

# **REQUEST FOR PROPOSALS**

## **REVOLVING CREDIT FACILITY AND ALTERNATIVE FUNDING OPTIONS**

Relating to

**State of Wisconsin Department of Administration  
Master Lease Program**

Issued by the  
Wisconsin Department of Administration  
Division of Executive Budget and Finance  
Capital Finance Office

On Behalf of  
U.S. Bank Trust Company, National Association, as Trustee

June 4, 2024

**ELECTRONIC PROPOSALS DUE BY NOON (CT) ON TUESDAY,  
June 25, 2024**

**I. INTRODUCTION.** The State of Wisconsin (**State**), acting through the State Department of Administration (**DOA**), on behalf of U.S. Bank Trust Company, National Association, as Trustee (**Trustee**), seeks proposals for:

(i) a revolving line of credit or facility (**Facility**) in the amount of \$25 million (as amended) to be used for the funding of originations under the State's Master Lease Program (**Program**), and/or

(ii) alternative funding option(s) for the funding of originations and possibly the funding to maturity of leased items under the Program.

The State, on behalf of the Trustee, will accept proposals for (i), (ii), or both. Baker Tilly Municipal Advisors, LLC is assisting the State with this request for proposals (**RFP**).

**A. INTEND TO RESPOND.** If intending to respond to this RFP, please send the following information to [DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov) and [Joshua.Davis@bakertilly.com](mailto:Joshua.Davis@bakertilly.com):

- Firm name
- Contact name, telephone number, and e-mail address of the person preparing the submittal
- Intent to submit proposal for Facility, alternative funding option(s), or both.

This information allows the State to distribute additional information more quickly to potential respondents but is not a condition of this RFP.

**B. CLARIFICATION OF SPECIFICATIONS.** If you feel that additional information is necessary to interpret the requirements of this RFP, please provide any requests and any questions to the Capital Finance Office at [DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov) by Noon (CT) on Thursday, June 13, 2024. If the State deems it necessary, it will provide to all potential respondents with the answers to such questions and, if needed, any clarification to this RFP.

**II. PROGRAM BACKGROUND.** The State established the Program in 1992 to provide financing of certain equipment items. The Program currently allows for the State to finance and acquire tangible property and, in certain situations, intangible property or prepaid service items (**Leased Items**), for all State agencies, through installment purchase contracts, pursuant to the Third Amended and Restated Master Lease #1992-1, dated April 28, 2000 (**Master Lease**) between Firststar Bank, National Association, as lessor, and the State, acting by and through DOA, as lessee. U.S. Bank National Association is currently the successor to Firststar Bank, National Association. To date, the State has acquired nearly \$820 million of Leased Items through the Program and the State has made nearly \$853 million in lease payments (principal and interest) on the Leased Items. The State has made all scheduled Lease Payments on a timely basis.

Below are the annual origination amounts for each of the last ten years of the Program.

<u>Year</u>	<u>Amount Financed</u>
2014	48,069,405
2015	50,578,616
2016	33,208,356
2017	22,594,301
2018	14,379,021
2019	4,517,435
2020	2,987,322
2021	12,738,066
2022	21,341,712
2023	7,199,239

The State has used a two-phase funding model since commencement of the Program. In the first (or acquisition) phase, all originated lease schedules to the Master Lease that relate specifically to a leased item (**Lease Schedules**) are acquired with proceeds from a revolving line of credit (such as the Facility). The State typically originates Lease Schedules based on agreed upon frequency and pays interest on draws or advances from the facility based on a variable, taxable rate of interest. The current interest rate is based off the Bloomberg Short Term Bank Yield Index (**BSBY**). Repayment of the facility occurs on each March 1 and September 1, reflecting that Lease Schedules have semi-annual Lease Payments due on March 1 and September 1. The facility in the first phase of the funding model also has prepayment options for the State. The interest rate and fees paid by the State pursuant to the existing facility are as follows:

- Interest rate on draws or advances; 1-month BSBY plus 0.30%
- Unused facility fee; 0.10% payable semi-annually

In the second phase, the State, acting on behalf of the Trustee, periodically sells fixed-rate (and most commonly tax-exempt) master lease certificates of participation (**COPs**) to repay all, or a portion of, the balances of the Facility. The timing of prepayment depends on many factors, including the balance of outstanding Lease Schedules and market conditions. The dates for the last three take-outs were May 31, 2023, January 11, 2022, and February 9, 2021, although the timing for some of these take-outs was driven by the funding of bullet-type maturities of prior COPs issuances.

The Master Lease does not include any limit on the repayment term of Lease Schedules; past practice and policy of the Program is, with certain exceptions, to limit the term of Lease Schedules to the expected useful life of the Leased Items, up to seven years.

All sources of financing for the Program are issued under the Master Indenture, dated July 1, 1996, among U.S. Bank Trust Company, National Association, as successor in interest, and the State, acting by and through DOA (**Master Indenture**). The State, acting on behalf of the Trustee, will issue a COP to the provider of the Facility or alternative funding option. As discussed in **Section II.B. of this RFP**, the security for the Facility or funding alternatives proposed under this RFP is NOT the one-to-one security interest in Leased Items originated or funded with any specific series of COPs; rather all financed items are cross-collateralized, and security is a proportionate share of the Lease Payments and Leased Items in the Trust created by the Master Indenture.

Capitalized terms in the RFP that are not defined herein have the meanings provided in the Master Lease and Master Indenture.

**A. ATTACHED INFORMATION.** The following attachments to this RFP provide additional detail and information on the Program, including its structure, documents, and security.

- [Attachment B](#) is an overview of the Program structure.
- [Attachment C](#) includes a copy of the Master Lease.
- [Attachment D](#) includes a copy of the Master Indenture. All Master Lease Certificates of Participation, including any Certificate issued to the provider of the Facility or provider of funding alternatives will be issued pursuant to a Supplemental Indenture to the Master Indenture.
- [Attachment E](#) includes a summary of certain required provisions for the Facility that are expected to be included in any Revolving Credit Agreement (**RCA**) to be finalized between the Trustee, State, and selected provider of the Facility. The State's Bond Counsel will take the lead in drafting agreements resulting from this RFP. While the attached summary has a focus on the Facility, many of the provisions would also be applicable to the alternative funding option(s) that are also asked in this RFP.
- [Attachment F](#) includes estimated month-end balances for the period of September 1, 2024 to September 1, 2027 for the Facility or other funding alternative proposed pursuant to this RFP. As outlined further in the Program Security discussion below, this information is for cash-flow purposes only. If the Facility is being utilized, when projected month-end balances exceed the amount of the Facility, the second of the two-phase funding model addressed in Section II would be utilized.

**B. PROGRAM SECURITY.** The Master Indenture has established a trust that consists of Lease Schedules, lease payments, Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted by the Master Lease (**Trust**). The Trust serves as a common pool of collateral that is cross-collateralized, ratably securing all series of master lease certificates of participation issued under the Master Indenture and for the Program. *In other words, the provider of the Facility or other funding option(s) requested per this RFP will NOT have a one-to-one security interest in the financed Leased Items. Furthermore, the State is the sole administrator and approver of the Leased Items.*

The State is required under the Master Lease to make Lease Payments from any source of legally available funds, subject to annual appropriation, and the scheduled Lease Payments are sufficient to pay, when due, the semiannual principal and interest on the then outstanding master lease certificates of participation. *The obligation of the State to make Lease Payments does not constitute an obligation of the State for which the State is obligated to levy or pledge any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State.*

Nonappropriation or an Event of Default under the Master Lease or any Lease Schedule constitutes an Event of Default for all series of master lease certificates of participation, including the certificate issued to the provider of the Facility or funding alternatives proposed under this RFP.

Further information about security features of the Program and master lease certificates of participation is included as Part IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2023 (**2023 Annual Report**). The 2023 Annual Report includes discussion of:

- *Governmental use of Leased Items*
- *Common Pool of Collateral*
- *Centralized Control of Program*
- *State Budget Process*
- *Continuing Appropriation Provisions for the State*

The 2023 Annual Report and further information about the State of Wisconsin, including current and past audited financial statements, are available on the following websites:

[wisconsinbonds.com](http://wisconsinbonds.com)  
[doa.wi.gov/capitalfinance](http://doa.wi.gov/capitalfinance)

As of June 1, 2024, the principal amount of all outstanding master lease certificates of participation was approximately \$54 million and as of the same date, the average life of all outstanding Lease Schedules was approximately two years.

**C. PENDING PROGRAM ACTIVITY.** Included within Part IV of the 2023 Annual Report, is an appendix that lists all the outstanding Lease Schedules and Leased Items as of December 15, 2023. Please note that the Lease Schedules originated on and after 2023 are reflective of recent activity of the Program; the State expects future Leased Items to include similar financed items.

**D. RATINGS.** The Program (and master lease certificates of participation issued for the Program) is currently rated as follows:

- AA Fitch Ratings
- AA+ Kroll Bond Rating Agency, LLC
- Aa2 Moody's Investors Service, Inc.

The State's general obligation bonds are currently rated as follows:

- AAA Kroll Bond Rating Agency, LLC
- Aa1 Moody's Investors Service, Inc.
- AA+ S&P Global Ratings

**III. CONDITIONS OF SUBMITTING PROPOSALS.** As a condition of submitting a proposal pursuant to this RFP, the following conditions are understood:

**A. RESPONSE PREPARATION.** The detailed requirements stated in **Section IV of this RFP** are mandatory. Failure to respond to a specific requirement may be the basis for elimination from consideration during the comparative evaluation. The State further will only accept proposals respectively from principals who intend, for the Facility, to directly enter into a revolving credit agreement or required documentation with the Trustee and State, or firms that intend, for the alternative funding option(s), to directly provide the funding or placement, as applicable.

**B. RESPONSE SUBMISSION.** Electronic copies of the proposal must be received at both e-mail addresses included in **Section I.A. of this RFP** by no later than **Noon (CT) on Tuesday, June 25, 2024.**

- C. INCURRING COSTS.** The State, its advisors, and Trustee are not liable for any cost incurred by respondents in replying to this RFP.
- D. ORAL INTERVIEWS.** While the State does not anticipate oral presentations it reserves the right to do so, in person or by telephone. Responses should be complete on their face. If needed, the State reserves the right to request clarifying information.
- E. PROPRIETARY INFORMATION.** Any restrictions on the use of data contained within a proposal must be clearly stated in the proposal itself. Proprietary information submitted in response to this RFP will be handled by the State and Trustee in accordance with applicable State of Wisconsin procurement regulations.

**IV. PROPOSAL CONTENT.** Respondents to this RFP must provide the information requested in Section A – General Information. Respondents to this RFP can provide response(s) to Section B – Facility, or Section C – Alternative Funding, or both.

**A. GENERAL INFORMATION**

- 1. FIRM INFORMATION.** Provide the name and address of firm providing the proposal. If different, please also include the address of the office from which the Facility or funding alternatives will be serviced. Include the underlying short-term and long-term credit ratings of the responding firm.
- 2. CONTACT.** Provide the name, phone number, cell number, and e-mail address of the individual responsible for this proposal who may be contacted in the event of questions or notification.
- 3. LEGAL COUNSEL.** Provide the name, phone number, and e-mail address of the attorney and legal firm that the proposer, if selected, would utilize as counsel in the finalization of the RCA.
- 4. EXPERIENCE AND REFERENCES.** Provide information about two other similar revolving lines of credit, facilities, or funding models that your firm is currently providing for governmental entities. Please also provide the name and contact information for the governmental issuer or entity of these facilities or models. The State reserves the right to contact these references as part of the evaluation process.
- 5. ACCEPTANCE OF TERMS AND SECURITY.** Provide certification that respondent understands that the State’s Bond Counsel will take lead in drafting documents required for Facility or alternative funding arrangement. Such certification further acknowledges the general terms that are included as Attachment E and other security terms included in this RFP. As part of this certification, clearly outline any comments on the general terms included as Attachment E and security to be provided along with any additional operational or procedural terms related to the response(s) provided pursuant to this RFP.
- 6. REQUIRED CERTIFICATIONS.** A proposal submitted pursuant to this RFP must include a certification that all terms of the proposal shall remain firm for a 90-day period commencing on the due date of proposals.

## **B. FACILITY**

**1. PROPOSAL CONTENT.** Provide a complete and detailed proposal that addresses a Facility that offers a three-year commitment to provide draws or advances at taxable interest rates (**Facility Base Proposal**).

Proposals for the Facility Base Proposal must include the content of the Bid Form (**Attachment A**), which addresses all the various pricing elements. It is allowable for respondents to identify and include more than one basis (SOFR, U.S. Treasuries, SIFMA, etc.) and corresponding spread for any of the draws or advances and respective term of advance.

Proposals must provide, following the format provided in **Attachment A**, a detailed and complete summary of any Facility fees, such as any up-front administrative and capped legal fees, any commitment fees, any unused Facility fees, any annual Facility administrative fees, transaction fees, other legal fees, and the like. Proposals must specify the dates on which any such fees are to be paid.

Proposals for the Facility Base Proposal must also complete the portion of the Bid Form that addresses a Bank Loan or Term Loan, as included in **Attachment A**, including but not limited to, all terms and rate(s). The Bank Loan or Term Loan would remain after termination of the Facility and extend for a period of time (to be determined) to address Lease Schedules originated with the Facility have remaining balances and term upon termination of the Facility.

## **C. ALTERNATIVE FUNDING**

**1. PROPOSAL CONTENT.** Respondents are invited to present terms and conditions for alternative funding that differs from the Facility and two-step model noted in this RFP, but still adheres to the general provisions and security as outlined in this RFP, including but not limited to **Attachment E**. While the two-step mode and use of a facility has worked for the many years of the Program, the reduced Program volume may provide for alternatives that provide administrative change and ease for the State. Alternative funding proposal(s) may also include tax-exempt, different funding level or amounts, and/or other terms or approaches to the Facility that is requested in **Section IV.B. of this RFP**.

Examples of alternative funding proposals that may be of interest to the State and Trustee are included below, but more importantly, these are just two examples and the State is interested in all ideas that provide efficient and attractive funding costs for the Program, *even if changes are needed to structure of the Program and a new master indenture.*

- Funding that functions as a drawdown loan with either a taxable or tax-exempt interest rate
- Funding that continues flexibility of drawing funds as needed for making originations, but includes an automatic conversion (bank or placement) to fixed-rate tax-exempt funding based on certain dates or balances of the outstanding funded Lease Schedules

When possible, responses under this section of the RFP should include or address the components of the Bid Form (**Attachment A**). Respondents may submit multiple alternative funding options, or multiple responses to this section of the RFP. All submittals must be complete so that the

State can make comparisons to all proposals submitted pursuant to this RFP.

Proposals for alternative funding must provide a detailed and complete summary of any related fees, such as any up-front administrative and capped legal fees, any commitment fees, any unused balance fees, any other annual administrative fees, transaction fees, other legal fees, and the like. Proposals must specify the dates on which any such fees are to be paid.

- V. AWARD OF FACILITY OR FUNDING ALTERNATIVE.** The State will review proposals and award either (i) a Facility to the proposal that, when discounted back to September 1, 2024, includes the lowest total of interest costs and facility fees over an assumed three-year period, or (ii) the alternative funding proposal that the State determines provides the funding option that is more applicable to the current funding needs of the Program, taking into account the administrative and other costs of issuance related to the previous two-phase funding model.

In performing the discount noted above, the State will assume (1) semi-annual payments, (2) a 360-day calendar year, (3) month-end Facility balances as outlined in **Attachment F** hereto, and (4) discount rate equivalent to the six-month SOFR as of June 14, 2024. In making this award, the State further reserves the right to consider overall terms and conditions, bank ratings, experience in providing similar facilities, potential benefits and disadvantages of the Facility or any other alternative funding option that is proposed.

There is no statutory requirement governing the award resulting from this RFP. The decision of the State to award to a particular respondent, or not to award at this time, shall be final.

The following is an expected timeline of events related to this RFP, the selection of the Facility or alternative funding provider, and completing the RCA or applicable documentation with the selected provider:

June 25, 2024	Proposals Due
July 2, 2024	Selection of Facility Provider
July 22, 2024	Initial Draft of Required Document(s)
August 23, 2024	Finalize Required Document(s)
September 3, 2024	Commence Funding

## **ATTACHMENTS**

**ATTACHMENT A – Bid Form**

**ATTACHMENT B – Master Lease Program Structure**

**ATTACHMENT C – Third Amended and Restated Master Lease #1992-1**

**ATTACHMENT D – Master Indenture**

**ATTACHMENT E – Proposed Revolving Credit Agreement Provisions**

**ATTACHMENT F – Anticipated Facility Month-End Balances**



**Attachment A  
Bid Form**

The content of this Bid Form must be included as part of responses for a Facility Base Proposal, as outlined within the RFP. This Bid Form requires responses for a Facility with a three-year termination date/funding commitment. Alternative Funding Proposals, as outlined in the RFP, can address different provisions, including but not limited to, different facility amount, longer or shorter commitment term, tax-exempt draws or advances, or other terms and conditions. It is allowable for respondents to identify and include more than one basis (for example: SOFR, U.S. Treasuries, SIFMA, etc.) and corresponding spread for any Facility Base Proposal or any of the funding alternatives.

**FIRM INFORMATION**

Firm Name: \_\_\_\_\_

**REVOLVING CREDIT FACILITY**

Facility Base Proposal			Alternative Funding Proposal <sup>(1)</sup>		
<b><u>Termination Date of Facility</u></b>			<b><u>Termination Date of Facility</u></b>		
<b>Three (3) Years</b>			_____ ( ) Years		
<b>Facility Amount - \$25,000,000</b>			<b>Facility Amount \$</b> _____		
<b><u>Facility Type</u></b>			<b><u>Facility Type (Circle One)</u></b>		
<b>Taxable Advances</b>			<b>Taxable Advances, Tax Exempt Advances, Drawdown, Other</b>		
		Spread			Spread
<u>Term</u>	<u>Basis</u>	<u>(bps, formula or other)</u>	<u>Term</u>	<u>Basis</u>	<u>(bps, formula or other)</u>
One-Month	_____	_____	One-Month	_____	_____
Three-Month	_____	_____	Three-Month	_____	_____
Six-Month	_____	_____	Six-Month	_____	_____
<u>Bank Loan or Term Loan</u>			<u>Bank Loan or Term Loan</u>		
Maximum Term:			Maximum Term:		
Interest Rate (Fixed or Basis/Spread):			Interest Rate (Fixed or Basis/Spread):		
Other Terms/Conditions:			Other Terms/Conditions:		

<sup>(1)</sup> As indicated in the RFP, more than one Alternative Funding Proposal may be provided and Alternative Funding Proposals may not be able to completely follow this form. Respondents may duplicate this form as needed.

**FEES**

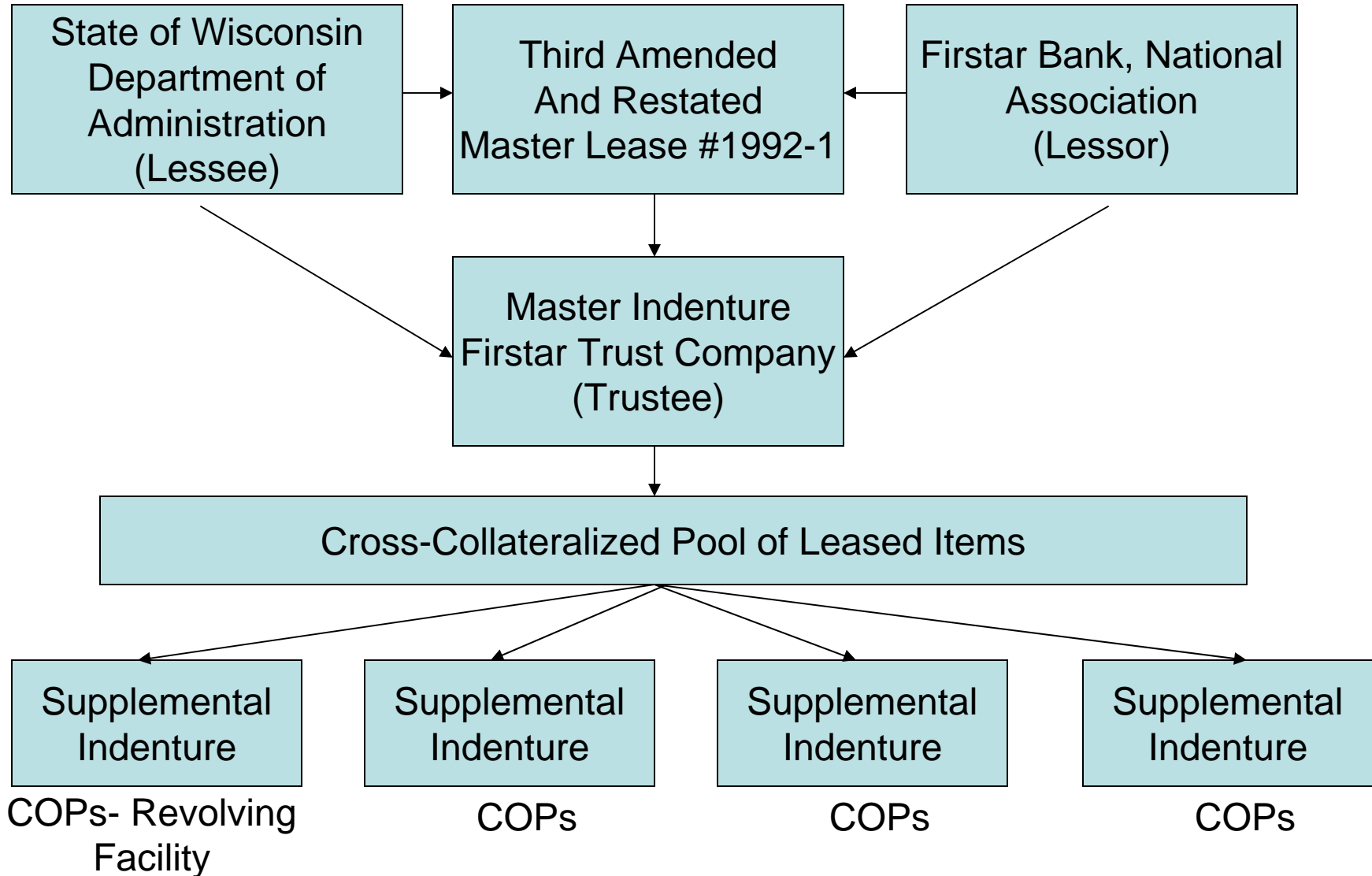
Up-Front Administrative Fees: \$	Commitment Fees: \$
Annual Administrative Fees: \$	Legal Fees: \$
Transaction Fees: \$	Unused Facility Fees: \$
Other Fees (describe):	

**TERMS AND CONDITIONS**

Respondents must identify any terms and/or conditions that differ from those outlined in the RFP or Attachments:

**ATTACHMENT B**  
**MASTER LEASE PROGRAM STRUCTURE**

# State of Wisconsin Master Lease Program



Note: U.S. Bank National Association is currently successor to Firststar Bank, National Association and U.S. Bank Trust Company, National Association is currently successor to Firststar Trust Company.

**ATTACHMENT C**  
**THIRD AMENDED AND RESTATED MASTER LEASE #1992-1**

**THIRD AMENDED AND RESTATED MASTER LEASE**

Between

FIRSTAR BANK, NATIONAL ASSOCIATION,  
as Lessor

and

STATE OF WISCONSIN,  
acting by and through its  
DEPARTMENT OF ADMINISTRATION,  
as Lessee

Dated as of April 28, 2000

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- Exhibit B — Form of Certificate of Acceptance
- Exhibit C — Forms of Legal Opinion

### **THIRD AMENDED AND RESTATED MASTER LEASE #1992-1**

THIS THIRD AMENDED AND RESTATED MASTER LEASE (the "Lease"), dated as of April 28, 2000, is entered into by and between Firststar Bank, National Association (formerly known as Firststar Bank Milwaukee, N.A.), a banking association duly organized and existing under the laws of the United States, (the "Lessor"), and the State of Wisconsin, acting by and through its Department of Administration (the "Lessee").

#### **WITNESSETH**

**WHEREAS**, the Lessor desires to lease Leased Items (as defined herein) to the Lessee, and the Lessee desires to lease Leased Items from the Lessor;

**WHEREAS**, moneys shall be made available to the Lessor from time to time in amounts sufficient to acquire Leased Items for lease;

**WHEREAS**, the Lessor and the Lessee entered into Master Lease #1992-1, dated as of September 1, 1992, have twice previously amended and restated the agreement, and now desire again to amend and restate the agreement; and

**WHEREAS**, any lease of Leased Items made prior to any amendment shall continue in effect and shall be construed and enforced without regard to any amendment herein, the intent of the Lessee and the Lessor being that the amendments herein shall apply solely to Lease Schedules entered into after the date hereof;

**NOW, THEREFORE**, the parties to this Lease hereby agree, for and in consideration of the mutual covenants herein, as follows:

#### **ARTICLE I    DEFINITIONS**

**Section 1.1.    Definitions for Lease**. Unless the context requires otherwise, for purposes of this Lease, the following terms shall have the definitions stated:



Additional Rent: the payments specified as such in Section 6.1.

Certificate of Acceptance: The Lessee's acknowledgement of a Lease Schedule, which shall be substantially in the form specified as Exhibit B.

Contractor: (i) Each manufacturer, vendor, or contractor from or with whom the Lessee has ordered or will order the acquisition, manufacture, delivery, or installation of Property Items, or (ii) each service provider from or with whom the Lessee has ordered or will order the performance of Service Items.

Costs of Leased Items: The amounts payable by the Lessor to a Contractor for Property Items or Service Items, or to the Lessee as reimbursement, for the acquisition, manufacture, delivery, or installation of any Property Items, or the performance of any Service Item, including progress payments and capitalizable administrative and management costs, taxes, inspection, and report costs, permit fees, interest prior to the date the Property Item is placed in service, or any other capitalizable costs, fees, and charges as may be necessary or incident to such acquisition or installation.

Event of Default: The events described in Section 13.1.

Fiscal Year: The 12-month fiscal period of the Lessee which commences on July 1 of each year and ends on June 30 of the succeeding year.

Independent Counsel: An attorney or firm of attorneys duly admitted to practice before the highest court of Wisconsin who or which is not a full-time employee of the Lessor or the Lessee.

Indenture: An agreement between the Lessor and a Trustee executed in connection with the issuance of certificates of participation evidencing interests of the owners of such certificates in (i) the right to receive the Interest Component and Principal Component of each payment of Rent, and (ii) certain other rights with respect to specified

Lease Schedules and Rent, Leased Items, and other property and rights related to such Lease Schedules. The agreement shall provide for the establishment of various funds, including a rebate fund.

Interest Component: The portion of any Rent designated in a Lease Schedule as, and constituting, interest.

Interim Rent: With respect to any Leased Item, a prorated amount of the Interest Component of Rent payable under each Lease Schedule for initial use occurring before the first Payment Date for Rent to become due under such Lease Schedule, which amount shall be due and payable on such Payment Date.

Lease: With respect to any Leased Item, this Lease and the Lease Schedule which describes the Leased Item, which together shall constitute a separate contract relating to such Leased Item.

Lease Amendment: Any duly executed amendment to this Lease.

Lease Schedule: Any individual schedule of Leased Items executed by the Lessor and the Lessee under this Lease, substantially in the form specified in Exhibit A to this Lease, as amended from time to time.

Lease Schedule Term: With respect to any Leased Item, the period from the date from which Rent accrues until the Final Payment Date, as set forth on the related Lease Schedule.

Lease Term: The period during which this Lease shall be in effect as specified in Section 5.1.

Leased Items: Property Items and Service Items.

Lessee: The State of Wisconsin, acting by and through its Department of Administration or any successor department or agency.

Lessor: Firststar Bank, National Association (formerly known as Firststar Bank Milwaukee, N.A.), its corporate successor or transferee and, except where the context requires otherwise, any assignee thereof under an assignment consented to in writing by the Lessee.

Net Proceeds: Any amount payable from the Lessee's self-funded liability and property program with respect to a Leased Item, and any proceeds of insurance, condemnation, a performance bond, or a financial guarantee, or any other amount (excluding Rent) paid with respect to a Leased Item, after deducting from such amount all related expenses.

Nonappropriation: The determination by the Lessee that the Wisconsin State Legislature has failed to appropriate necessary funds for the continued performance of the obligations of the Lessee under this Lease.

Payment Date: Each date on which Rent for any Leased Item is due and payable as provided in the related Lease Schedule; payments of Rent on a particular Lease Schedule shall be due on each March 1 and September 1 until the Lease Schedule terminates.

Permitted Encumbrances: With respect to any Leased Item and as of any particular time: (i) liens for taxes and assessments not then delinquent; (ii) this Lease and any Lease Amendment; (iii) the interest of the Lessor or any assignee in such Leased Item; and (iv) with respect to any Leased Item that may be regarded as a fixture, such encumbrances as normally exist with respect to property similar in character to the property as to which the Leased Item is affixed and do not, in the judgment of the Lessee, materially impair the property.

Principal Component: The portion of any Rent designated in a Lease Schedule as, and constituting, principal.

Property Items: One or more items of tangible property (or as specifically approved for lease by the Lessee's counsel, intangible property) designated from time to time by the Lessee and described in a Lease Schedule, which property is or will be leased in accordance with this Lease.

Purchase Price: With respect to any Leased Item, the amount designated in Section 11.2 as the price for termination of the Lease Schedule with respect to such Leased Item as of any date on which payment of such price is permitted, or the price for purchase under Section 13.2(b).

Rent: With respect to any Leased Item, the amount payable to the Lessor on each Payment Date during the Term of this Lease, as shown in the related Lease Schedule. Unless the context requires otherwise, the term "Rent" shall include Interim Rent.

Service Items: Services designated from time to time by the Lessee and described in a Lease Schedule, which services are or will be provided to the Lessee in accordance with this Lease.

Specifications: The bid specifications or purchase order pursuant to which a Leased Item has been ordered from a Contractor, as amended from time to time.

State: The State of Wisconsin.

State or Federal Law: Any law of the State or of any political subdivision of the State, any law of the United States, and any rule or regulation of any of the foregoing.

Trustee: An entity with corporate trust powers that, pursuant to an Indenture, is the issuer of certificates of participation and the assignee of the Lessor's right, title, and

interest in and to specified Lease Schedules and Rent, Leased Items, and other property and rights related to such Lease Schedules.

**Section 1.2. Rules of Interpretation.** For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires:

- (a) words in the singular include the plural, and vice versa;
- (b) all accounting terms not otherwise defined herein have the meanings given to them in accordance with generally accepted accounting principles;
- (c) the terms defined in other Articles of this Lease shall have the meanings given there;
- (d) words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders;
- (e) the headings used in this Lease are for convenience only and shall not define or limit its provisions; and
- (f) this Lease shall be governed by and construed in accordance with the laws of the State of Wisconsin.

## **ARTICLE II LEASE EXHIBITS**

Attached to this Lease are the following Exhibits which, together with instruments executed in the form specified in any Exhibit, are incorporated as a part of this Lease:

Exhibit A: A form of Lease Schedule to be executed by the Lessor and the Lessee listing Leased Items to be leased and setting forth the Payment Date and amount of each payment of Rent for such Leased Items during the Lease Term, the Principal and Interest Components of each payment, the Purchase Price, and the price and dates (if any) at which the Lessee may exercise its option to purchase the Lessor's interest in such Leased Items in accordance with Article XI. The Lessee hereby authorizes the Lessor's insertion

on the Lease Schedule of the serial or other identifying number for each Property Item and the date from which Rent accrues and the Payment Dates as soon as that information is available.

Exhibit B: A form of the Certificate of Acceptance to be given by the Lessee acknowledging (i) that any Property Items described therein have been delivered and, are necessary, installed in accordance with the Specifications and have been accepted by or for the Lessee (or if progress payments are being made with respect to the property, the portion of the property with respect to which the progress payments are to be made has been delivered and, as necessary, installed in accordance with the Specifications, and has been accepted by the Lessee) and that the service contract for any Service Item described therein is acceptable, (ii) the Payment Date on which Rent shown on the related Lease Schedule shall commence, and (iii) that certain other requirements are fulfilled.

Exhibit C: Forms of Opinion of Counsel to the Lessee concerning (i) the organization, nature and powers of the Lessee; the validity, execution, and delivery of this Lease and various related documents; the absence of litigation; and related matters; and (ii) various matters with respect to each Lease Schedule.

### **ARTICLE III REPRESENTATIONS, COVENANTS AND WARRANTIES**

**Section 3.1. Lessee's Representations, Covenants and Warranties.** The Lessee represents and warrants to and covenants for the benefit of the Lessor and its assignees with respect to this Lease and each Lease Schedule as follows:

(a) The Lessee is a department of the State, duly organized and existing under its laws and is authorized thereunder to enter into this Lease and any other agreement or transaction contemplated by this Lease.

(b) The execution and delivery of this Lease is authorized by Section 16.76 (4) of the Wisconsin Statutes (and the Lessee hereby determines that it is advantageous to the State to enter into this Lease), and the Lessee's action complies or will comply with any public-bidding or other State or Federal Law applicable to this Lease and the acquisition and financing of any Leased Item.

(c) The Lessee will use the Leased Item during the related Lease Schedule Term only to perform governmental functions of the State or political subdivisions of the State.

(d) No Leased Item will constitute a facility for the use or occupancy by the Lessee or any department, agency, or instrumentality of the Lessee, and no Leased Item will constitute an internal improvement.

(e) With respect to any payment of Rent the Interest Component of which is intended by the Lessee to be excludable from gross income of the recipient for federal income tax purposes, the Lessee will not take any action that would cause such Interest Component to be includable in the recipient's gross income, will take all affirmative action legally within its power necessary to ensure that such Interest Component does not become includable in the recipient's gross income, including the calculation and payment to the United States of any rebate that may be required in the opinion of the Lessee's counsel to preserve such exclusion, and will submit to the United States Treasury Department appropriate information returns or other required information relating to this Lease and each Lease Schedule at the time and in the form required by law.

(f) Upon delivery, installation (if any), and acceptance of each Leased Item (or portion thereof, with respect to any Leased Item for which progress payments

are to be made), the Lessee will provide to the Lessor a completed and executed copy of a Certificate of Acceptance in the form attached hereto as Exhibit B.

(g) Upon execution of this Lease and each Acceptance Certificate, the Lessee will provide to the Lessor an opinion or supplemental opinion of its counsel in the appropriate form attached hereto as Exhibit C.

**Section 3.2. Representations and Warranties of the Lessor.** The Lessor represents and warrants to the Lessee as follows:

(a) The Lessor is a national banking association duly organized, existing, and in good standing under the laws of the United States; the Lessor has the power to own and hold title to property, whether real or personal, tangible or intangible, to lease, assign, pledge, or sell any of such property, and to enter into this Lease; and the Lessor has duly authorized the execution and delivery of this Lease.

(b) Neither the execution and delivery of this Lease, nor compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with, or results in a breach of the terms, conditions, or provisions of, any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance upon any of the property or assets of the Lessor or upon any Leased Item except Permitted Encumbrances.

(c) In connection with the performance of its obligations under this Lease, the Lessor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, gender, physical condition, developmental disability as defined in Section 51.05 of the Wisconsin Statutes, sexual



orientation, or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Lessor further agrees to take affirmative action to ensure employment opportunities.

(d) The Lessor agrees to submit a written affirmative action plan to the Lessee within 15 days after the execution and delivery of this Lease.

(e) The Lessor agrees to post in conspicuous places, available for employees and applicants for employment, a notice to be provided by the Lessee that sets forth the provisions of the nondiscrimination provisions contained in Clauses (c) and (d) and this Clause (e).

(f) Failure to comply with the nondiscrimination provisions contained in Clauses (c), (d), and (e) may result in the Lessor's being declared an "ineligible" contractor by the Lessee.

#### **ARTICLE IV ACQUISITION, DELIVERY AND LEASE OF LEASED ITEMS**

**Section 4.1. Acquisition.** In conjunction with each Lease Schedule, the Lessee shall provide written notice to the Lessor which shall identify (i) the Leased Items it orders for lease hereunder; (ii) the Lease Schedule Term of such Leased Items; and (iii) the date or dates on which the Costs of Leased Items shall be due and payable; and shall confirm to the Lessor the Lessee's expectation that as of such date or dates sufficient moneys will be available to pay such costs, as arranged solely by the Lessee. The Lessee (or the Lessor at the Lessee's request) shall order such Leased Items from one or more Contractors selected by the Lessee. The Lessor shall have no obligation to order, acquire, or lease any Leased Items unless such notice has been given, such moneys are

unconditionally available to the Lessor to pay the full Costs of Leased Items, the related Lease Schedule has been executed by the Lessee and the Lessor, and the Lessee shall have provided to the Lessor and approved in writing all Specifications and invoices (as applicable) relating to such Leased Items. The Lessee shall have sole responsibility for selecting the Leased Items; preparing the Specifications necessary to order the Leased Items; reviewing and approving any purchase agreements, service contracts, licenses, warranties, and the like pertaining to the acquisition, delivery, installation, use, and maintenance of the Leased Items; arranging for the delivery, installation, testing, servicing, and maintenance of the Leased Items; providing any documents as may be reasonably requested by any lender or trustee making funds available to the Lessor hereunder for the purpose of acquiring the Leased Items to obtain a security interest or lien on the Leased Items and related Lease Schedule.

The Lessor may decline to lease any Leased Items which will be used in the handling, treatment, hauling, or disposal of hazardous materials or hazardous chemicals or hazardous wastes under state or federal law, petroleum products, radioactive materials, pesticides, herbicides, or insecticides if the Lessee is unable or unwilling to obtain such independent insurance coverage as to pollution or contamination risks reasonably required by the Lessor under Section 7.3.

Amended Lease Schedules shall be executed by the Lessee and the Lessor, based on the terms of the source of funding for the Leased Items related to the Lease Schedules, plus any other documents reasonably required with respect to such source of funding, in each case at no cost to the Lessor. The Principal Component of the Rent and the Purchase Price for the Amended Lease Schedules shall include allocable costs paid from the source of funding, which may include but shall not be limited to costs of

issuance, administrative costs, reserve fund, and any rounding amount, so that the aggregate Principal Component of the Rent for all amended Lease Schedules affected by the source of funding corresponds to the principal amount of the source of funding. The Interest Component of the Rent for the Amended Lease Schedule shall be changed so that the aggregate Interest Component for all amended Lease Schedules affected by the source of funding corresponds to the interest that will accrue on the source of funding. In addition, amended Lease Schedules shall be executed by the Lessee and the Lessor to reflect amendments of the Payment Dates in this Lease. Upon request, the Lessee shall furnish a consolidating report showing the principal amortization of all Lease Schedules then in effect.

**Section 4.2. Delivery and Certificate of Acceptance.** Upon delivery and any required installation of any Property Item, the Lessee shall inspect such Property Item and if it meets the Lessee's Specifications, the Lessee, before the end of the acceptance period agreed to by the Contractor, shall provide to the Lessor a completed and executed Certificate of Acceptance in the form specified as Exhibit B. With respect to any Property Item for which progress payments are to be made, the Certificate of Acceptance may be limited to the progress required to be made before payment of the progress payment. At the time the Property Item is accepted, the Lessee shall take all actions necessary (and the Lessor shall assist as requested) to perfect a security interest therein in favor of the Lessor or any party to which such security interest is assigned with the Lessee's consent. Before the commencement of service for a Service Item, the Lessee shall provide to the Lessor a completed and executed Certificate of Acceptance in the form specified as Exhibit B.

**Section 4.3. Items Subject to Lease.** Any Leased Items acquired as described in Section 4.1 or Section 4.5 shall thereupon become subject in all respects to the provisions of this Lease, and upon acceptance as described in Section 4.2 the obligation to pay Rent shall commence with respect to such Leased Items.

**Section 4.4. Lease; Enjoyment; and Inspection.** The Lessor hereby leases each Leased Item to the Lessee, and the Lessee hereby leases each Leased Item from the Lessor, upon the terms, conditions, and limitations set forth in this Lease. The Lessor covenants not to interfere during the Lease Term with the Lessee's quiet use and enjoyment of the Leased Item, and the Lessee shall during the Lease Term peaceably and quietly have and hold and enjoy the Leased Item, without suit, trouble, or hindrance from the Lessor; except as expressly set forth in this Lease. The Lessor will, at the request of the Lessee, join in any legal action in which the Lessee asserts its right to such possession and enjoyment to the extent the Lessor lawfully may do so. The Lessee agrees that the Lessor shall have the right at reasonable times and with reasonable notice to examine and inspect Leased Items. The Lessee further agrees, in the event of failure by the Lessee to perform its maintenance obligations hereunder, that the Lessor shall, after giving written notice to the Lessee of such failure, have such rights of access to the Leased Items as may be reasonably required to cause the proper maintenance of the Leased Items.

**Section 4.5. Alternative Acquisition Procedure.** Notwithstanding Sections 4.1 and 4.2, the Lessor and the Lessee may enter into an escrow agreement with respect to any Leased Item to be acquired and leased hereunder establishing a fund from which the Costs of Leased Items shall be paid, on terms mutually agreeable to the Lessor and the Lessee and not inconsistent with any applicable funding source for such Leased Items. Upon receipt in that fund of moneys sufficient to pay such Costs and the

completion and execution by the Lessor and the Lessee of the Lease Schedule, the moneys may be disbursed to pay such Costs in accordance with the terms of the escrow agreement.

## **ARTICLE V LEASE TERM AND LEASE TERMINATION**

**Section 5.1. In General.** This Lease shall be in effect for a term which shall commence on its date of execution and shall end on the date that all Rents and other amounts payable in respect of all Leased Items have been paid, unless extended by the Lessor and the Lessee, or unless earlier terminated as provided in Section 5.5. With respect to any Leased Item, the obligation to pay Rent shall commence (a) on the date of execution of the related Lease Schedule and Certificate of Acceptance in the forms specified as Exhibits A and B or (b) if the alternative acquisition procedure described in Section 4.5 is used, on the date that sufficient moneys are received in the fund from which Costs of Leased Items shall be paid, and in either event shall terminate on the date set forth in the related Lease Schedule or as provided in Section 5.5.

**Section 5.2. Intent to Continue Lease Term and Request Appropriations.** Subject to appropriation, the Lessee presently intends to continue this Lease in effect for the entire Lease Term and to pay all Rent relating to the Leased Items. The Lessee agrees that there shall be included in the appropriate budget requests prepared under Section 16.42 of the Wisconsin Statutes for each Fiscal Year all Rent coming due in such Fiscal Year with respect to all Leased Items. The Lessee has no reason to believe that such moneys cannot or will not be lawfully appropriated and made available for this purpose. In the event an emergency arises that requires the Lessee 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 Section 16.53 (10) of the Wisconsin Statutes, the Secretary shall give a high priority to payment of Rent.

**Section 5.3. Termination for Nonappropriation.** In accordance with Section 16.75 (3) of the Wisconsin Statutes, the continuance of this Lease beyond the limits of funds already available to the State is contingent upon appropriation of the necessary funds. In the event of Nonappropriation for any Fiscal Year, the Lessee shall have the right to terminate this Lease in the manner and subject to the terms specified in this Section and Sections 5.4 and 5.5. Termination shall affect all Leased Items that are subject to this Lease. The Lessee shall effect such termination as of the last day of a Fiscal Year by providing to the Lessor (i) a written notice of termination and (ii) to the extent funds are available or have been appropriated, payment of any Rent or other amount which is then due or will be due by the end of such Fiscal Year. The Lessee shall endeavor to give the Lessor advance notice of termination at the time the Lessee has reasonable certainty of any Nonappropriation and resulting termination. In the event of termination of this Lease as provided in this Section, upon the Lessor's written request, the Lessee shall deliver possession of all Leased Items to the Lessor in accordance with Section 13.3 and shall convey to the Lessor, or release, its interest in all Leased Items within thirty days after termination of this Lease.

**Section 5.4. Effect of Termination for Nonappropriation.** Upon termination of this Lease in accordance with Section 5.3, the Lessee shall not be responsible for the payment of any Rent scheduled to come due in any succeeding Fiscal Year; *provided*, however, that if, after being requested by the Lessor to do so, the Lessee has not delivered possession of all Leased Items to the Lessor in accordance with Section 13.3 and conveyed to the Lessor or released its interest in all Leased Items in accordance with

Section 5.3, the termination shall nevertheless be effective, but in the event the Lessee fails to take such action (that is, the Lessee retains possession or an interest in any Leased Item) the Lessee shall be responsible for damages in an amount equal to Rent thereafter coming due for such Leased Item attributable to the number of days after such termination during which the Lessee fails to take such action.

**Section 5.5. Termination.** With respect to any Leased Item, the respective Lease Schedule shall terminate upon the occurrence of the first of the following events: (a) payment of all Rent and other amounts required to be paid under such Lease Schedule; or (b) exercise by the Lessee of its option to terminate such Lease Schedule by payment of the applicable Purchase Price pursuant to Article XI. This Lease shall terminate (which shall affect all Leased Items) upon the occurrence of the first of the following events: (a) termination for Nonappropriation in accordance with Section 5.3; or (b) default by the Lessee and the Lessor's election to terminate this Lease pursuant to Article XIII.

## **ARTICLE VI PAYMENTS OF RENT**

**Section 6.1. In General.** The Lessee agrees that it shall pay Rent with respect to each Leased Item during the Lease Term in the amounts specified in the related Lease Schedule and on the dates so specified; *provided*, however, that if payments of Rent have been assigned to a Trustee, the Lessee shall, to assure timely payment of any certificates of participation, make a payment 15 days before the date specified that is sufficient, either without investment or through investments permitted under the Indenture, to make the payments of Rent. The Lessee agrees that it shall pay, as Additional Rent allocated among Lease Schedules on a reasonable basis (a) administrative costs incurred with respect to any source of funding or replacement source of funding to the extent such

administrative costs are not allocated to the Principal Component of Rent under Section 4.1, and (b) any tax imposed on the Trustee in the event the trust arrangement under the Indenture is classified as an association or partnership under Treas. Reg. § 301.7701-2 (but only to the extent such taxes directly result from such event). All payments of Rent shall be paid to the Lessor, or to any assignee to which Rent has been assigned in accordance with Article XII, at such place as the Lessor or such assignee may from time to time designate by written notice. The Lessee shall make payments of Rent exclusively from moneys legally available therefor. Notwithstanding any other provision to the contrary, all payments of Rent shall be “triple net” and not subject to counterclaim or offset. The Lessee shall account for Rent payments on its books and records on a Lease Schedule-by-Lease Schedule basis.

**Section 6.2. Current Expense.** For any Fiscal Year during which this Lease is in effect, the obligation to make payment of Rent and any other amounts under this Lease shall involve current expenses of the Lessee for such Fiscal Year and shall not constitute indebtedness of the Lessee within the meaning of the Constitution and laws of the State. Nothing in this Lease shall constitute a pledge by the Lessee of taxes or other moneys to or for the payment of Rent or other amounts coming due hereunder, except for (i) moneys lawfully appropriated from time to time for such purpose or (ii) Net Proceeds payable with respect to any Leased Item.

**Section 6.3. Notice of Rent Payment.** Except as provided in Section 5.3, payment of Rent or any other amount when due hereunder (including without limitation amounts payable under Section 13.5) shall be an absolute and unconditional obligation in all events. Notwithstanding any dispute between the Lessee and the Lessor or any other person, payment of Rent or other amounts required hereunder shall be made when due,



and there shall be no withholding of Rent or other amount pending final resolution of any dispute, nor shall any right of set-off or counterclaim be asserted against the obligation to make such payment. The obligation to pay Rent or other amounts during the Lease Term shall not be abated through accident or unforeseen circumstances. However, so long as the Lease has not terminated nothing herein shall be construed to release the Lessor from the performance of its obligations hereunder, and if after 30 days prior written notice the Lessor should fail to perform any of such obligations by the end of such 30-day period, the Lessee may institute such legal action against the Lessor as the Lessee may deem necessary or appropriate to compel the performance of such obligation or to recover damages therefor.

## **ARTICLE VII INSURANCE REQUIREMENTS; LOSS OR DAMAGE TO PROPERTY ITEMS**

**Section 7.1. Self-Insurance.** The Lessee shall provide insurance coverage against the following risks, through its self-funded liability and property programs, for which sum-sufficient appropriations are made under Sections 20.505 (2) (a), (k), and (ki) of the Wisconsin Statutes and a scheduled appropriation is made under Section 20.865 (1) (fm) of the Wisconsin Statutes:

- (i) damage to or destruction of Leased Items, in an amount sufficient to pay a claim equal to the full replacement cost of such Leased Items;
- (ii) liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Property Items or arising out of or in any way relating to Service Items; and

- (iii) the employer's costs for employee's worker's compensation under chapter 102 of the Wisconsin Statutes covering all employees or, in, near, or about any of the Property Items.

The Net Proceeds of the insurance coverage required under Clause (i) shall be applied to the prompt repair, restoration, or replacement of the Property Items, or to the purchase of the Property Items, as provided in Section 7.4. Any Net Proceeds of the insurance coverage not required for those purposes shall be paid to the Lessee.

The Net Proceeds of the insurance coverage required under Clauses (ii) and (iii) shall be applied toward extinguishment or satisfaction of the liability with respect to which such Net Proceeds may be paid.

**Section 7.2. Commercial Insurance Coverage.** Notwithstanding the foregoing provisions, the Lessee may elect to provide insurance coverage in favor of the Lessor against the risks described in Clause (i), (ii), and (iii) of Section 7.1 through insurance purchased from commercial insurance companies. All insurance policies (or riders) required by this Section 7.2 shall be taken out and maintained with insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least thirty days before the cancellation or revision becomes effective. Each property insurance policy or rider required by this Section 7.2 shall name the Lessor as an additional insured party and loss payee. Prior to delivery of Property Items to the Lessee, the Lessee shall deposit with the Lessor policies (or riders) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Insurance coverage against the risks

described in Clause (i) of Section 7.1 shall be in an amount equal to not less than the greater of the full replacement cost or the Purchase Price, without provision for deductible or coinsurance. Insurance coverage against the risks described in Clause (ii) of Section 7.1 shall be in amounts of not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$2,000,000. Before the expiration of any such policy or rider, the Lessee shall furnish to the Lessor evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Section 7.2.

**Section 7.3. Lessee's Negligence.** The Lessee assumes all risks and liabilities for loss or damage to any Property Items 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, whether such injury or death is with respect to agents or employees of the Lessee, or third parties, and whether such property damage relates to the Lessee's property or to the property of others, 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. The Lessee agrees to pay the Lessor for the cost incurred by the Lessor for competitively priced liability insurance with reasonable limits, covering liabilities relating to or arising out of a claim, suit, or proceeding based in whole or in part on the asserted negligent conduct of the Lessee or officers, employees, or agents of the State, or based upon the possession, use, operation, condition, or storage of the Property Items, unless caused by the Lessor or its officers, employees, or agents.

**Section 7.4. Loss, Damage, or Destruction of Property Items.** If after delivery of any Property Items to the Lessee all or any of such Property Item is lost, stolen, destroyed, or damaged beyond repair, the Lessee shall as soon as practicable after

such event: (a) replace the same at the Lessee's sole cost and expense with Property Items that the Lessee has not previously owned of at least equal value to that of the Property Items immediately prior to the loss or other event; whereupon, subject to the Lessor's reasonable written approval, the replacement equipment shall be substituted for such Property Items through endorsement on the appropriate Lease Schedule; or (b) pay the applicable Purchase Price with respect to such Property Items. Within sixty days after occurrence of the loss or other event, the Lessee shall notify the Lessor as to which alternative it intends to follow. If the Lessee fails or refuses to so notify the Lessor, the Lessor may at its option declare the applicable Purchase Price of the Property Items immediately due and payable, and the Lessee shall be obligated to pay the same. The Net Proceeds of any self-insurance or insurance payable with respect to such Property Items shall be made available to the Lessee and shall be used by the Lessee to discharge its obligation under this Section.

**Section 7.5. Effect of Payment of Purchase Price.** On payment of the Purchase Price with respect to any Leased Item, this Lease shall terminate with respect to such Leased Item and the Lessee thereupon shall become entitled to such Leased Item, **WITHOUT RECOURSE, AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OR ANY OTHER WARRANTIES WHATSOEVER** except for any warranty provided by the Contractor and except that such Leased Item may be subject to any lien or encumbrance created by or arising through the Lessor unless the Lessee has obtained the written consent of any lender or Trustee holding a security interest in or lien against such Leased Item releasing such security interest or lien.

## ARTICLE VIII OTHER OBLIGATIONS

**Section 8.1. Use; Permits.** The Lessee shall exercise due care in the installation, use, operation, and maintenance of the Property Items, and shall not install, use, operate, or maintain the Property Items improperly, carelessly, in violation of any State or Federal Law, or for a purpose or in a manner contrary to that contemplated by this Lease. The Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Property Item, and if compliance with any State or Federal Law requires changes or additions to be made to the Property Item, such changes or additions shall be made by the Lessee at its expense.

**Section 8.2. Maintenance of Property Items.** The Lessee shall, at its own expense, maintain, preserve, and keep all Property Items in good repair, working order, and condition, and shall from time to time make all repairs or replacements necessary to keep Property Items in such condition. The Lessor shall have no responsibility for any of these repairs or replacements.

**Section 8.3. Governmental Charges and Utility Charges.** Except as expressly limited by this Section, the Lessee shall pay all charges of any kind which are at any time lawfully assessed or levied against or with respect to Property Items, the related Rents or any part thereof, or which become due during the Lease Term, whether assessed against the Lessee or the Lessor. If requested, the Lessor hereby agrees to provide reasonable assistance to the Lessee in contesting any charge that may be assessed against the Lessor. The Lessee shall also pay when due all gas, water, steam, electricity, heat, power, telephone, or other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Property Items, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured

by a lien on the Property Items; *provided* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments required to be paid during the Lease Term, as and when the same become due. Except as provided in Section 4.1, the Lessee shall not be required to pay any federal, state, or local income, inheritance, estate succession, transfer, gift, franchise, gross receipts, profits, excess profit, capital stock, corporate, or other tax payable by the Lessor, its successors, or assigns.

**Section 8.4. Advances.** If the Lessee shall fail to perform any of its obligations under this Article, the Lessor may, but shall not be obligated to, take such action as may be reasonably necessary to cure such failure, including advancing moneys for that purpose.

## **ARTICLE IX RIGHTS IN PROPERTY ITEMS; SECURITY INTEREST; LIENS**

**Section 9.1. Rights in Property Items.** Legal title to and ownership of all Property Items and any and all repairs, replacements, substitutions, and modifications shall be in the Lessee, and the Lessee shall take all actions necessary to vest such title and ownership in the Lessee. Upon termination of this Lease pursuant to section 5.3 or Article XIII and upon the Lessor's written request, the Lessee shall transfer to the Lessor its entire interest in all Property Items and the Lessee shall have no further interest therein. The Lessee shall bear any costs for removal or repair. In either event, the Lessee shall execute and deliver to the Lessor such documents as the Lessor may request to evidence the termination of the Lessee's interest therein and the Lessee shall deliver possession of the Property Items to the Lessor in accordance with Section 13.3.

**Section 9.2. Security Interest.** The Lessee hereby grants to the Lessor a continuing, first priority purchase-money security interest in and to each Property Item, the Rents, and other proceeds of Leased Items, and all replacements, substitutions, modifications, and repairs thereof made pursuant to Section 9.5, and spare parts, software licenses, or rights under warranties with respect thereto, in order to secure the Lessee's payment of all Rent due during the Lease Term and the performance of all other obligations under this Lease. In compliance with Section 16.76 (4) (e) of the Wisconsin Statutes, the Lessee shall record and preserve evidence of each security interest granted under this Lease in its office at all times during which this Lease is in effect. The Lessee will (at its own expense) join with the Lessor in executing such financing statements or other documents and will perform such acts as the Lessor may request to establish and maintain a valid first lien and perfected purchase-money security interest in the Property Items. If requested by the Lessor, the Lessee shall mark the Property Items with appropriate lettering, labels, or tags and maintain such markings during the Lease Schedule Term so as clearly to disclose the Lessor's security interest in the Property Items.

Upon termination of this Lease with respect to any Lease Schedule through exercise of the Lessee's option to terminate the Lease Schedule through payment of the applicable Purchase Price pursuant to Article XI, or through payment by the Lessee of all Rent and other amounts then due, the Lessor's security interest, lien, and other interest in such Property Item shall terminate, and at the Lessee's expense the Lessor shall execute and deliver to the Lessee such documents as the Lessee may reasonably request to evidence such termination.

**Section 9.3. Liens.** During the Lease Term, the Lessee shall not create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to Leased Items, other than (i) the respective rights of the Lessor and the Lessee as herein provided, and (ii) Permitted Encumbrances. Except as provided in Section 8.3 and this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to discharge or remove such mortgage, pledge, lien, charge, encumbrance, or claim if the same shall arise.

**Section 9.4. Installation of Other Property.** The Lessee may at any time and from time to time in its sole discretion and expense install other items of property in, upon or in connection with Property Items, which other property shall be identified by tags or other identification affixed thereto as property of the Lessee. Property so installed shall remain the sole property of the Lessee, and may be modified or removed by such party at any time, provided such party shall repair any damage to Property Item resulting from the installation, modification, or removal of such property.

**Section 9.5. Replacements, Modifications, or Repairs; Substitution.** Subject to Section 7.4, the Lessee shall, at its own expense, have the right to make replacements, modifications, or repairs of Property Items. All such work, and any part or component used or installed to make a repair or as a modification or replacement, shall thereafter constitute part of the Property Item and be subject to the provisions of this Lease. The work shall not in any way damage any Property Item or cause it to be used for purposes other than those authorized under the provisions of State and Federal Law and contemplated by this Lease; and upon completion of such work the Property Item shall be of a value which is not less than its value immediately prior to the commencement of the work.



After delivery of any Property Item to the Lessee, the Lessee shall have the right to replace such Property Item at the Lessee's sole cost and expense with a Property Item that the Lessee has not previously owned of at least equal value to that of such Property Item; whereupon, subject to the Lessor's reasonable written approval, the replacement Property Item shall be substituted for such Property Item through endorsement on the appropriate Lease Schedule.

**Section 9.6. Personal Property.** To the extent permitted by law, any Property Item is, and shall at times remain, personal property notwithstanding that the Property Item or any part thereof may be or become affixed or attached to, or embedded in, or resting upon, real property, or any structure or other improvement of a permanent nature.

## **ARTICLE X RESPONSIBILITIES, OBLIGATIONS, AND WARRANTIES**

**Section 10.1. Selection of Leased Items and Contractors.** The Leased Items and Contractors providing such Leased Items shall be selected solely by the Lessee. The Lessor shall have no responsibility in connection with such selection of the Leased Items or the Contractors for the Leased Items, the determination of suitability of Leased Items for the use intended by the Lessee, acceptance by a Contractor or its representative of any order or agreement regarding the Leased Items, or any delay or failure by the Contractor or its representative to manufacture, deliver, install, or test the Leased Items so ordered, or the enforcement of any remedies, warranties, or licenses with respect to the Leased Items, or for any errors, omissions, or insufficiency in any purchase order, purchase agreement, license, warranty, or other agreement respecting acquisition of the Leased Items. The Lessor is, however, hereby authorized by the Lessee to add the serial number or other identifying number of any Property Item to the related Lease Schedule when available.

**Section 10.2. Installation and Maintenance of Property Items.** The Lessor shall have no obligation to install, erect, test, inspect, service, or maintain the Property Items (or provide substitute Property Items) under any circumstances, but such actions when reasonably required shall be the obligation of the Contractor or the Lessee.

**Section 10.3. Contractor's Warranties.** To the extent it may do so, the Lessor hereby assigns to the Lessee, for and during the Lease Term, any interest it may have in any Contractor's warranty or guarantee, express or implied, applicable to any Leased Items, and the Lessor hereby authorizes the Lessee to obtain the customary services furnished in connection with such warranties and guarantees at the Lessee's expense. The Lessor makes no representations or warranties as to the existence, sufficiency, enforceability, or assignability of any warranties, licenses, or third party agreements respecting the Leased Items; and the Lessee shall confirm all such matters itself.

**Section 10.4. Patent Infringement.** To the extent it may do so, the Lessor hereby assigns to the Lessee for the Lease Schedule Term any interest it may have in patent indemnity protection provided by any Contractor with respect to any Leased Items. This assignment shall constitute the entire responsibility and obligation of the Lessor with respect to any claim of patent infringement in connection with such Leased Items.

**Section 10.5. Disclaimer of Warranties.** The Lessor makes **NO WARRANTY OR REPRESENTATION**, either express or implied, as to the value, design, condition, merchantability, or fitness of the Leased Items for any particular purpose or fitness for the use contemplated by the Lessee, or any other representation or warranty with respect to the Leased Items except as contained herein. The Lessor is not affiliated with any manufacturer, vendor, installer, or service provider of any Leased Items, and the Lessor makes **NO REPRESENTATION OR WARRANTY** as to conformity of Leased Items with

applicable state or federal laws, safety of the Leased Items, title to the Leased Items, or the availability, sufficiency, or assignability of any licenses, warranties, or third party agreements regarding the Leased Items. The Leased Items are leased “AS IS” and “WHERE IS.” In no event shall the Lessor be liable for any incidental, special, or consequential damages in connection with or arising out of this Lease or the Leased Items, or use of the Leased Items by the Lessee or any other party except the Lessor.

## **ARTICLE XI OPTION TO TERMINATE LEASE SCHEDULE**

**Section 11.1. Availability.** If so permitted by the source of funding for the Lease Schedule, the Lessee shall have the option to terminate any Lease Schedule, but only if the Lessee is not in default under this Lease, and then only in the manner provided in this Article.

**Section 11.2. Exercise.** The Lessee shall give notice to the Lessor of its intention to exercise its option to terminate any Lease Schedule in the manner required by the source of funding for the Lease Schedule and shall deposit with the Lessor on the date of exercise an amount equal to the applicable Purchase Price, which shall either be (a) 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 (b) if permitted by the Lessor or the Lessor’s assignee, an amount sufficient to purchase investments maturing on such dates and in such amounts to pay the Rent when due (or until the source of funding may be redeemed).

## **ARTICLE XII ASSIGNMENT, MORTGAGING AND SELLING**

**Section 12.1. Assignment by the Lessor.** Without the prior written consent of the Lessee, the Lessor shall not assign its obligations under this 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, and no purported assignment, security interest, lien, or financing thereof or therefor shall be effective without such consent. All of the Lessor's right, title, and interest in and to any Lease Schedule, Leased Items, the related Rent and other amounts payable in respect thereof, and the authority to exercise all rights under this Lease relating thereto, may be assigned and reassigned by the Lessor in whole or in part to one or more assignees or subassignees at any time subject, however, in each case to the prior written consent of the Lessee. During this Lease Term, the Lessor shall keep a complete and accurate record of all such assignments made by the Lessor. In the event the Lessor assigns its right, title, and interest in and to Lease Schedules, Rent, Leased Items, and related property and rights to a Trustee for the benefit of owners of certificates of participation, such owners shall be treated for purposes of this Lease as having the rights (but not the obligations) of the Lessor, to the extent of their respective ownership interests.

In the event the Lessor grants a security interest in or collaterally assigns a Lease Schedule (and the Leased Items described therein) to a lender, Trustee, or other entity as permitted herein, the Lessee acknowledges that all of the Lessee's rights, interest, and leasehold in the Leased Items shall be unconditionally subordinated to the security interest or lien of such lender, trustee, or other entity; but such lender, Trustee, or other entity shall agree not to interfere with the Lessee's right of quiet use and enjoyment of the Leased Items so long as neither an Event of Default nor an event of Nonappropriation has occurred. The Lessee agrees to execute a written acknowledgement of the foregoing subordination (together with such other confirmations) as such lender, Trustee, or other entity may reasonably request.

**Section 12.2. Assignment by the Lessee.** Neither this Lease nor the Lessee's interest therein or in Leased Items may be sold, assigned, subleased, transferred, pledged, or mortgaged by the Lessee without the prior written consent of the Lessor and any lender or Trustee providing funds for acquiring the Leased Items. The Lessee may permit any agency, department or political subdivision of the State to use a Leased Item, but the Lessee shall in all respects be responsible for its obligations under the Lease.

**Section 12.3. Consent of Lender or Trustee.** In the event the Lessor collaterally assigns or grants a security interest in any Lease Schedule (and the underlying Leased Items) to any lender or Trustee providing financing for the acquisition of such Leased Items, the Lessor acknowledges that such lender or Trustee may restrict the Lessor from taking any actions required to be taken by the Lessor hereunder vis-a-vis the Lessee without the consent of such lender or Trustee; and the Lessor shall not be liable to the Lessee hereunder for the Lessor's inability to take such actions as have been restricted by such lender or Trustee; and the Lessee shall have the obligation to seek or obtain any such consents from any lender or Trustee. Furthermore, to the extent of any conflict between the Lessor's obligations to the Lessee hereunder and any provisions of any loan or security agreement regarding the Leased Items to which the Lessor is a party, the Lessor shall be relieved of such obligation to the extent necessary to comply with the provisions of such loan or security agreement.

## **ARTICLE XIII EVENTS OF DEFAULT AND REMEDIES**

**Section 13.1. Events of Default.** Each of the following shall be an "Event of Default" under this Lease:

(a) Failure by the Lessee acting on its behalf to pay any Rent or other amount required to be paid under this Lease at the specified time and the continuation of such failure for a period of five business days.

(b) Failure by the Lessee to observe or perform any covenant, condition, or agreement on its part to be observed or performed with respect to any Leased Item, other than a failure to make payment referred to in Clause (a) of this Section, for a period of thirty days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Lessor, unless the Lessor and any Trustee shall agree in writing to an extension of such time prior to its expiration; *provided*, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Lessor will not unreasonably withhold its consent to an extension of such time if corrective action has been instituted by the Lessee within the applicable period and is being diligently pursued.

(c) The reasonable determination by the Lessor that any representation or warranty by the Lessee in this Lease was untrue in any material respect upon execution of this Lease or any Lease Schedule.

(d) An “event of default” shall have occurred and be continuing under an Indenture.

The provisions of this Section 13.1 and of Section 13.2 are subject to the following limitation: If by reason of force majeure the Lessee is unable to carry out its obligations in whole or in part under this Lease with respect to any Leased Item (other than its obligation to pay Rent, which shall be paid when due notwithstanding the provisions of this paragraph), the Lessee shall not be deemed in default during the period of such inability. As used here, the term “*force majeure*” shall mean, without limitation,

the following: acts of God, strikes, lockouts, or other labor disturbances; acts of public enemies; orders or restraints of any kind of the United States or the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to property; or any other cause not reasonably within the control of the Lessee and not resulting from its negligence. The Lessee agrees, however, if possible, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its obligations under this Lease; *provided* that the settlement of strikes, lockouts, or other labor disturbances shall be entirely within the discretion of the Lessee and the Lessee shall not be required to enter into a settlement if in its judgment it would be unfavorable to the Lessee to do so.

**Section 13.2. Remedies on Default.** Whenever any Event of Default described in Section 13.1 shall have occurred and be continuing, the Lessor shall have the right, at its option and without any further demand or notice, to take one or more of the following steps:

(a) The Lessor, with or without terminating this Lease, may declare all Rent and any other amounts due or to become due during the Fiscal Year in which the default occurs to be immediately due and payable, whereupon such amounts shall be due and payable.

(b) The Lessor, with or without terminating this Lease, may give the Lessee written notice requiring the Lessee to deliver all the Leased Items to the Lessor, whereupon the Lessee shall return the Leased Items in the manner provided in Section 13.3; or in the event the Lessee fails to return any Leased Item within thirty days after receipt of such notice, the Lessor may exercise all its legal rights that exist under this

Lease as provided under Section 775.01 of the Wisconsin Statutes to take possession and to receive damages resulting from the Lessee's failure to voluntarily return the Leased Items. If the Leased Items or any portion of it has been destroyed or damaged beyond repair, the Lessee shall pay the applicable Purchase Price of the Leased Items as set forth in the related Lease Schedule less credit for any Net Proceeds payable to the Lessor with respect to such Leased Items. Notwithstanding the fact that the Lessor has taken possession of the Leased Items, the Lessee shall continue to be responsible for Rent payable with respect to such Leased Items during the Fiscal Year in which the possession by the Lessor occurs. If and when the Event of Default is cured, and provided this Lease has not been terminated with respect to such Leased Items, the Lessor shall return the Leased Items to the Lessee at the Lessee's expense.

(c) If in any Fiscal Year the Lessor terminates this Lease and takes possession of Leased Items, the Lessor shall attempt to sell such Leased Items in a commercially reasonable manner at public or private sale in accordance with applicable State law for a period of 60 days, after which such obligation shall terminate. The Lessee shall permit the Lessor to store any Leased Items at its then existing location for up to 90 days without charge to the Lessor. The Lessor shall apply the proceeds of such sale to the extent available to the following items in the following order: (i) all expenses incurred in securing possession of the Leased Items; (ii) all expenses incurred in completing the sale; (iii) any amounts payable to any party having a security interest in or lien against the Leased Items; (iv) the applicable Purchase Price for the Leased Items; and (v) the balance of any Rent or other amounts due with respect to such Leased Items for such Fiscal Year. Any proceeds of sale remaining after the requirements of Clauses (i), (ii), (iii), (iv), and (v) have been fulfilled shall be paid to the Lessee.



(d) The Lessor may use any other remedy available at law or in equity with respect to such Event of Default, including those requiring the Lessee to perform any of its obligations hereunder or to pay any moneys due and payable to the Lessor hereunder.

**Section 13.3. Return of Leased Items.** Upon the termination of this Lease prior to payment of all related Rent or other amounts due hereunder and upon the Lessor's written request, the Lessee shall return the Leased Items to the Lessor in the condition, repair, appearance, and working order required by Section 8.2 by delivering or shipping (freight prepaid) the Leased Items that are tangible property as the Lessor shall specify at the Lessee's cost and expense to a site within the State that the Lessor has designated and transferring to the Lessor all rights in the Leased Items that are intangible property or Service Items. The Lessor may exercise all its legal rights that exist under this Lease as provided under Section 775.01 of the Wisconsin Statutes to take possession of the Leased Items and to receive damages resulting from the Lessee's failure to voluntarily return the Leased Items, or pursue any remedy described in Section 13.2.

**Section 13.4. No Remedy Exclusive.** No remedy conferred upon or reserved to the Lessor by this Article is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair the same or be construed as a waiver thereof.

**Section 13.5. Agreement Regarding Expenses.** In the event either party to this Lease defaults under any of the provisions hereof and the nondefaulting party incurs expenses or makes advances for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party, the defaulting party agrees

that it will be liable to the nondefaulting party for reasonable expenses so incurred or advances so made.

The Lessee intends that the Lessor should not suffer any cost or expense in joining the Lessee in, or defending with the Lessee, any legal action, taking action to protect Leased Items, or its value as collateral, exercising any right or remedy upon an Event of Default or an event of Nonappropriation, or providing any assistance under this Lease, and to the extent permitted by law (and subject to appropriation) the Lessee agrees that it will be liable to the Lessor for reasonable expenses so incurred by the Lessor.

**Section 13.6. Late Charge.** Whenever any Event of Default referred to in Clause (a) of Section 13.1 shall have occurred and be continuing with respect to any Leased Item, the Lessor shall (to the extent permitted by law) have the right, at its option and without any further demand or notice, to require a late payment charge on any delinquent amount at the rate of 12% per annum, and the Lessee shall be obligated to pay the same immediately upon receipt of the Lessor's written invoice therefor; *provided*, however, that this Section 13.6 shall not apply if or to the extent that the application thereof would affect the validity of this Lease.

**Section 13.7. Standard of Care.** The Lessor shall use the same degree of care and skill in fulfilling its obligations and exercising its rights hereunder as a prudent person would use under lease transactions of a similar type.

#### **ARTICLE XIV ADMINISTRATIVE PROVISIONS**

**Section 14.1. Notices.** All notices, certificates, legal opinions, or other communications hereunder shall be sufficiently given, and shall be deemed given, when delivered to the United States mail in registered form with postage prepaid and bearing the address or addresses specified on the execution page hereof; any signature on a

notice, certificate, legal opinion, or other communication may be a facsimile with the same effect as a manual signature, and a notice, certificate, legal opinion, or other communication may be delivered by tested facsimile telephone transmission or such other electronic communication system as may be agreed (with a manually signed copy to be sent by mail or delivery in due course); *provided* that the Lessor and the Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions, or other communications shall be sent.

**Section 14.2. Financial Information.** During the Term of this Lease, the Lessee shall provide the Lessor or any Trustee annually with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year, and such other financial information relating to the ability of the Lessee to continue this Lease as may be reasonably and timely requested in writing by the Lessor or such Trustee.

**Section 14.3. Binding Effect.** This Lease shall inure to the benefit of, and shall be binding upon, the Lessor and the Lessee and their respective successors and assigns.

**Section 14.4. Severability.** In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 14.5. Amendments and Modifications.** This Lease may be amended or any of its terms modified only by written document duly authorized and executed by the Lessor and the Lessee and, to the extent provided in any financing agreement or Indenture, approved by a lender or Trustee.

**Section 14.6. Captions.** The captions or headings in this Lease are for convenience only and do not define, limit, or describe the scope or intent of any provisions of this Lease.

**Section 14.7. Further Assurances and Corrective Instruments.** The Lessor and the Lessee agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Items hereby leased or to be leased, or otherwise to give effect to the intent of the parties in entering into this Lease, in each case at the Lessee's expense.

**Section 14.8. Execution in Counterparts.** This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**Section 14.9. Applicable Law.** This Lease shall be governed by and construed in accordance with the laws of Wisconsin.

**Section 14.10. Entire Agreement.** This Lease, together with each Lease Schedule delivered under this Lease, constitutes the entire agreement between the Lessor and the Lessee.

**Section 14.11. Survival of Obligations.** The obligations of the Lessee and the Lessor under Sections 7.3 and 13.5 shall survive termination of any Lease Schedule and the Lease, except as may be otherwise agreed in writing by the Lessor and the Lessee.

IN WITNESS WHEREOF, the Lessor has caused this Lease to be executed in its corporate name by its duly authorized officer; and the Lessee has caused this Lease to be executed in its name by its duly authorized officer, in each case as of the date first above written.

STATE OF WISCONSIN,  
acting by and through its  
DEPARTMENT OF ADMINISTRATION  
Lessee

FIRSTAR BANK, NATIONAL ASSOCIATION  
Lessor

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Address:

Address:

P.O. Box 7864  
Madison, WI 53707-7864

777 East Wisconsin Avenue  
Milwaukee, WI 53202

**EXHIBIT A**

LEASE SCHEDULE NO. \_\_\_\_\_  
TO THIRD AMENDED AND RESTATED MASTER LEASE

Each of the following constitutes a Leased Item subject of the Third Amended and Restated Master Lease dated as of April 28, 2000, between the undersigned Lessor and the Lessee (the "Master Lease"):

<u>Quantity</u>	<u>Description</u>	<u>Identifying Number</u>	<u>For Use of Agency or Department</u>
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SCHEDULE OF RENT AND PURCHASE OPTIONS  
FOR THE LEASED ITEM(S)

Annual Percentage Rate: \_\_\_\_\_%

Date from which Rent accrues: \_\_\_\_\_

<u>Payment Number</u>	<u>Due Date</u>	<u>Total Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
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The Lessee may have the option to terminate this Lease Schedule but only to the extent provided in Section 11.1 of the Master Lease and only in accordance with the procedure, and upon payment of the Purchase Price, described in Section 11.2 of the Master Lease.

Changes to Schedule of Rent and Additional Rent: The Lessee and the Lessor intend that the payment of Rent under this Lease Schedule shall be sufficient to permit the Lessor to pay all amounts, as they become due and payable, under the financing arrangement(s)

whereby the Lessor obtains funds for the purchase of the Leased Items, so long as the Lessee approves of such financing arrangement(s) and such application of funds and to pay an allocable share of Additional Rent charged under Section 6.1 of the Master Lease. If at any time the Lessee and the Lessor determine that the payments under this Lease Schedule, together with the payments of Rent described in all other Lease Schedules that have been executed under the Master Lease and remain outstanding, either fall short or exceed the amount needed to satisfy the financing arrangement(s) for the Leased Items listed above, or to pay the allocable share of Additional Rent, or otherwise require amendment under the terms of the Master Lease, the shortfall or excess shall be accounted for by either an adjustment in the prospective Rent due under the Lease Schedule or Lease Schedules or through a lump-sum payment, in each case as the Lessee and the Lessor shall decide and subject to the written approval of the Trustee, or any other entity, that has a security interest in the affected Lease Schedule or Lease Schedules (the "Secured Party"). Any such Rent adjustment shall be evidenced by a revised Lease Schedule for the Leased Item executed by the Lessor and the Lessee and approved in writing by any Secured Party.

The Master Lease is incorporated herein in its entirety, and the Lessee hereby reaffirms all the representations and warranties contained in the Master Lease. This Lease Schedule constitutes a lease of property separate and independent from any other Equipment Lease Schedule. If any provision of this Lease Schedule conflicts with any provision of the Master Lease, the provision of this Lease Schedule shall control.

Dated: \_\_\_\_\_

STATE OF WISCONSIN,  
acting by and through its  
DEPARTMENT OF ADMINISTRATION  
Lessee

FIRSTAR BANK, NATIONAL ASSOCIATION  
Lessor

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

The undersigned department or agency (“Agency”) understands that the Department of Administration will use the Agency’s appropriation, 20\_\_\_\_, Stats., for payment of Rent with respect to the Equipment that is identified on this Lease Schedule as being acquired for the Agency’s use. The Agency understands that additional rents will be charged representing administrative costs, issuance expenses and other additional rents pro rated by the Department of Administration among all users under the Master Lease.

\_\_\_\_\_  
Name of Department or Agency

By:\_\_\_\_\_

Date:\_\_\_\_\_



**EXHIBIT B**

CERTIFICATE OF ACCEPTANCE  
RELATING TO LEASE SCHEDULE NO. \_\_\_\_\_ -  
THIRD AMENDED AND RESTATED  
MASTER LEASE

I hereby certify that I am the duly qualified and acting \_\_\_\_\_ of the State of Wisconsin Department of Administration (the "Lessee"); and further certify with respect to the Lease Schedule No. \_\_\_\_\_ (the "Lease Schedule") to the Third Amended and Restated Master Lease dated as of April 28, 2000 (the "Master Lease"), by and between the Lessee and Firststar Bank, National Association (the "Lessor") that:

1. If the item or items described in the Lease Schedule ("Leased Items") constitute property, they have been delivered and, as necessary, installed in accordance with the Specifications, and have been accepted by or for the Lessee (or if progress payments are being made with respect to the property, the portion of the property with respect to which the progress payments are to be made has been delivered and, as necessary, installed in accordance with the Specifications, and has been accepted by the Lessee). If they constitute services, the service contract is acceptable to the Lessee.

2. The Rent provided for in the Lease Schedule, and any additional Rent required under the Master Lease, shall be due and payable on \_\_\_\_\_, 20\_\_\_\_, and on each March 1 and September 1 thereafter, in the amounts shown in such Lease Schedule.

3. Funds are already available sufficient to pay all amounts required to be paid under the Lease during the current Fiscal Year of the Lessee in respect of the Leased Item.

4. The Lessee is providing insurance coverage through its self-funded liability and property programs with respect to all risks as to the Leased Items required to be covered by, and in accordance with, Article VII of the Lease. [OR] The Lessee has obtained from one or more insurance companies, qualified to do business in Wisconsin, insurance with respect to all risks as to the Equipment required to be covered by, and in accordance with, Article VII of the Lease.

5. With respect to the Leased Items, the Lessee is exempt from all personal property taxes and real estate taxes. It is also exempt from sales or use taxes as to such Leased Items or the related payments of Rent.

6. During the Lease Schedule Term the Leased Items will be used to perform the following governmental functions:

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7. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator, or governmental body, that challenges the organization and existence of the Lessee; the authority of the Lessee or its officers or employees to enter into the Lease; the proper authorization, approval, and execution of the Lease and other documents contemplated thereby; the appropriation of moneys, or any other action taken by the Lessee to provide moneys, sufficient to make payments of Rent coming due under the Lease in the current Fiscal Year of the Lessee; or the ability of the Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

Dated: \_\_\_\_\_, 20\_\_.

STATE OF WISCONSIN DEPARTMENT  
OF ADMINISTRATION,  
Lessee

By: \_\_\_\_\_

Title: \_\_\_\_\_

OPINION OF COUNSEL  
(with respect to Master Lease)

[Date]

Firststar Bank, National Association  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202

As counsel for the State of Wisconsin Department of Administration (“the Lessee”), we have examined duly executed originals of the Third Amended and Restated Master Lease (“Lease”) by and between the Lessee and Firststar Bank, National Association (“the Lessor”), Section 16.76 (4) of the Wisconsin Statutes (the “Act”), which authorizes the Lessee to execute the Lease together with the other related documents, and the Constitution and laws of the State of Wisconsin (the “State”) as presently enacted and construed. Based upon said examination and upon such other examination as we have deemed necessary or appropriate, it is our opinion that:

1. The Lessee was duly organized and is validly existing under the Constitution and laws of the State.
2. The Lease has been duly authorized, executed and delivered by the Lessee, pursuant to the Constitution and laws of the State and the Act.
3. The Lease is a legal, valid, and binding obligation of the Lessee, enforceable in accordance with its terms and payable out of annually appropriated revenues. In the event the Lessor obtains a final judgment against the Lessee in money damages, as a result of an event of default under the Lease, the Lessee will be obligated to pay such judgment.

4. To the best of the knowledge of the undersigned, no litigation is pending or threatened in any court or other tribunal, state or Federal, in any way questioning or affecting the validity of the Act or the Lease.

Very truly yours,

---

OPINION OF COUNSEL  
(with respect to Lease Schedule)

[Date]

Firststar Bank, National Association  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202

As counsel for the State of Wisconsin Department of Administration (“the Lessee”), we have examined duly executed originals of the Third Amended and Restated Master Lease (the “Lease”) by and between the Lessee and Firststar Bank, National Association (“the Lessor”), Lease Schedule No. \_\_\_\_\_ to the Lease (the “Lease Schedule”) regarding certain property (“Property Items”) and services (“Service Items”), Section 16.76 (4) of the Wisconsin Statutes (the “Act”), which authorizes the Lessee to execute the Lease Schedule together with the other related documents, and the Constitution and laws of the State of Wisconsin (the “State”) as presently enacted and construed. Based upon said examination and upon such other examination as we have deemed necessary or appropriate, it is our opinion that:

1. The Lease Schedule has been duly authorized, executed, and delivered by the Lessee, pursuant to the Constitution and laws of the State and the Act.
2. The Lease Schedule is a legal, valid, and binding obligation, enforceable in accordance with its terms, and payable out of annually appropriated revenues. In the event the Lessor obtains a final judgment against the Lessee in money damages, as a result of an event of default under the Lease, the Lessee will be obligated to pay such judgment.
3. The applicable procurement requirements have been complied with as to the Lease Schedule and the Property Items and Service Items leased pursuant to the Lease Schedule, and any intangible equipment has been approved as required by the Lease.
4. The Property Items leased pursuant to the Lease Schedule have not been owned by the State previous to the execution and delivery of the Lease Schedule.

5. No Leased Item constitutes a facility for the use or occupancy by the Lessee or any department, agency, or instrumentality of the Lessee, and no Leased Item constitutes an internal improvement.

Very truly yours,

---

**ATTACHMENT D  
MASTER INDENTURE**



MASTER INDENTURE

By and Among

FIRSTAR BANK MILWAUKEE, N.A.,

as Lessor,

FIRSTAR TRUST COMPANY,

as Trustee,

AND

STATE OF WISCONSIN,

acting by and through the

STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION,

as Lessee,

Dated as of July 1, 1996

STATE OF WISCONSIN MASTER LEASE  
CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Interests of  
the Owners Thereof in Lease Payments to be Made by the  
State of Wisconsin, acting by and through the  
State of Wisconsin Department of Administration,

as Lessee under the

STATE OF WISCONSIN  
SECOND AMENDED AND RESTATED MASTER LEASE #1992-1

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THIS MASTER INDENTURE dated as of July 1, 1996, among Firststar Bank Milwaukee, N.A., a national banking association (the “Lessor”), the State of Wisconsin acting by and through the State of Wisconsin Department of Administration (the “Lessee”), and Firststar Trust Company, a Wisconsin trust company, duly established, existing and authorized to accept and execute trusts of the kind hereby established (the “Trustee”);

W I T N E S E T H :

WHEREAS, the Lessor, the Lessee and the Trustee are authorized by law, and deem it necessary and desirable, to enter into this Indenture for the purpose of providing for the issuance from time to time of Certificates of one or more series, not limited as to number, evidencing individual and proportionate interests in certain lease schedules between the Lessor and Lessee (collectively, the “Lease Schedules”) that will be assigned by the Lessor to the Trustee; and

WHEREAS, all acts and things necessary to constitute this Indenture a valid indenture and agreement according to its terms have been done and performed; and

WHEREAS, at the time Certificates of each series are issued and authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and any Supplemental Indenture creating the Certificates of such series, all acts and things necessary to authorize such Certificates and to constitute such Certificates valid, binding and legal obligations will have been done and performed; and

WHEREAS, the Certificates shall be issued in registered form without coupons and the form of a series of Certificates shall be substantially as set forth in the Supplemental Indenture creating such series, with such modifications, insertions, omissions and changes as are required or permitted by this Indenture or by the Supplemental Indenture creating such series hereafter entered into under the provisions of this Indenture, and the certificate of authentication by the Trustee for each Certificate shall be substantially in the form set forth in this Indenture.

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH THE FOLLOWING: There is hereby established the State of Wisconsin Second Amended and Restated Master Lease #1992-1 Trust (the “Trust”). Pursuant to this Indenture, the Lessor hereby unconditionally and irrevocably sells, transfers and assigns to the Trustee without recourse (but also without limitation on its obligations hereunder) all of its right, title and interest in and to the Funds and Accounts, the Lease Schedules specified from time to time in one or more Supplemental Indentures, and all Lease Payments, Leased Items and other property and rights related to those Lease Schedules, including the security interest granted in Section 9.2 of the Lease. The Trustee declares that it holds and will hold all right, title, and interest conveyed by the Lessor in and to the Funds and Accounts, the Lease Schedules and all Lease Payments, Leased Items and other property and rights related to those Lease Schedules, including the security interest granted in Section 9.2 of the Lease, upon the trusts and terms set forth in this Indenture.

The Lessor hereby represents, covenants and agrees that the execution and delivery of this Indenture, and the issuance and sale of the Certificates, do not conflict with or result in a breach of the terms, conditions or provisions of (i) the articles of incorporation or by laws of the Lessor or (ii) any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, and do not constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor.

This Indenture FURTHER WITNESSETH and it is expressly declared that all Certificates are to be issued, authenticated, delivered and dealt with, and all property hereby granted, released, conveyed, transferred, assigned, and set over and pledged is to be dealt with and disposed of, under and subject to the terms, conditions, covenants, agreements, trusts, uses and purposes herein provided.

## ARTICLE I DEFINITIONS

### Section 1.01. Definitions

In addition to the terms defined elsewhere in this Indenture or in the Master Lease, and unless the context requires otherwise, for purposes of this Indenture the following terms shall have the definitions stated:

“Accounts” means the accounts created pursuant to Article IV hereof.

“Acquisition Amount” means the portion of the net proceeds of the Certificates that may be applied during the Disbursement Period to pay or reimburse costs relating to Leased Items to be acquired under additional Lease Schedules not in existence as of the Closing Date.

“Additional Rent” means the amounts designated as Additional Rent under the Master Lease.

“Additional Rents Account” means the Additional Rents Account created within the Certificate Payment Fund by Article VI or within the Lease Payment Fund by Article IV, as the case may be. “Adjusted Lease Payment Reserve Requirement” shall have the meaning given in Section 4.05.

“Administrative Expense Payment Fund” means the fund of that name created by Article IV.

“Administrative Expenses” means (a) the expenses incurred in connection with (i) the servicing of the Lease Schedules, (ii) the administration of the Trust under this Indenture, or (iii) the fulfillment of its duties or exercise of its rights under any related agreement or instrument and (b) fees and other amounts payable by the Trustee (other than the principal of, premium, if any, and interest on any Certificate) under any Certificate or related agreement or instrument.

“Bond Counsel” means any nationally recognized bond counsel acceptable to the Lessee and the Trustee.

“Business Day” means any day excluding, however, Saturday, Sunday or any day on which banks in New York City or the city where the principal corporate office of the Trustee is located are authorized by law or other governmental action to close.

“Certificate Payment Fund” means the fund by that name created under Article VI.

“Certificate Holder” or “Owner of the Certificate” means the registered owner of any Certificate.

“Certificates” means any series of Certificates issued hereunder and any Certificates issued in replacement or exchange therefor pursuant to Section 2.08 or 2.09.

“Closing Date” means, with respect to a particular series of Certificates, the initial date of delivery of the Certificates.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable Treasury Department regulations thereunder.

“Cost of Issuance Amount” means the total expenses paid or incurred in connection with the issuance of a series of Certificates.

“Cost of Issuance Payment” means the Cost of Issuance Amount less any payment or reimbursement thereof from proceeds of a series of Certificates.

“Disbursement Period” means the period from the Closing Date to the Disbursement Period Expiration Date.

“Disbursement Period Expiration Date” means, with respect to a particular series of Certificates, the date specified in the Supplemental Indenture creating such series.

“Earnings Account” means the Earnings Account created within the Project Fund by Article IV.

“Event of Default” means any of the events of default referred to in Article IX.

“Event of Nonappropriation” means the occurrence of any Nonappropriation as that term is defined in the Master Lease.

“Funds and Accounts” means the funds and accounts created by Article IV.

“Indenture” means this instrument as originally executed or as it may be amended or supplemented from time to time.

“Insurance Fund” means the fund of that name created by Article IV.

“Interest Account” means the Interest Account created within the Certificate Payment Fund by Article VI or within the Lease Payment Fund by Article IV, as the case may be.

“Interest Payment Date” means the date on which an interest installment is required to be paid to Certificate Holders, as specified in the Supplemental Indenture creating such series of Certificates, which date shall be a March 1 or September 1, and the date on which Certificates are to be redeemed pursuant to this Indenture or the Supplemental Indenture.

“Interest Period” means the period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

“Interest Rate” means the interest rate established for one or more Certificates upon issuance.

“Interim Rent” means, with respect to any Leased Items, a prorated amount of the Interest Component of Rent payable under each Lease Schedule for initial use occurring before the first Payment Date for Rent to become due under such Lease Schedule, which amount shall be due and payable on such Payment Date.

“Lease Amount” means as to any Lease Schedule the principal components of all scheduled Rent payments, less an amount equal to the principal amount of Certificates retired or to be retired as a result of: payments of Rent; transfers from the Project Account of the Project Fund to the Principal Account of the Lease Payment Fund; payments of Purchase Price, including amounts applied under Section 13.2(c)(iv) of the Master Lease; and transfers from the Lease Payment Reserve Fund, other than those resulting from failure to make a payment when due which is not cured.

“Lease Payment Fund” means the payment fund created under Article IV.

“Lease Payment Reserve Fund” means the reserve fund created under Article IV.

“Lease Payment Reserve Requirement” means the amount, if any, required to be held in the Lease Payment Reserve Fund for Certificates of a particular series as specified in a Supplemental Indenture.

“Lease Payments” means Rent, Interim Rent, additional rent and any other amount payable under a Lease Schedule.

“Lease Schedule” means any individual schedule of Leased Items executed by the Lessor and the Lessee under the Master Lease, as amended from time to time, which is identified in, and acquired by the Trustee together with the related Certificate of Acceptance pursuant to, a Supplemental Indenture.

“Lease Year” means in respect of any Lease Schedule each 12-month period or portion thereof commencing with the month in which this Indenture becomes applicable to such Lease. The final Lease Year shall end when this Indenture is terminated or when all amounts to be paid under the Lease Schedules and the Certificates have been paid.



“Leased Items” means the property or services subject to a Lease Schedule.

“Lessee” means the State of Wisconsin acting by and through the State of Wisconsin Department of Administration, or any successor department or agency.

“Lessor” means Firststar Bank Milwaukee, N.A., its successors and assigns, including the Trustee as assignee under this Indenture.

“Liquidation Proceeds” means all amounts received by the Trustee with respect to the sale or other disposition of any Leased Items in connection with an Event of Default under the Master Lease.

“Master Lease” means the Second Amended and Restated Master Lease #1992-1 between the Lessor and the Lessee, dated July 1, 1996, as amended and supplemented from time to time.

“Notice Address” means, as to the Lessee, the Lessor and the Trustee, the address set forth in Section 10.06.

The terms “outstanding” and “Certificates outstanding” mean all Certificates which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(1) Certificates canceled or surrendered for cancellation in connection with purchases in the open market or because of payment at, or prepayment prior to, maturity; or

(2) Certificates in lieu of which others have been authenticated and delivered under Sections 2.08 or 2.09.

“Person” means any natural person, firm, association, corporation or public body.

“Prepayment Date” means any date on which the Lessee exercises its option under a Lease to purchase one or more Leased Items.

“Principal Account” means the Principal Account created within the Certificate Payment Fund by Article VI or within the Lease Payment Fund by Article IV, as the case may be.

“Project Account” means the Project Account created within the Project Fund by Article IV.

“Project Fund” means the fund created pursuant to Article IV. Within the Project Fund are a Project Account and an Earnings Account.

“Proportionate” means, in the event of any prepayment or redemption, the amount to be paid on a Certificate. This is determined by multiplying the aggregate dollar amount of principal to be paid on all Certificates of a series by a fraction, the numerator of which is the

outstanding principal amount of such Certificate and the denominator of which is the outstanding principal amount of all Certificates of the series.

“Qualified Investments” means:

- (a) 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;
- (b) Federal Housing Administration debentures;
- (c) Federal Home Loan Mortgage Corporation participation certificates;
- (d) Farm Credit System consolidated systemwide bonds and notes;
- (e) Federal Home Loan Banks consolidated debt obligations;
- (f) Federal National Mortgage Association senior debt obligations and mortgage backed issues;
- (g) Student Loan Marketing Association senior debt obligations and letter-of-credit-backed issues;
- (h) Resolution Funding Corporation debt obligations;
- (i) 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 the Rating Agencies;
- (j) 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;
- (k) 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;
- (l) commercial paper rated in the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies;
- (m) securities issued by those investment companies registered under the Investment Company Act of 1940 commonly known as “money market funds” that are rated in the highest classification by each of the Rating Agencies and that invest solely in securities which are otherwise Qualified Investments;
- (n) 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 (i) is

acceptable in form and substance to the Lessee and the Trustee, (ii) 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, (iii) 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 (iv) 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;

(o) 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; and

(p) 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.

“Rating Agencies” means those rating agencies requested by the State to assign a credit rating to the Certificates or Master Lease program.

“Record Date” means with respect to the Certificates the fifteenth day of the month (whether or not a Business Day) preceding each Interest Payment Date.

“Registrar and Paying Agent” means the Trustee or any other registrar and paying agent for the Certificates that is mutually acceptable to the State and the Trustee.

“Rent” means with respect to any Leased Item, the amount payable to the Lessor on each Payment Date during the term of the Master Lease, as shown in the related Lease Schedule. Unless the context requires otherwise, the term “Rent” shall include Interim Rent and Additional Rent.

“Supplemental Indenture” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Indenture for the purpose of creating one or more series of Certificates issued hereunder or amending or supplementing the terms hereof.

“Trust” means the trust created hereunder, the estate of which consists of all right, title, and interest conveyed by the Lessor in and to the Funds and Accounts, the Lease Schedules and all Lease Payments, and other property and rights related to those Lease Schedules, including the security interest granted in Section 9.2 of the Lease.

“Trustee” means Firststar Trust Company, Milwaukee, Wisconsin, and its successors and assigns.

“United States Government Obligations” means direct obligations of the United States and obligations the timely payment of principal and interest on which is fully guaranteed by the United States.

Section 1.02. Rules of Interpretation

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) words in the singular include the plural, and vice versa;
- (b) all accounting terms not otherwise defined herein have the meanings given to them in accordance with generally accepted accounting principles;
- (c) the terms defined in other Articles of this Indenture shall have the meanings given there;
- (d) words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders;
- (e) the headings used in this Indenture are for convenience only and shall not define or limit its provisions;
- (f) any term not defined in this Indenture but defined in the Master Lease shall have the meaning given there; and
- (g) this Indenture shall be governed by and construed in accordance with the laws of the State of Wisconsin.

ARTICLE II  
THE CERTIFICATES

Section 2.01. Authorized Amount of Certificates; Net Proceeds from Issuance of Certificates

(a) The number or series of Certificates that may be created under this Indenture is not limited. The aggregate principal amount of Certificates of each series that may be issued, authenticated and delivered under this Indenture is not limited except as may be set forth in the Supplemental Indenture creating such series of Certificates and as restricted by the provisions of this Indenture.

(b) Each Certificate shall represent a fractional interest in the Trust estate, which interest shall be determined by dividing the outstanding principal amount of a Certificate by the aggregate outstanding principal amount of all Certificates.

(c) The Trustee shall apply the net proceeds received from issuance of a series of Certificates in accordance with Section 4.03. In the event such net proceeds are not sufficient to pay or reimburse the amounts specified in (a), (b) or (c) of Section 4.03, the Lessee hereby

agrees that it shall pay the deficiency immediately to the Trustee and that no portion of the proceeds of the series of Certificates shall constitute an Acquisition Amount.

#### Section 2.02. Form of Certificates

Certificates issuable under this Indenture shall be issued in such series as may from time to time be created by Supplemental Indentures permitted by this Indenture. Each series shall be designated to differentiate the Certificates of such series from Certificates of any other series. Certificates shall be issuable in such denominations and in such form or forms as shall be prescribed by the Supplemental Indenture, and may contain such legend or text as is necessary or appropriate to conform to any applicable rules and regulations of any governmental authority, or any usage or requirement of law.

#### Section 2.03. Interest on Certificates; Payments

Any Certificate authenticated prior to the first Interest Payment Date shall bear interest from its dated date, unless provided otherwise in the Supplemental Indenture creating such series of Certificates. Any certificate authenticated on or after the first Interest Payment Date shall bear interest from the Interest Payment Date next preceding the date of authentication, unless such authentication date is an Interest Payment Date to which interest on the Certificate has been paid in full or duly provided for, in which case the Certificate shall bear interest from such Interest Payment Date; provided that if, as shown by the Trustee's records, interest on the Certificate is in default, the Certificate shall bear interest from the date to which interest has been paid in full on the Certificate, or if no interest has been paid on the Certificate, from the date of its delivery. The principal of and interest on the Certificate and other amounts payable with respect thereto shall be payable in any coin or currency of the United States of America that is legal tender for the payment of debts. Payments of principal shall be made upon the presentation and surrender of Certificates as the same shall become due and payable. Principal of and premium, if any, and interest on a Certificate shall be payable to the Certificate Holder as of the Record Date in the manner specified in the form of Certificate.

Interest on each Certificate shall be payable on the Interest Payment Dates, to and including the earlier of the date of maturity or redemption. Interest on a Certificate shall be computed by multiplying its proportionate share of the aggregate principal components of Rent payments during the interest payment period by the Interest Rate for the Certificate.

#### Section 2.04. Execution; Obligation

The Certificates shall be executed by the Trustee using the official manual or facsimile signature of an authorized signatory, shall be similarly attested, and shall have impressed or printed thereon the corporate seal of the Trustee. In the case where any signatory whose signature (or facsimile thereof) appears on a Certificate ceases to be an authorized signatory before completion, authentication and delivery of the Certificate, that signature (or facsimile) shall nevertheless be valid and sufficient for all purposes, just as though such officer had remained an authorized signatory until completion, authentication and delivery. Each Certificate shall be approved by the Lessee through the signature of the Secretary of Administration or an authorized delegate.

THE CERTIFICATES ARE SOLELY AND EXCLUSIVELY AN OBLIGATION OF THE TRUST AND DO NOT CREATE NOR CONSTITUTE, NOW OR IN THE FUTURE, AN OBLIGATION OR DEBT OF THE LESSOR, THE TRUSTEE, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY PUBLIC CORPORATION OR GOVERNMENTAL AGENCY EXISTING UNDER THE LAWS OF THE STATE; NOR SHALL THE CERTIFICATES CONSTITUTE THE GIVING, PLEDGING OR LOANING OF THE FULL FAITH AND CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR ANY PUBLIC CORPORATION OR GOVERNMENTAL AGENCY EXISTING UNDER THE LAWS OF THE STATE OF WISCONSIN, BUT SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE. In its capacity as Trustee or as issuer of the Certificates, the Trustee shall be under no obligation to make any payments from its own funds.

No recourse shall be had for the payment of principal, or premium, if any, or interest on a Certificate for any claim based hereon or on the Certificate against any officer, agent or employee of the Trustee, Lessor, Lessee, or any successor thereof, either directly or indirectly, under any rule or law or equity, statute or constitution, or by the enforcement of any assessment or penalty, or otherwise.

Section 2.05. Maturity Dates and Interest Rates

The Certificates shall mature on the dates and in the principal amounts, and interest shall be computed at the rates, provided in the Supplemental Indenture creating such series of Certificates. The Certificates shall also be subject to mandatory and optional redemption as provided in this Indenture and the Supplemental Indenture creating such series of Certificates.

Section 2.06. Authentication

No certificate shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the following form is duly executed thereon by any authorized signatory of the Trustee or the Registrar and Paying Agent:

[Trustee's Certificate of Authentication]

This Certificate of 19\_\_, Series is one of the Certificates described in the Indenture.

FIRSTAR TRUST COMPANY,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

A certificate of authentication so executed shall be conclusive evidence that the Certificate has been authenticated and delivered under this Indenture. Notice shall immediately be given of the authentication of any Certificate in order to allow the certificate register to be properly maintained.

Section 2.07. Authorization; Issuance and Delivery of Certificates

The Trustee is hereby authorized and directed to execute and deliver in the name and on behalf of the Trust, any agreement that may be necessary in connection with the transactions contemplated by this Indenture and, from time to time, to execute amendments or substitutions thereof (provided the specified consents have been obtained).

Prior to the delivery by the Trustee of any series of the Certificates, there shall have been filed with the Trustee:

- (a) An executed copy of this Indenture and the Supplemental Indenture creating such series of Certificates;
- (b) An executed copy of the Master Lease and each Lease Schedule relating to the Supplemental Indenture;
- (c) An opinion of Bond Counsel to the effect that:
  - (i) This Indenture and the Supplemental Indenture creating such series of Certificates have been duly authorized, executed and delivered and are valid and binding upon the Trustee, the Lessor, and the Lessee; and
  - (ii) The Certificates have been duly authorized, executed and delivered and evidence valid and binding proportionate interests in, and rights to receive payment of, the Lease Payments; and
- (d) Such other documents, certificates and opinions as may be required by the Trustee or Bond Counsel.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Certificates

If any Certificate is mutilated, lost, stolen or destroyed, the Registrar and Paying Agent shall execute and authenticate a new Certificate of the same date and denomination as that mutilated, lost, stolen or destroyed; provided that any mutilated Certificate shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Certificate, there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with satisfactory indemnity. In the event any Certificate has matured or been called for prepayment, instead of issuing a duplicate Certificate the Registrar and Paying Agent may pay the same. The Registrar and Paying Agent may charge the owner of any Certificate with reasonable fees and expenses in connection with replacing any Certificate mutilated, lost, stolen or destroyed.

Section 2.09. Transfer and Exchange of Certificates; Persons Treated as Owners

The Registrar and Paying Agent shall keep books for the transfer of the Certificates as provided in this Indenture. Upon surrender for transfer of any Certificate at the principal office of the Registrar and Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar and Paying Agent shall execute on behalf of the Trust and shall authenticate and deliver, in the name of the transferee or transferees, a new Certificate or Certificates for a like aggregate principal amount. The Registrar and Paying Agent shall also maintain as part of the books a record of the unpaid principal amount of each outstanding Certificate.

The person in whose name any Certificate is registered shall be deemed its absolute owner for all purposes, and payment on account of the principal of or interest on any Certificate shall be made only to or upon the written order of the registered owner or his legal representative and neither the Trustee, nor the Lessor nor any Registrar or Paying Agent shall be affected by any notice to the contrary, but such registration may be changed as provided above. All payments so made shall satisfy and discharge the obligation as to the Certificate to the extent of the sum or sums paid.

If any Certificate Holder requests a Certificate exchange or transfer, the Registrar and Paying Agent shall require payment by such person of a sum sufficient to cover any tax or other governmental charge required to be paid with respect to the exchange or transfer.

Section 2.10. Destruction of Certificates

Whenever any outstanding Certificate shall be delivered to the Trustee or the Registrar and Paying Agent, as the case may be, for cancellation pursuant to this Indenture upon payment of the principal amount thereof, or for replacement or transfer or exchange pursuant to the terms hereof, the Certificate shall be canceled, delivered to the Trustee (if canceled by other than the Trustee), and destroyed by the Trustee.

Section 2.11. Nonpresentation of Certificates

If any Certificate is not presented for payment at maturity, or any check for interest or principal is not cashed, or any Certificate (or portion) to be purchased pursuant to this Indenture is not presented for purchase, and if funds sufficient to pay such amount or amounts (the "Available Funds") are made available to the Registrar and Paying Agent or the Trustee for the benefit of the owner of the Certificate, except as provided below, all liability of the Trust to the owner shall forthwith terminate and be discharged, and thereupon it shall be the duty of the Registrar and Paying Agent or the Trustee to hold such Available Funds (without liability for interest thereon) for the benefit of such payee, who shall thereafter be restricted exclusively to such Available Funds for any claim under this Indenture or on, or with respect to, said Certificate, provided that any money deposited with the Registrar and Paying Agent or the Trustee for such payment and remaining unclaimed for five years after such payment has become due and payable shall be disposed of by the Trustee or Registrar and Paying Agent in compliance with applicable law, and all liability of the Trustee or Registrar and Paying Agent with respect to such money shall thereupon cease.



ARTICLE III  
REDEMPTION OF CERTIFICATES

Section 3.01. Redemption Generally

Certificates of each series shall be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to maturity as provided in this Indenture and the Supplemental Indenture creating such series of Certificates, but not otherwise.

Section 3.02. Special Redemption

Certificates shall be subject to redemption, in whole or in part, but only to the extent, if any, provided in the Supplemental Indenture creating such series of Certificates:

- (a) From money remaining in the Project Account of the Project Fund on a specified date; or
- (b) From prepayments of one or more Lease Schedules acquired with the proceeds of such series of Certificates.

Section 3.03. Mandatory Redemption Upon Event of Default

The Certificates of all series are subject to mandatory redemption, to the extent money is available in the Lease Payment Fund, in whole or in part on any date upon an Event of Default.

Section 3.04. Notice of Redemption

When redemption is authorized or required pursuant to this Indenture and upon the Trustee's actual knowledge of events requiring redemption, the Trustee shall give notice of the redemption of Certificates to the Owners of the Certificates to be redeemed and to the Registrar and Paying Agent. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be redeemed, (b) the date of notice and the date of redemption, (c) the method of payment, and (d) descriptive information regarding the Certificates including the dated dates, interest rates, CUSIP numbers, and stated maturity dates. Such notice shall further state that on the specified date there shall become due and payable the portion of the principal amount of the Certificates to be redeemed, together with interest accrued to such date, and provided sufficient monies therefor have been deposited with the Trustee for this purpose, interest with respect thereto shall cease to accrue and be payable from such date.

The Trustee shall take the following actions with respect to such notice of redemption:

- (a) Selection of Certificates for Partial Redemption. If the Certificates are in book-entry-only form and less than all of a particular maturity are to be redeemed, selection of the beneficial owners of the Certificates affected thereby shall be made solely by the depository and its direct and indirect participants in accordance with their then prevailing rules. If the

Certificates are not in book-entry-only form and less than all of a particular maturity are to be redeemed, selection shall be by lot.

(b) Notice of Redemption. The Supplemental Indenture shall specify the notice provisions applicable to the series of Certificates created by the Supplemental Indenture.

(c) Ceasing of Interest. Interest on any Certificate so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for.

Section 3.05. Certificates Due and Payable on Redemption Date; Interest Ceases to Accrue

On any redemption date the principal amount of each Certificate to be redeemed, together with the accrued interest thereon to such date, shall become due and payable; and from and after such date, notice having been given and monies being available solely for such redemption, then (notwithstanding that any Certificates called for redemption are not surrendered), no further interest shall accrue thereon. From and after the date of redemption such Certificates shall not be deemed to be Outstanding, and the Trust shall be under no further obligation in respect thereof. On each redemption date or one Business Day prior thereto, the Trustee shall transfer to the Registrar and Paying Agent from the proper Funds or Accounts amounts, to the extent available, sufficient to pay the Certificates (or portions) called for redemption.

Section 3.06. Partial Redemption of Certificates

(a) If Certificates of a particular series are to be redeemed in part, such redemption shall be applied to the outstanding Certificates of such series in such manner as is specified by the Supplemental Indenture creating such series of Certificates.

(b) Upon surrender of any Certificate called for redemption in part only, the Trustee shall execute, and the Trustee or Registrar and Paying Agent shall authenticate and deliver to the registered owner thereof, a new Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion.

ARTICLE IVF

FUNDS AND ACCOUNTS; PAYMENTS TO BE DEPOSITED

Section 4.01. Payments to be Deposited in Funds and Accounts

Following creation of the Funds and Accounts as described in Section 4.02, all payments of Rent and other amounts due in connection with the Lease Schedules and the Leased Items (net of credits provided for herein) shall be made to the Trustee for application as follows:

(i) The Principal Component of any payment of Rent shall be deposited into the Principal Account of the Lease Payment Fund;

(ii) The Interest Component of any payment of Rent shall be deposited into the Interest Account of the Lease Payment Fund;

(iii) Any payment of Administrative Expenses shall be deposited into the Administrative Expense Payment Fund;

(iv) Any Cost of Issuance Payment shall be deposited into the Principal Account of the Lease Payment Fund;

(v) Any payment of the Purchase Price under any Lease Schedule shall be deposited into the Principal Account of the Lease Payment Fund; and

(vi) Any payment of Liquidation Proceeds or any other amounts realized upon an Event of Default under any Lease shall be deposited into the Principal Account of the Lease Payment Fund.

In the event that payment of any of the foregoing amounts is received and deposited into the appropriate Fund or Account by the Trustee but, due to the untimeliness of the payment, moneys have already been transferred from the Lease Payment Reserve Fund as provided in Section 4.05, such payment (not exceeding the amount so transferred) shall be withdrawn from such Fund or Account and deposited into the Lease Payment Reserve Fund.

#### Section 4.02. Creation of Funds and Accounts

Subject to Section 5.05, there are hereby created in respect of all series of Certificates the following Funds and Accounts to be held and administered by the Trustee:

(a) a Project Fund and within such fund:

(i) a Project Account for each series of Certificates; and

(ii) an Earnings Account for each series of Certificates;

(b) a Lease Payment Fund and within such fund:

(i) an Interest Account;

(ii) a Principal Account; and

(iii) an Additional Rents Account.

(c) a Lease Payment Reserve Fund and within such fund a separate account for each series of Certificates;

(d) an Insurance Fund; and

(e) an Administrative Expense Fund.

Section 4.03. Application of Certificate Proceeds

The Trustee shall apply the proceeds from issuance of the Certificates, net of the underwriters' discount, as follows:

(a) To the extent specified in the Supplemental Indenture creating such series of Certificates, there shall be deposited 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 to the redeemed Certificates shall hereafter relate to the newly issued Certificates (and new Lease Schedules shall be provided pursuant to the Master Lease).

(b) With regard to the existing Leased Items specified in the Supplemental Indenture creating such series of Certificates, there shall be paid to the Lessor the unreimbursed Costs of Leased Items subject, however, to receipt of the information specified in Section 4.04(d) relating to such Leased Items;

(c) Payment or reimbursement shall be made of the Cost of Issuance Amount or other expenses relating to the Certificates, including:

(i) The initial acceptance fees for the Trustee;

(ii) The fees and expenses of counsel to the Trustee, counsel to the Lessee, including Bond Counsel, and counsel to the Lessor;

(iii) The fees payable to the Rating Agencies;

(iv) Costs of printing the Certificates and the related offering documents; and

(v) Other costs reasonably related to the issuance of the Certificates.

(d) There shall be deposited into the Lease Payment Reserve Fund the Lease Payment Reserve Requirement, if any, as specified in the corresponding Supplemental Indenture; and

(e) There shall be deposited into the Project Account of the Project Fund the amount, if any, specified in the corresponding Supplemental Indenture; provided, however, that no money shall be deposited in the Project Account of the Project Fund that is not immediately disbursed for the purchase of Lease Schedules unless (i) the Trustee has been provided with an opinion from nationally recognized bond counsel to the effect that such deposit will not adversely affect the exclusion of interest on the Certificates from gross income for federal income tax purposes (the deposit shall constitute all or a portion of the Acquisition Amount specified in the corresponding Supplemental Indenture, and shall be applied to the extent available in accordance with the procedures in Section 4.04 hereof and Article IV of the Lease), and (ii) prior notification of such deposit has been given to each of the Rating Agencies; and

(f) The balance of the proceeds, if any, shall be deposited in the Lease Payment Fund.

Section 4.04. Project Fund

(a) Earnings on the Project Account of the Project Fund shall be transferred as received to the Earnings Account of the Project Fund. Moneys in such Earnings Account (including moneys received in that Account pursuant to Sections 4.05(b), 4.06(d), 4.07(d) and 4.08) shall be transferred and used for payment of amounts due or coming due within thirty (30) days, in the following order:

(i) first, to the Interest Account of the Lease Payment Fund for retransfer to the Interest Account of the Certificate Payment Fund; and

(ii) second, to the Administrative Expense Payment Fund.

(b) To the extent moneys in the Earnings Account of the Project Fund exceed amounts payable under (a)(i) or (ii), the excess shall be deposited in the Project Account of the Project Fund.

(c) At least ten (10) days before the date when any payment is to be made from the Project Account of the Project Fund for the purpose of acquiring additional Leased Items under one or more Leases, the Lessee shall file with the Trustee a requisition (i) stating the name and address of the payee, the amount to be paid, and the specific Leased Item or Leased Items as to which payment is to be made, and (ii) certifying that, following such payment, no more than one hundred percent (100%) of the Purchase Price of additional Leased Items will have been financed with proceeds of the Certificates.

(d) Subject to the requirements of Section 4.04(c), the Acquisition Amount or other moneys available in the Project Account of the Project Fund shall be disbursed on a first-in, first-out basis to pay any amount requisitioned by, or upon the order of, the Lessee for the acquisition of additional Leased Items, upon receipt by the Trustee of copies of the following:

(i) a fully completed Lease Schedule (in the form set forth in Exhibit A to the Master Lease) executed by the Lessee and the Lessor;

(ii) a fully completed Certificate of Acceptance (in the form set forth in Exhibit B to the Master Lease) executed by the Lessee;

(iii) the bill(s) of sale for the Leased Items;

(iv) the Opinion of Counsel to Lessee (in the form set forth in Exhibit C to the Lease); and

(v) depending upon whether the Lessee has casualty insurance covering the Leased Items for which disbursement is requested or participates in a self-insurance program, documentary evidence that the Leased Items are covered under such insurance or program and that the Trustee has been named as

additional insured and loss payee and will receive advance notice of cancellation or non-renewal of such insurance or participation in such program.

(e) Except as provided in Section 4.12(b), any moneys remaining in the Project Account of the Project Fund on the Disbursement Period Expiration Date shall, on such date, be transferred by the Trustee to the Principal Account of the Lease Payment Fund, to be applied as a credit against the Lease payments next required to be paid by the Lessee.

(f) 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 Rent or the exercise by the Lessee of its option to pay the Purchase Price, the Trustee shall immediately transfer all amounts on deposit in the Project Account of the Project Fund to the Principal Account of the Lease Payment Fund.

(g) So long as there is no continuing Event of Default, or Event of Nonappropriation or other termination under a Lease, moneys on deposit in the Project Fund shall be subject to the beneficial interest of the Lessee subject, however, to Section 4.04(e) and 4.12(a) and (b).

#### Section 4.05. Lease Payment Reserve Fund

(a) On each Interest Payment Date moneys shall be transferred by the Trustee from the Lease Payment Reserve Fund to the Interest Account or the Principal Account of the Lease Payment Fund for a particular series of Certificates to the extent (i) amounts on deposit in the Interest Account are insufficient to pay interest due on the Certificates of such series on such date, or (ii) amounts on deposit in the Principal Account are insufficient to pay that portion of the principal of the Certificates of such series to be paid or redeemed on such date.

(b) To the extent earnings on the Lease Payment Reserve Fund are not needed to maintain the Lease Payment Reserve Fund Requirement, as it may be adjusted from time to time under (c) below, those earnings shall be transferred as received to the Earnings Account of the Project Fund, commingled with other earnings deposited there, and applied in accordance with the priorities set forth in Section 4.04. If at any time amounts on deposit in the Lease Payment Reserve Fund are less than the Lease Payment Reserve Requirement as adjusted from time to time, the Lessee upon receiving notice of such deficiency from the Trustee shall immediately pay the Trustee an amount equal to the deficiency, which amount shall be deposited into the Lease Payment Reserve Fund.

(c) Upon any deposit into the Principal Account of the Lease Payment Fund for a particular series of Certificates attributable to any (i) payment of Purchase Price by the Lessee, (ii) termination of a Lease Schedule pursuant to payment of all Rent, or (iii) transfer from the Project Fund, the Trustee shall reduce the Lease Payment Reserve Requirement for such series by an amount derived by multiplying such Requirement by a fraction, the numerator of which is the principal amount of Certificates of such series to be paid as a result of such deposit and the denominator of which is the principal amount of all Certificates outstanding of such series. The result shall be the "Adjusted Lease Payment Reserve Requirement". The Trustee shall then transfer to such Principal Account any amount on deposit in the Lease

Payment Reserve Fund in excess of the Adjusted Lease Payment Reserve Requirement. Upon termination of all Lease Schedules related to a particular series of Certificates for any reason, all amounts in the Lease Payment Reserve Fund allocable to such Lease Schedule shall be immediately transferred to the Principal Account of the Lease Payment Fund.

(d) So long as no Event of Nonappropriation, Event of Default or other termination of a Lease Schedule other than pursuant to the payment of all Rent or the exercise by the Lessee of its option to pay the Purchase Price, has occurred under a Lease Schedule, moneys on deposit in the Lease Payment Reserve Fund shall be subject to the beneficial interest of the Lessee subject, however, to Section 4.12(a) and (b).

#### Section 4.06. Lease Payment Fund; Notices and Transfers to the Trustee

(a) (i) The Trustee shall apply payments and prepayments received with respect to any Lease Schedule to the Principal Account of the Lease Payment Fund. The Trustee may treat a payment with respect to a Lease Schedule as sufficient if the payment is sufficient, either without investment or through investment in Qualified Investments, to make the payment of the principal of, if any, and the interest on the related Certificates on the next Interest Payment Date. The Trustee may treat a prepayment with respect to a Lease Schedule as sufficient if the payment is sufficient, either without investment or through investment in Qualified Investments, to pay the related Certificates when due (or when subject to redemption if the Lessee elects to redeem the Certificates).

(ii) On any day in which Certificates are to be paid or redeemed, the Trustee shall 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.

(iii) On the date Certificates are to be redeemed in accordance with Article III as a result of deposit of moneys into the Principal Account of the Lease Payment Fund pursuant to Section 4.01(v) or (vi) or Section 4.05(c), the Trustee shall then transfer the moneys deposited for deposit into the Principal Account of the Certificate Payment Fund.

(iv) 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 pursuant to Sections 4.04(f) or 4.05(c), the Trustee shall transfer all amounts on deposit in such Principal Account for deposit into the Principal Account of the Certificate Payment Fund.

(v) On the next succeeding Interest Payment Date after the date of transfer of moneys to the Principal Account of the Lease Payment Fund pursuant to Section 2.05(c), the Trustee shall deposit such moneys into the Principal Account of the Certificate Payment Fund.

(b) On each Interest Payment Date with respect to Certificates, the Trustee shall 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.

(c) The Trustee shall apply amounts received as Additional Rents under the Lease Schedules to the Additional Rents Account of the Lease Payment Fund and shall transfer from such account to the Additional Rents Account of the Certificate Payment Fund such amounts on such dates as may be required to make payments with respect to the series of Certificates related to the Loan Schedules from which such payments were derived.

(d) To the extent funds described above are not sufficient to make the principal or interest payments, the Trustee shall effect the transfer or transfers specified in Section 4.05(a).

(e) Earnings on amounts on deposit in the Lease Payment Fund shall be applied as a credit against current or future payments on Lease Schedules or paid to the Lessee, as directed by the Lessee.

(f) The Trustee shall apply funds in the Additional Rents Account to payments due on or with respect to Certificates that are neither principal nor interest.

#### Section 4.07. Administrative Expense Payment Fund

(a) The Trustee shall bill the Lessee semi-annually for all Administrative Expenses paid or incurred by the Trustee during the preceding six months.

(b) If at any time the Trustee determines that the aggregate Administrative Expense Payments deposited and to be deposited in the Administrative Expense Payment Fund will be more or less than such expenses for the current Lease Year, the Trustee shall adjust the semi-annual billing to the Lessee so as to assure, as nearly as is practicable, that amounts in such Fund will be sufficient (but not substantially more than needed) to make all further payments for such Lease Year and any amounts previously billed but unpaid. If on the last day of any Lease Year the aggregate amount deposited in the Administrative Expense Payment Fund exceeds the Administrative Expenses for that Lease Year, the excess shall be held for crediting against Administrative Expense Payments that would otherwise be due in the next Lease Year.

(c) The Trustee shall disburse amounts from the Administrative Expense Payment Fund to pay those invoices rendered in accordance with this Indenture. If at any time moneys in such Fund are insufficient to pay amounts then due, the Trustee shall notify the Lessee of the deficiency, and until the deficiency has been eliminated through payment from the Lessee or otherwise, the Trustee shall make payments from such Fund in the following order of priority:

- (i) regularly scheduled fees due under this Indenture; and
- (ii) other fees, expenses or costs payable under this Indenture.



(d) Earnings on amounts on deposit in the Administrative Expense Payment Fund shall be transferred as received to the Earnings Account of the Project Fund.

#### Section 4.08. Insurance Fund

With respect to insurance maintained for Leased Items as provided in the Master Lease, if the Lessee receives any net proceeds thereof, they shall be transferred for deposit in the Insurance Fund, and shall be applied as follows:

(a) If the Lessee certifies to the Trustee that such proceeds are to be used for the repair, reconstruction or replacement of damaged or destroyed Equipment Items, the Lessee shall cause the same to be replaced with similar equipment, or repaired or reconstructed to at least the same order and condition as prevailed prior to the occurrence of the damage. The Trustee shall permit withdrawals of net proceeds to pay or reimburse the costs thereof upon receiving evidence from the Lessee that it has paid or incurred costs in the amount requested to be withdrawn for such purpose. If the net proceeds are insufficient to pay such costs, the Lessee shall pay the additional costs necessary but shall not be entitled to any reimbursement or credit against Lease Payments therefor.

(b) If the Lessee certifies to the Trustee that repair or replacement of Equipment Items is not economically feasible and directs that the net proceeds of the insurance shall be applied to pay or prepay Lease Payments in order to redeem Certificates, then such net proceeds shall be transferred from the Insurance Fund to the Principal Account of the Certificate Payment Fund and shall be applied by the Trustee to the redemption of Certificates as provided in Sections 3.03 and 3.04 of this Indenture.

Earnings on amounts on deposit in the Insurance Fund shall be transferred, as received, to the Earnings Account of the Project Fund.

#### Section 4.09. Amounts Remaining in Funds and Accounts

Except as provided in Section 2.12(b), the Trustee shall pay to the Lessee 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.

#### Section 4.10. Reports

All amounts payable by the Lessee under the Leases shall be paid directly to the Trustee. Upon receipt thereof, such amounts shall be deposited by the Trustee in the appropriate Fund and Account. On the first Business Day of each month, the Trustee shall provide to the Lessee a statement reflecting all amounts paid (including payments effected through credits) in connection with the Lease Schedules through the last Business Day of the preceding month and the balances remaining in the Funds and Accounts. If as of the date of such statement there is any amount due and owing under any Lease, the Trustee shall demand immediate payment of that amount. The Trustee shall furnish monthly to the Lessee a report on the status of each Fund and Account established under this Article II, showing the balance in each as of the first day of the preceding month, the total of the deposits to and disbursements from each during such

month, the dates thereof, and the balance in each Fund and Account on the last day of the preceding month.

#### Section 4.11. Investment of Funds

(a) Except as provided in Section 6.02 hereof, moneys held in the Funds and Accounts shall be promptly and continuously invested in Qualified Investments to the full extent practicable. Investments shall be made by the Trustee so as to mature on or prior to the date or dates that moneys therefrom are expected to be used for the purposes for which they are held. The Trustee may trade with itself in the purchase and sale of securities for such investment. If the Trustee materially complies with the investment standards contained in this Section and the standard of conduct set forth in Article X hereof, any investment losses shall be borne by the Fund in which the moneys were deposited for investment. The Trustee shall sell and reduce to cash a sufficient amount of investments in a Fund or Account whenever the cash balance thereof, together with anticipated transfers, is insufficient to satisfy any amounts payable within thirty (30) days from that Fund or Account.

(b) 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” within the meaning of Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Certificates from gross income for federal income tax purposes. With the assistance of Bond Counsel, the Trustee shall prepare and file such forms and notices as may be required to maintain such exclusion from gross income.

#### Section 4.12. Amounts Held in Trust

Except as provided in Section 5.02, the Trustee agrees to hold all amounts in the Funds and Accounts in trust for the benefit of the Certificate Holders and the Lessee, as their interests may appear, in accordance with the terms of this Indenture and the Master Lease.

### ARTICLE V TRUST FUNDS AND ACCOUNTING; REBATE FUND

#### Section 5.01. Trust Funds

Except as provided in Section 5.02, all properties and rights received by, and moneys and investments held by, the Trustee under the provisions of this Indenture shall be held in trust for the benefit of the Certificate Holders and the Lessee and shall not otherwise be subject to lien or attachment of any creditor of the Lessor, the Lessee, or any Certificate Holder. The Trustee shall provide the Lessee on a basis not less frequently than quarterly with an accounting of all amounts received and disbursed and all investments made.

#### Section 5.02. Rebate Fund

Notwithstanding any other provision of this Indenture, if in the opinion of Bond Counsel rebate of an amount held hereunder is required under the Code, such amount shall be

transferred immediately to a separate fund (the “rebate fund”) and shall be held for payment to the United States in accordance with the provisions of the Code.

Section 5.03. Investment Authorization

The Trustee shall invest moneys it may hold under this Indenture in Qualified Investments to be selected at the direction of the Lessee giving consideration, however, to the times at which moneys are required to be disbursed under this 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. In making or disposing of an investment, the Trustee may act for its own account or other accounts as seller, purchaser or agent. All Qualified Investments shall be valued at the lower of cost or market. The Trustee shall not be liable for any loss resulting from an investment in a time or demand deposit in accordance with the provisions of this Indenture.

Section 5.04. Valuation

In computing the amount in any Fund or Account held under the provisions of this Agreement (except for purposes of complying with Section 148 of the Code), obligations purchased as investments of moneys shall be valued at cost or market price, whichever is lower, exclusive of accrued interest, except that the Lease Payment Reserve Fund shall always be valued at market price. If the market prices for an obligation is not readily available, such price may be determined in a manner which the Trustee deems reasonable. Notwithstanding the foregoing, however, amounts invested under an investment agreement shall be valued at par.

Section 5.05. Funds and Accounts

Within each Fund and Account, the Trustee shall account on its books and records on a series-by-series basis for all deposits and withdrawals. The books and records shall be available for inspection by the Lessee during regular business hours upon one day’s notice. Each of the other parties hereby authorizes the Trustee to invest moneys in the Funds and Accounts in Qualified Investments as the Trustee may determine; provided, however, that moneys deposited in the Lease Payment Fund or transferred to that Fund as a result of the termination of a Lease shall be invested only in securities described in clause (i) of the definition of Qualified Investments having a maturity no later than the date when such moneys are to be transferred for deposit into the Certificate Payment Fund.

ARTICLE VI  
CERTIFICATE PAYMENT FUND

Section 6.01. Creation of Certificate Payment Fund and Accounts

There is hereby created for each series of Certificates a Certificate Payment Fund, which shall be held and administered by the Trustee and shall consist of the following Accounts:

- (a) an Interest Account;

- (b) a Principal Account; and
- (c) an Additional Rents Account.

These Accounts shall be funded as described in Section 6.02.

Section 6.02. Deposits Into Certificate Payment Fund Accounts

- (a) There shall be deposited into the Principal Account moneys transferred to that Account at the times and in the amounts specified in Sections 4.03(a) and 4.06(a).
- (b) There shall be deposited into the Interest Account moneys transferred to that Account at the times and in the amounts specified in Sections 4.03(a) and 4.06(b).
- (c) There shall be deposited in the Additional Rents Account moneys transferred to this account at the times and in the amounts specified in Section 4.06(c).
- (d) Until applied to pay principal, interest or any redemption premiums, amounts deposited in the Principal Account or the Interest Account shall be invested in Qualified Investments to the full extent practicable in the discretion of the Trustee, and until applied to payments due on or with respect to Certificates, amounts deposited in the Additional Rents Account shall be invested in Qualified Investments to the full extent practicable in the discretion of the Trustee.

Section 6.03. Payments from Certificate Payment Fund Accounts

Payment of principal and any premium on the Certificates, whether at maturity or pursuant to mandatory or optional redemption, shall be made from amounts on deposit in the Principal Account of the Fund. Interest on the Certificates shall be paid from amounts on deposit in the Interest Account of the Fund. Investments held in either Account shall be liquidated to the extent necessary to make such payments.

ARTICLE VII  
SERVICING OF LEASES

Section 7.01. Servicing of Leases Generally

Should the Lessor fail to do so, the Trustee hereby agrees to service the Lease Schedules in accordance with their terms and the terms of this Indenture.

Section 7.02. Enforcement

Should the Lessor fail to do so, the Trustee shall enforce, and take all reasonable steps, actions and proceedings that it deems necessary for (a) the enforcement of all of the terms, covenants and conditions of the Lease Schedules, including the prompt payment of all Lease Payments and other amounts due thereunder and (b) the amendment of Lease Schedules as required under Section 4.1 of the Master Lease, and in each case in accordance with their terms and the terms of this Indenture. In addition, the Trustee shall make appropriate transfers from

the Funds and Accounts, including transfers of moneys in the Project Fund or the Lease Payment Reserve Fund to the Principal Account of the Lease Payment Fund.

Section 7.03. Payment or Purchase by Lessee

Upon the payment of all sums due and to become due under any Lease or the exercise of the Lessee's option to pay the Purchase Price for Equipment subject to any Lease, the Trustee shall, on behalf of the Lessor, execute and deliver all necessary documents (including, without limitation, a bill of sale) in connection with such payment.

Section 7.04. Certification of Replacement Leased Items

No Leased Items shall be replaced in accordance with Section 7.4 of the Master Lease unless the Trustee has first received certification from the Lessee to the effect that the replacement Leased Items were not previously owned by the Lessee and have a fair market value at least equal to that of the Leased Items being replaced.

ARTICLE VIII  
DISCHARGE OF INDENTURE

Section 8.01. Discharge

The respective obligations and responsibilities of the Lessor, the Trustee, and the Lessee created by this Indenture and the Trust created hereby shall terminate upon the payment to Certificate Holders of all amounts required to be paid to them pursuant to this Indenture. Any remaining trust property shall be distributed to the Lessee, except moneys or securities held by the Trustee in a separate segregated trust fund established to comply with the arbitrage regulations of the Code.

Section 8.02. Defeasance

Any Certificates shall be deemed to be paid within the meaning of this Article when payment of the principal of and premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise) either (A) shall have been made in accordance with the terms thereof, or (B) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) Government Obligations not redeemable at the option of the issuer or anyone acting on its behalf maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment and all necessary and proper fees and expenses of the Trustee pertaining to the Certificate with respect to which such deposit is made. At such time as a Certificate shall be deemed to be paid hereunder as aforesaid, it shall no longer be deemed to be Outstanding hereunder and shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (B) of the immediately preceding paragraph shall be deemed a payment of such Certificates as aforesaid until:

(a) The deposit shall have been made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee consistent herewith; and

(b) In the case of an escrow trust deposit with respect to Certificates subject to redemption prior to maturity, the Lessee shall have delivered a certificate designating when such Certificates are to be paid or redeemed under terms of such escrow trust agreement; and

(c) In the case of Certificates which are subject to mandatory redemption, the Trustee shall have been furnished with evidence satisfactory to it that a redemption of such Certificates in accordance with their terms in advance of stated maturity will not create a deficiency in the escrow; and

(d) In case of Certificates which are to be redeemed prior to maturity from such escrow trust deposit, a redemption notice meeting the requirements of Section 3.04 hereof and stating that such Certificates are being redeemed from a deposit made pursuant to this Article either (i) shall have been given, or (ii) shall have been provided for by delivery to the Trustee of irrevocable instructions for the giving of such notice; and

(e) The Trustee shall have been furnished with an opinion of Bond Counsel to the effect that the payment of the Certificates in accordance with said escrow trust agreement will not adversely affect the exclusion of interest on the Certificates from gross income of the owners thereof for federal income tax purposes and will not cause the Certificates to be classified as “arbitrage bonds” under Section 148 of the Code; provided, however, that the Certificates to be defeased were originally issued on the basis that interest thereon would be excluded from gross income of the Certificate Owners for federal income tax purposes; and

(f) The Trustee shall have given notice of such deposit to the Owner of each Certificate outstanding.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Certificates (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the Trustee’s Administrative Expenses and the particular Certificates (including interest and premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

Anything in Article XII hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Certificates and the interest and premium, if any, thereon and such Certificates and the interest and premium, if any, thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Certificates affected thereby.

ARTICLE IX  
EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default Defined

The following shall constitute “Events of Default” under this Indenture:

(a) Any Event of Nonappropriation or Event of Default under the Master Lease or any Lease Schedule;

(b) Failure by the Lessor or the Lessee to observe or perform any covenant, condition or agreement that it is required to observe or perform under this Indenture, other than an event specified in (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the defaulting party by any other party hereto or by Certificate Holders that own not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; provided, however, if the failure cannot be corrected within the applicable period, such other parties and Certificate Holders shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the defaulting party within the applicable period and diligently pursued until the default is corrected; or

(c) Any additional event designated as an “Event of Default” under any Supplemental Indenture.

Section 9.02. Remedies

(a) The remedies available in case of an Event of Nonappropriation or an Event of Default under the Master Lease shall be as specified in the Master Lease and shall be exercisable by the Trustee as assignee of the Lessor pursuant to this Indenture.

(b) Whenever an Event of Nonappropriation or an Event of Default under the Master Lease shall have occurred and be continuing, the Trustee shall cause the Certificates of all Series to be redeemed pursuant to Section 3.03, pro rata, to the extent money is available in the Lease Payment Fund; provided, that such limitation shall not affect the Trustee’s ability to exercise remedies under the Master Lease, with the amounts received upon the exercise of such remedies then to be applied to the Lease Payment Fund.

(c) In addition, whenever an Event of Nonappropriation or an Event of Default shall have occurred and be continuing, the Trustee may proceed, and upon written request of Certificate Holders owning 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 under Section 13.2 of the Master Lease, if applicable) or whatever action at law or in equity may be necessary or appropriate to enforce its rights as assignee under this Indenture.

Section 9.03. No Remedy is Exclusive

No remedy provided herein is intended to be exclusive, and every remedy shall be cumulative. No delay or omission in exercising any remedy shall be construed as a waiver, and any remedy may be exercised as often as is deemed necessary or appropriate. To entitle the Trustee to exercise any remedy reserved to it, no notice shall be necessary except as required in this Article or by law.

Section 9.04. Attorneys' Fees and Expenses

If any party to this Indenture defaults under any of its provisions and any nondefaulting party employs attorneys or incurs other expenses for the collection of money or the enforcement, performance or observance of any obligation or agreement on the part of the defaulting party, the latter agrees that it will on demand pay to the nondefaulting party the reasonable fees of such attorneys and other expenses so incurred.

Section 9.05. No Additional Waiver

In the event of a waiver of the breach of any provision in this Indenture, such waiver shall not be deemed to waive the breach of any other provision.

Section 9.06. Application of Proceeds in Event of Default

All payments received by the Trustee with respect to the Trust Estate 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.

Section 9.07. Action of Certificate Holders

In the event that no action is taken by the Trustee as required hereunder to eliminate an Event of Default, Certificate Holders owning 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 this Indenture, but only if such Certificate Holders have first requested in writing that action be taken by the Trustee, have given a reasonable opportunity for such suit, action or other proceeding to be instituted, and have offered reasonable indemnity to the Trustee against the costs, expenses and liabilities to be incurred thereby.

ARTICLE X  
THE TRUSTEE

Section 10.01. Acceptance of the Trusts

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following terms and conditions:



(a) Except as provided in (b) below, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In connection with the performance of such duties, the Trustee shall be liable only for its own gross negligence or willful conduct.

(b) In case an Event of Default has occurred which has not been cured or waived, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonably prudent person would exercise or use under the circumstances in the conduct of personal affairs.

(c) The Trustee may execute any of the trusts or powers under this Indenture and perform any of its duties by or through attorneys, agents, receivers or other parties, shall be answerable for the conduct of the same only in accordance with the standard specified in (b) above, shall be entitled to advice of counsel concerning provisions hereof and duties hereunder, and may pay reasonable compensation to attorneys, agents, receivers or other parties as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may but need not be the attorneys for the Lessor or Lessee) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in reliance upon such opinion or advice.

(d) The Trustee shall not be responsible for any recital herein, in the Master Lease or Lease Schedules, or in the Certificates (except for the Trustee's certification endorsed on the Certificates), or for the validity of the execution by the other parties of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency or perfection or priority of the security for the Certificates issued hereunder or intended to be secured hereby.

(e) The Trustee shall not be accountable for the use of any Certificates authenticated or delivered hereunder. The Trustee may become the owner of one or more Certificates with the same rights it would have if it were not the Trustee.

(f) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee shall not unreasonably withhold its consent, approval, or action with respect to any reasonable request of the Lessor or the Lessee. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person(s) who, at the time of making such request or giving such authority or consent, was the registered owner of any Certificate shall be conclusive and binding upon all future owners of the same Certificate and Certificates issued in exchange therefor or in place thereof.

(g) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument or proceeding, the Trustee shall be entitled in good faith to rely upon a certificate signed by an authorized officer of the Lessor or the Lessee as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has knowledge shall also be at liberty to accept a similar certificate to the effect that any particular transaction or action is necessary or expedient, but may at its discretion secure such further

evidence as it deems necessary or advisable. The Trustee may accept a certificate of an authorized officer of the Lessor or the Lessee to the effect that a resolution in the form herein set forth has been adopted by such party as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(h) At any reasonable time, the Trustee and its duly authorized agents, attorneys, or other representatives, shall have the right to inspect the books, papers and records of the Lessor pertaining to the revenues and receipts under the Lease Schedules and the Certificates, and to take such memoranda in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of any actions required hereunder or properly requested by any party.

(j) The Trustee shall have the right (but not the duty) to demand with respect to (and as a condition to) authentication of any Certificates, withdrawal of any moneys, or taking of any other action under this Indenture, that it receive copies of any certificates, opinions, appraisals or other information, or corporate action or evidence thereof, if necessary or appropriate to the taking of that action.

(k) Whether or not invested, all moneys received by the Trustee shall be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required hereunder or by law. The Trustee shall not be liable for interest on any moneys received except such as may be agreed upon under the terms of this Indenture.

(l) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise risk any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have good-faith grounds for believing that repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.

#### Section 10.02. Fees, Charges and Expenses of Trustee

The Trustee shall be entitled to payment or reimbursement for reasonable fees for services rendered or actions taken hereunder or under related documents, and all advances, counsel fees and other expenses reasonably paid or incurred by the Trustee in that connection, but such payments or reimbursements shall be made to the Trustee only from payments by Lessee, proceeds from the issuance of Certificates or from amounts deposited into the Administrative Expense Payment Fund and as provided in Section 9.06 above. The Trustee shall not have any lien with respect to Lease Payments or other payments under any Lease.

#### Section 10.03. Intervention by Trustee

In any judicial proceeding to which the Lessor is a party and which, in the opinion of the Trustee and its counsel, might have a substantial bearing on the interests of the Certificate Holders, the Trustee may intervene on behalf of the Certificate Holders, and shall do so if

requested in writing by Certificate Holders owning at least 25% of the aggregate principal amount of Certificates outstanding.

#### Section 10.04. Successor Trustee

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, so long as it meets the qualifications of Section 10.06 hereof, be and become successor Trustee hereunder vested with all of the title to the Trust estate and with all of the trusts, powers, discretion, immunities, privileges and other attributes of its predecessor, as Trustee, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to this Indenture.

#### Section 10.05. Resignation by Trustee; Removal of Trustee

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days' written notice by registered or certified mail to the Lessee and the registered owner of each Certificate. The resignation shall take effect upon the appointment of a successor Trustee pursuant to Section 10.06 and the acceptance of that appointment.

The Trustee may be removed at any time by an instrument (or concurrent instruments) in writing signed by the Owners of more than 50% of the aggregate principal amount of the Certificates then Outstanding and delivered to the Trustee and the Lessee. A removal takes effect upon the appointment of a successor or Trustee pursuant to Section 10.06 and the acceptance of that appointment.

#### Section 10.06. Appointment of Successor Trustee by the Certificate Holders; Temporary Trustee

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Certificates outstanding, with the consent of the Lessee, by an instrument (or concurrent instruments) signed by such owners, or by their attorneys in fact, a copy of which shall be delivered or sent by registered mail to the Lessee and the Lessor. The Lessee may, however, appoint a temporary Trustee to fill such vacancy until a successor to the Trustee shall be appointed by the Certificate Holders in the manner prescribed above; and any such temporary Trustee so appointed shall immediately and without further act be superseded by any Trustee so appointed by the Certificate Holders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided by Section 10.05 hereof with respect to the resignation of a Trustee. Any Trustee appointed pursuant to the provisions of this Section shall be a commercial bank having trust powers or a trust company, and shall be in good standing and have assets under management of not less than three billion dollars, if there is such an institution

willing, qualified and able to accept the trust upon reasonable or customary terms. In the event a successor Trustee has not been appointed by the Certificate Holders or has not accepted an appointment within sixty (60) days of the resignation of the Trustee, the Lessee may petition a court of competent jurisdiction to appoint a successor Trustee. The successor Trustee shall at all times be a commercial bank having trust powers or a trust company.

#### Section 10.07. Concerning Any Successor Trustee

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Lessor and Lessee an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, money, documents and other property held by it as Trustee to its successor hereunder. Should any instrument in writing be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by its predecessor. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor Trustee shall be recorded in each recording office where this Indenture shall have been filed or recorded. The successor Trustee shall notify each of the Rating Agencies in writing of the resignation or removal of the predecessor Trustee and of its appointment hereunder as soon as practicable after such appointment.

#### Section 10.08. Appointment of Separate or Co-Trustee

The Trustee is hereby given the power to appoint an additional institution as a separate or Co-Trustee in the following circumstances:

In case of litigation under this Indenture, the Master Lease or any Lease Schedule, and in particular enforcement of either upon a default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein conferred upon the Trustee or hold title to the trust estate, or take any other action which may be necessary or desirable in connection therewith, the Trustee may appoint an additional institution as a separate or Co-Trustee.

In the event that the Trustee appoints an additional institution as a separate or Co-Trustee, each and every remedy, power, right, demand, cause of action, immunity, estate, title or interest expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to carry out its duties hereunder.

Should any instrument be required from any party by the separate or Co-Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by such party. In case any separate or Co-Trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or a successor to such separate or Co-Trustee.

#### Section 10.09. Reports and Information

Upon request, the Trustee shall provide to the Lessee and the Lessor copies of all notices, documents or reports provided to or by it under this Indenture. Upon request, the Trustee shall provide to any Certificate Holder such information as may reasonably be requested to monitor the performance of the Trustee's duties under this Indenture.

#### Section 10.10. Trustee Not Responsible for Obligations of the Trust

The Lease Schedules shall be the property of the Trust, and not of the Trustee personally. The Trust, but not the Trustee personally, shall be responsible and liable for any levies, liens and encumbrances on property that is the subject of the Lease Schedules and for any charges or taxes (local, state or federal) imposed upon the leasing, rental, sale, purchase, possession, ownership or use thereof. Without limiting the generality of the foregoing, in no event shall the Trustee personally be responsible for sales or use, ad valorem or other taxes with respect to the Leases or the property subject to the Leases.

#### Section 10.11. Nondiscrimination

In connection with the performance of work under this Indenture, the Trustee agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Wis. Stats. 51.01(5), sexual orientation or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Trustee further agrees to take affirmative action to ensure equal employment opportunities. The Trustee agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

### ARTICLE XI LIMITATION OF LIABILITY

#### Section 11.01. Limited Liability of Lessee

Except for the payment of Lease Payments and other amounts when due under the Leases and the performance of other covenants and agreements of the State contained in the

Master Lease or this Indenture, the Lessee shall have no obligation or liability to any of the other parties or to the Certificate Holders with respect to this Indenture or the terms, execution, delivery or transfer of the Certificates, or the application of any payments it has made in accordance with the Lease Schedules.

Section 11.02. No Liability of Lessee or Lessor for Trustee's Performance

Neither the Lessee nor the Lessor shall have any obligation or liability to any of the other parties or to the Certificate Holders with respect to the performance by the Trustee of any duty imposed upon it under this Indenture.

Section 11.03. Limited Liability of Trustee

The Trustee shall have no obligation or responsibility for providing information to the Certificate Holders concerning the investment character of the Certificates, for the sufficiency or collection of any Lease Payments or other amounts due from any party, or for the actions or representations of any other party to this Indenture. Except for performance of its covenants and agreements in this Indenture, the Trustee shall have no obligation or liability to any of the other parties or the Certificate Holders under any of this Indenture or the Master Lease, or with respect to the failure of any other party to perform any covenant or agreement hereunder or thereunder.

Section 11.04. Indemnification

The Lessee agrees to indemnify and save the Trustee harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all other losses, expenses and damages suffered by it as a result of acting as the Trustee hereunder except caused by the Trustee's gross negligence or willful misconduct (including reasonable attorneys' fees of inside and outside counsel), including but not limited to claims, suits and actions regarding the ownership, operation or use of the Leased Items. Such indemnification shall not extend to claims, suits and actions brought against the Trustee for failure to perform and carry out the duties specifically imposed upon and to be performed by it under this Indenture. In the event the Lessee is required to indemnify the Trustee as herein provided, the Lessee shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person. This indemnification shall survive the termination of the Indenture.

ARTICLE XII  
MISCELLANEOUS

Section 12.01. Amendment

The parties may agree from time to time to the amendment of this Indenture, the Master Lease or any Lease Schedule (the "Operative Documents"), or enter into a Supplemental Indenture, without the consent of any Certificate Holder, in order to provide for the issuance of a series of Certificates, to cure any ambiguity or 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, however, that such action shall not, as evidenced by an opinion of counsel, adversely affect in any material respect the interests of any Certificate Holder.

Any of the Operative Documents may also be amended from time to time with the consent of Certificate Holders owning 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 (a) increase or reduce the amount of, or delay the timing of, or otherwise adversely affect, collections of payments under any Lease Schedule (other than modifications thereto permitted under the Master Lease), or required to be made on any Certificate, (b) release any Lease Schedule or all or substantially all collateral securing a Lease Schedule, or (c) reduce the aforesaid percentage required for consent to any amendment, without the consent of the Certificate Holders owning all Certificates.

Promptly after the execution of any amendment or consent, the Trustee shall furnish written notification of the substance of such amendment or consent to each Certificate Holder.

It shall not be necessary for a consent of Certificate Holders required under this Section to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining consents of Certificate Holders shall be subject to such reasonable requirements as the Trustee may prescribe.

Upon entering into any amendment to an Operative Document pursuant to this Section, the Trustee shall give written notice thereof to each of the Rating Agencies.

#### Section 12.02. Limitation on Rights of Certificate Holders

The death or incapacity of any Certificate Holder shall not operate to terminate this Indenture or the Trust, nor entitle such Certificate Holder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations, and liabilities of the parties to this Indenture.

No Certificate Holder shall have any right to vote (except as provided in Section 12.01) 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 this Indenture, or contained in the terms of the Certificates, be construed so as to constitute the Certificate Holders from time to time as partners or members of an association; nor shall any Certificate Holder be under any liability to any third person by reason of any action taken by the parties to this Indenture pursuant to any provision of this Indenture.

No Certificate Holder shall have any right by virtue of any provision of this Indenture to institute any suit, action, or proceeding at law or in equity under or with respect to

this Indenture, unless (i) such Certificate Holder has previously given to the Trustee a written notice of an Event of Default and of the continuance thereof, as provided in this Indenture, and (ii) the holders 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 this 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, and (iii) 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; it being understood and intended, and being expressly covenanted by each Certificate Holder with every other Certificate Holder and the Trustee, that no one or more owners of Certificates shall have any right in any manner whatever by virtue or any provision of this Indenture to affect, disturb, or prejudice the rights of the holders of any other Certificates, or to obtain or seek to obtain priority over or preference as against any other Certificate Holder, or to enforce any right under this Indenture, except in the manner provided in this Indenture and for the equal, ratable, and common benefit of all Certificate Holders. For the protection and enforcement of the provisions of this Section, each Certificate Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

#### Section 12.03. Certificates Nonassessable

Certificate Holders shall not be personally liable for obligations of the Trust, and the fractional undivided interests represented by the Certificates shall be nonassessable for any losses or expenses of the Trust or for any other reason.

#### Section 12.04. Severability

If any provision of this Indenture shall be held or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent.

#### Section 12.05. Notices

Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram or telex, addressed to a Rating Agency at such address as the Rating Agency shall provide in writing to the parties and to the parties as follows:

Lessor:               Firststar Bank Milwaukee, N.A.  
                          Attention: Firststar Leasing Services Division  
                          777 East Wisconsin Avenue  
                          Milwaukee, Wisconsin 53202

Lessee:                State of Wisconsin, Department of  
                          Administration  
                          Post Office Box 7864  
                          Madison, Wisconsin 53707-7864



Trustee: Firststar Trust Company  
Attention: Corporate Trust Department  
615 East Michigan Street  
Milwaukee, Wisconsin 53202

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 12.06. Payments Due on Saturdays, Sundays, and Holidays

In any case where the date for payment of principal or interest on any Certificate or the date for prepayment or purchase of any Certificate is other than a Business Day, then payment, prepayment, or purchase shall be made on the succeeding Business Day with the same force and effect as if made on the date fixed for such payment, prepayment or purchase.

Section 12.07. Security Interest

It is intended by the parties hereto that the transfer and assignment by the Lessor to the Trustee of the Lease Schedules and related property and rights shall be absolute, and the Lessor shall not retain any right, title or interest whatsoever in any thereof; provided, however, that, if and to the extent under applicable law the Lessor shall be deemed to have retained any legal or equitable right, title or interest therein, the Lessor hereby transfers, conveys, releases and relinquishes the same in favor of the Trustee and, in the alternative, grants to, and creates in favor of, the Trustee a security interest therein.

Section 12.08. Provision of Documents to Certificate Holders

If any Certificate Holder shall request of the Trustee a copy of this Agreement or any related document, the Trustee shall, at the expense of the Certificate Holder, provide such copy to the Certificate Holder.

Section 12.09. Limitation on Liens

The Trustee will not create, incur or permit to be created or incurred or to exist, any mortgage or lien, charge or encumbrance on, or pledge of, any of the Lease Schedules or the amounts payable thereunder, except as provided in the Master Lease and this Indenture.

Section 12.10. Protection of Title

(a) The Lessee will maintain accounts and records as to each Lease Schedule sufficient to permit (i) the parties to know at any time the status of such Lease Schedule, including payments and recoveries made and payments owing and the nature of each, and (ii) reconciliation between payments or recoveries with respect to each Lease Schedule and the amounts from time to time deposited in the Funds and Accounts in respect of such Lease Schedule.

(b) The Lessee will execute and file such financing statements and cause to be executed and filed such continuation statements, in the manner and places required by law, as are necessary to preserve, maintain and protect the interest of the Certificate Holders and the Trust estate in the Lease Schedules and in the payments thereunder, and it shall maintain file-stamped copies of, or filing receipts for, any document so filed and provide copies to the Trustee.

(c) Neither the Trustee nor the Lessor will change its name, identity or corporate structure in any manner that might make any financing statement or continuation statement filed by it in accordance with paragraph (b) above seriously misleading within the meaning of Section 9-402(7) of the UCC, or relocate its principal executive office unless it files appropriate amendments to the financing statements.

#### Section 12.11. Counterparts

This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Lessor has caused these presents to be signed in its name and on its behalf by its duly authorized officer and to be duly attested; the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officer and to be duly attested; and the Lessee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the day and year first above written.

FIRSTAR BANK MILWAUKEE, N.A.  
As Lessor

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

Title: \_\_\_\_\_

[SEAL]

FIRSTAR TRUST COMPANY  
As Trustee

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

Title: \_\_\_\_\_

[SEAL]

THE STATE OF WISCONSIN  
acting by and through  
THE STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
As Lessee

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT E**  
**PROPOSED REVOLVING CREDIT AGREEMENT PROVISIONS**

The following are certain provisions that the State requires in any Revolving Credit Agreement (**RCA**).

<b>Provision:</b> Applicable Margin	Please provide following the format of Attachment A.
<b>Provision:</b> Facility Fees	Please provide following the format of Attachment A, (including any up-front administrative and capped legal fees, any commitment fees, any unused Facility fees, any annual Facility administrative fees, transaction fees, other legal fees, and the like, together with proposed payment dates).
<b>Provision:</b> Increased Costs/Yield Protection	Bank must provide written notice and evidence of the justification for increased costs. The State will pay all direct costs incurred, any losses suffered, or payments made by the Bank because of any Change in Law, imposing any reserve, deposit, allocation of capital, or similar requirement on the Bank or its assets relative to the RCA. The State shall not be required to compensate the Bank for any costs, losses, or payments incurred more than 90 days prior to the date that the Bank notifies the State of the circumstances giving rise to such costs, losses, or payments and the Bank's intention to claim compensation therefor.
<b>Provision:</b> Tax Indemnity	The State shall not be obligated to indemnify the Bank for any penalties, interest, or expenses relating to taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the State of the assertion of any claim against the Bank relating to such taxes as promptly as is practical. Any written demand from the Bank shall be accompanied by a certificate describing in reasonable detail the basis thereof.
<b>Provision:</b> Conditions to Draws or Advances (other than initial advance)	Accuracy of representations, proceedings satisfactory to bank, minimum rating, delivery of lease schedules and minimum rating. No legal opinion required for additional advances.
<b>Provision:</b> Negative Covenants	<b>Limited to:</b> No breach of master lease or termination of any lease schedule, no modifications to the supplemental indenture that materially adversely affect the Bank, no liens on leased property other than permitted encumbrances, no defeasance without bank's consent, no amendments to indenture or master lease (except to the lease schedule such that the bank's right to receive payments is not affected).
<b>Provisions:</b> Affirmative Covenants	<b>Limited to:</b> <u>Inspection of records:</u> Normal business hours upon 48 hours' notice and not more than once during any six-month period; or, after an event of default and during the continuation, at any reasonable time and as often as may be reasonably desired.

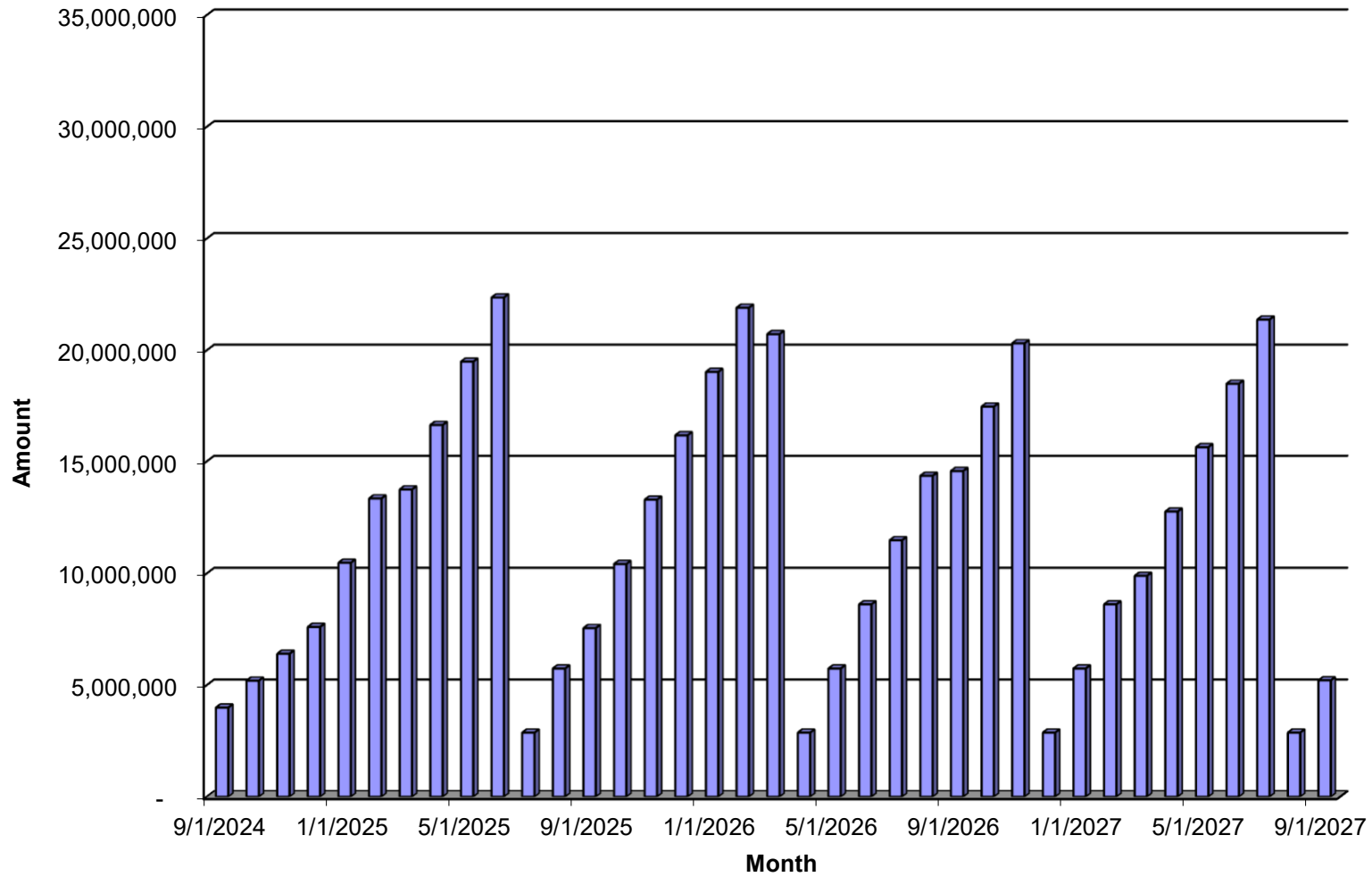
	<p><u>Reporting</u>: Ten Business Days after the Bank’s request (a) a copy of the State’s comprehensive annual financial report, (b) such other information as may be provided under the master lease, and (c) a current consolidating report showing the principal amortization of all Lease Schedules then in effect.</p> <p><u>Underlying Rating</u>: Maintenance of long-term unenhanced rating on publicly offered master lease certificates of participation issued under the indenture from at least two Rating Agencies required.</p> <p><u>Other</u>: Certain notices; perfection of security interest; agreement to obtain a substitute credit facility upon termination; required notification of defaults or nonappropriation; compliance with related documents; anti-money laundering and any additional regulatorily required language.</p> <p>*No most favored nations covenant.</p>
<b>Defaults:</b>	<p>Event of Default under the indenture or master lease; payment default of amounts due under the RCA (5 business day grace period); failure to satisfy reporting requirements, provide access to records, perfect security interest, provide notification of defaults and failure to maintain two ratings (all with no grace period); failure to perform other covenants (45 day grace period with additional time granted if the default can be remedied but additional time is needed); material misrepresentation; loss of validity of underlying documents; legislative debt moratorium or similar; failure to pay bonded debt (subject to grace period).</p> <p>*Notwithstanding the above, if a rating is withdrawn for reasons not based on the credit quality of the State, the State will be given a reasonable amount of time to obtain a replacement rating.</p>
<b>Provision:</b> Participations and Assignments	Please provide (if any). (Note that the Bank initially providing the RCA must remain the primary Bank for purposes of the RCA unless the State has consented)
<b>Provision:</b> Indemnification	The State shall, to the extent permitted by law and contingent upon action by the State Legislature, indemnify, defend, and hold the Bank and each of its officers, directors, employees, counsel, agents, and attorneys in fact (each, an “Indemnified Person”) harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses, and disbursements (including reasonable attorney costs) of any kind or nature whatsoever which may at any time (including

	<p>at any time following repayment of the Advances) be imposed on, incurred by, or asserted against any such person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such person under or in connection with any of the foregoing (all the foregoing, collectively, the “Indemnified Liabilities”); provided that the State shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities resulting solely from the gross negligence or willful misconduct of such Indemnified Person.</p>
<p><b>Provision:</b> Annual Reporting</p>	<p>Bank will access information on the Municipal Securities Rulemaking Board’s <b>(MSRB)</b> Electronic Municipal Market Access <b>(EMMA)</b> system or the State’s website(s) that the State provides pursuant to undertakings the State has taken and will continue to take that allows underwriters of other State obligations to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934.</p>

**ATTACHMENT F**  
**ANTICIPATED MONTH-END FACILITY BALANCES**



### Estimated Facility Month-End Balances



Assumes funding with fixed-rate COPs on June 2025, March 2026, November 2026, and July 2027.