hereby severally and not jointly agrees, on the terms and conditions hereinafter set forth, to establish a revolving line of credit for the benefit of the State in an amount not to exceed its respective Individual Commitment for the purpose of making Advances to fund the payment by the State of the principal of and interest on any Notes at stated maturity in accordance with this Agreement and the Program Resolution.

(b) *Making of Advances.* Each Bank severally agrees on the terms and conditions set forth in this Agreement, to make its respective Percentage of Advances under the Commitment from time to time as requested by the State (or the Issuing and Paying Agent on behalf of the State); *provided* that in no event shall the aggregate principal amount of Advances made by the Banks on any date exceed the amount of the Available Commitment as of such date; *provided further* that the maximum amount of any such Advance to be provided by any Bank shall be its respective Percentage of the Available Commitment and shall in no event exceed its respective Individual Commitment (as reduced by the aggregate principal amount of outstanding and unpaid Advances made by such Bank). Each Advance shall be made in such amount as requested pursuant to an Advance Notice. Within such limit, the State may, while the Commitment is in effect, borrow, prepay, repay, and reborrow Advances under the Commitment pursuant to this Section. In no event shall the sum of Advances then outstanding exceed the Commitment as in effect at any time.

(c) *Advance Notices.* Each Advance shall be made on notice given by the State to the Administrative Agent. Each such notice of an Advance ("*Advance Notice*") shall be by telephone or teletype, confirmed immediately in writing, in substantially the form of Exhibit A attached hereto, specifying (i) the requested date for such Advance, which shall be a Business Day and (ii) the aggregate principal amount of such requested Advance. The Issuing and Paying Agent will act as the State's agent for the purpose of executing and delivering each Advance Notice. The State irrevocably appoints the Issuing and Paying Agent as the State's attorney-in-fact and proxy, with full authority in the place and stead of the State and in the name of the State to execute and deliver Advance Notices.

If the Banks make a new Advance under this Agreement on a day on which the State is to repay all or any part of the principal of an Advance, the Banks shall apply the proceeds of its new Advance to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by the Banks or remitted by the State as provided in this Section 2.1.

(d) *Making the Advances.*

(i) If the Administrative Agent receives the Advance Notice at or prior to 1:00 p.m. (New York City time) on a Business Day, subject to satisfaction of the applicable conditions precedent set forth in Section 3.2 of this Agreement, the Administrative Agent shall notify each Bank and such Bank shall, subject to the provisions of subsections (b) and (c) of this Section 2.1, pay its respective Percentage of such Advance, in immediately available funds, to the Issuing and Paying Agent by not later than 3:00 p.m. (New York City time), on the same Business Day, to the State's Account.

(ii) If the Administrative Agent receives the Advance Notice after 1:00 p.m. (New York City time) on a Business Day, subject to satisfaction of the applicable conditions precedent set forth in Section 3.2 of this Agreement, the Administrative Agent shall notify each Bank and such Bank shall, subject to the provisions of subsections (b) and (c) of this Section 2.1, pay its respective Percentage of such Advance, in immediately

available funds, to the Issuing and Paying Agent by not later than 3:00 p.m. (New York City time), on such next succeeding Business Day, to the State's Account.

(e) *Payment of Advances.* If an Event of Default has occurred and is continuing, the State will pay or cause to be paid to the Administrative Agent on behalf of the Banks an amount equal to the amount of each Advance, on the same Business Day of such Advance, with interest at the Default Rate until payment in full.

(f) *Repayment of Advances.* If any Bank shall make an Advance and the State is not required to reimburse or cause to be reimbursed such Bank in connection therewith on the same Business Day pursuant to subsection (e) above, the State shall pay interest on the unpaid amount of each Advance from the date of such Advance until such amount is paid in full, payable in arrears, semiannually on the first Business Day of each January and July during the term of each Advance and, with respect to any such amount repaid, on the date any such amount is repaid, at a rate per annum equal to the Liquidity Rate. The State shall pay the principal amount of each Advance in installments on July 1 of each year commencing on the next July 1 to occur following the date on which the Banks make such Advance (the "*Advance Date*"), with the final installment of such Advance due and payable on the July 1 immediately preceding the second anniversary of the Advance Date. The first such installment shall be in an amount equal to the lesser of (i) one-half of the principal amount of such Advance, or (ii) the amount set forth in Exhibit B of the Supplemental Resolution for the amortization of principal on the Notes for the bond year such payment is due. The second installment shall be in an amount equal to the outstanding principal amount of such Advance. The State shall make all payments under this Section 2.1(f) to the Administrative Agent on behalf of the Banks.

(g) *Prepayment of Advances.* (i) The State may prepay the amount of any Advance outstanding prior to the date on which payment of such Advance is due in whole or in part with accrued interest to the date of such prepayment on the amount prepaid upon telephonic notice to the Administrative Agent on behalf of the Banks at least one Business Day prior to the date of such prepayment; *provided, however*, that any such prepayment in part shall be applied against each such Advance in the order in which made.

(ii) Such prepayment shall be applied by the Banks in repayment of such Advances and the Commitment shall reinstate by the amount of such payment; *provided, however*, that the Issuing and Paying Agent shall not deliver any Notes for sale or otherwise until the Commitment has been reinstated pursuant to the terms of this Agreement.

(iii) The State shall not prepay any amount of any debt obligations of the State issued on a parity with the Notes, unless the State effects a like prepayment ratably among such other debt obligations and the Notes and Advances.

(h) *Reduction and Termination of Commitment.*

(i) The State may, upon at least five (5) Business Days' notice to the Administrative Agent designating the date of such reduction, reduce the Commitment from time to time during the period from the date of such notice through the Commitment

Termination Date, *provided* that (A) each such reduction of the Commitment shall be in an aggregate amount equal to \$1,000,000 or an integral multiple thereof, (B) the amount of the Commitment may not be reduced below the aggregate principal amount of the Outstanding Advances, and (C) the Administrative Agent shall have received a certificate, substantially in the form of Exhibit C to this Agreement, with respect to such reduction.

(ii) Subject to Section 12.15, the State may terminate the Commitment at any time following written notice to the Administrative Agent (with a copy thereof to the Issuing and Paying Agent) in the event that the rating assigned by a Rating Agency to the short-term indebtedness of any Bank shall be downgraded, suspended or withdrawn by such Rating Agency. Upon any termination of the Commitment pursuant hereto, all Outstanding Advances, interest, fees and other Obligations of the State hereunder shall be promptly paid or repaid in full to the Administrative Agent on behalf of the Banks.

(i) *Extension of the Scheduled Commitment Termination Date.* Not more than 90 days and not less than 60 days prior to the Scheduled Commitment Termination Date, the State may request in writing that the Bank extend the Scheduled Commitment Termination Date for an additional period of 364 days from the then current Scheduled Commitment Termination Date. If the State shall make such request, the Banks shall, no later than thirty (30) days after receipt of such written request, notify the State and the Issuing and Paying Agent in writing whether the Banks, in their absolute discretion, consent to such request (which consent may be given or withheld in the sole discretion of the Banks) and the conditions of such consent (including conditions relating to legal documentation, the amount of the Commitment, the term of the extension and pricing). If the Administrative Agent on behalf of the Banks shall not so notify the State, the Banks shall be deemed not to have consented to such request and the Scheduled Commitment Termination Date shall remain unchanged. If the Administrative Agent on behalf of the Banks consents to such request, the extended Scheduled Commitment Termination Date shall take effect on the date specified in the request or such other date as may be acceptable to the parties hereto. The terms of this paragraph (i) shall apply to additional extensions of the Scheduled Commitment Termination Date if the Scheduled Commitment Termination Date has been extended upon the request of the State in accordance herewith by the Banks.

Section 2.2. Interest; Fees; and Expenses.

(a) *Default Rate.*

(i) Upon the occurrence of an Event of Default, the State shall pay interest on all Obligations and Advances at the Default Rate.

(ii) If the State shall fail to pay when due (whether at maturity, on demand, by reason of acceleration or otherwise) any amount due and unpaid hereunder, each such unpaid amount shall (to the extent permitted by applicable law) bear interest for each day from the date it was so due until paid in full at a rate per annum equal to the Default Rate, payable on demand.

(b) *Increased Costs.*

(i) If any Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in the interpretation, implementation or administration thereof by, any court, central bank, or other administrative, or governmental authority in the United States (in each case, whether or not having the force of law), or compliance by any Bank with any request or directive of any such court, central bank or other administrative or governmental authority (whether or not having the force of law), shall (A) change the basis of taxation of payments to any Bank of any amounts payable hereunder (except for taxes on the overall net income of such Bank), (B) impose, modify or deem applicable any reserve, special deposit or similar requirement against making or maintaining any Commitment or any Advance, or assets held by, or deposits with or for the account of, any Bank or (C) impose on such Bank any other condition regarding this Agreement, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to any Bank of making or maintaining the Commitment or any Advance or to reduce the amount of any sum received or receivable by any Bank hereunder, then, upon demand by such Bank, the State shall pay to any Bank such additional amount or amounts as will compensate such Bank for such increased costs or reductions in amount; *provided, however,* that the State shall not be required to reimburse any Bank for any costs or fees (including attorneys' fees) incurred in the calculation of such additional amounts and *provided further* that such Bank shall use its best efforts to provide the State with written notice of any event or circumstance which would cause any payment under this subparagraph and agrees that the State shall not be required to compensate such Bank for any increased costs incurred by such Bank more than 90 days prior to receipt by the State of such written notice, except where such incurrence beyond such 90-day period has resulted from the application of the relevant event on a retroactive basis.

(ii) If any Bank shall have determined that the adoption or implementation of, or any change in, any law, rule or regulation, or any policy, guideline or directive of, or any change in the interpretation, implementation or administration thereof by, any court, central bank or other administrative or governmental authority in the United States, or compliance by any Bank with any request by or directive of any central bank or other authority (in each case, whether or not having the force of law), shall impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which any Bank allocates capital resources to its Commitment including its obligations under lines of credit) that either (A) affects or would affect the amount of capital to be maintained by any Bank or (B) reduces or would reduce the rate of return on any Bank's capital to a level below that which such Bank could have achieved but for such circumstances (taking into consideration such Bank's policies with respect to capital adequacy) such Bank shall use its best efforts to provide the State with written notice of any event or circumstance which would cause any payment under this subparagraph and agrees that the State shall not be required to compensate such Bank for any increased costs incurred by such Bank more than 90 days prior to receipt by the State of such written notice, except where such incurrence beyond such 90 day period has resulted from the application of the relevant

event on a retroactive basis; *provided, however*, that the State shall not be required to reimburse such Bank for any costs or fees (including attorneys' fees) incurred in the calculation of such additional amounts; *provided, further*, that the State shall be obligated under this clause (ii) to compensate such Bank for such increased costs and reductions arising pursuant to this clause (ii) as a result of the imposition, modification or applicability of any capital adequacy requirements only to the extent such capital adequacy requirements are in excess of the capital adequacy requirements applicable to the Commitment and the Agreement, as provided in the report dated July, 1988 and entitled "International Convergence of Capital Measurement and Capital Standards" issued by the Base Committee on Banking Regulations and Supervisory Practices.

(iii) All payments of amounts referred to in clauses (i) and (ii) above shall bear interest thereon if not paid within five (5) Business Days of such notice until payment in full thereof at an interest rate per annum equal to the Default Rate in effect, from time to time, payable on demand. A certificate as to such increased cost, increased capital or reduction in return incurred by any Bank as a result of any event mentioned in clause (i) or (ii) of this subsection setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by any Bank to the State and shall be conclusive as to the amount thereof. In making the determinations contemplated by the above-referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that such Bank in good faith determines to be appropriate.

(c) *Collateral Security.* As security for payment of the Obligations of the State, the State has, pursuant to the Program Resolution, pledged to the Banks all of the State's right, title and interest in and to the Pledged Collateral and the Program Income deposited in the Subordinated Debt Service Fund, subject with respect to the Program Income deposited in the Subordinated Debt Service Fund to the prior pledge to the owners of Senior Bonds pursuant to the General Resolution.

(d) *Payments and Computations.* The State will make each payment hereunder, under each Promissory Note and under the other Related Documents, no later than 3:30 p.m. (New York City time) on the date when due, in lawful money of the United States of America and in immediately available funds to the Administrative Agent on behalf of the Banks at the Payment Office of the Administrative Agent. All such payments shall be made by the State without defense, set-off or counterclaim. Whenever any payment to be made under this Agreement or any such Related Document shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be involved in the computation of interest or fees, as the case may be. All interest payable hereunder and under the Promissory Note will be computed on the basis of a year of 365 or 366 days (as applicable) for the actual number of days elapsed. All computations of fees payable hereunder shall be calculated on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day). Each determination by the Administrative Agent on behalf of the Banks of interest, fees or any other amounts due hereunder shall be conclusive and binding for all purposes in the absence of manifest error.

(e) *Determination of Interest Rate.* The Administrative Agent on behalf of the Banks shall give prompt notice to the State of the applicable interest rate determined by the Administrative Agent for purposes of Sections 2.1(e) and 2.1(f) hereof.

(f) *Taxes.* All payments made by the State hereunder shall be made free and clear of and without deduction for any present or future income, stamp or other taxes, levies, imposts, deductions, charges, fees, withholdings, restrictions or conditions of any nature now or hereafter imposed, levied, collected, withheld or assessed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (whether pursuant to United States Federal, state or local law or foreign law) and all interest, penalties or similar liabilities, excluding taxes on the overall net income of each Bank (such non-excluded taxes are hereinafter collectively referred to as the “*Taxes*”). If the State shall be required by law to deduct or to withhold any Taxes from or in respect of any amount payable hereunder, (i) the amount so payable shall be increased to the extent necessary so that, after making all required deductions and withholdings (including taxes and amounts payable to any Bank pursuant to this sentence), each Bank receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the State shall make such deductions or withholdings and (iii) the State shall pay the full amount deducted or withheld to the relevant taxation authority in accordance with applicable law. Whenever any Taxes are payable by the State, as promptly as possible thereafter, the State shall send the Administrative Agent on behalf of the Banks an official receipt or other documentation satisfactory to such Bank evidencing payment to such taxation authority. The State will, to the extent permitted by law, indemnify such Bank for the full amount of Taxes (including any Taxes amounts payable to such Bank under this paragraph) paid by the Bank and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, upon written demand by such Bank.

(g) *Maximum Rate.* The maximum interest rate permitted under this Agreement shall be 14% (the “*Maximum Rate*”). In the event that any rate of interest required to be paid under this Agreement would exceed the Maximum Rate, such rate shall automatically be reduced to the Maximum Rate; *provided, however*, that if at any time the rate of interest required to be paid under this Agreement shall exceed the Maximum Rate, then any subsequent reduction in the rate of interest required to be paid hereunder will not reduce the rate of interest below the Maximum Rate until the total amount of interest accrued equals the amount of interest which would have accrued if the rate of interest required hereunder without giving effect to this Section 2.2(g) had at all times been in effect, regardless of whether the Commitment Termination Date has occurred or any Notes remain outstanding.

(h) *Promissory Notes.* The indebtedness of the State under this Agreement with respect to Advances hereunder shall be evidenced by a Promissory Note to each Bank, substantially in the form set forth in the Program Resolution. Each Promissory Note shall be payable to the order of the respective Bank and in a principal amount equal to the amount of such Bank’s Individual Commitment. Each Bank is hereby authorized to record the date and amount of principal amounts owed to each such Bank by the State pursuant to this Agreement, and the date and amount of each payment or prepayment of principal thereof, on the schedule annexed to and constituting a part of the Promissory Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded. The Bank is authorized and directed to

insert in its Promissory Note the date or dates of each Supplemental Resolution that constitutes an Authorizing Resolution, so as to comply with the requirements of the Act. Each Promissory Note shall (A) be dated the date hereof, (B) be stated to mature on the Commitment Termination Date, and (C) provide for the payment of interest in accordance with Section 2.1(f) hereof.

(i) *Fees, Commissions, Etc.* The State will pay to the Administrative Agent:

(i) for the ratable account of the Banks, an annual commitment fee calculated at the per annum rate of 0.16% on the Commitment; *provided, however*, that the per annum rate set forth above shall increase (i) by 0.05% from and after the date of each Downgrade; (ii) by an additional 1.00% per annum from and after the date any Rating Agency shall have publicly announced a suspension or withdrawal of the long-term rating assigned to the State's unenhanced transportation revenue bonds; and (iii) by an additional 1.00% per annum from and after the date of an occurrence of an Event of Default.

(ii) on the date of each Advance, a draw fee of \$250 for each Bank that makes a payment with respect to such Advance;

(iii) on the date of each transfer of, waiver of or amendment to this Agreement, a fee of \$3,000 per Bank, plus the reasonable fees and expenses of counsel to the Banks incurred in connection therewith; and

(iv) on the Closing Date and on each annual anniversary of the Closing Date, an agency fee in an amount equal to \$5,000 for the account of the Administrative Agent.

The fees set forth in clause (i) above shall be payable quarterly in arrears, commencing on July 10, 2002, and thereafter on the tenth day of each October, January, April and July. On the Commitment Termination Date, all fees outstanding shall be paid to the Administrative Agent on behalf of the Banks.

SECTION 3. CONDITIONS PRECEDENT.

Section 3.1. Conditions Precedent to Commitment. The obligation of each Bank to execute and deliver this Agreement is subject to the satisfaction of each of the following conditions precedent on or before the Closing Date:

(a) *Delivery of Documents.* The Banks shall have received on or before the Closing Date the following, each in form and substance satisfactory to the Bank and its counsel and, unless indicated otherwise, dated the Closing Date:

(i) a Promissory Note payable to the order of each Bank, duly executed by the State;

(ii) executed copies of the Related Documents and a specimen copy of the Notes;

(iii) a certificate of a duly authorized officer of the State, certifying as to the incumbency and signature of each of the officers of the State authorized to sign this Agreement and the Related Documents;

(iv) the audited financial statements of the State for the fiscal year ended June 30, 2001;

(v) a favorable opinion of Quarles & Brady LLP, bond counsel for the State, to the effect that (i) this Agreement has been and, when executed and delivered, will be, duly authorized, executed and delivered by the State and is the valid and binding obligation of the State enforceable against the State in accordance with its respective terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to the State and equitable principles relating to or affecting creditors' rights generally from time to time, (ii) the execution and delivery by the State of this Agreement and the performance by the State of its obligations under this Agreement and the Related Documents do not and will not violate the Constitution or laws of the State, and (iii) the State has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery, and performance by the State of this Agreement. In addition, the Bank shall have received a letter from bond counsel authorizing the Bank to rely on the final approving opinion of bond counsel delivered to the State as if such opinion were addressed to the Bank;

(vi) a certificate of a duly authorized officer of the State, certifying that all conditions precedent set forth in the Program Resolution with respect to the issuance of the Notes remain satisfied;

(vii) written confirmation that the Notes have been rated "P-1" by Moody's, "F-1+" by Fitch and "A-1+" by S&P;

(viii) a certified copy of the executed Authorizing Resolution authorizing the issuance of bonds or other obligations in accordance with Section 8(o); and

(ix) such other documents, instruments, approvals or opinions as the Banks may reasonably request.

(b) *Representations; Defaults.* The following statements shall be true and correct on and as of the Closing Date, and the Administrative Agent on behalf of the Banks shall have received a certificate signed by the appropriate officer of the State, dated the Closing Date, stating that:

(i) the representations and warranties of the State contained in Section 6 hereof are true and correct in all material respects on and as of the Closing Date as though made on and as of such date; and

(ii) no Default shall have occurred and be continuing or would result from the issuance of the Notes or the execution and delivery of this Agreement, or the making of any Advance.

(c) *Issuance of Notes.* As of the date hereof, the Program Resolution and all other Related Documents to which the State is a party remain in full force and effect.

(d) *Legality; Material Adverse Change.* As of the date hereof, each Bank shall have determined (in its reasonable discretion) that (i) the consummation of any of the transactions contemplated by this Agreement or any of the Related Documents will not violate any law, rule, guideline or regulation (or interpretation or administration thereof) applicable to the State, such Bank or this Agreement and (ii) no material adverse change in the financial condition, business, assets, liabilities or prospects of the State shall have occurred.

(e) *Dealer and Issuing and Paying Agent.* A Dealer and an Issuing and Paying Agent satisfactory to the Banks shall have been appointed.

(f) *Existing Agreement and Existing Letter of Credit.* On or before the Closing Date, the State shall pay all outstanding obligations owing to the Agent and the Banks under the Existing Agreement and the Existing Letter and terminate and surrender the Existing Letter of Credit to the Administrative Agent.

Section 3.2. Conditions Precedent to Each Advance. The obligation of each Bank to make available its respective Percentage of any Advance is subject to the following conditions precedent on or before the time on which the Advance is to be made:

(i) The Administrative Agent shall have received the Advance Notice required under, and in strict conformity with, Section 2.1(c) of this Agreement in a manner satisfactory to the Administrative Agent;

(ii) The representations and warranties of the State contained in Section 6 of this Agreement are correct in all material respects on and as of such date;

(iii) The Commitment Termination Date shall not have occurred; and

(iv) No Special Event of Default and no Suspension Event shall have occurred and be continuing under this Agreement.

Unless the State shall have previously advised the Administrative Agent in writing that any or all of the above statements is no longer true, the State shall be deemed to have represented and warranted, on the date of each Advance, that the above statements are true and correct.

SECTION 4. OBLIGATIONS ABSOLUTE.

The Obligations of the State under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances: (i) any lack of enforceability of this Agreement, the Notes, or any other Related Documents; (ii) any amendment or waiver of or any consent to departure from all or any of the Related Documents; (iii) any statement or other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; (iv) payment under this Agreement by the Banks against presentation of a certificate that doesn't comply with the terms of this Agreement; (v) the existence of any claim, set-off, defense or other rights which the State may have at any time against the Issuing and Paying Agent (or any persons or entities for whom the Issuing and Paying Agent may be acting), any beneficiary or any transferee of this Agreement, any holder of a Note, any Bank or any other Person, whether in connection with this Agreement, the transactions contemplated herein or in the Related Documents or any related transaction; or (vi) any other circumstance which might constitute a legal or equitable discharge of any Obligations hereunder (whether or not similar to any of the foregoing), it being agreed that the Obligations hereunder shall not be discharged except by the performance thereof strictly in accordance with the terms of this Agreement including, without limitation, the payment in full as herein provided of all amounts owing hereunder. Nothing herein contained shall affect the State's rights under Section 12.4.

SECTION 5. USE OF PROCEEDS.

The State shall use the proceeds of (i) the Notes solely in accordance with the purposes set forth in the Program Resolution and applicable Supplemental Resolutions and (ii) the Advances under this Agreement solely to pay the principal of and interest on the Notes when due.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The State represents and warrants to each Bank and the Administrative Agent as follows:

(a) *Powers.* The State (i) has the full legal right, power and authority to (A) execute and deliver this Agreement and the Related Documents, (B) perform all its obligations and liabilities under this Agreement and the Related Documents, (C) receive Advances, (D) raise revenue to pay the principal of and interest on the Notes, all other outstanding bonds and notes of the State and all of its Obligations hereunder (including, without limitation, the obligation to repay all Advances, to pay all interest thereon, and to pay all fees and other amounts payable hereunder), and (E) pledge all of its right, title and interest in the Program Income (to the extent of amounts deposited in the Subordinated Debt Service Fund) and the Pledged Collateral. For purposes of this paragraph, the term "*Debt*" does not mean "public debt" as that term is used in the Constitution and Statutes of the State.

(b) *Compliance with Law and Contracts.* The issuance of the Notes and the Promissory Notes, and the execution, delivery and performance by the State of this Agreement and the Related Documents in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of the State, and do not and will not (i) violate the authorizing legislation of the State, as amended, or any court order by which the State is bound, (ii) conflict with, violate or contravene any provision of existing law or regulation or any order or decree of any court, tribunal, governmental authority, bureau or agency, or (iii) conflict with, violate or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the State is a party or that is binding upon it or any of its properties; and no consent of any Person (including, without limitation, any approval of the registered voters of the State) and no license, approval or authorization of, or notice to or registration, filing or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Related Documents or for the State to receive Advances or otherwise incur indebtedness in accordance with this Agreement or, if required, the same has been obtained and is in full force and effect and true and complete copies thereof have been delivered to the Bank.

(c) *Authorization and Validity.* Each of the (i) Agreement and (ii) the Related Documents constitutes a legal, valid and binding agreement or obligation, as the case may be, of the State, enforceable in accordance with their respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies which may be limited by equitable principles of general applicability.

(d) *Litigation.* Except as may have been disclosed to the Banks in writing, there are no actions, suits or proceedings at law or in equity pending or, to the knowledge of the State, threatened against or affecting it or its properties before any court or arbitrator or any governmental or nongovernmental body's agency or official in which an adverse decision could materially and adversely affect the financial position or operations of the State or which in any manner questions the validity of this Agreement or any Related Document or the State's ability to carry out the transactions contemplated hereby and thereby.

(e) *Related Documents.* The representations and warranties of the State in the Related Documents are true and correct in all material respects.

(f) *Accuracy and Completeness of Information.* All data, certificates, reports, financial statements, documents and other information furnished to the Banks by or on behalf of the State on or prior to the Closing Date in connection with the transactions contemplated hereby were, at the time same were so furnished, complete and correct in all material respects to the extent necessary to give the Banks true and accurate knowledge of the subject matter thereof and did not contain any untrue statement of a material fact or

omit to state a material fact necessary in order to make the statements contained therein not misleading.

(g) *Pledged Collateral.* The State has done everything in its power to create in favor of the Bank a legal, valid and enforceable pledge of all of the State's rights, title and interest in the Pledged Collateral and the Program Income deposited in the Subordinated Debt Service Fund. The Program Resolution and this Agreement pledge in favor of the Bank all right, title and interest of the State in, and all rights of the State to receive, any of the Pledged Collateral. The General Resolution and this Agreement pledge in favor of the Bank all right, title and interest of the State in, and all rights of the State to receive, any Program Income deposited in the Subordinated Debt Service Fund, subject only to the prior pledge of the Program Income to the owners of the Senior Bonds pursuant to the General Resolution. As provided in Section 18.561 of the Wisconsin Statutes, the foregoing described pledge creates a lien on the Program Income in favor of the Banks, and no physical delivery, recordation or other action is required to perfect the security interest created hereby.

(h) *Legislation.* No legislation has been enacted which in any way materially adversely affects or which prohibits (i) the issuance or delivery of the Notes, (ii) the adoption of the Program Resolution, (iii) the execution and delivery of this Agreement, the Promissory Notes or any of the Related Documents to which the State is a party, (iv) the power of the State to carry out its obligations under this Agreement or any of the Related Documents to which the State is a party.

(i) *Accuracy of Financial Reports.* The most recent financial reports of the State at June 30, 2001, copies of which have been furnished to the Banks, fairly present the financial position and results of operations of the State, as of the dates and for the periods set forth therein. Since June 30, 2001, there has been no material adverse change in the financial condition or operations of the State, except as may have been disclosed to the Banks in writing.

(j) *No Tax or Fee.* None of the execution or delivery of this Agreement or the making of any Advance will give rise to any tax or fee imposed by any local or state agency or governmental body within the State of Wisconsin.

(k) *Immunity from Jurisdiction.* The State is a sovereign government and does not hereunder waive any of its privileges or immunities as a sovereign government, *provided* that such privileges and immunities shall in no way inhibit or impair the ability of the Banks to enforce obligations of the State under this Agreement, the General Resolution, the Program Resolution, the Notes and the Promissory Notes. In that regard, Section 18.561(2) and 18.61(3) of the Wisconsin Statutes provide a procedure by which action to enforce the obligations of the State under this Agreement, the General Resolution, the Program Resolution, the Notes and the Promissory Notes may be brought by the Banks against the State.

(l) *Obligation.* The obligations of the State in respect of principal of, and interest on, the Notes and the Promissory Notes (including, without limitation, the obligation to repay all Advances and to pay all interest thereon, hereunder) do not constitute direct and general obligations of the State backed by the full faith and credit of the State. Such principal and interest are payable solely from Program Income deposited in the Subordinated Debt Service Fund held by the Trustee under the General Resolution. The Notes and the Promissory Notes are issued on a basis junior and subordinate to the previously issued transportation revenue bonds under such General Resolution and to any bonds hereafter incurred on a parity with such bonds in accordance with the General Resolution as to the pledge of Program Income.

(m) *No Limitation on Interest Rate.* The laws of the State of Wisconsin impose no limitation on the rate of interest payable by the State hereunder.

(n) *Program Expenses.* All Obligations under this Agreement, other than with respect to the payment of principal of or interest on any Advance, shall constitute Program Expenses and shall be payable from the Program Expense Fund.

SECTION 7. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; SUCCESSORS AND ASSIGNS.

All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of the State pursuant to or in connection with this Agreement (including, but not limited to, any such statement made in or in connection with any amendment hereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made and shall be true at and as of (a) the date of any authentication and delivery of Notes under the Program Resolution, (b) the time of each Advance hereunder, and (c) the Commitment Termination Date, except to the extent such representations and warranties relate solely to an earlier date.

Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last paragraph of this Section 7, be deemed to include the successor and assignees of such party, and all covenants, promises and agreements by or on behalf of the State which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Banks. The State may not transfer its rights or obligations under this Agreement without the prior written consent of the Banks. No Bank may transfer its rights or obligations under this Agreement without the prior written consent of the State. This Agreement is made solely for the benefit of the State, the Administrative Agent and the Banks, and no other person or entity (including, without limitation, the Issuing and Paying Agent or holder of any Note) shall have any right, benefit or interest under or because of the existence of this Agreement.

Notwithstanding the foregoing, each Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation in all or any part of the Bank's rights and benefits under this Agreement or any Related Document on a participating basis but not as a party to this Agreement (a "*Participation*"), without the consent of the State, *provided* such Bank agrees to give the State notice of the granting of any Participation upon the effectiveness

thereof. In the event of any such granting by any Bank of a Participation to a Participant, whether or not upon notice to the State, the Bank shall remain responsible for the performance of its obligations hereunder, and the State shall continue to deal solely and directly with such Bank in connection with the Bank's rights and obligations under this Agreement. The State agrees that each Participant shall, to the extent of its Participation, be entitled to all the benefits of this Agreement to the same extent as if such Participant were the Bank from which such Participant acquired its participation; *provided* that no Participant shall have the right to declare an Event of Default under Section 10 hereof.

SECTION 8. AFFIRMATIVE COVENANTS.

The State covenants and agrees, from the date hereof and until the Commitment Termination Date and the payment in full of all Obligations, unless the Majority Banks shall otherwise consent in writing:

(a) *Compliance with Laws, Etc.* The State shall comply with applicable laws, rules, regulations and orders of any governmental authority (including, without limitation, compliance with environmental laws and state securities and blue sky laws in connection with the offering, sale and delivery of the Notes), except that this Section 8(a) shall not apply to noncompliance that, singly or in the aggregate, would not have a materially adverse effect on (i) the financial condition or operations of the State or (ii) the ability of the State to perform its obligations hereunder, including but not limited to the timely payment of the Notes, the Advances or the Obligations.

(b) *Pledged Collateral.* The State shall at all times keep the Pledged Collateral and every part thereof free and clear of all pledges and security interests except the pledges granted in the Program Resolution or permitted under the other Related Documents, and shall do everything in its power to maintain (i) the pledge of the Pledged Collateral to the Banks as a valid pledge of all right, title and interest of the State in the Pledged Collateral and all rights of the State to receive any amount of the Pledged Collateral, and (ii) the pledge of the Program Income in the Subordinated Debt Service Fund to the Banks as a valid pledge of all right, title and interest of the State to such Program Income and all rights of the State to receive such Program Income, subject only to the rights of the owners of the Senior Bonds pursuant to the General Resolution.

(c) *Accuracy of Information.* All data, certificates, reports, financial statements, documents and other information furnished to the Banks, considered collectively, whether pursuant to this Agreement, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement, shall, at the time the same are so furnished, (i) be complete and correct in all material respects to the extent necessary to give the Banks true and accurate knowledge of the subject matter thereof, and (ii) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading, and the furnishing of same to the Bank shall constitute a representation and warranty by the State to that effect.

(d) *Additional Documents.* The State shall furnish to the Banks from time to time, at the State's expense, all further instruments and documents, duly executed and delivered by the State, and take all further action that may be reasonably necessary, or that the Bank may reasonably request, in order to (i) perfect and protect any security interest or other right or interest assigned, or purported to be assigned, to the Bank under or in connection with this Agreement, the Program Resolution or any other Related Document, or (ii) enable the Bank to exercise or enforce its rights or remedies under or in connection with this Agreement, the Program Resolution or any other Related Document.

(e) *Financial and Other Reports.* The State shall furnish or cause the Issuing and Paying Agent to furnish the following reports to the Banks:

(i) Not later than one hundred eighty (180) days following the close of the State's fiscal year, the State shall provide the Administrative Agent on behalf of the Banks its annual report; *provided, however*, if the annual report does not contain the State's audited financial statements, the State shall submit them to the Administrative Agent on behalf of the Banks within ten (10) business days after the statements are publicly available;

(ii) The State's biennial budget, as enacted;

(iii) As and when prepared, but in any event not less than one hundred eighty (180) days following the close of the State's fiscal year, the State shall provide the Administrative Agent on behalf of the Banks with the continuing disclosure statement that the State is required to deliver pursuant to Section 15c2-12 of the Securities Exchange Act of 1934 with respect to the Senior Bonds; and

(iv) From time to time such additional information regarding the State as the Bank may reasonably request.

(f) *Defaults.* The State will promptly notify the Administrative Agent on behalf of the Banks of the occurrence of any Default, specifying the details of such Default and the action that the State proposes to take with respect thereto.

(g) *Books, Records.* The State will permit, during normal business hours and from time to time, upon reasonable prior notice, the Administrative Agent on behalf of the Banks or any of their agents or representatives to examine and make copies of and abstracts from the records and books of account of the State, and to discuss the affairs, finances and accounts of the State with any representative or any other appropriate officer of the State.

(h) *Other Obligations.* The State will comply with and be restricted by and observe all other agreements, covenants, obligations and requirements set forth in the Program Resolution and each other Related Document to which it is a party (including, without limitation, all provisions therein for the benefit of the Administrative Agent on

behalf of the Banks), which, together with the related definitions, exhibits and ancillary provisions, are incorporated herein by reference, *mutatis mutandis*, to the same extent and with the same force and effect as if the same had been herein set forth in their entirety, and without regard or giving effect to any amendment or modification of any such provisions, or any waiver of compliance therewith, unless any such amendment, modification or waiver has been consented to in writing by the Bank. The State will comply with and observe all statutes and regulations binding upon it relating to the Notes, this Agreement or any of the Related Documents, and shall take any and all actions necessary to ensure the timely payment of all of the Obligations hereunder and the principal of and interest on the Notes.

(i) *Litigation.* The State shall promptly notify the Administrative Agent on behalf of the Banks of the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, have a material adverse effect on (i) the Notes, (ii) the Pledged Collateral, (iii) the Obligations, (iv) the enforceability or validity of any of the Related Documents, or (v) the financial condition or operations of the State.

(j) *Issuance of Bonds.* To the extent permitted by law and the Related Documents, the State shall issue long-term bonds or other obligations at such times and in such aggregate principal amounts, or make available funds through a substitute Liquidity Facility or otherwise, so as to (i) retire or redeem the Notes on or prior to the Commitment Termination Date and to ensure continuing compliance with the terms of Section 9(d) hereof, (ii) repay all outstanding Obligations due hereunder prior to the Commitment Termination Date, and (iii) repay all outstanding Advances on the date the outstanding principal amount of such Advances is due and payable under this Agreement.

(k) *Documents Related to Other Securities.* The State shall furnish to the Administrative Agent, in sufficient copies for the Banks, copies of any prospectus, official statement, offering circular or placement memorandum, and any supplement thereto, that the State makes available in connection with the offering for sale of any Debt of which it is the issuer.

(l) *Obligations Under Related Documents.* The State shall take all actions as may be requested by the Bank to enforce the obligations under the Related Documents of each of the other parties thereto.

(m) *Dealer.* The State shall insure that, at all times prior to the Commitment Termination Date, the obligations of the Dealer under the terms of the Dealer Agreement are being performed by a Person duly qualified to undertake said obligations and that said Dealer shall otherwise be reasonably acceptable to the Bank.

(n) *Bank Consent.* The State shall obtain the prior written consent of the Banks to the replacement of the Issuing and Paying Agent, or any other entity that is a party to a Related Document, which consent shall not be unreasonably withheld.

(o) *Authorizing Resolutions.* The State shall at all times keep in full force and effect an Authorizing Resolution which authorizes the issuance of bonds or other obligations in an amount equal to or greater than the Available Commitment plus the aggregate amount of all outstanding Advances hereunder; *provided, however,* that upon the expiration of an Authorizing Resolution, the State shall have a grace period of 30 days to adopt a new Authorizing Resolution as long as the State is proceeding with due diligence with the adoption of a new Authorizing Resolution.

SECTION 9. NEGATIVE COVENANTS.

The State covenants and agrees, from the date hereof and until the Commitment Termination Date and the payment in full of all Obligations, unless the Majority Banks shall otherwise consent in writing:

(a) *Amendments to Related Documents.* The State shall not enter into or consent to any supplement or amendment to any Related Document or any waiver of the requirements thereof, that (i) does or would adversely affect the legality, validity or enforceability of the Program Resolution or any of the other Related Documents or any of the rights, remedies or security of the Bank thereunder, (ii) does or would have a material adverse effect on the rights, powers, privileges, or obligations of the Bank under any Related Document; *provided, however,* that the State may, without the Banks' consent, (I) authorize additional Notes; (II) adopt supplements to the Program Resolution under Section 8.2(d), (e), (f), (g), (h) or (i) thereof; or (III) add such additional notes to the definition of "Notes" in the Program Resolution; or (IV) add to or expand the purposes for which proceeds of the Notes may be used.

(b) *Voluntary Liens.* The State shall not create or assume any Lien on any part of the Pledged Collateral or the Program Income on deposit in the Subordinated Debt Service Fund now owned or hereafter acquired by it except the Liens created by the Related Documents.

(c) *Total Outstanding.* At no time shall the State permit the aggregate principal amount of outstanding Notes plus the interest that will be due thereon at maturity to exceed the Available Commitment.

(d) *Exempt Status.* The State shall not take any action or omit to take any action within its power that, if taken or omitted, would adversely affect the excludability of interest on the Notes from the gross income of the holders thereof for purposes of Federal income taxation.

(e) *Involuntary Liens.* The State shall not incur or suffer to exist any Lien on or with respect to the Pledged Collateral or the Program Income deposited in the Subordinated Debt Service Fund, other than (i) any Lien created by the Related Documents, or (ii) any such Lien that the State contests in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or asset subject to such Lien.

(f) *No Additional Bonds or Subordinate Indebtedness.* The State shall not issue additional Bonds or Subordinated Indebtedness within the meaning of the General Resolution except in accordance with the Program Resolution.

SECTION 10. EVENTS OF DEFAULT.

If one or more of the following events (each an “*Event of Default*”) shall have occurred and be continuing:

(a) The State shall fail to pay, within five (5) Business Days after written demand by the Administrative Agent to it, any amount, other than the amounts referenced in paragraph (k) below, payable under this Agreement or the Promissory Note; or

(b) Any representation, warranty, certification or statement made by the State in this Agreement or in any Related Document or in any certificate, financial statement or other document, delivered pursuant to this Agreement or any Related Document shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made; or

(c) The State shall default in the due performance or observance of any term, covenant or agreement contained in Section 9; or

(d) The State shall default in the due performance or observance of any term, covenant or agreement contained in this Agreement (other than those covered by clause (a), (b), (c) or (l) of this Section 10) and such failure shall remain unremedied for a period of thirty (30) days after the Bank shall have given the State written notice of such default; *provided* that so long as the State shall be proceeding with due diligence to remedy any default in the due performance or observance of such covenants which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such thirty-day period shall be extended to the extent as shall be necessary to enable the State to begin and complete the remedying of such default through the exercise of due diligence, *provided further* that in no event shall such period be extended any more than sixty (60) days; or

(e) Any pledge or security interest created by the Program Resolution or this Agreement to secure any amount due under this Agreement shall fail to be fully enforceable with the priority required under this Agreement and the Program Resolution and such failure shall have a material adverse effect on the payment of the Obligations; or

(f) The State shall default in the due performance or observance of any term, covenant or agreement contained in any of the Related Documents and the same shall not have been cured within any applicable cure period; or

(g) The State shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Debt, other than Bonded Debt of the State, in a principal amount in excess of \$10 million or any interest or

premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Debt; or any other default under any indenture, contract or instrument providing for the creation of or concerning such Debt in a principal amount in excess of \$10 million, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate or to permit the acceleration of, the maturity of such Debt; or pursuant to the provisions of any such indenture, contract or instrument the maturity of any Debt of the State in a principal amount in excess of \$10 million shall have been or may be accelerated or shall have been or may be required to be prepaid prior to the stated maturity thereof; or

(h) A final and non-appealable judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$10 million shall be rendered against the Department of Transportation of the State, and such judgment or court order shall continue unsatisfied and in effect for a period of sixty (60) consecutive days after the final date for payment of such amount without being vacated, discharged, satisfied, or stayed; or

(i) Pursuant to the provisions of any indenture, contract or instrument providing for the creation of or concerning any Bonded Debt of the State secured by any motor vehicle tax revenues of the State, such Bonded Debt may be declared (but has not necessarily become) due and payable prior to the stated maturity thereof by reason of the occurrence and continuation of a default under such indenture, contract or instrument other than a payment default of any nature thereunder; or

(j) The State shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for its or for a substantial part of its property or revenues and shall not be discharged within a period of sixty (60) days; or the Wisconsin Legislature imposes a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of or interest on any Debt by the State; or all, or any substantial part, of the property of the State shall be condemned, seized, or otherwise appropriated, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the State (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days; or

(k) The State shall fail to pay any amount of principal of or interest on any Advance when the same shall become due and payable pursuant to this Agreement or the Promissory Note, or the State shall fail to pay any principal of or interest on any Note

when the same shall become due and payable for any reason other than the failure of any Bank to perform its obligations hereunder; or

(l) The State (other than as a result of a default by the Bank hereunder) shall default in the due performance or observance of any term, covenant or agreement contained in Section 5 hereof; or

(m) (i) This Agreement or the Program Resolution at any time after its execution and delivery, or the Promissory Note or any Note shall, for any reason, cease to be valid and binding on the State or in full force and effect or shall be declared to be null and void, in each case, pursuant to a final administrative determination or judicial decision from which there shall not exist any further right of appeal or against which a timely appeal shall not have been filed by the State; or (ii) the validity or enforceability of this Agreement, the Promissory Note, the Program Resolution or any Note shall be contested (A) by the State or (B) by any governmental agency or authority having jurisdiction over the State, unless with respect to clause (B) above, the same is being contested by the State in good faith and by appropriate proceeding or (iii) the State shall deny that it has any or further liability or obligation under this Agreement, the Promissory Note, the Program Resolution or any Note; or

(n) The State shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Bonded Debt of the State, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Bonded Debt, or pursuant to the provisions of any such indenture, contract or instrument, the maturity of any Bonded Debt of the State shall have been or, as a result of a payment default of any nature, may be accelerated or required to be prepaid prior to the stated maturity thereof; or

(o) (i) Fitch, Moody's or S&P shall have downgraded any Bonded Debt of the State to below Investment Grade or withdrawn its rating on any Bonded Debt of the State due to credit considerations or (ii) Fitch, Moody's or S&P shall have downgraded any Bonded Debt of the State to below "A-" (or its equivalent), "A-" (or its equivalent) or "A3" (or its equivalent), respectively;

then,

(I) Upon the occurrence of any Special Event of Default, (i) the obligations of the Banks to make Advances hereunder shall automatically and immediately terminate and the Commitment shall be reduced to zero without notice or other action on the part of the Banks, and (ii) all Obligations shall immediately become due and payable.

(II) Upon the occurrence of any Event of Default, the Administrative Agent on behalf of the Banks may (i) deliver to the State and the Issuing and Paying Agent a No-Issuance Notice, whereupon the Commitment shall immediately be reduced to the then outstanding principal amount of Notes and interest to accrue thereon to their respective

maturity dates, and the Available Commitment shall be further reduced in a similar manner as and when such Notes mature and/or (ii) declare all Obligations to be due and payable, whereupon the same shall immediately become due and payable.

(III) Upon the occurrence of a Default under Section 10(j), the obligations of the Banks to make Advances hereunder shall be suspended until the proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, the obligations of the Banks to make Advances hereunder shall be reinstated and the terms of this Agreement will continue in full force and effect (unless the obligations of the Banks to make Advances hereunder shall have otherwise terminated in accordance with the terms hereof or there has occurred a Special Event of Default) as if there had been no such suspension.

(IV) Upon the occurrence of any Event of Default, the Administrative Agent on behalf of the Banks may take any action permitted by law or equity, including without limitation actions to petition a court of competent jurisdiction to issue a mandamus order to the State and compel specific performance of the covenants and agreements of the State contained in any of the Related Documents.

(V) Upon the occurrence of a Default under Section 10(m)(ii)(B) hereof, the obligations of the Banks to make Advances hereunder shall be suspended from the time of the occurrence of such Default until a final, non-appealable administrative determination or judicial decision, from which there shall not exist any further right of appeal or against which a timely appeal shall not have been filed by the State, having declared that all contested provisions of this Agreement, the Program Resolution, the Promissory Note or any Note, as applicable, are upheld in their entirety. In the event such judgment is entered declaring that all contested provisions of this Agreement, the Program Resolution, the Promissory Note or any Note, as applicable, are upheld in their entirety, the obligations of the Banks to make Advances hereunder shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall have otherwise expired or terminated in accordance with the terms hereof or there has occurred a Special Event of Default) as if there had been no suspension. Notwithstanding the foregoing, if, upon the earlier of the Commitment Termination Date or the date which is three (3) years after the effective date of such suspension of the obligations of the Banks pursuant to this Section 10(V), litigation is still pending and a judgment regarding the validity and enforceability of this Agreement, the Program Resolution, the Promissory Note or any Note, as applicable, as is the subject of such Default has not been obtained, then the Commitment and the obligation of the Banks to make Advances hereunder shall at such time terminate without notice or demand.

The rights and remedies of the Banks under this Agreement shall be cumulative and not exclusive of any rights or remedies which they would otherwise have, and no failure or delay by the Banks in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

SECTION 11. THE ADMINISTRATIVE AGENT.

Section 11.1. Appointment, Powers and Immunities. Each Bank hereby irrevocably appoints and authorizes the Administrative Agent to act as its agent hereunder, with such powers as are specifically delegated to the Administrative Agent by the terms of any Related Document, together with such other powers as are reasonably incidental thereto including (without limitation) the power to enter into such agreements, documents and instruments as are incidental thereto or authorized by the Banks in accordance with this Agreement. The Administrative Agent hereby accepts such appointments and authorizations on the terms and conditions of this Agreement. As between the Banks and the Administrative Agent, the Administrative Agent: (a) shall not have any duties or responsibilities except those expressly set forth herein and in any Related Document, and shall not by reason of this Agreement be a trustee for any Bank; (b) shall not be responsible to the Banks for any recitals, statements, representations or warranties contained herein or in any Related Document, or in any certificate or other documents referred to or provided for in, or received by any of them under, this Agreement or any Related Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or of any Related Document, or any other document referred to or provided for herein or for any failure by the State or any other Person to perform any of its obligations hereunder or thereunder; (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder or under any Related Document; (d) shall not be acting as a fiduciary on behalf of the Banks, and (e) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any Related Document or under any other document or instrument referred to or provided for herein or in connection herewith, except for its own gross negligence or willful misconduct. The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Administrative Agent may deem and treat the payee of any obligations hereunder as the holder thereof for all purposes hereof unless and until a written notice of the assignment or transfer thereof shall have been filed with the Administrative Agent.

Section 11.2. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone or telecopy) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. As to any matters not expressly provided for by this Agreement, and subject to the requirements of Section 11.7 hereof, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by all of the Banks and such instructions of such Banks and any action taken or failure to act pursuant thereto shall be binding on all of the Banks.

Section 11.3. Defaults. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Administrative Agent has received written notice from a Bank or the State or the Issuing and Paying Agent specifying such Default or Event of Default and stating that such notice is a "Notice of Default." In the event that the Administrative Agent receives such a Notice of Default, the Administrative Agent shall give prompt notice thereof to the Banks. The Administrative Agent shall (subject to

Section 11.1 and Section 11.7 hereof) take such action authorized or permitted hereunder with respect to such Default or Event of Default as shall be directed by the Banks, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Banks.

Section 11.4. Rights as a Bank. With respect to any Advance hereunder, the Administrative Agent in its capacity as a Bank hereunder shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not acting as the Administrative Agent, and the terms “Bank” and “Banks” shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its respective affiliates may (without having to account therefor to any Bank) accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with the State (and any of its affiliates) as if it were not acting as the Administrative Agent, and the Administrative Agent and its affiliates may accept fees and other consideration from the State for services other than in connection with this Agreement without having to account for the same to the Banks.

Section 11.5. Indemnification. The Banks agree to indemnify the Administrative Agent (to the extent not reimbursed under Section 12.2 or 12.6 hereof, but without limiting the obligations of the State under such Sections), ratably in accordance with the Percentages, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any Related Document or any other documents contemplated by or referred to herein or the transactions contemplated hereby (including, without limitation, the costs and expenses which the State is obligated to pay under Section 12.2 or 12.6 hereof but excluding, unless an Event of Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or of any such other documents, provided that no Bank shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Administrative Agent.

Section 11.6. Non-Reliance on Administrative Agent and Other Banks. Each Bank agrees that it has, independently and without reliance on the Administrative Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the State and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under any Related Document. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the State of any Related Document or any other document referred to or provided for herein or to inspect the properties or books of the State. The Administrative Agent shall provide to each Bank a copy of each notice or communication which may be provided to the Administrative Agent under the Related Documents. Except for notices, reports and other documents and information expressly

required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the affairs, financial condition or business of the State or any of its affiliates which may come into the possession of the Administrative Agent or any of its affiliates.

Section 11.7. Failure to Act. Except for action expressly required of the Administrative Agent hereunder or under any Related Documents, the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any Related Document unless it shall receive further assurances to its satisfaction from the Banks of their indemnification obligations under Section 11.5 hereof against any and all liability and expense which may be incurred by it in its capacity as Administrative Agent hereunder by reason of taking or continuing to take any such action.

Section 11.8. Resignation or Removal of Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided below and to any necessary consent or approval of the Issuing and Paying Agent, the Administrative Agent may resign at any time by giving 30 days' notice thereof to the Banks and the State, and the Administrative Agent may be removed at any time with or without cause by the Banks. The Banks shall have the right to appoint a successor to the resigning or removed Administrative Agent, which shall be a bank which has an office in New York, New York. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent, and such Administrative Agent shall be discharged from its duties and obligations hereunder. After the Administrative Agent's resignation or removal hereunder, the provisions of this Section 11.8 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent. Notwithstanding the foregoing, no removal of an Administrative Agent and no appointment of a successor Administrative Agent shall be effective without the consent of the State.

SECTION 12. MISCELLANEOUS.

Section 12.1. Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any Related Document nor consent to any departure by the State therefrom shall in any event be effective unless the same shall be in writing and signed by the Majority Banks and, with respect to any amendment, the State; *provided, however*, that no amendment, waiver or consent shall, (a) unless in writing and signed by all the Banks, (i) increase the Commitment or subject the Banks to any additional obligations, (ii) reduce the principal of, or interest on, any Advance or any fees payable hereunder with respect to the Commitment, (iii) postpone any date fixed for any payment of principal of, or interest on, any Advance or any fees payable hereunder with respect to the Commitment, (iv) change the percentage of the Commitment, or the aggregate unpaid principal amount of the Notes, or the number of Banks which shall be required for the Banks to take action hereunder, or (v) amend Section 3 or this Section 12.1, or (b) unless in writing and signed by the Banks, affect the rights or duties of the Bank under this Agreement or under the other Related Documents. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 12.2. Indemnification. (a) The State hereby, to the extent permitted by law, indemnifies and holds harmless each Bank and the Administrative Agent from and against, and will on demand reimburse each Bank for, any and all claims, damages, losses, liabilities (whether asserted by cross-claim, claim for contribution, in tort, in contract, or otherwise), costs or expenses whatsoever (including reasonable attorneys' fees) that each Bank or the Administrative Agent may incur (or that may be claimed against such Bank or the Administrative Agent by any Person whatsoever, but not including the State):

(i) by reason of any untrue statement of any material fact contained in the Offering Memorandum, or the omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading; *provided* that the State shall not be required to indemnify any Bank under this clause (i) for any claims, damages, losses, liabilities, costs or expenses incurred by reason of any untrue statement included in the Offering Memorandum relating to such Bank that was furnished by such Bank expressly for inclusion therein ("*Bank Information*") if and to the extent it is finally determined by a court of competent jurisdiction that such Bank Information contained an untrue statement; and *provided further*, that if any such action or proceeding shall be settled by any Bank without there being a final determination by a court of competent jurisdiction that such Bank Information contained an untrue statement, then the State shall be required to indemnify such Bank pursuant to this Section 12.2 only if such action or proceeding is settled with the State's consent, which consent shall not be unreasonably withheld or delayed; or

(ii) by reason of or in connection with the making of, or the failure to make an Advance (including, without limitation, any losses arising from the failure of any party to any of the Related Documents to perform its obligations hereunder or thereunder), *provided* that the State shall not be required to indemnify any Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (A) the willful misconduct or gross negligence of such Bank or (B) the wrongful failure of such Bank to make an Advance required to be made by the Bank hereunder after compliance with the conditions precedent to such Advance, unless the making of such advance was not otherwise permitted by law; or

(iii) by reason of or in connection with the execution, delivery or performance of this Agreement, the Promissory Notes, the Notes, the Program Resolution or any other Related Document, or any transaction contemplated by this Agreement, the Promissory Notes, the Notes, the Program Resolution or any other Related Document.

In furtherance and not in limitation of the foregoing, the Administrative Agent may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice of information to the contrary unless the Issuing and Paying Agent and the State have notified the Administrative Agent in writing that specifically identified documents to be presented to the Administrative Agent do not comply with this Agreement. Nothing in this Section 12.2 shall limit the State's obligations contained in Section 2 hereof.

(b) Promptly following receipt by the Bank under paragraph (a) of this Section of notice of the commencement of any action, the Bank, if a claim is made against the State under paragraph (a) of this Section, shall notify the State in writing of the commencement of such action, but the omission to do so by the Bank shall not relieve the State from any liability which it may have to the Bank under such paragraph (a). The State shall be entitled to participate in the defense of any such action at its own expense.

Section 12.3. Continuing Obligations. The obligations of the State under this Agreement shall continue until the later of the Commitment Termination Date and the date upon which all amounts owing to the Administrative Agent on behalf of the Banks hereunder shall have been paid in full, *provided* that the obligations of the State pursuant to Sections 2.2(b), 2.2(f), 12.2 and 12.6 hereof shall survive the termination of this Agreement. This Agreement shall be binding upon the State and assigns and shall inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns *provided* that neither party may assign all or any part of this Agreement without the prior written consent of the other party.

Section 12.4. Limitation on Liability. As between the State and the Bank, the State assumes all risks of any act or omission of the Issuing and Paying Agent. Neither the Administrative Agent nor any Bank nor any of its respective officers or directors shall be liable or responsible to any Person for: (a) the use that may be made of the proceeds of any Advance or of any Note, or for any acts, omissions, errors, interpretations, delays in transmission, dispatch, or delivery of any message or advice, however transmitted, of the Issuing and Paying Agent in connection with this Agreement, the Program Resolution or any of the Related Documents; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentment of documents that do not comply with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement; or (d) any other circumstances whatsoever in making or failing to make payment hereunder, except only that the State shall have a claim against such Bank, and such Bank shall be liable to the State, to the extent, but only to the extent of any direct, as opposed to consequential, damages suffered by the State that the State proves were caused by (i) such Bank's gross negligence or willful misconduct in determining whether documents presented under this Agreement strictly comply with the terms hereof or (ii) such Bank's wrongful failure to make a Advance required to be made by such Bank hereunder after compliance with all conditions precedent to such Advance, unless such Advance was not otherwise permitted by law. In furtherance and not in limitation of the foregoing, the Administrative Agent on behalf of the Banks may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary unless the Issuing and Paying Agent and the State have notified the Administrative Agent in writing that specifically identified documents to be presented to the Administrative Agent do not comply with the Advance Notice.

Section 12.5. Annual Reports of the Banks. Each Bank agrees to deliver to the State, (i) at the same time they are delivered to such Bank's shareholders, the Bank's most recent annual reports prepared for its shareholders from time to time, and (ii) at the written request and expense of the State, when prepared or updated, but no less frequently than once per year, the disclosure

information relating to such Bank used by such Bank at the time for inclusion in offering documents which the State may publish in connection with financings similar to the Notes.

Section 12.6. Costs, Expenses and Taxes; Payment Instructions. (a) The State shall pay, on or after the Closing Date, in immediately available funds, in connection with the preparation, execution and delivery of this Agreement, the Promissory Notes and any other documents or instruments that may be delivered in connection therewith, the reasonable fees and expenses of U.S. counsel to the Banks, foreign counsel to the Banks and out-of-pocket expenses of the Banks not to exceed in any event \$23,000.00 in the aggregate. In addition, the State shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Promissory Notes and any other documents or instruments that may be delivered in connection herewith, and agrees to save the Banks harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes and fees, *provided* that each Bank agrees promptly to notify the State of any such taxes and fees that are incurred by the Bank. In addition, any and all reasonable fees and expenses incurred by the Banks subsequent to the Closing Date in connection with the performance and enforcement of the obligations of the State under this Agreement, the Promissory Notes, the documents or instruments that have been delivered in connection therewith and any amendments thereto or waivers thereof and the rights of the Banks with respect thereto (including the fees of domestic and foreign counsel to the Banks, plus any reasonable out-of-pocket disbursements of each such counsel related thereto) shall be submitted to the State for payment and shall become an Obligation hereunder; *provided, however*, that such Bank has notified the State, or has caused the State to be notified, of any such fees and expenses.

All amounts due to the Banks pursuant to this Section shall be deemed Obligations hereunder and shall accrue interest from the 30th day after the date such amounts are due until paid at the Default Rate.

(b) Unless otherwise provided in writing to the State and the Issuing and Paying Agent by the Administrative Agent, the payment instructions on behalf of the Banks are as follows: If to Westdeutsche Landesbank Girozentrale: JPMorgan Chase Bank, New York, New York, for credit to: Westdeutsche Landesbank Girozentrale, New York Branch, Account No. 920-1-060663, ABA No. 021000021, Attention: Loan Administration, Re: Public Finance Dept. 67000/State of Wisconsin. If to Bayerische Landesbank Girozentrale: First Union Bank International, New York, Fed ABA No. 026-00509-2, for the Account of Bayerische Landesbank, New York Branch, Account No. 2000 19353009 0, Reference: State of Wisconsin.

Section 12.7. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex or similar writing) or by telephone or telecopy (promptly confirmed in writing) and shall be given to such party, addressed to it, at its address or telephone number set forth below or such other address or telephone number as such party may hereafter specify for the purpose by notice to each other party. Each such notice, request or communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified below and the appropriate answerback is received, (ii) if given by mail, ten (10) days after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid; (iii) if given by telephone or telecopy, when given by telephone

or telecopy to the party at its telephone number (if any) specified below or (iv) if given by any other means, when delivered at the address specified below:

If to the Administrative Agent:

Westdeutsche Landesbank Girozentrale
1211 Avenue of the Americas, 23rd Floor
New York, New York 10036-8701
Attention: Joseph R. Herrera III,
Director,
Public Finance
Telephone: (212) 852-6321
Telecopier: (212) 852-6320

If to the Banks:

Bayerische Landesbank Girozentrale
560 Lexington Avenue, 17th Floor
New York, New York 10022
Attention: Scott M. Allison,
First Vice President
Manager of Public Finance
Telephone: (212) 310-9869
Telecopier: (212) 310-9868

If to the State:

Capital Finance Office
Department of Administration
101 East Wilson Street, 10th Floor
P.O. Box 7864
Madison, WI 53707-7864
Attention: Capital Finance Director
Telephone: (608) 266-2305
Telecopier: (608) 266-7645

Section 12.8. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, or shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 12.9. Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 12.10. Consent by the Banks. Except as otherwise expressly set forth herein to the contrary, if the consent, approval, satisfaction, determination, judgment, acceptance or similar action (an "Action") of any Bank shall be permitted or required pursuant to any provision hereof or any provision of any other agreement to which the State is a party and to which such Bank has

succeeded hereto, such Action shall be required to be in writing and may be withheld or denied by such Bank in its reasonable discretion.

Section 12.11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York; *provided* that the due authorization, execution and delivery of this Agreement by the State, and the rights, duties, obligations and indemnities of the State hereunder shall be governed by and construed in accordance with the laws of the State of Wisconsin.

Section 12.12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof duly executed by the other party hereto.

Section 12.13. Prior Agreements Suspended. This Agreement supersedes all prior undertakings and agreements, both written and oral, among the State and the Bank relating to the line of credit provided hereunder, including those contained in any commitment letter or term sheet between the State and the Administrative Agent or any Bank.

Section 12.14. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 12.15. Substitution of Bank. In the event that the short-term rating on the Notes assigned by a Rating Agency shall be reduced or withdrawn, due to a change in the short-term rating such Rating Agency assigns to any Bank's short-term unsecured debt, the State shall have the right to provide for the delivery of a substitute Liquidity Facility to replace this Agreement after providing 30 days' written notice to the Administrative Agent of its intention to make such substitution. Notwithstanding the foregoing, the State shall not have the right to cause such substitution if, within 30 days after receipt by the Administrative Agent of such written notice (i) the Remaining Banks provide a Qualifying Bank to assume the obligations of the Bank to be substituted, or (ii) the Remaining Banks agree to assume the obligations of the Bank to be substituted. Any Qualifying Bank designated by the Remaining Banks shall assume all obligations of the Bank to be substituted and provide opinions of counsel satisfactory to the State, the Issuing and Paying Agent and the Remaining Banks that such obligations are valid, binding and enforceable, and shall pay in full to the Bank to be substituted the outstanding principal amount of all Obligations, if any, owed to such Bank together with interest accrued thereon; *provided, however*, that no such opinion shall be required if such Qualifying Bank is one or more of the Remaining Banks. Upon the satisfaction of the foregoing conditions, the Bank to be substituted shall assign all of its right, title and interest under and to the Obligations owed such Bank to such substitute Bank or Banks, whereupon the State, the Administrative Agent and the Remaining Banks shall treat such substitute Bank or Banks as the holder of such Obligations and as a Bank for all purposes of this Agreement. The parties hereto agree to amend or replace this Agreement to make technical, conforming changes at the time of any substitution pursuant to this Section 12.15. The State will provide written notice to the Rating Agencies of the

substitution of any Bank with a Qualifying Bank. Such notice will provide the several percentage obligation of each Bank following such substitution.

Section 12.16. Existing Promissory Notes. Each Bank hereby agrees to return to the State on or before May 10, 2002, the promissory note executed and delivered to such Bank pursuant to the Existing Agreement (the “*Existing Promissory Notes*”); *provided, however,* that the Banks shall not be required to return to the State the Existing Promissory Notes unless and until all amounts due and owing to the Agent and the Banks under the Existing Agreement and the Existing Letter of Credit have been paid in full and such Bank’s obligations thereunder have been terminated.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed and delivered by their duly authorized representatives as of the date first above written.

STATE OF WISCONSIN

By: /s/ Frank R. Hoadley
Its: Capital Finance Director

BAYERISCHE LANDESBANK GIROZENTRALE,
acting through its New York Branch

By: /s/ Scott M. Allison
Its: First Vice President

By: /s/ James R. Binette
Its: Vice President

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, acting through its New
York Branch

By: /s/ Joseph R. Herrera
Its: Director

By: /s/ Salvatore Battinelli
Its: Managing Director, Credit Department

EXHIBIT A
ADVANCE NOTICE

_____, 200_

Westdeutsche Landesbank Girozentrale,
New York Branch
1211 Avenue of the Americas, 25th Floor
New York, New York 10036-8701
Attention: Trade Services Division, Ravi Sood

Re: State of Wisconsin Transportation Revenue Commercial Paper Notes

Ladies and Gentlemen:

The undersigned, a duly Authorized Representative of the State of Wisconsin (“*State*”), hereby (a) refers to the Credit Agreement dated as of May 1, 2002 (as amended or otherwise modified from time to time, the “*Credit Agreement*,” the terms defined therein being used herein as therein defined) among the State, Westdeutsche Landesbank Girozentrale, acting through its New York Branch, individually as Administrative Agent (referred to in such capacity as the “*Administrative Agent*”) and the banks identified therein (collectively, the “*Banks*”) and (b) gives the Administrative Agent this Advance Notice pursuant to Section 2.1(c) of the Credit Agreement that the State requests that an Advance be made on _____, 20__ in the aggregate principal amount of \$_____ (the “*Requested Advance*”). In connection with the Requested Advance, the State certifies to the Agent the following:

(i) The sum of (a) the amount of the Requested Advance, *plus* (b) the aggregate principal amount of all outstanding Advances under the Credit Agreement, does not exceed the Commitment.

(ii) The representations and warranties of the State contained in Section 6 of the Credit Agreement are correct in all material respects on and as of such date.

(iii) The Commitment Termination Date has not occurred and no Special Event of Default or Suspension Event has occurred and is continuing.

Very truly yours,

[ISSUING AND PAYING AGENT]
AS AGENT

By
Title: _____

EXHIBIT B

FORM OF NO-ISSUANCE NOTICE

_____, 200_

Attention: _____

as Issuing and Paying Agent

Attention: Corporate Trust Services

Re: State of Wisconsin Transportation Revenue Commercial Paper Notes

Ladies and Gentlemen:

Pursuant to that certain Credit Agreement dated as of May 1, 2002 (as amended or otherwise modified from time to time, the "*Credit Agreement*," the terms defined therein being used herein as therein defined), among the State, Westdeutsche Landesbank Girozentrale, acting through its New York Branch, individually and as Administrative Agent (referred to in such capacity as the "*Administrative Agent*") and the banks identified therein (collectively, the "*Banks*"), the undersigned hereby notifies you that (i) an "Event of Default" under Section 10() of the Credit Agreement has occurred and is now continuing and (ii) upon receipt of this notice, no new Notes (as defined in the Credit Agreement) shall be issued or authenticated. This No-Issuance Notice shall remain in effect unless you have received written notification from us that this No-Issuance Notice has been rescinded.

Very truly yours,

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, acting through its New
York Branch, as Administrative Agent

By: _____
Title: _____

cc: [Dealer]
[Rating Agencies]

EXHIBIT C

NOTICE OF REDUCTION CERTIFICATE

_____, 200_

Westdeutsche Landesbank Girozentrale,
New York Branch, as Administrative Agent
1211 Avenue of the Americas, 25th Floor
New York, New York 10036-8701
Attention: Trade Services Division, Ravi Sood

Re: Reduction of Commitment

Ladies and Gentlemen:

The undersigned, a duly authorized officer of the State of Wisconsin (the "*State*"), (a) hereby refers to the Credit Agreement dated as of May 1, 2002 (as amended or otherwise modified from time to time, the "*Credit Agreement*," the terms defined therein being used herein as therein defined), among the State, Administrative Agent and the Banks party thereto (collectively, the "*Banks*"), (b) hereby gives the Administrative Agent this Notice of Reduction of Commitment in accordance with Section 2.1(h) of the Credit Agreement, and (c) hereby directs that the Commitment shall be reduced by \$_____ on _____ (which shall not be less than five Business days after the Administrative Agent's receipt of this notice).

The undersigned certifies to the Administrative Agent as follows:

1. After giving effect to the requested reduction in the Commitment, the Available Commitment will be \$_____.
2. After the requested reduction of the Commitment, the State will not have reduced the Commitment below the aggregate principal amount of Outstanding Advances.

Very truly yours,

STATE OF WISCONSIN

By _____
Its: _____

SCHEDULE I

INDIVIDUAL COMMITMENTS

NAME OF BANK	INDIVIDUAL COMMITMENT
Bayerische Landesbank Girozentrale, acting through its New York Branch	\$50,000,000
Westdeutsche Landesbank Girozentrale, acting through its New York Branch	\$100,000,000