

STATE OF WISCONSIN CONTINUING DISCLOSURE ANNUAL REPORT

FILED PURSUANT TO UNDERTAKINGS PROVIDED TO PERMIT COMPLIANCE WITH
SECURITIES EXCHANGE COMMISSION RULE 15C2-12

GENERAL OBLIGATIONS

(Base CUSIPs 977053, 977055, 977056, and 97705L)

MASTER LEASE CERTIFICATES OF PARTICIPATION

(Base CUSIP 977087)

TRANSPORTATION REVENUE OBLIGATIONS

(Base CUSIP 977123)

CLEAN WATER REVENUE BONDS

(Base CUSIP 977092)

PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS

(Base CUSIP 977109)

GENERAL FUND ANNUAL APPROPRIATION BONDS

(Base CUSIP 977100)

DECEMBER 23, 2004



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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GOVERNOR

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December 23, 2004

Thank you for your interest in the State of Wisconsin.

This is the Continuing Disclosure Annual Report for the fiscal year ending June 30, 2004 (**Annual Report**).

The Annual Report provides information on different securities that the State issues and fulfills the State's continuing disclosure undertakings. These undertakings of the State are intended to help dealers and brokers comply with Rule 15c2-12 under the Securities Exchange Act of 1934. As of this date, the State has filed the Annual Report with each nationally recognized municipal securities information repository using the central post office provided by the Texas Municipal Advisory Council.

Official Statements for securities that the State issues during the next year may incorporate parts of this Annual Report by reference.

Organization of the Annual Report

The Annual Report is divided into eight parts. The first two parts present general information.

- **Part I** presents the **State's continuing disclosure undertakings**. A Master Agreement on Continuing Disclosure establishes a general framework. Separate addenda describe the information to be provided for specific types of securities.
- **Part II** presents **general information about the State**, including its operations and financial results. This part includes the audited basic financial statements for the fiscal year ending June 30, 2004 and the State Auditor's report. This part also includes the results of the 2003-04 fiscal year and the current status of the budget for the 2004-05 fiscal year.

The remaining parts present information about different types of securities that the State issues.

- **Part III – General obligations (including bonds, commercial paper, and extendible municipal commercial paper)**
- **Part IV – Master lease certificates of participation**
- **Part V – Transportation revenue obligations (including bonds and commercial paper)**
- **Part VI – Clean water revenue bonds**
- **Part VII – Petroleum inspection fee revenue obligations (including bonds and extendible municipal commercial paper)**
- **Part VIII – General fund annual appropriation bonds (including bonds and auction rate certificates)**

Please note that certain terms may have different meanings in different parts.

Ratings on the State’s Securities

The following chart presents a summary of the long-term ratings currently assigned to different types of securities that the State issues.

<u>Security</u>	<u>Fitch Ratings</u>	<u>Moody’s Investors Service, Inc.</u>	<u>Standard & Poor’s Ratings Services</u>
General Obligations	AA ⁻⁽¹⁾	Aa3 ⁽²⁾	AA-
Master Lease Certificates of Participation	A+ ⁽¹⁾	A1 ⁽²⁾	A+
Transportation Revenue Bonds	AA	Aa3	AA-
Clean Water Revenue Bonds	AA+	Aa2	AA+
Petroleum Inspection Fee Revenue Bonds	AA-	Aa3	AA-
General Fund Annual Appropriation Bonds	A+ ⁽¹⁾	A1 ⁽²⁾	A+

- (1) On March 2, 2004, Fitch Ratings downgraded the State’s general obligations from “AA” to “AA-” and downgraded the State’s master lease certificates of participation and general fund annual appropriation bonds from “AA-” to “A+”.
- (2) Moody’s has assigned a negative outlook on the State’s long-term general obligation bonds, master lease certificates of participation, and general fund annual appropriation bonds.

How to Get Additional Information

If you are interested in information about securities that the State issues, please contact the Capital Finance Office. The Capital Finance Office is the only party authorized to speak on the State’s behalf about the State’s securities.

December 23, 2004

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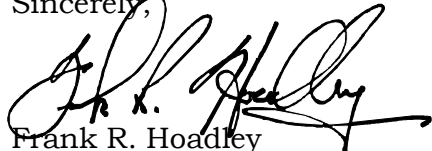
The Capital Finance Office maintains a web site that provides access to both disclosure and non disclosure information.

www.doa.wi.gov/capitalfinance

The Capital Finance Office posts to this web site monthly general fund cash flow reports. The Capital Finance Office also posts to this web site all information and material event filings that it makes with each nationally recognized municipal securities information repository.

We welcome your comments or suggestions about the format and content of the Annual Report. The general telephone number of the Capital Finance Office is (608) 266-2305. The e-mail address is **capfin@doa.state.wi.us**.

Sincerely,

A handwritten signature in black ink, appearing to read "F. R. Hoadley", with a stylized flourish extending to the right.

Frank R. Hoadley
Capital Finance Director

SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS AS OF DECEMBER 1, 2004

	<u>Principal Balance</u> <u>12/1/2003</u>	<u>Principal Issued</u> <u>12/1/2003 -</u> <u>12/1/04</u>	<u>Principal Matured,</u> <u>Redeemed, or</u> <u>Defeased</u> <u>12/1/2003 -</u> <u>12/1/04</u>	<u>Principal Balance</u> <u>12/1/2004</u>
<u>GENERAL OBLIGATIONS^(a)</u>				
Total	\$4,370,162,682	\$1,386,275,689	\$879,978,030	\$4,876,460,340
General Purpose Revenue (GPR)	3,301,980,073	659,393,045	736,065,302	3,225,307,815
Self-Amortizing: Veterans	413,275,000	22,000,000	65,335,000	369,940,000
Self-Amortizing: Other	654,907,609	704,882,644	78,577,728	1,281,212,525
<u>MASTER LEASE CERTIFICATES OF PARTICIPATION</u>				
Total	\$ 115,140,426	\$18,033,274	\$51,070,895	\$82,102,804
<u>TRANSPORTATION REVENUE OBLIGATIONS^(a)</u>				
Total	\$1,442,078,000	\$95,905,000	\$161,240,000	\$1,376,743,000
<u>CLEAN WATER REVENUE BONDS</u>				
Total	\$ 620,480,000	\$116,795,000	\$54,340,000	\$682,935,000
<u>PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS^(a)</u>				
Total	\$ 317,290,000	\$140,470,000	\$109,305,000	\$348,455,000
<u>TAXABLE GENERAL FUND ANNUAL APPROPRIATION BONDS^(a)</u>				
Total	\$1,794,850,000	—	—	\$1,794,850,000

(a) This table includes variable rate obligations that have been issued by the State. Please see the respective part of this Annual Report for more information on the variable rate obligations issued for each credit.

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STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF BONDS AND NOTES

BUILDING COMMISSION MEMBERS

Voting Members	Term of Office Expires
Governor Jim Doyle, Chairperson	January 8, 2007
Senator Fred A. Risser, Vice-Chairperson	January 3, 2005
Senator Robert Cowles	January 3, 2005
Senator Carol Roessler	January 3, 2005
Representative Spencer Black	January 3, 2005
Representative Jeff Fitzgerald	January 3, 2005
Representative Daniel Vrakas	January 3, 2005
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	_____
Mr. Dave Haley, State Chief Architect Department of Administration	_____
Building Commission Secretary	
Mr. Robert G. Cramer, Administrator Division of State Facilities Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

OTHER PARTICIPANTS

Ms. Peggy A. Lautenschlager State Attorney General	January 8, 2007
Mr. Marc J. Marotta, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

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PART IV

MASTER LEASE CERTIFICATES OF PARTICIPATION

This part of the Annual Report provides information about master lease certificates of participation (**Certificates**) issued under the State of Wisconsin Master Lease Program (**Program**).

Total Outstanding Balance (12/1/2004)	\$82,102,804
Certificate Ratings (Fitch/Moody's/Standard & Poor's)	A+ ⁽¹⁾ /A1 ⁽²⁾ /A+
⁽¹⁾ On March 2, 2004, Fitch Ratings downgraded the rating on the State's master lease certificates of participation from "AA-" to "A+".	
⁽²⁾ On March 4, 2002, Moody's assigned a rating outlook on the State's general obligations and master lease certificates of participation of "negative".	

The Certificates are issued and secured by a Master Indenture, dated as of July 1, 1996 (**Master Indenture**), among the State of Wisconsin, acting by and through the Department of Administration (**State**), Firststar Bank Milwaukee, N.A., now known as U.S. Bank National Association (**Lessor**), and Firststar Trust Company, also now known as U.S. Bank National Association (**Trustee and Paying Agent**).

The Certificates evidence a proportionate interest in certain lease payments to be made by the State for the rental of certain equipment items and service contracts. These equipment items and service contracts are purchased under the Third Amended and Restated Master Lease, dated as of April 28, 2000 (**Master Lease**), between the Lessor and the State.

The full faith and credit of the State are not pledged to the payment of the Certificates. The State is not obligated to levy or pledge any tax to make the payments required under the Lease. The Certificates do not constitute debt of the State or any of its subdivisions.

The Capital Finance Office, which is part of the Department of Administration's Division of Executive Budget and Finance, is responsible for managing the State's borrowing and finance programs. The law firm of Foley & Lardner LLP provides bond counsel services to the State for the Program and for the issuance of the Certificates. The firm of Public Financial Management, Inc. provides financial advisory services to the State for the Program.

Requests for additional information about the Program or Certificates may be directed as follows:

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: capfin@doa.state.wi.us
Web site: www.doa.wi.gov/capitalfinance

This Annual Report includes information and defined terms for different types of securities issued by the State. The context or meaning of terms used in this Part IV of the Annual Report may differ from that of terms used in another part. Any information or resource referred to in this Annual Report is not part of this Annual Report unless expressly included by reference.

OUTSTANDING CERTIFICATES

The Trustee, with the consent of the State and pursuant to the Master Indenture, has issued the Certificates shown in Table IV-1. The table includes the outstanding principal balances as of December 1, 2004.

Table IV-1

OUTSTANDING MASTER LEASE CERTIFICATES OF PARTICIPATION BY ISSUE (As of December 1, 2004)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
<i>Fixed Rate Master Lease COPs</i>				
1996- Master Lease COPs Series B	11/8/96	1997-2003	\$ 38,260,000	\$ -0-
1999- Master Lease COPs Series A	2/18/99	1999-2005	28,855,000	-0- (a)
Master Lease COPs Series B (Taxable).....	2/18/99	1999-2005	14,120,000	2,370,000
2000- Master Lease COPs Series A	9/27/00	2001-07	27,255,000	5,371,783 (a)
Master Lease COPs Series B (Taxable).....	9/27/00	2001-05	11,265,000	2,555,000
2002- Master Lease COPs Series A	1/23/02	2002-07	40,275,000	19,352,984 (a)
Master Lease COPs Series D	12/19/02	2003-07	<u>29,425,000</u>	<u>19,902,746</u> (a)
<i>Subtotal; Fixed Rate Master Lease COPs</i>			\$189,455,000	\$49,552,513
<i>Variable Rate Master Lease COPs^(b)</i>				
2002- Master Lease COPs Series C.....	9/3/02	2013	\$ 19,760,463	(c)
2003- Master Lease COPs Series B	9/2/03	2013	11,763,900	(c)
2004- Master Lease COPs Series A.....	9/1/04	2014	11,960,000	\$24,140,611 (c)
2003- Master Lease COPs Series A	5/29/03	2022	<u>75,000,000</u>	<u>8,409,680</u>
<i>Subtotal; Variable Rate Master Lease COPs</i>			<u>\$118,484,363</u>	<u>\$32,550,291</u>
<i>Total Master Lease COPs.....</i>			<u>\$307,939,363</u>	<u>\$82,102,804</u>

- (a) The Master Lease provides that certain Lease Schedules may be terminated if the State deposits with the Trustee an amount that is equal to the outstanding amount of the Lease Schedule or that is sufficient to purchase investments that mature on dates and in amounts to make the Lease Payments when due. The principal amount of Certificates for which payment has been provided is treated as not outstanding for purposes of this table.
- (b) These series of Master Lease Certificates of Participation evidence the State's repayment of a revolving line of credit that the State utilizes for acquisition funding for the Program. See "SECURITY FOR CERTIFICATES; Two-Phase Financing Structure". The amount outstanding for these Certificates may not include interest that may accrue on this revolving line of credit since the last interest payment on the Certificates.
- (c) These series of Master Lease Certificates of Participation evidence the State's repayment of specific tax-exempt advances from the revolving line of credit that the State uses for funding the Program. For reporting purposes, the total amount outstanding for all these series of Master Lease Certificates of Participation is shown as one sum and not broken into an amount for each respective series.

THE MASTER LEASE PROGRAM

General

The Program, which was created in 1992, permits the State to acquire tangible property, and in certain situations, intangible property or prepaid service items (**Leased Items**), for State agencies through

installment purchase contracts. Particular Leased Items are described in schedules that are prepared under the Master Lease (**Lease Schedules**). The Program is available for all State agencies. Through the period ending December 1, 2004, 15 of the 17 State departments, the Legislature, the Supreme Court, and various other State bodies have used the Program to acquire approximately \$415 million of Leased Items.

Program Structure

The Master Lease and the Master Indenture establish the structure of the Program. The Master Lease contains general terms and conditions applicable to both the Program and Lease Schedules entered into by the Lessor and the State. A supplemental indenture creates a particular series of Certificates. See **“SUMMARY OF THE MASTER LEASE”**.

The Master Indenture establishes a trust (**Trust**) comprising certain Lease Schedules, rents, and other payments the State is required to make under the Master Lease (**Lease Payments**), Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease. The Trust serves as a common pool of collateral, ratably securing all present and future Certificates. See **“SUMMARY OF THE MASTER INDENTURE”**.

Program Operations

The Program structure places within the State of Wisconsin Department of Administration (**DOA** or **Department of Administration**) centralized control of day-to-day operations:

- Functions related to Program administration, review of requests to use the Program, and day-to-day Program operations occur in the Capital Finance Office.
- Functions related to reviewing requests to use the Program and biennial budget preparation occur in the State Budget Office.
- Functions related to collecting Lease Payments due under the Master Lease occur in the State Controller’s Office.

Each of these offices is part of the Department of Administration’s Division of Executive Budget and Finance.

To use the Program to acquire a Leased Item, a state agency submits a written request to the Capital Finance Office. This request is reviewed and approved by the Capital Finance Office, State Budget Office, and the Secretary of the Department of Administration. Requests that include information technology items are also reviewed by the Department of Administration’s Division of Enterprise Technology. Requests that include energy performance contracts in State-owned buildings must be for a project that has been approved by the Department of Administration’s Division of State Facilities. The review process includes a determination by the Capital Finance Office that lease financing is the best alternative for the particular circumstance and a determination by the State Budget Office that current resources are available to make the Lease Payments due in the current fiscal year. Upon receiving approval to use the Program, the agency completes procurement of the Leased Item in compliance with State procurement requirements.

Upon acceptance of the Leased Item, the agency forwards all related outstanding invoices to the Department of Administration for payment. Parallel to payment being made to the vendor, a Lease Schedule is prepared by the Department of Administration and executed by the State, the Lessor, and the State agency. This Lease Schedule is then added to the Master Lease. The Lease Schedule also identifies the budgetary appropriation from which the related Lease Payments will be made.

The State currently uses a two-phase financing structure for the Program. See **“SECURITY FOR CERTIFICATES; Two-Phase Financing Structure”**. Payments to the vendors for the Leased Items are made with proceeds from the revolving credit facility.

Lease Payments due under the Master Lease are collected by the State Controller's Office. Scheduled Lease Payments are automatically withdrawn from the appropriations identified by the agency and electronically wired to the Trustee.

State Appropriation Process

Lease Payments due under the Master Lease are not included in the State budget as a separate budget line item; rather, Lease Payments are included with other expenditures in one or more of an agency's existing budget lines. State law establishes procedures for the budget's enactment. See "**BUDGETING PROCESS AND FISCAL CONTROLS**" in Part II of this Annual Report for a summary of the budget enactment process and other financial procedures of the State. The State Budget Office review and approval of requests to use the Program helps assist in preparation of a biennial budget so that Lease Payments will not be mistakenly omitted.

State law provides that in the event that a budget is not in effect at the start of a fiscal year, the prior year's budget serves as the budget until such time as a new one is enacted.

The Department of Administration maintains separate accounts for all appropriations, showing the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts expended, and certain other data necessary to the financial management and control of all State accounts. The Department of Administration also maintains the general ledgers of the General Fund and all other funds of the State.

SECURITY FOR CERTIFICATES

General

The Certificates represent a proportionate interest in specified Lease Payments required to be made by the State under the Master Lease. The Master Lease requires the State to make Lease Payments from any source of legally available funds, subject to annual appropriation. The scheduled Lease Payments are sufficient to pay when due the semiannual principal and interest payments on all outstanding Certificates. *The obligation of the State to make Lease Payments does not constitute an obligation for which the State is obligated to levy or pledge any form of taxation or for which the State has levied or pledged any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State. See "RISK FACTORS".*

Common Pool of Collateral

Under the Master Indenture, the Lessor has assigned to the Trustee, for the benefit of all holders of Certificates, all its rights in the following:

- The funds and accounts created by the Master Indenture.
- The Lease Schedules specified in supplemental indentures.
- All Lease Payments, Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease.

All Leased Items serve as a common pool of collateral, ratably securing all present and future Certificates. All Certificates are secured by all Leased Items, regardless of their funding source or the time at which the Program finances them. If the Legislature fails to appropriate necessary funds for the continued performance of the State's obligations under the Master Lease or if an event of default occurs under any Lease Schedule, an event of default exists with respect to all outstanding Certificates. Once a Lease Schedule is fully paid, the Leased Item covered by the Lease Schedule no longer serves as collateral.

In the opinion of Bond Counsel, the transfer of Lease Schedules by the Lessor to the Trustee constitutes a true sale and not a secured transaction. The State's obligation to make Lease Payments does not depend

upon any service provided by the Lessor, and thus the transfer of Lease Schedules would be unaffected by any insolvency of the Lessor.

Reserve Fund

The Master Indenture allows a reserve fund to be established for any specific series of Certificates. As of December 1, 2004, no reserve fund has been established for any series of outstanding Certificates. In the event that the Department of Administration establishes a reserve fund under the Master Indenture, the amounts in the reserve fund would only be available to the series of Certificates for which the reserve fund is authorized.

Governmental Use

The State will certify that each Leased Item will be used to perform a governmental function. Though the State does not certify them as such, some of those functions may be considered “essential” governmental functions. Examples of Leased Items currently existing in the Trust include components to the State’s integrated tax collection system, expansion of the State’s central mainframe computer, various information technology items that provide various automated services and information technology upgrades for the State, and energy conservation projects for state-owned buildings. See “[TABLE IV-2; Outstanding Master Lease Schedules.](#)”

Centralized Control and Review

The Program structure allows one division within the Department of Administration to centrally administer many Program activities. Program functions related to administration, review, and day-to-day operations occur in the Capital Finance Office. Program functions related to review and biennial budget preparation occur in the State Budget Office. Program functions related to collection of Lease Payments occur in the State Controller’s Office. Each of these offices is part of the Division of Executive Budget and Finance.

Two-Phase Financing Structure

The State ordinarily uses a two-phase financing structure for the Program. In the first (or acquisition) phase, all Leased Items are initially financed with proceeds from a revolving credit facility. The revolving credit facility is a line of credit, and the State, acting on behalf of the Trustee, requests draws from the revolving credit facility to pay for the acquisition of Leased Items. Certificates have been issued to the current provider of this revolving credit facility, Banc of America Leasing & Capital LLC, evidencing the State’s repayment of balances under the facility. The State pays interest on funds drawn from the facility based on a variable, taxable or tax-exempt interest rate.

In the second phase, the State, acting on behalf of the Trustee, sells additional Certificates to fund all, or a portion, of the Lease Schedules previously funded with proceeds from the revolving credit facility with proceeds of a fixed-rate, and most often tax-exempt, financing. Since all Leased Items have already been accepted by the State in the first phase, Certificates issued in the second phase do not have any nonorigination risk. The State last issued fixed-rate Certificates in December 2002 and during the past two years has exclusively used the revolving credit facility noted above to fund Lease Schedules.

All sources of financing for the Program are issued under the Master Indenture. See “[SECURITY FOR CERTIFICATES; Common Pool of Collateral](#)”.

Appropriation Process

The central control of the Program provides the State Budget Office with knowledge of all past, current, and pending scheduled Lease Payments due under the Master Lease. Lease Payments due under the Master Lease are not included in the State budget as a separate budget line item. Rather, Lease Payments due under the Master Lease are included with other expenditures in one or more of an agency’s existing budget lines. The Secretary of the Department of Administration, under the direction of the Governor

and with assistance from the State Budget Office, compiles all budget information and prepares an executive budget consisting of the planned operating expenditures and revenues of all State agencies.

State law establishes procedures for establishing and enacting a State budget. State law also provides that in the event a budget is not in effect at the start of a fiscal year, the prior year's budget serves as the budget until such time a new budget is enacted.

The Secretary of the Department of Administration has statutory power to order reductions in the appropriations of state agencies (which represent less than one-third of the General Fund budget). See **“BUDGETING PROCESS AND FISCAL CONTROLS”** in **Part II of this Annual Report** for additional information on the State's budget process.

Priority of Claims

The Master Lease includes representations that, if an emergency arises that requires the Department of Administration to draw vouchers for payment that will be in excess of available moneys, the Secretary of the Department of Administration will establish a priority schedule for payments that gives a high priority to Lease Payments due under the Master Lease, but not higher than the priority given to payments on outstanding general obligations. See **“GENERAL FUND INFORMATION; General Fund Cash Flow”** in **Part II of this Annual Report**.

RISK FACTORS

Nonappropriation

The State's obligation to make Lease Payments is subject to appropriation of the necessary funds by the Legislature. No assurance is given that sufficient funds will be appropriated or otherwise available to make the Lease Payments. A failure by the State to make a Lease Payment with respect to any Leased Item would cause the Master Lease to terminate with respect to all Leased Items. The State's obligation to make Lease Payments is not a general obligation of the State, and moreover, the obligation does not involve the State of Wisconsin Building Commission. Rather, the Master Lease is a contract entered into by the Department of Administration under separate statutory authority.

The Master Lease does not include a nonsubstitution clause. If the Legislature fails to appropriate necessary funds for the continued performance of the State's obligations under the Master Lease, the State is allowed to acquire and use similar items for the same function as the Leased Item for which no appropriation was made.

While it is possible that failure to make the Lease Payments might hinder the State's subsequent access to the capital markets, it should not be assumed that the Legislature would regard that possible consequence to be a compelling reason to appropriate the money needed for Lease Payments. See **“SUMMARY OF THE MASTER LEASE”** and **“SUMMARY OF THE MASTER INDENTURE”** for additional information about remedies available under the Master Lease and Master Indenture if no appropriation is made.

Essentiality of Leased Items

Although the State has made certain representations that each Leased Item serves a governmental function, it should be assumed that the State could function without any Leased Item.

Collateral Value of Leased Items

Although the State has provided a security interest in the Leased Items to the Trustee (for the benefit of the owners of Certificates), the Certificates are not offered on the basis of the collateral value of the Leased Items or the value of any other pledged asset (other than the Lease Payments). Though the term of the Lease Schedule is not permitted to exceed the useful life of the Leased Item, it should not be assumed that the value of the Leased Item at any particular time will exceed the portion of the remaining Lease Payments that will be applied to principal or that the existence of any excess would motivate the State to continue

making Lease Payments. Typically it is difficult to realize the full value of collateral through sale of the collateral, and some of the Leased Items, such as service contracts, intangible property, or tangible property that is incorporated into real estate, may be impossible or difficult to sell. Records that evidence the security interest are kept by the Department of Administration, separate and apart from the central record system of security interests kept by the State of Wisconsin Department of Financial Institutions under the Uniform Commercial Code.

Tax Exemption

Should the Master Lease be terminated, no assurance can be given that subsequent payments made by the Trustee with respect to the outstanding Certificates and designated as interest will be excluded from gross income for federal income tax purposes.

Applicability of Securities Law

Should the Master Lease be terminated, the transfer of a Certificate may be subject to compliance with the registration provisions of applicable federal and state securities laws, which could impair the liquidity of the Certificates.

Table IV-2
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2004)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
98-136	12/14/1998	09/01/2005	BadgerNet - Phase 1	\$ 7,519,106	\$ 706,895
99-011	2/18/1999	09/01/2005	BadgerNet - Phases 1&2	9,212,723	1,663,105
99-053	5/13/1999	03/01/2006	vhf Trunking Infrastructure	311,250	6,799
99-054	5/13/1999	03/01/2006	vhf Trunking Infrastructure	311,250	11,321
99-060	8/12/1999	09/01/2005	BadgerNet - Phases 1&2	2,225,241	337,681
99-111	9/20/1999	09/01/2005	BadgerNet - Aurora	407,992	81,383
99-113	9/20/1999	03/01/2006	vhf Trunking Infrastructure	792,579	210,720
99-114	9/20/1999	03/01/2006	vhf Trunking Infrastructure	792,579	210,720
99-141	12/13/1999	03/01/2006	vhf Trunking Infrastructure	141,171	10,735
99-142	12/13/1999	03/01/2006	vhf Trunking Infrastructure	141,171	10,735
00-009	2/7/2000	09/01/2005	BadgerNet - Phases 3&4	11,809,001	2,087,112
00-010	2/7/2000	09/01/2006	CADD - Computer Aid Dispatch System	478,610	60,525
00-031	4/28/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	569,400	468,285
00-032	4/28/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	1,450,000	1,192,508
00-036	4/28/2000	03/01/2005	Development of State Human Resource System (SHRS)	82,615	9,574
00-037	4/28/2000	03/01/2005	Development of State Human Resource System (SHRS)	82,185	9,937
00-042	5/18/2000	03/01/2005	Development of State Human Resource System (SHRS)	29,870	3,495
00-045	5/18/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	74,600	61,345
00-050	5/26/2000	03/01/2007	Digital Microwave Communication Infrastructure Equip.	1,343,110	502,249
00-060	6/20/2000	03/01/2005	Development of State Human Resource System (SHRS)	32,973	3,917
00-068	6/30/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Marathon Cnt	32,594	25,936
00-070	7/19/2000	03/01/2005	Development of State Human Resource System (SHRS)	24,433	2,945
00-073	7/19/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	624,000	512,414
00-074	7/19/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	1,800,000	1,478,118
00-076	8/7/2000	09/01/2005	BadgerNet - Phase 4 (VOTS)	53,661	12,448
00-081	8/7/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	501,520	414,481
00-083	8/25/2000	09/01/2005	BadgerNet - Phase 4 (DeForest)	114,352	26,439
00-086	8/25/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Marathon Cnt	102,562	82,196
00-087	8/25/2000	09/01/2005	Heidelberg 4-Color Press	300,000	66,585
00-093	8/25/2000	09/01/2007	Vapor Testing Units	94,170	30,630
00-095	9/29/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	312,000	250,933
00-096	9/29/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	750,000	601,856
00-097	9/29/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	364,820	291,650
00-100	9/29/2000	09/01/2007	Vapor Testing Units	249,889	99,323
00-107	10/16/2000	09/01/2007	Mass Spectrometer	298,450	116,634
00-108	10/16/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	413,798	331,299
00-113	11/22/2000	09/01/2005	BadgerNet - Phase 5	2,662,847	241,131
00-116	11/2/2000	09/01/2005	Heidelberg 4-Color Press	302,900	66,951
00-120	11/2/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	276,714	221,831
00-121	11/2/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	292,169	234,225
00-128	11/22/2000	09/01/2015	WEI-3 Energy Perf Contract - Winnebago MHI	364,308	292,612
00-129	11/22/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	131,710	105,794
00-130	11/22/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	450,000	361,453
00-131	11/22/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	1,200,000	963,875
00-132	11/22/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	78,880	63,357
00-135	12/18/2000	09/01/2015	WEI-3 Energy Perf Contract - Winnebago MHI	182,598	146,966
00-138	12/18/2000	03/01/2005	Wisconsin Water Initiative - Data System Development	138,000	5,940
00-142	12/18/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	516,615	415,802
00-144	12/18/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	391,860	315,392
00-146	12/29/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	351,434	283,116
00-147	12/29/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	216,443	174,367
00-148	12/29/2000	09/01/2015	WEI-3 Energy Perf Contract - Winnebago MHI	79,455	64,009
00-149	12/29/2000	09/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	85,000	68,476
00-151	12/29/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	452,800	363,232
00-152	12/29/2000	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	350,000	280,767
01-001	2/1/2001	09/01/2015	WEI-3 Energy Perf Contract - Winnebago MHI	33,275	26,881
01-007	2/1/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 4	794,500	648,858
01-008	2/1/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Marathon Cnt	27,812	22,204
01-009	2/1/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	140,829	113,769
01-010	2/1/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	256,062	206,859
01-011	2/1/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	85,000	68,667
01-012	2/1/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	200,000	159,676
01-013	2/1/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	350,000	279,432
01-020	2/22/2001	03/01/2010	WEI 3-Energy Perf Contract; Jackson Correction Inst.	17,046	11,073
01-025	3/27/2001	03/01/2016	WEI 3-Energy Perf Contract; DHFS Care Facility	160,584	131,960
01-027	3/27/2001	03/01/2005	Wisconsin Water Initiative - Data System Development	30,657	4,112
01-029	3/27/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	256,912	209,018
01-030	3/27/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	129,037	104,982
01-031	3/27/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	93,375	76,773

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2004)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
01-033	3/27/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	998,500	803,120
01-034	3/27/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	73,839	59,390
01-035	3/27/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	151,040	121,486
01-036	3/27/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	92,000	74,849
01-037	4/17/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	286,000	224,849
01-038	4/17/2001	03/01/2006	Golf Course Maintenance Equipment	77,787	25,156
01-039	4/17/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	53,534	43,675
01-042	4/17/2001	03/01/2008	Ice Cream Processing Equipment	99,390	53,477
01-043	5/9/2001	09/01/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	14,040	10,912
01-046	5/9/2001	03/01/2005	Wisconsin Water Initiative - Data System Development	15,600	2,376
01-048	5/9/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	25,000	20,221
01-049	5/9/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	250,000	202,210
01-050	5/9/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	50,477	41,286
01-051	5/9/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	24,026	19,651
01-052	5/9/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	484,510	400,390
01-053	5/9/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	277,000	218,430
01-057	5/30/2001	09/01/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	20,500	16,007
01-058	5/30/2001	03/01/2010	WEI 3-Energy Perf Contract; Jackson Correctional	55,707	37,094
01-059	5/30/2001	03/01/2016	WEI 3-Energy Perf Contract; Mendota MHI	153,466	127,322
01-065	5/30/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	88,700	72,047
01-066	5/30/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	63,011	51,181
01-067	5/30/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	235,800	186,787
01-069	5/30/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence	319,552	265,114
01-071	6/28/2001	09/01/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	20,500	16,090
01-073	6/28/2001	03/01/2016	WEI 3-Energy Perf Contract; Mendota MHI	13,500	11,246
01-077	6/28/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	45,208	36,885
01-078	6/28/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	40,300	32,881
01-079	6/28/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	240,550	191,675
01-080	6/28/2001	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	36,145	29,812
01-081	6/28/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence	442,300	368,464
01-084	7/18/2001	03/01/2006	WiSACWIS Child Welfare System - Phase 2 Rollout	1,726,968	589,454
01-087	7/18/2001	03/01/2005	Suburban Truck	31,167	2,979
01-092	8/2/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence	138,000	115,828
01-093	8/2/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	165,450	132,831
01-094	8/2/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1	307,262	257,894
01-095	8/2/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	22,150	18,217
01-096	8/31/2001	03/01/2006	Turnstiles	36,470	12,761
01-104	8/31/2001	09/01/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	7,490	5,956
01-105	8/31/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	107,950	87,018
01-106	8/31/2001	03/01/2016	WEI 3-Energy Perf Contract; Mendota MHI	28,700	24,167
01-107	8/31/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence	278,000	234,093
01-108	8/31/2001	09/01/2008	Office/Systems Furniture-State Justice Center	130,885	78,877
01-110	9/28/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	435,980	368,332
01-116	9/28/2001	03/01/2005	Vehicles	24,423	3,729
01-117	9/28/2001	09/01/2015	WEI-3 Energy Perf Contract - Winnebago MHI	20,965	17,546
01-119	9/28/2001	09/01/2008	Development of Integrated Corrections System (ICS)	262,533	159,616
01-120	9/28/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	45,000	38,018
01-121	9/28/2001	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	67,000	54,230
01-122	9/28/2001	03/01/2016	WEI 3-Energy Perf Contract; DHFS Care Facility	62,800	53,056
01-123	9/28/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	26,650	22,078
01-125	9/28/2001	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	666,242	567,843
01-127	10/24/2001	09/01/2008	Office/Systems Furniture-State Justice Center	395,555	242,506
01-128	10/24/2001	03/01/2008	Ice Cream Processing Equipment	198,780	114,927
01-129	10/24/2001	09/01/2008	Development of Integrated Corrections System (ICS)	317,181	194,456
01-130	10/24/2001	09/01/2006	WiSACWIS Child Welfare Systems - Phase 2 Rollout	1,542,845	665,272
01-133	11/21/2001	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	487,245	417,791
01-134	11/21/2001	09/01/2008	Development of Integrated Corrections System (ICS)	184,092	113,862
01-135	11/21/2001	09/01/2006	WiSACWIS Child Welfare System - Phase 2 Rollout	566,525	247,559
01-138	11/21/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence	334,050	284,013
01-140	11/21/2001	09/01/2008	Office/Systems Furniture-State Justice Center	1,034,582	639,895
01-144	12/28/2001	09/01/2006	WiSACWIS Child Welfare System - Phase 2 Rollout	486,784	216,739
01-147	12/28/2001	03/01/2016	WEI 3-Energy Perf Contract; DHFS Care Facility	51,210	43,737
01-148	12/28/2001	09/01/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	7,670	6,215
01-149	12/28/2001	09/01/2008	Office/Systems Furniture-State Justice Center	313,696	196,432
01-150	12/28/2001	09/01/2008	Development of Integrated Corrections System (ICS)	285,495	178,773
01-151	12/28/2001	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	23,675	19,852
01-152	12/28/2001	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	587,298	501,590
02-001	1/23/2002	09/01/2006	WiSACWIS Child Welfare System - Milw County Pilot	1,036,179	476,797
02-002	1/31/2002	09/01/2005	Badgernet - Phase 7	5,202,042	142,547

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2004)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
02-003	1/31/2002	09/01/2008	Office/Systems Furniture-State Justice Center	1,015,155	642,175
02-004	1/31/2002	09/01/2008	Development of Integrated Corrections System (ICS)	102,466	24,836
02-005	1/31/2002	09/01/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	1,022,343	792,435
02-007	1/31/2002	03/01/2005	IT Equipment - DNR Regional Offices	283,928	47,867
02-009	1/31/2002	03/01/2005	IVR Units	174,598	19,753
02-010	1/31/2002	09/01/2008	Digital Microwave Communication Infrastructure Equip.	48,611	30,751
02-013	1/31/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	1,081,226	838,076
02-014	1/31/2002	03/01/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	81,075	62,421
02-015	1/31/2002	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	227,500	175,155
02-017	2/21/2002	09/01/2008	Development of Integrated Corrections System (ICS)	79,444	50,757
02-018	2/21/2002	09/01/2005	Wisconsin Water Initiative - Data System Development	70,875	20,945
02-019	2/21/2002	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	17,552	13,397
02-020	2/21/2002	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	21,656	16,649
02-023	2/21/2002	09/01/2008	Systems Furniture	42,676	27,266
02-025	2/21/2002	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	100,000	77,389
02-026	2/21/2002	09/01/2008	DOT Division of Motor Vehicle Dbase Redesign	170,055	108,648
02-027	2/21/2002	03/01/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	50,250	37,726
02-028	2/21/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	196,497	153,074
02-029	2/21/2002	09/01/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	10,084	7,752
02-030	3/14/2002	09/01/2008	DOT Division of Motor Vehicle Dbase Redesign	207,489	134,042
02-031	3/14/2002	09/01/2008	Development of Integrated Corrections System (ICS)	83,558	47,508
02-032	3/14/2002	09/01/2008	Digital Microwave Infrastructure	604,442	390,482
02-037	4/26/2002	09/01/2008	Office/Systems Furniture-State Justice Center	15,591	10,275
02-038	4/26/2002	03/01/2010	WEI 3-Energy Perf Contract; Jackson Correctional	12,479	8,504
02-039	4/26/2002	09/01/2008	DOT Division of Motor Vehicle Dbase Redesign	240,115	158,251
02-040	4/26/2002	03/01/2007	Tractor	62,730	33,850
02-041	4/26/2002	09/01/2005	Wisconsin Water Initiative - Data System Development	58,753	14,664
02-042	4/26/2002	09/01/2008	Digital Microwave Infrastructure	498,076	245,758
02-043	4/26/2002	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	225,000	176,931
02-044	4/26/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	429,034	339,463
02-048	4/26/2002	03/01/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence	85,858	67,515
02-049	4/26/2002	09/01/2008	Development of Integrated Corrections System (ICS)	207,103	136,494
02-050	4/26/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	1,307,850	1,040,836
02-051	4/26/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	825,640	657,076
02-052	5/24/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	250,000	200,212
02-055	5/24/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	142,873	113,807
02-056	5/24/2002	03/01/2016	WEI-3 Energy Perf Contract	32,340	25,607
02-057	5/24/2002	09/01/2008	Development of Integrated Corrections System (ICS)	32,026	21,395
02-058	5/24/2002	09/01/2008	Digital Microwave Infrastructure	58,102	38,816
02-059	5/31/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Oshkosh	696,128	558,215
02-060	6/18/2002	09/01/2008	Development of Integrated Corrections System (ICS)	263,980	178,431
02-061	6/18/2002	09/01/2016	WEI 3-Energy Perf Contract; DHFS Care Facility	127,832	102,410
02-062	6/18/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Oshkosh	250,000	201,284
02-063	6/18/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	206,800	166,502
02-064	6/18/2002	03/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 2	31,000	24,691
02-065	6/18/2002	09/01/2008	DOT Division of Motor Vehicle Dbase Redesign	254,363	171,931
02-066	6/18/2002	09/01/2008	Digital Microwave Infrastructure	173,196	117,068
02-068	6/18/2002	09/01/2005	BadgerNet - Phase 7&8	791,905	86,486
02-070	6/18/2002	03/01/2007	Golf Course Maintenance Equipment	103,831	57,885
02-071	6/18/2002	03/01/2016	WEI 3-Energy Perf Contract; King Veterans' Home	185,490	147,840
02-073	7/16/2002	03/01/2005	PCs for Academic Computing	197,892	34,355
02-074	7/16/2002	03/01/2006	Truck for Agronomy	17,558	6,704
02-075	7/16/2002	03/01/2008	Ice Cream Processing Equipment	33,521	21,913
02-076	7/16/2002	03/01/2006	Hardware and Software for Integrated Tax System	813,032	107,798
02-078	7/16/2002	03/01/2005	Replacement Mobile Computers	2,912,660	505,653
02-079	7/16/2002	09/01/2008	DOT Division of Motor Vehicle Dbase Redesign	240,504	164,982
02-081	7/16/2002	09/01/2008	Development of Integrated Corrections System (ICS)	130,647	89,622
02-082	7/16/2002	09/01/2012	WEI 3-Energy Perf Contract; UW-Colleges Wash. Cnt	103,301	78,666
02-083	7/16/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	79,754	64,658
02-084	7/16/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	1,006,392	812,539
02-085	8/22/2002	09/01/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	49,230	40,041
02-086	8/22/2002	03/01/2017	WEI 3-Energy Perf Contract; Oshkosh Correctional	124,032	101,268
02-087	8/22/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	175,328	142,601
02-088	8/22/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	382,687	312,452
02-089	8/22/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	120,000	97,976
02-090	8/22/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	229,500	186,661
02-091	8/22/2002	09/01/2007	Development of E-WiSACWIS (Internet Base)	456,802	271,964
02-092	8/22/2002	03/01/2009	DOT Division of Motor Vehicle Dbase Redesign	294,233	199,820
02-093	8/22/2002	09/01/2007	WiSACWIS Child Welfare System - Phase 2 Rollout	644,028	383,432

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2004)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
02-094	8/22/2002	03/01/2005	Storage Capacity for Laptop Campus	297,178	23,898
02-096	8/22/2002	03/01/2007	Tractor for University Ridge Golf Course	24,500	13,577
02-098	8/22/2002	09/01/2005	Various IT Hardware/Software Replacement	251,858	84,754
02-100	9/13/2002	09/01/2007	Grand Piano	17,000	10,110
02-101	9/13/2002	09/01/2005	Computers - Academic Computing	38,519	12,947
02-102	9/13/2002	03/01/2005	Extension of WONDER Distance Education Network	1,153,199	124,688
02-104	9/13/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	682,701	556,768
02-105	9/13/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Whitewater	222,321	180,616
02-106	9/13/2002	09/01/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	105,963	86,086
02-107	9/13/2002	03/01/2017	WEI 3-Energy Perf Contract; Oshkosh Correctional	553,036	451,021
02-108	9/13/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	575,550	469,382
02-109	9/13/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 3	419,000	340,400
02-110	9/13/2002	09/01/2012	WEI 3-Energy Perf Contract; UW-Colleges Wash.Cnt	34,200	26,298
02-111	9/13/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	96,300	78,536
02-112	9/13/2002	09/01/2017	WEI 3-Energy Perf Contract; Racine Correctional	597,251	489,055
02-113	9/13/2002	09/01/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	75,777	59,329
02-115	9/13/2002	03/01/2009	DOT Division of Motor Vehicle Dbase Redesign	281,174	190,733
02-116	10/4/2002	09/01/2007	WiSACWIS Child Welfare System - Phase 2 Rollout	292,485	173,714
02-117	10/4/2002	09/01/2007	WiSACWIS Child Welfare System - Phase 2 Rollout	684,481	406,530
02-118	10/4/2002	09/01/2005	Wisconsin Water Initiative - Data System Development	23,730	7,966
02-120	10/4/2002	09/01/2009	Record Center Shelving	314,453	219,110
02-121	10/4/2002	09/01/2005	Access Card Readers	82,865	19,425
02-122	10/4/2002	09/01/2005	Mass Spectrometer	236,990	79,558
02-123	10/24/2002	03/01/2009	DOT Division of Motor Vehicle Dbase Redesign	359,713	243,441
02-126	10/24/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	30,641	24,931
02-127	10/24/2002	09/01/2017	WEI 3-Energy Perf Contract; Racine Correctional	361,202	295,078
02-128	10/24/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	100,000	81,052
02-129	10/24/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	75,000	61,023
02-130	10/24/2002	09/01/2014	WEI 3-Energy Perf Contract; Kettle Moraine	127,113	100,742
02-131	10/24/2002	09/01/2013	WEI 3-Energy Perf Contract; UW-Colleges Fox Valley	143,756	112,290
02-132	10/24/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	1,077,876	876,997
02-136	11/19/2002	09/01/2005	Digital Video Edit System	241,000	80,685
02-137	11/19/2002	09/01/2005	Scanning Equipment/PCs	191,831	64,223
02-139	11/19/2002	09/01/2005	Extension of Legacy Contract-Distance Network	45,264	17,116
02-141	11/19/2002	09/01/2005	PCs and PC Workstations	55,838	18,694
02-142	11/19/2002	09/01/2007	Development of E-WiSACWIS (Internet Base)	258,495	153,110
02-143	11/19/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	63,250	51,377
02-144	11/19/2002	09/01/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	65,090	50,759
02-145	11/19/2002	09/01/2009	DOT Division of Motor Vehicle Dbase Redesign	788,373	547,848
02-146	11/19/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Health	90,000	72,825
02-147	11/19/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 4	59,634	48,440
02-148	11/19/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	171,500	139,307
02-149	12/19/2002	09/01/2009	Integrated Tax System - (Phase2 Milestone 1 #9&10)	6,056,718	4,203,065
02-150	12/30/2002	09/01/2008	Development of Integrated Corrections System (ICS)	232,283	166,430
02-151	12/30/2002	09/01/2013	WEI-3 Energy Perf Contract	121,100	103,358
02-152	12/30/2002	03/01/2016	WEI-3 Energy Perf Contract	13,010	11,488
02-153	12/30/2002	09/01/2013	WEI 3-Energy Perf Contract; UW-Colleges Fox Valley	36,500	31,152
02-154	12/30/2002	09/01/2014	WEI 3-Energy Perf Contract; Kettle Moraine	69,200	59,987
02-155	12/30/2002	03/01/2014	WEI 3-Energy Perf Contract; UW-Madison Health	39,220	34,197
02-156	12/30/2002	09/01/2017	WEI 3-Energy Perf Contract; Racine Correctional	189,187	169,460
02-157	12/30/2002	03/01/2017	WEI-3 Energy Performance Contract	120,000	107,015
02-158	12/30/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	130,075	115,450
02-159	12/30/2002	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	103,000	91,855
02-160	12/30/2002	09/01/2009	DOT Division of Motor Vehicle Dbase Redesign	347,465	264,567
02-163	12/30/2002	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 3	42,633	37,840
02-164	12/30/2002	09/01/2008	Systems Furniture for State Justice Cent	29,447	21,099
03-001	1/24/2003	09/01/2017	WEI-3 Energy Performance Contract	41,852	37,710
03-002	1/24/2003	09/01/2014	WEI-3 Energy Perf Contract	45,000	39,286
03-003	1/24/2003	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	51,670	46,360
03-004	1/24/2003	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	222,760	198,952
03-005	1/24/2003	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	82,800	74,290
03-006	1/24/2003	09/01/2008	Development of Integrated Corrections System (ICS)	833,478	605,009
03-007	1/24/2003	09/01/2009	DOT Division of Motor Vehicle Dbase Redesign	318,371	245,136
03-009	1/24/2003	03/01/2006	Computer Network Equipment	16,630	8,163
03-010	2/14/2003	03/01/2006	IT Equipment - Department Wide Apps	131,674	65,873
03-011	2/14/2003	09/01/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	77,200	66,808
03-012	2/14/2003	09/01/2009	DOT Division of Motor Vehicle Dbase Redesign	430,084	334,197
03-014	2/14/2003	03/01/2008	Shelving	32,027	22,597
03-015	2/14/2003	09/01/2008	Development of Integrated Corrections System (ICS)	668,782	490,682

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2004)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
03-016	2/28/2003	03/01/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	55,150	49,475
03-017	2/28/2003	03/01/2017	WEI 3-Energy Perf Contract	16,880	15,280
03-018	2/28/2003	09/01/2008	Development of Integrated Corrections System (ICS)	107,815	79,792
03-019	2/28/2003	09/01/2005	Badgernet - Phase 9 & 10	5,587,216	1,874,751
03-020	2/28/2003	03/01/2018	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	69,900	63,765
03-023	3/14/2003	09/01/2005	Video Editing System	555,153	74,371
03-024	3/14/2003	03/01/2006	Computer Network Equipment	56,584	29,146
03-025	3/14/2003	09/01/2008	Development of Integrated Corrections System (ICS)	257,231	191,817
03-026	3/14/2003	03/01/2010	Development of E-WiSACWIS (Internet Base)	324,212	249,524
03-029	3/14/2003	03/01/2010	Coach Bus	340,822	274,162
03-030	3/14/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	383,004	308,094
03-031	4/14/2003	09/01/2008	Development of Integrated Corrections System (ICS)	274,940	208,480
03-032	4/14/2003	03/01/2017	WEI-3 Energy Performance Contract	85,000	77,803
03-033	4/14/2003	09/01/2017	WEI-3 Energy Performance Contract	38,911	35,749
03-034	4/14/2003	03/01/2017	WEI-3 Energy Performance Contract	157,664	144,315
03-035	4/14/2003	09/01/2016	WEI-3 Energy Performance Contract	35,496	32,361
03-038	4/14/2003	09/01/2008	Excise Tax and Reporting System	100,000	75,827
03-039	4/14/2003	09/01/2013	WEI-3 Energy Performance Contract	27,980	24,679
03-040	4/14/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	468,532	381,952
03-041	5/6/2003	09/01/2005	Badgernet - Phase 10	164,910	73,829
03-042	5/6/2003	09/01/2008	Development of Integrated Corrections System (ICS)	143,988	110,532
03-043	5/6/2003	03/01/2006	PCs for Academic Computing Labs	62,230	28,350
03-044	5/6/2003	03/01/2006	54 PC's Specialty Computer Labs	48,006	26,068
03-045	5/6/2003	09/01/2009	Integrated Tax System Phase 2 Release 1	1,246,527	1,006,801
03-046	7/31/2003	03/01/2018	WEI-3 Energy Perf Contract - Phase 3	52,680	47,706
03-049	5/6/2003	03/01/2010	Coach Bus	340,822	280,583
03-050	5/6/2003	03/01/2010	Manure Handling Equipment - Waupun Farms	163,000	134,190
03-051	5/6/2003	03/01/2005	IT Equipment	85,797	21,761
03-052	5/27/2003	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	306,308	282,413
03-053	5/27/2003	09/01/2012	WEI 3-Energy Perf Contract; UW-Colleges Wash. Cnt	8,025	7,070
03-054	5/27/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	481,095	399,799
03-055	5/27/2003	03/01/2010	Development of E-WiSACWIS (Internet Base)	265,726	220,824
03-057	6/19/2003	09/01/2013	WEI 3-Energy Perf Contract; Oakhill Correctional	172,415	155,206
03-059	6/19/2003	03/01/2008	Golf Course Maintenance Equipment	10,275	7,821
03-060	6/19/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	350,080	293,667
03-061	6/19/2003	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	189,775	175,890
03-062	7/10/2003	09/01/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	27,852	25,953
03-063	7/10/2003	03/01/2010	Development of E-WiSACWIS (Internet Base)	291,681	246,983
03-066	7/10/2003	03/01/2017	WEI-3 Energy Perf Contract	19,432	18,168
03-067	7/10/2003	03/01/2010	Manure Handling System	37,000	31,330
03-069	7/31/2003	09/01/2006	PC Replacement Summer 2003 (ML26)	279,052	176,041
03-071	7/31/2003	03/01/2005	IT Equipment	16,149	5,014
03-072	7/31/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	295,253	242,267
03-073	7/31/2003	03/01/2008	Golf Course Maintenance Equipment	22,310	16,682
03-074	7/31/2003	03/01/2010	Development of E-WiSACWIS (Internet Base)	187,593	142,721
03-076	7/31/2003	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	250,000	225,072
03-077	7/31/2003	09/01/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	11,740	10,249
03-079	8/20/2003	03/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	1,055,797	437,245
03-080	8/20/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	281,409	233,084
03-081	8/20/2003	09/01/2006	PC Replacement - Summer 2003 ML26	524,396	337,459
03-082	8/20/2003	03/01/2008	Golf Course Maintenance Equipment	94,313	71,470
03-083	8/20/2003	03/01/2010	Addition of Lavatories to Coach Buses	32,822	27,185
03-085	9/19/2003	09/01/2008	Development of Integrated Corrections System (ICS)	108,258	86,257
03-087	9/22/2003	09/01/2008	Int Tax System- Excise Tax Report (DOT)	358,682	114,482
03-088	9/22/2003	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	654,520	278,898
03-089	9/19/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	326,148	274,489
03-090	10/27/2003	09/01/2008	Electronic Monitoring Equipment	608,692	429,718
03-091	10/27/2003	09/01/2013	WEI 3-Energy Perf Contract; Oakhill Correctional	52,068	46,858
03-092	10/27/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	302,530	259,064
03-093	10/27/2003	03/01/2018	WEI-3 Energy Performance Contract	163,040	151,029
03-094	10/27/2003	09/01/2008	Development of Integrated Corrections System (ICS)	54,543	44,436
03-095	10/27/2003	09/01/2006	Liquid Chromo Mass Spectrometer. - Primate Research	219,228	151,381
03-096	11/13/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	351,103	303,082
03-099	11/13/2003	09/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 6	130,000	120,086
03-100	12/11/2003	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	758,482	706,062
03-101	12/11/2003	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	254,050	237,023
03-102	12/11/2003	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Health	75,617	70,549
03-103	12/11/2003	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	1,653,820	682,515
03-105	12/11/2003	03/01/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	22,500	20,778

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2004)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
03-106	12/11/2003	09/01/2008	Development of Integrated Corrections System (ICS)	54,541	45,695
03-107	12/11/2003	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	232,219	204,074
04-001	1/16/2004	09/01/2010	Development of E-WiSACWIS (Internet Base)	43,183	19,394
04-002	1/16/2004	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	201,271	179,223
04-003	1/16/2004	09/01/2008	Development of Integrated Corrections System (ICS)	50,463	43,250
04-004	1/16/2004	09/01/2008	Monitoring Units	215,065	151,801
04-006	2/24/2004	03/01/2017	WEI-3 Energy Perf Contract - Health	31,633	30,105
04-007	2/24/2004	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	229,658	105,013
04-008	2/24/2004	09/01/2010	Development of E-WiSACWIS (Internet Base)	38,105	17,424
04-009	2/24/2004	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	133,560	121,254
04-011	2/24/2004	09/01/2006	Various IT Items; Department-Wide Apps	86,563	58,477
04-012	2/24/2004	09/01/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	277,000	263,190
04-013	2/24/2004	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	278,200	264,761
04-014	2/24/2004	03/01/2010	Manure Handling System - Waupun Correct.	9,454	8,583
04-015	3/23/2004	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	205,290	189,170
04-016	3/23/2004	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	1,586,770	735,663
04-017	4/22/2004	03/01/2017	WEI 3-Energy Perf Contract; UW-Colleges Baraboo/Sauk	163,226	157,832
04-018	4/22/2004	03/01/2012	WEI-3 Energy Perf Contract-Dodge Correct	144,800	142,799
04-019	4/22/2004	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	85,049	79,556
04-020	4/22/2004	03/01/2009	Golf Course Maintenance Equipment	17,398	16,054
04-021	4/22/2004	09/01/2015	WEI-3 Energy Perf Contract - Biotron FIN	6,165	5,939
04-022	4/22/2004	09/01/2005	Wisconsin Water Initiative - Data System Development	18,000	13,150
04-023	5/12/2004	03/01/2007	IBM pSeries Server Systems	600,212	533,512
04-024	5/12/2004	09/01/2008	Excise Tax and Reporting System	350,000	231,730
04-026	5/12/2004	03/01/2009	Golf Course Maintenance Equipment	84,465	78,917
04-027	5/12/2004	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	190,133	179,724
04-028	6/10/2004	03/01/2007	PCs for General Access Computer Lab	68,400	62,632
04-029	6/10/2004	03/01/2007	PCs for Genera Access Comp Lab(AppleMac)	43,428	39,766
04-030	6/10/2004	03/01/2010	DOT Division of Motor Vehicle Dbase Redesign	5,270	5,056
04-031	6/10/2004	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	119,434	57,480
04-032	6/10/2004	03/01/2018	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	4,915	4,822
04-033	6/10/2004	03/01/2007	PCs for Student Labs	83,300	76,276
04-034	6/30/2004	03/01/2010	ITS Phase III, Release 2, Milestones 4-6	413,838	401,316
04-035	6/30/2004	03/01/2007	PC Replacement ML27	233,129	218,167
04-036	6/30/2004	09/01/2005	Telephone System	16,708	14,260
04-037	6/30/2004	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	43,174	20,986
04-038	6/30/2004	03/01/2007	Microscope System	44,737	41,866
04-039	6/30/2004	03/01/2007	IBM pSeries Server Systems	105,272	98,516
04-040	6/30/2004	03/01/2009	Silage Bagging System	22,717	21,883
04-041	7/20/2004	09/01/2009	CARES -Web Graphical User Interface	879,325	860,220
04-042	7/20/2004	09/01/2014	WEI-3 Energy Performance Contract	210,757	211,561
04-044	8/20/2004	09/01/2010	WiSACWIS Child Welfare System - Phase 2 Rollout	2,430,141	1,215,071
04-045	9/20/2004	09/01/2011	I-94 LED Sign	559,063	559,063
04-046	9/20/2004	09/01/2009	Vehicle Scale Test Truck	74,591	74,591
04-047	9/20/2004	09/01/2007	Servers and Storage Area Network System	261,095	261,095
04-048	9/20/2004	09/01/2008	Electronic Monitoring Units	71,400	71,400
04-049	10/29/2004	09/01/2014	WEI-3 Energy Perf Contract-Ethan Allen	122,991	122,991
04-050	10/29/2004	03/01/2012	WEI-3 Energy Perf Contract - Dodge Correctional	418,453	418,453
04-051	10/29/2004	03/01/2017	WEI 3-Energy Perf Contract; UW-Colleges Baraboo/Sauk	30,663	30,663
04-052	10/29/2004	03/01/2009	Upgrades to CARES	1,237,709	1,237,709
04-053	10/29/2004	09/01/2007	Server Replacement/SANS	6,984	6,984
04-054	10/29/2004	03/01/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	175,000	175,000
04-055	10/29/2004	09/01/2017	WEI-3 Energy Perf Contract - Racine	28,051	28,051
04-056	10/29/2004	09/01/2009	Street & Directional Signage - SFP	37,443	37,443
04-057	10/29/2004	09/01/2009	Systems Furniture - Green Bay Phase 2	328,000	328,000
04-058	11/30/2004	09/01/2009	Street & Directional Signage - SFP	25,853	25,853
04-059	11/30/2004	09/01/2008	Excise Tax and Reporting System	356,000	316,000
04-060	11/30/2004	03/01/2009	Upgrades to CARES	1,117,580	1,117,580
04-061	11/30/2004	03/01/2018	WEI-3 Energy Perf Contract - Eau Claire	42,765	42,765
				\$ 157,961,251	\$ 83,046,222

SUMMARY OF THE MASTER LEASE

The following is a summary of certain provisions of the Master Lease.

Acquisition, Delivery, and Lease of Leased Items

The Master Lease establishes the process for acquiring property and service items. It requires the State to provide written notice to the Lessor, identifying:

- The items it desires to lease
- The anticipated schedule for making Lease Payments
- The anticipated date or dates on which payments to acquire the Leased Item are due and payable

The notice must also confirm that the State expects that sufficient moneys will be available to pay the acquisition costs, as arranged solely by the State. The State (or the Lessor at the State's request) orders each Leased Item from the contractor selected by the State.

The State is responsible for selecting Leased Items, reviewing the terms of purchase, and arranging for the delivery, installation, testing, servicing, and maintenance of the Leased Items.

Upon delivery and any required installation of any Leased Item that is a Property Item, the State is required to inspect such item, and if it meets the State's specifications, the State, before the end of the acceptance period agreed to by the contractor, must provide the Lessor with a certificate of acceptance. At the time the Property Item is accepted, the State will perfect a security interest therein in favor of the Lessor or any party to which such security interest is assigned with the State's consent. Before the commencement of service for a Leased Item that is a service contract, the State must provide the Lessor with a certificate of acceptance. Any Leased Items thus acquired become subject to the Master Lease, and upon acceptance, the State becomes obligated to make the Lease Payments.

Lease Term and Lease Termination

The Master Lease is in effect until all Lease Payments have been paid, unless the Master Lease is either extended or terminated earlier, as provided in the Master Lease. With respect to any Leased Item, the obligation to make Lease Payments begins:

- On the date of execution of the related Lease Schedule and the certificate of acceptance, or
- On the date that sufficient moneys are received in a particular fund from which the costs of Leased Items are to be paid.

Subject to appropriation, the State presently intends to keep the Master Lease in effect for its entire term and to make all Lease Payments. The State agrees that the appropriate budget requests for each fiscal year will include all Lease Payments coming due in the fiscal year. In the event an emergency arises that requires the State to draw vouchers for payments that will be in excess of available moneys and the Secretary of Administration establishes a priority schedule for payments under the Statutes, the Secretary will give a high priority to Lease Payments due under the Master Lease.

In accordance with the Statutes, the continuance of the Master Lease beyond the limits of funds already available to the State is contingent upon appropriation of the necessary funds. If an Event of Nonappropriation occurs for any fiscal year, the State has the right to terminate the Master Lease. Termination would affect all Leased Items and would be effective as of the last day of a fiscal year (that is, June 30).

The State would still be obligated to make any Lease Payments due by the end of the fiscal year but would not be responsible for the payment of any Lease Payments scheduled to come due in any succeeding fiscal year. In the event of termination of the Master Lease based on an Event of Nonappropriation, if the Lessor requests, the State is required to deliver possession of all Lease Items to the Lessor and must convey to the Lessor, or release, its interest in all Leased Items.

With respect to any Leased Item, the respective Lease Schedule terminates when all Lease Payments relating to it are paid under the Lease Schedule or when the State terminates the Lease Schedule by paying the applicable purchase price for the Leased Item.

The Master Lease will terminate in its entirety (which will affect all Leased Items) if an Event of Nonappropriation occurs, or if the State defaults and the Lessor elects to terminate the Master Lease.

Insurance Requirements; Loss or Damage to Leased Items

The State is required to provide insurance coverage against certain risks, through its self-funded liability and property programs, for which sum-sufficient appropriations are made under the Statutes. Insured risks include:

- Damage to or destruction of Leased Items
- Liability for injuries to or death of any person or damage to or loss of property related to use of the Leased Items
- The employer's costs for worker's compensation relating to use of the Leased Items

The State assumes all risks and liabilities for loss or damage to any Leased Item and for injury to or death of any person or damage to any other property arising from use of the property items or arising with respect to service items, to the extent such loss, damage, injury, death, or damage to other property is caused by acts committed by an officer or employee of the State while acting within the scope of employment or any agent of the State while acting within the scope of the agency.

If any Leased Item delivered to the State is lost, the State is required to replace the item or pay the applicable purchase price for that Leased Item.

When the State pays the purchase price for any Leased Item, the Master Lease terminates with respect to such Leased Item and the State becomes entitled to such Leased Item, *as is, where is, and without any warranty*, except for any warranty provided by the contractor.

Other Obligations

The Lessor has no responsibility for the use or maintenance of the Leased Items. The State is required to use all Leased Items carefully, properly, and lawfully. The State is required to maintain all Leased Items. The State is required to pay any charges assessed against Leased Items.

Rights in Leased Items; Security Interest

The Lessor does not have legal title to Property Items. Legal title to all Property Items rests in the State. Should the Master Lease terminate due to an Event of Nonappropriation or Event of Default, the State is required to transfer to the Lessor its interest in all Leased Items.

The State has granted to the Lessor a first priority purchase-money security interest in Leased Items to secure the State's payment of all Lease Payments.

The Lessor has no responsibility in connection with the selection of the Leased Items or the contractors providing the Leased Items. The Leased Items and contractors will be selected solely by the State.

The Lessor has no responsibility for the condition or usefulness of the Leased Items. The Leased Items are leased “as is” and “where is.” The Lessor also is not responsible for any damages in connection with the use of the Leased Items.

Assignment, Mortgaging, and Selling

The Lessor may not, without the prior written consent of the State, assign its obligations under the Master Lease or its interest in the Leased Items or grant a security interest in or lien upon the Leased Items or enter into any financing for the Leased Items.

Option to Terminate Lease Schedule

Depending on the source of funding for the Lease Schedule, the State may have the option to terminate the Lease Schedule by depositing an amount equal to the applicable purchase price. The amount shall either be:

- An amount equal to the outstanding principal amount of the Lease Schedule, interest to the date of redemption of the source of funding, and any redemption premium, or
- If permitted, an amount sufficient to purchase investments maturing on such dates and in such amounts to pay the Lease Payments when due (or until the source of funding may be redeemed).

Events of Default and Remedies

Each of the following shall be an “Event of Default” under the Master Lease:

- Failure by the State to pay when due any Lease Payments and the continuation of such failure for five business days.
- Failure by the State to observe any covenant with respect to any Leased Item (other than a failure to make Lease Payments) for a period of thirty days after notice, unless the Lessor and the Trustee agree to an extension.
- Any representation or warranty by the State in the Master Lease was untrue in any material respect.
- An “event of default” shall have occurred and be continuing under the Indenture.

If by reason of force majeure the State is unable to carry out its obligations under the Master Lease with respect to any Leased Item (other than its obligation to make Lease Payments, which must still be paid when due), the State shall not be deemed in default during the period of inability.

Whenever any Event of Default occurs, the Lessor has the right to take one or more of the following steps:

- The Lessor, with or without terminating the Master Lease, may declare all Lease Payments due or to become due during the fiscal year to be immediately due and payable.
- The Lessor, with or without terminating the Master Lease, may give the State written notice requiring the State to deliver all the Leased Items to the Lessor. If the State fails to return them within 30 days, the Lessor may exercise all its legal rights to take possession of the Leased Items and to receive damages resulting from the State’s failure. Even though the Lessor takes possession of the Leased Items, the State continues to be responsible for Lease Payments during the fiscal year. If the Event of Default is cured and the Master Lease has

not been terminated with respect to such Leased Items, the Lessor is required to return the Leased Items to the State at the State's expense.

- If the Lessor terminates the Master Lease and takes possession of Leased Items, the Lessor is required to attempt to sell the Leased Items in a commercially reasonable manner. The Lessor must apply any proceeds of the sale in the following order: (1) all expenses incurred in securing possession of the Leased Items, (2) all expenses incurred in completing the sale, (3) any amounts payable to any party having a security interest in or lien against the Leased Items, (4) the applicable purchase price for the Leased Items, and (5) the balance of any Lease Payments due with respect to such Leased Items for such Fiscal Year. Any remaining proceeds of the sale will be paid to the State.
- The Lessor may use any other remedy available at law or in equity with respect to such Event of Default.

If the Master Lease is terminated before all Lease Payments have been paid, the Lessor may require the State to return the Leased Items.

SUMMARY OF THE MASTER INDENTURE

The following is a summary of certain provisions of the Master Indenture.

General

Pursuant to the Master Indenture, the Lessor has transferred to the Trustee without recourse (but also without limitation on its obligations under the Master Lease) all its right in the funds and accounts established under the Master Indenture, the Lease Schedules specified in supplemental indentures, and all Lease Payments, Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease. Except as provided in the Master Indenture, all properties and rights received by, and moneys and investments held by, the Trustee under the provisions of the Master Indenture shall be held in trust for the benefit of the holders of the Certificates.

Funds and Accounts; Payments to be Deposited

The Master Indenture creates the following funds and accounts to be held and administered by the Trustee for each series of Certificates: a **Project Fund** (within which is a **Project Account** and an **Earnings Account**), a **Lease Payment Fund** (within which is an **Interest Account** and **Payment Account**), an **Administrative Expense Payment Fund**, and an **Insurance Fund**.

The Trustee will deposit the proceeds from the issuance of Certificates, net of the underwriters' discount:

- If specified in the supplemental indenture, the Trustee will deposit in the Principal Account and the Interest Account of the Certificate Payment Fund an amount to be used for the partial or complete redemption of one or more series of outstanding Certificates, and the Leased Items related with the redeemed Certificates will thereafter relate to the newly issued Certificates.
- If specified in the supplemental indenture, the Trustee will pay to the Lessor the costs of acquiring Leased Items that have not been reimbursed.
- Payment or reimbursement of cost of issuance.

- If specified in the supplemental indenture, the Trustee will deposit an amount in the Lease Payment Reserve Fund.
- The Trustee will deposit into the Project Account of the Project Fund the amount specified in the supplemental indenture.
- The Trustee will deposit the balance of the proceeds, if any, in the Lease Payment Fund.

Earnings on the Project Account of the Project Fund are transferred as received to the Earnings Account of the Project Fund. Moneys in the Earnings Account are transferred and used for payment of amounts due or coming due within 30 days, in the following order: (1) to the Interest Account of the Lease Payment Fund for retransfer to the Interest Account of the Certificate Payment Fund and (2) to the Administrative Expense Payment Fund.

To the extent moneys in the Earnings Account of the Project Fund exceed amounts payable as described above, the excess is deposited in the Project Account of the Project Fund.

Subject to the requirement that the Trustee shall not invest or reinvest moneys in any Fund or Account in a manner that would cause any of the Certificates to become “arbitrage bonds”, money available in the Project Account of the Project Fund will be disbursed to pay for the acquisition of additional Leased Items, as directed by the State.

Except as provided in the Master Indenture, any money remaining in the Project Account of the Project Fund on the Disbursement Period Expiration Date will be transferred by the Trustee to the Principal Account of the Lease Payment Fund, to be applied as a credit against the Lease Payments required to be paid by the State.

Upon any Event of Nonappropriation or upon an Event of Default under the Lease Schedule requiring the surrender of Leased Items, or upon any other termination of a Lease Schedule other than pursuant to the payment of all Lease Payments, or the exercise by the State of its option to pay the purchase price, the Trustee is required immediately to transfer all amounts on deposit in the Project Account of the Project Fund to the Principal Account of the Lease Payment Fund.

On any day in which Certificates are to be paid or redeemed, the Trustee is required to transfer the aggregate amount on deposit in the Principal Account of the Lease Payment Fund for deposit into the Principal Account of the Certificate Payment Fund. On the date Certificates are to be redeemed in accordance with the Master Indenture as a result of deposit of moneys into the Principal Account of the Lease Payment Fund, the Trustee is required then to transfer the money deposited into the Principal Account of the Certificate Payment Fund. On the date that Certificates are to be redeemed due to the termination of a Lease Schedule as a result of an Event of Nonappropriation, and if funds have been transferred to the Lease Payment Fund, the Trustee is required to transfer all amounts on deposit in such Principal Account for deposit into the Principal Account of the Certificate Payment Fund. On the next succeeding Interest Payment Date after the date of transfer of moneys to the Principal Account of the Lease Payment Fund, the Trustee shall deposit such moneys into the Principal Account of the Certificate Payment Fund.

On each Interest Payment Date with respect to Certificates, the Trustee is required to transfer from the Interest Account of the Lease Payment Fund (and, if necessary, from the Earnings Account of the Project Fund) for deposit into the Interest Account of the Certificate Payment Fund, an amount equal to the interest then due on the Certificates.

Except as provided in the Master Indenture, the Trustee is required to pay to the State any amount remaining in any Fund or Account after full payment (or redemption) of all Certificates outstanding and payment of any fees, expenses or costs owing with respect to the Certificates or the Lease Schedules.

The Trustee is required to invest moneys it holds under the Master Indenture in **Qualified Investments** to be selected at the direction of the State giving consideration, however, to the times at which moneys are required to be disbursed under the Master Indenture and, in that connection, may place moneys in demand or time deposits with any bank or trust company authorized to accept deposits of public funds.

The following are Qualified Investments:

- Obligations of, or obligations guaranteed as to interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States.
- Federal Housing Administration debentures.
- Federal Home Loan Mortgage Corporation participation certificates.
- Farm Credit System consolidated system wide bonds and notes.
- Federal Home Loan Banks consolidated debt obligations.
- Federal National Mortgage Association senior debt obligations and mortgage backed issues.
- Student Loan Marketing Association senior debt obligations and letter-of-credit-backed issues.
- Resolution Funding Corporation debt obligations.
- Unsecured certificates of deposit, time deposits, and banker's acceptances (having maturities of not more than 365 days) of any bank, the short-term obligations of which are rated the highest classification (without regard to any suffix or numerical order) by each of those agencies selected by the State to assign a credit rating to the Certificates or the Program (**Rating Agencies**).
- Certificates of deposit or time deposits constituting direct obligations of any bank, the full amount of which is insured by the Federal Deposit Insurance Corporation.
- Debt obligations, including pre-refunded municipals, rated in either of the two highest classifications (without regard to any suffix or numerical order) by each of the Rating Agencies.
- Commercial paper rated the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies.
- Securities issued by those investment companies registered under the Investment Company Act of 1940 commonly known as "money market funds" rated in the highest classification by each of the Rating Agencies that invest solely in securities which are otherwise Qualified Investments.
- Investments made through repurchase agreements with any transferor with debt or commercial paper rated in the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies provided that each repurchase agreement (1) is acceptable in form and substance to the State and the Trustee, (2) provides for the registration of title to certificated government obligations in the name of the Trustee or any agent of the Trustee and the physical transfer of certificated government obligations to the Trustee or to a custodial account in the name of the Trustee at a Federal Reserve Bank and for the registration of title to "book entry" government

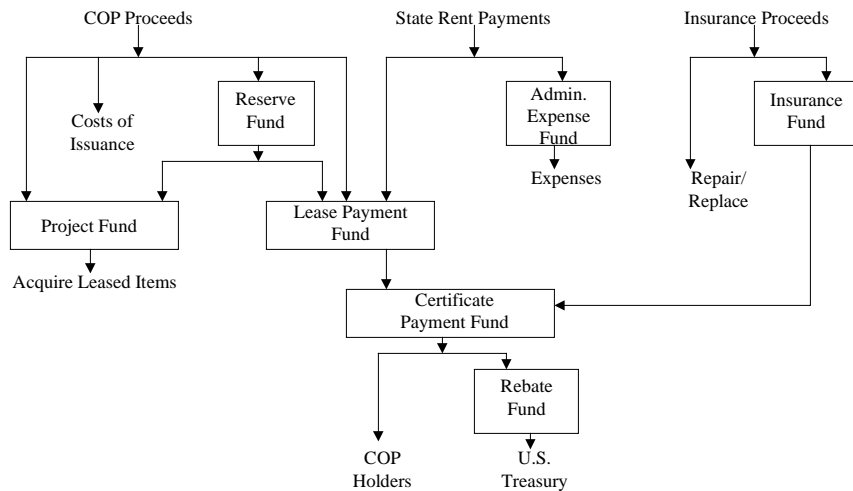
obligations in the name of the Trustee, (3) provides that the government obligations acquired pursuant to such repurchase agreement shall be valued at least monthly at the lower of the then current fair market value or the repurchase price in the applicable repurchase agreement (except that the Lease Payment Reserve Fund shall always be valued at the then current fair market value), and (4) is with any state or national bank or foreign bank with a United States branch or agency with short-term obligations rated in the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies.

- Any stripped securities rated in the highest classification by each of the Rating Agencies, including, but not limited to, U.S. Treasury STRIPS and REFCORP STRIPS.
- Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating from each of the Rating Agencies which is equal to or higher than the rating assigned to the Certificates by the Rating Agencies and the rating is in either of the two highest classifications (without regard to any suffix or numerical order) of each of the Rating Agencies.

Figure IV-1 depicts the sources and uses of the various funds.

Figure IV-1

**State of Wisconsin Master Lease Program
Master Indenture - Sources and Uses of Funds**



Servicing of Lease Schedules

The Lessor has agreed to service the Lease Schedules, and should the Lessor fail to do so, the Trustee has agreed to do so and enforce their terms.

Events of Default and Remedies

The following shall constitute Events of Default under the Master Indenture:

- Any Event of Nonappropriation or Event of Default under the Master Lease or any Lease Schedule.
- Failure by the Lessor or the State to observe any covenant, under the Master Indenture (other than an event specified above) for a period of 30 days after notice from the Trustee, the Lessor, or the owners of not less than 5% in aggregate principal amount of Certificates then outstanding; *provided, however*, if the failure cannot be corrected within the applicable period, those parties may not unreasonably withhold their consent to an extension of such time if corrective action is instituted and diligently pursued.
- Any additional event designated as an “Event of Default” under any Supplemental Indenture.

If an Event of Nonappropriation or an Event of Default under the Master Lease has occurred and is continuing, the Trustee is required to cause the Certificates of all series to be redeemed pursuant to the Master Indenture, pro rata, to the extent money is available in the Lease Payment Fund. In addition, if an Event of Nonappropriation or an Event of Default has occurred and is continuing, the Trustee may proceed, and upon written request of owners of not less than a majority in aggregate principal amount of Certificates then outstanding shall proceed, to take any of the remedial steps available under the Master Lease (including acceleration, if applicable) or whatever action at law or in equity may be necessary or appropriate to enforce its rights as assignee under the Master Indenture. All payments received by the Trustee with respect to the Trust upon an Event of Default, whether from the sale of Leased Items, damages or otherwise, shall be applied by the Trustee, *first*, to its reasonable fees and expenses and, *second*, to the Lease Payment Fund.

In the event that no action is taken to eliminate an Event of Default, the owners of a majority in aggregate principal amount of the Certificates then outstanding may institute any suit, action, or other proceeding at law or in equity for the protection or enforcement of any right under the Master Lease or the Master Indenture, but only if such owners have first requested in writing that action be taken, have given a reasonable opportunity for such suit, action, or other proceeding to be instituted, and have offered reasonable indemnity against the costs, expenses, and liabilities to be incurred thereby.

Amendment

The Master Indenture, the Master Lease, or any Lease Schedule (**Operative Documents**) may be amended, or a supplemental indenture created, without the consent of any owners of certificates, in order to provide for the issuance of a series of Certificates, to cure any ambiguity, to correct or supplement any provision in any of the Operative Documents that may be inconsistent with any provision in any other Operative Document, or to add any other provision with respect to matters or questions arising under any Operative Document if it is not inconsistent with the provisions of any Operative Document provided that such action does not, as evidenced by an opinion of counsel, adversely affect in any material respect the interests of any owner of certificates.

Any of the Operative Documents may also be amended from time to time with the consent of the owners of not less than 51% of the aggregate outstanding principal amount of Certificates of any series affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Operative Documents, or of modifying in any manner the rights of the owners of not less

than 51% of the aggregate outstanding principal amount of Certificates; *provided, however*, that no amendment shall without the consent of the owners of all Certificates:

- Increase or reduce the amount of, or delay the timing of, or otherwise adversely affect, collections of payments under any Lease Schedule or required to be made on any Certificate
- Release any Lease Schedule or all or substantially all collateral securing a Lease Schedule, or
- Reduce the percentage required for consent to any amendment

Limitation on Rights of Certificate Holders

No owner of a Certificate has any right to vote (except as provided in the Master Indenture) or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties to any of the Operative Documents; nor shall anything set forth in the Master Indenture, or contained in the terms of the Certificates, be construed so as to constitute the owners of Certificate as partners or members of an association; nor shall any owner of Certificate be under any liability to any third person by reason of any action taken by the parties to the Master Indenture pursuant to any provision of the Master Indenture.

No owners of Certificate shall have any right by virtue of any provision of the Master Indenture to institute any suit, action, or proceeding at law or in equity under or with respect to the Master Indenture, unless:

- Such owner of a Certificate has previously given to the Trustee a written notice of an Event of Default and of the continuance thereof, as provided in the Master Indenture.
- The owners of not less than 25% of the aggregate outstanding principal amount of Certificates have made written request of the Trustee to institute such action, suit, or proceeding in its own name as Trustee under the Master Indenture and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses, and liabilities to be incurred therein or thereby.
- The Trustee, for 30 days after its receipt of such notice, request, and offer of indemnity, shall have neglected or refused to institute any such action, suit, or proceeding.