

STATE OF WISCONSIN CONTINUING DISCLOSURE ANNUAL REPORT

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

GENERAL OBLIGATIONS

(Base CUSIPs 977053, 977055, and 977056)

MASTER LEASE CERTIFICATES OF PARTICIPATION

(Base CUSIP 977087)

TRANSPORTATION REVENUE OBLIGATIONS

(Base CUSIP 977123)

CLEAN WATER REVENUE BONDS

(Base CUSIP 977092)

PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS

(Base CUSIP 977109)

GENERAL FUND ANNUAL APPROPRIATION BONDS

(Base CUSIP 977100)

DECEMBER 23, 2003



JIM DOYLE
GOVERNOR

MARC J. MAROTTA
SECRETARY

Division of Executive Budget and Finance
Capital Finance Office
Post Office Box 7864
Madison, WI 53707-7864

TTY (608) 261-6630
www.doa.state.wi.us/capitalfinance

FRANK R. HOADLEY
CAPITAL FINANCE DIRECTOR
Telephone: (608) 266-2305
Facsimile: (608) 266-7645
frank.hoadley@doa.state.wi.us

December 23, 2003

Thank you for your interest in the State of Wisconsin.

This is the Continuing Disclosure Annual Report for the fiscal year ending June 30, 2003 (**Annual Report**).

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

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

Organization of the Annual Report

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

- **Part I** presents the **State's continuing disclosure undertakings**. A Master Agreement on Continuing Disclosure establishes a general framework. Separate addenda describe the information to be provided for specific types of securities.
- **Part II** presents **general information about the State**, including its operations and financial results. This part includes the audited basic financial statements for the fiscal year ending June 30, 2003 and the State Auditor's report. This part also includes the results of the 2002-03 fiscal year and the current status of the budget for the 2003-04 fiscal year.

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

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

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

Ratings on the State's Securities

The following chart presents a summary of the long-term ratings currently assigned to different types of securities that the State issues. Your attention is called to rating changes highlighted below.

<u>Security</u>	<u>Fitch Ratings</u>	<u>Moody's Investors Service, Inc.</u>	<u>Standard & Poor's Ratings Services</u>
General Obligations	AA ⁽¹⁾	Aa3 ⁽²⁾	AA-
Master Lease Certificates of Participation	AA- ⁽¹⁾	A1 ⁽²⁾	A+
Transportation Revenue Bonds	AA	Aa3	AA-
Clean Water Revenue Bonds	AA+	Aa2	AA+
Petroleum Inspection Fee Revenue Bonds	AA-	Aa3	AA-
General Fund Annual Appropriation Bonds	AA- ⁽³⁾	A1 ⁽⁴⁾	A+

⁽¹⁾ Fitch Ratings has assigned a rating watch negative the State's general obligations and master lease certificates of participation.

⁽²⁾ Moody's has assigned a negative outlook on the State's long-term general obligation bonds.

⁽³⁾ Fitch Ratings assigned a rating watch negative corresponding to the rating watch negative on the general obligation bonds.

⁽⁴⁾ Moody's assigned a negative outlook corresponding to the negative outlook on the general obligation bonds.

How to Get Additional Information

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

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

December 23, 2003

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www.doa.wi.gov/capitalfinance

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

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

Sincerely,

/s/ FRANK R. HOADLEY

Frank R. Hoadley
Capital Finance Director

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SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS AS OF DECEMBER 1, 2003

	<u>Principal Balance 12/1/2002</u>	<u>Principal Issued 12/1/2002 - 12/1/03</u>	<u>Principal Matured, Redeemed, or Defeased 12/1/2002 - 12/1/03</u>	<u>Principal Balance 12/1/2003</u>
<u>GENERAL OBLIGATIONS^(a)</u>				
Total	\$4,386,518,967	\$602,660,000	\$619,016,285	\$4,370,162,682
General Purpose Revenue (GPR)	3,296,100,208	213,171,000	207,291,135	3,301,980,073
Self-Amortizing: Veterans	657,730,000	133,630,000	378,085,000	413,275,000
Self-Amortizing: Other	432,688,759	255,859,000	33,640,150	654,907,609
<u>MASTER LEASE CERTIFICATES OF PARTICIPATION</u>				
Total	\$ 122,125,452	\$ 36,125,900	\$ 43,110,926	\$ 115,140,426
<u>TRANSPORTATION REVENUE OBLIGATIONS^(a)</u>				
Total	\$1,244,498,000	\$250,000,000	\$ 52,420,000	\$1,442,078,000
<u>CLEAN WATER REVENUE BONDS</u>				
Total	\$ 656,885,000	—	\$ 36,405,000	\$ 620,480,000
<u>PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS^(a)</u>				
Total	\$ 329,360,000	—	\$ 12,070,000	\$ 317,290,000
<u>TAXABLE GENERAL FUND ANNUAL APPROPRIATION BONDS^(b)</u>				
Total	—	\$1,794,850,000	—	\$1,794,850,000

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

(b) Reflects amount outstanding as of December 23, 2003.

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

BUILDING COMMISSION MEMBERS

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

OTHER PARTICIPANTS

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

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
Telefax (608) 266-7645
capfin@doa.state.wi.us

Mr. Frank R. Hoadley
Capital Finance Director
(608) 266-2305
frank.hoadley@doa.state.wi.us

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
larry.dallia@doa.state.wi.us

Mr. Michael D. Wolff
Finance Programs Administrator
(608) 267-2734
michael.wolff@doa.state.wi.us

Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
david.erdman@doa.state.wi.us

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PART IV

MASTER LEASE CERTIFICATES OF PARTICIPATION

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

Total Outstanding Balance (12/1/2003)	\$115,140,426
Certificate Ratings (Fitch/Moody's/Standard & Poors)	AA ⁽¹⁾ /A1 ⁽²⁾ /A+
⁽¹⁾ Fitch Ratings has placed the rating on the State's general obligations and master lease certificates of participation on "rating watch negative"	
⁽²⁾ Moody's has assigned a rating outlook on the State's general obligation bonds and master lease certificates of participation of "negative".	

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

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

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

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

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

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

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

OUTSTANDING CERTIFICATES

The State has issued the Certificates shown in Table IV-1. The table includes the outstanding principal balances as of December 1, 2003.

Table IV-1

OUTSTANDING MASTER LEASE CERTIFICATES OF PARTICIPATION BY ISSUE (As of December 1, 2003)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
1996- Master Lease COPs Series B	11/8/1996	1997-2003	\$ 38,260,000	\$ -0-
1999- Master Lease COPs Series A	2/18/1999	1999-2005	28,855,000	654,869 (a)
Master Lease COPs Series B (Taxable)	2/18/1999	1999-2005	14,120,000	4,610,000
2000- Master Lease COPs Series A	9/27/2000	2001-07	27,255,000	7,339,196 (a)
Master Lease COPs Series B (Taxable)	9/27/2000	2001-05	11,265,000	4,955,000
2002- Master Lease COPs Series A	1/23/2002	2002-07	40,275,000	29,924,143 (a)
Master Lease COPs Series C ^(b)	9/3/2002	2013	19,760,463	6,641,729
Master Lease COPs Series D	12/19/2002	2003-07	29,425,000	25,065,747
2003- Master Lease COPs Series A ^(b)	5/29/2003	2019	75,000,000	24,185,843
Master Lease COPs Series B ^(b)	9/2/2003	2013	<u>11,763,900</u>	<u>11,763,900</u>
<i>Total Master Lease COPs</i>			<u>\$295,979,000</u>	<u>\$115,140,426</u>

(a) The Master Lease provides that certain Lease Schedules can be terminated if the State deposits with the Trustee an amount that is equal to the outstanding amount of the Lease Schedule, or in amounts that are sufficient to purchase investments that mature on dates and in amounts to make the Lease Payments when due. The principal amount of Certificates for which payment has been provided is treated as not outstanding for purposes of this table.

(b) The Master Lease Certificates of Participation of 2002, Series C and Master Lease Certificates of Participation of 2003, Series A and B all evidence the State's repayment of a revolving line of credit that the State utilizes for acquisition funding for the Program. See "SECURITY FOR CERTIFICATES; Two-Phase Financing Structure". The amount outstanding for this Certificate may not include interest that may accrue on this revolving line of credit since the last interest payment on the Certificates.

THE MASTER LEASE PROGRAM

General

The Program, which was created in 1992, permits the State to acquire tangible property, and in certain situations, intangible property or prepaid service items (**Leased Items**), for State agencies through installment purchase contracts. Particular Leased Items are described in schedules that are prepared under the Master Lease (**Lease Schedules**). The Program is available for all State agencies. Through the period ending December 1, 2003, 15 of the 17 State departments, the Legislature, the Supreme Court, and various other State bodies have used the Program to acquire approximately \$399 million of Leased Items.

Program Structure

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

The Master Indenture establishes a trust (**Trust**) comprising certain Lease Schedules, rents, and other payments the State is required to make under the Master Lease (**Lease Payments**), Leased Items, and

other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease. The Trust serves as a common pool of collateral, ratably securing all present and future Certificates. See **“SUMMARY OF THE MASTER INDENTURE”**.

Program Operations

The Program structure places within the Department of Administration centralized control of day-to-day operations:

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

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

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

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

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

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

State Appropriation Process

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

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

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

SECURITY FOR CERTIFICATES

General

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

Common Pool of Collateral

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

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

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

In the opinion of Bond Counsel, the transfer of Lease Schedules by the Lessor to the Trustee constitutes a true sale and not a secured transaction. The State's obligation to make Lease Payments does not depend upon any service provided by the Lessor, and thus the transfer of Lease Schedules would be unaffected by any insolvency of the Lessor.

Reserve Fund

The Master Indenture allows a reserve fund to be established for any specific series of Certificates. As of December 1, 2003, no reserve fund has been established for any series of outstanding Certificates. In the event that the Department of Administration establishes a reserve fund under the Master Indenture, the amounts in the reserve fund would only be available to the series of Certificates for which the reserve fund is authorized.

Governmental Use

The State will certify that each Leased Item will be used to perform a governmental function. Though the state does not certify them as such, some of those functions may be considered "essential" governmental functions. Examples of Leased Items currently existing in the Trust include modifications to the State's accounting system, expansion of the State's central mainframe computer, various

information technology items that provide various automated services and information technology upgrades for the State, and energy conservation projects for state-owned buildings. See “[TABLE IV-2; Outstanding Master Lease Schedules](#).”

Centralized Control and Review

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

Two-Phase Financing Structure

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

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

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

Appropriation Process

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

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

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

Priority of Claims

The Master Lease includes representations that, if an emergency arises that requires the Department of Administration to draw vouchers for payment that will be in excess of available moneys, the Secretary of the Department of Administration will establish a priority schedule for payments that gives a high priority to Lease Payments due under the Master Lease, but not higher than the priority given to

payments on outstanding general obligations. See [“GENERAL FUND INFORMATION; General Fund Cash Flow”](#) in Part II of this Annual Report.

RISK FACTORS

Nonappropriation

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

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

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

Essentiality of Leased Items

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

Collateral Value of Leased Items

Although the State has provided a security interest in the Leased Items to the Trustee (for the benefit of the owners of Certificates), the Certificates are not offered on the basis of the collateral value of the Leased Items or the value of any other pledged asset (other than the Lease Payments). Though the term of the Lease Schedule is not permitted to exceed the useful life of the Leased Item, it should not be assumed that the value of the Leased Item at any particular time will exceed the portion of the remaining Lease Payments that will be applied to principal or that the existence of any excess would motivate the State to continue making Lease Payments. Typically it is difficult to realize the full value of collateral through sale of the collateral, and some of the Leased Items, such as service contracts, intangible property, or tangible property that is incorporated into real estate, may be impossible or difficult to sell. Records that evidence the security interest are kept by the Department of Administration, separate and apart from the central record system of security interest kept by the Department of Financial Institutions under the Uniform Commercial Code.

Tax Exemption

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

Applicability of Securities Law

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

Table IV-2
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
97-029	03/27/1997	3/1/2004	Fire Engine	\$ 63,853.13	\$ 5,289.82
97-032	04/16/1997	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	155,614.00	12,972.97
97-037	04/25/1997	3/1/2004	Fire Engine	85,143.87	7,117.21
97-040	04/25/1997	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	274,825.00	22,972.72
97-043	05/16/1997	3/1/2004	Xylox Seating System - Kohl Center	100,000.00	8,417.09
97-062	07/10/1997	3/1/2004	Fire Engine	100,924.72	8,652.74
97-066	06/30/1997	3/1/2004	Xylox Seating System - Kohl Center	250,000.00	21,361.09
97-070	07/10/1997	3/1/2004	Xylox Seating System - Kohl Center	733,000.00	62,843.42
97-071	07/10/1997	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	57,222.11	4,905.92
97-089	09/03/1997	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	62,488.00	5,461.51
97-117	12/22/1997	9/1/2004	Wood Laminating System	127,251.75	21,415.24
97-118	12/22/1997	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	150,478.94	13,680.72
98-020	03/10/1998	3/1/2004	Xylox Seating System - Kohl Center	307,000.00	28,764.99
98-027	03/16/1998	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	137,445.14	12,907.23
98-056	06/02/1998	3/1/2004	Infrastructure Equipment-Mobile Data Term. Sys.	205,006.18	19,842.48
98-128	11/06/1998	9/1/2004	Voting Systems	200,000.00	37,802.99
98-130	11/20/1998	9/1/2004	IT Migration-Infrastructure Equipment	627,192.01	119,209.62
98-136	12/14/1998	9/1/2005	BadgerNet - 45% Phase 1	7,519,106.05	1,375,014.33
98-139	12/14/1998	9/1/2004	IT Migration-Cable/Fiber	1,132,715.74	217,385.09
98-142	12/23/1998	9/1/2004	IT Migration -Cable/Fiber & Voting System	123,900.00	23,865.71
99-010	01/22/1999	9/1/2004	IT Migration-Network Infrastructure Equip/Lapto	150,348.00	37,073.07
99-011	02/18/1999	9/1/2005	BadgerNet - Phase 1 & 2	9,212,723.40	3,234,985.67
99-014	02/25/1999	9/1/2004	IT Migration-Infrastructure Equipment	207,957.00	37,138.89
99-022	03/12/1999	9/1/2004	IT Migration-Network Fiber/Cable	159,214.47	32,879.47
99-025	03/26/1999	9/1/2004	IT Migration-Network Infrastructure Equip/Lapto	746,228.25	100,163.80
99-034	04/20/1999	9/1/2004	IT Migration-Infrastructure Equipment	273,586.27	45,691.96
99-053	05/13/1999	3/1/2006	vh Trunking Infrastructure	311,250.00	10,241.15
99-054	05/13/1999	3/1/2006	vhf Trunking Infrastructure	311,250.00	18,455.56
99-056	05/25/1999	3/1/2004	Truck for College of Life and Ag Science	17,032.00	2,010.33
99-060	08/12/1999	9/1/2005	BadgerNet Phase 1/2	2,225,241.00	653,609.39
99-064	06/04/1999	9/1/2004	IT Migration-Infrastructure Equipment	27,536.68	5,907.72
99-067	06/21/1999	3/1/2004	Trucks for College of Life & Ag Science/Research	39,128.00	4,468.88
99-082	07/20/1999	3/1/2004	Trucks	33,138.00	2,036.30
99-084	07/20/1999	3/1/2004	Front-End Loader & Bucket	50,000.00	6,081.51
99-089	08/12/1999	3/1/2004	Trucks	100,043.00	9,092.87
99-111	09/20/1999	9/1/2005	BadgerNet-Aurora Network	407,992.00	157,522.58
99-113	09/20/1999	3/1/2006	vhF Trunking Project (DOT)	792,578.64	343,519.98
99-114	09/20/1999	3/1/2006	vhF Trunking Project (DNR)	792,578.63	343,519.98
99-123	10/13/1999	3/1/2004	Front-End Loader & Bucket	46,100.00	5,869.64
99-134	11/19/1999	3/1/2004	Trucks	115,449.00	9,308.37
99-135	11/19/1999	9/1/2004	Laptops & Legislative Audit Bur. Server	130,348.02	29,604.47
99-140	11/19/1999	9/1/2004	Truck-Badger State Industries	63,800.00	14,846.93
99-141	12/13/1999	3/1/2006	vhF Trunking Project (DOT)	141,171.36	17,500.28
99-142	12/13/1999	3/1/2006	vhF Trunking Project (DNR)	141,171.37	17,500.28
00-001	01/18/2000	3/1/2004	Trucks	41,345.00	5,562.14
00-002	01/18/2000	9/1/2004	Systems Furniture-Learning Innovations	244,494.44	58,663.26
00-009	02/07/2000	9/1/2005	BadgerNet Phases 3 & 4	11,809,001.00	4,039,771.13
00-010	02/07/2000	9/1/2006	CADD -Computer Aid Dispatch System	478,610.00	89,430.31
00-019	03/21/2000	3/1/2004	Legislature IT Infrastructure - LAB Move	26,975.96	3,767.54
00-020	03/21/2000	3/1/2005	Develop Child Welfare System (WISACWIS)	530,375.54	177,272.22
00-030	04/13/2000	3/1/2005	Develop Child Welfare System (WISACWIS)	167,811.20	56,658.65
00-031	04/28/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	569,400.00	502,016.85
00-032	04/28/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	1,450,000.00	1,278,406.12
00-035	04/28/2000	3/1/2004	Legislature IT Infrastructure - LAB Move	113,720.04	16,244.18
00-036	04/28/2000	3/1/2005	Development of State Human Resources System	82,615.00	28,093.13
00-037	04/28/2000	3/1/2005	Development of State Human Resources System	82,185.00	28,828.05
00-042	05/18/2000	3/1/2005	Development of State Human Resources System	29,870.00	10,256.36
00-045	05/18/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Biotron	74,600.00	65,763.50
00-046	05/26/2000	3/1/2005	Develop Child Welfare System (WISACWIS)	67,054.60	23,112.27
00-049	05/26/2000	3/1/2004	Golf Course Maintenance Equipment	71,489.00	10,394.33
00-050	05/26/2000	3/1/2007	Digital Microwave Communication Infrastructure 1	1,343,109.85	686,185.54
00-060	06/20/2000	3/1/2005	Development of State Human Resources System	32,972.50	11,495.70
00-065	06/30/2000	3/1/2005	Develop Child Welfare System (WISACWIS)	282,514.40	98,986.91
00-068	06/30/2000	3/1/2015	WEI 3 Energy Perf Contract - Colleges (Marathon	32,594.00	27,804.27
00-069	07/19/2000	3/1/2005	Develop Child Welfare System (WISACWIS)	77,056.00	27,255.05
00-070	07/19/2000	3/1/2005	Development of State Human Resources System	24,432.50	8,641.89
00-071	07/19/2000	3/1/2004	Legislature IT Infrastructure - LAB Move	36,450.00	5,484.71
00-073	07/19/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	624,000.00	549,324.22
00-074	07/19/2000	3/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	1,800,000.00	1,584,589.11

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
00-076	08/07/2000	9/1/2005	BadgerNet-VOTS Phase 4	\$ 53,661.00	\$ 24,094.64
00-079	08/07/2000	9/1/2005	Develop Child Welfare System (WISACWIS)	261,316.80	113,841.13
00-081	08/07/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	501,520.00	440,389.78
00-083	08/25/2000	9/1/2005	BadgerNet Deforest Network Phase 4	114,352.00	51,174.22
00-085	08/25/2000	9/1/2004	Video Conf Equipment - Learning Innovations	72,418.63	19,653.40
00-086	08/25/2000	3/1/2015	WEI 3 Energy Perf Contract - Colleges (Marathon)	102,562.00	88,115.24
00-087	08/25/2000	9/1/2005	Heidelberg 4-Color Press	300,000.00	130,256.35
00-091	08/25/2000	9/1/2005	Develop Child Welfare System (WISACWIS)	236,636.00	102,744.47
00-093	08/25/2000	9/1/2007	Vapor Testing Units	94,170.00	39,953.28
00-094	09/29/2000	3/1/2005	Wisconsin Waters Initiative - Develop Data Syster	18,500.00	6,638.13
00-095	09/29/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	312,000.00	269,963.52
00-096	09/29/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	750,000.00	647,501.90
00-097	09/29/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	364,820.00	312,505.14
00-100	09/29/2000	9/1/2007	Vapor Testing Units	249,889.00	130,363.55
00-102	09/29/2000	9/1/2005	Develop Child Welfare System (WISACWIS)	363,733.60	155,684.90
00-106	10/16/2000	9/1/2004	DOR New Building IT Infrastructure/UPS	1,466,827.00	288,838.56
00-107	10/16/2000	9/1/2007	Mass Spectrometer	298,450.00	153,085.03
00-108	10/16/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	413,798.00	354,989.11
00-109	10/16/2000	9/1/2004	Video Conf Equipment - Learning Innovations	20,079.00	5,465.15
00-113	11/22/2000	9/1/2005	BadgerNet Phase 5	2,662,847.00	471,337.80
00-116	11/02/2000	9/1/2005	Heidelberg 4-Color Press	302,900.00	131,897.01
00-119	11/02/2000	9/1/2005	Develop Child Welfare System (WISACWIS)	260,684.00	113,782.04
00-120	11/02/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	276,714.00	237,693.58
00-121	11/02/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	292,169.21	250,973.25
00-125	11/22/2000	9/1/2005	Develop Child Welfare System (WISACWIS)	164,251.20	72,369.68
00-128	11/22/2000	9/1/2015	WEI 3 Energy Perf Contract - Winnebago	364,307.50	313,535.74
00-129	11/22/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Biotron	131,710.25	113,817.02
00-130	11/22/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	450,000.00	388,866.19
00-131	11/22/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	1,200,000.00	1,036,976.55
00-132	11/22/2000	9/1/2015	WEI 3 Energy Perf Contract - Colleges (Waukeshu	78,880.00	67,886.89
00-133	12/18/2000	9/1/2005	Mail Inserter - Printing Services	824,025.00	342,479.08
00-135	12/18/2000	9/1/2015	WEI 3 Energy Perf Contract - Winnebago	182,598.00	157,474.75
00-136	12/18/2000	9/1/2005	Develop Child Welfare System (WISACWIS)	1,854,340.34	826,838.41
00-137	12/18/2000	3/1/2005	Wisconsin Waters Initiative - Web Development	22,326.00	8,347.63
00-138	12/18/2000	3/1/2005	Wisconsin Waters Initiative - Develop Data Syster	138,000.00	17,557.97
00-141	12/18/2000	9/1/2004	Infrastructure/Wiring - 1 East Main Street Office E	97,738.75	27,119.51
00-142	12/18/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	516,614.64	445,534.74
00-144	12/18/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	391,860.00	337,944.81
00-146	12/29/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	351,434.00	303,360.53
00-147	12/29/2000	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	216,443.15	186,835.39
00-148	12/29/2000	9/1/2015	WEI 3 Energy Perf Contract - Winnebago	79,455.00	68,586.19
00-149	12/29/2000	9/1/2015	WEI 3 Energy Perf Contract - Colleges (Waukeshu	85,000.00	73,372.64
00-151	12/29/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	452,800.00	390,779.75
00-152	12/29/2000	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	350,000.00	302,060.33
00-153	12/29/2000	9/1/2004	Truck Lift	12,300.00	3,500.18
00-155	12/29/2000	9/1/2004	Video Conf Equipment - Learning Innovations	97,227.52	27,607.22
01-001	02/01/2001	9/1/2015	WEI 3 Energy Perf Contract - Winnebago	33,274.50	28,802.90
01-003	02/01/2001	3/1/2004	Replacement PCs	610,880.32	102,901.68
01-005	02/01/2001	3/1/2004	Data Capture System-Tax Returns	132,804.81	19,714.32
01-006	02/01/2001	9/1/2004	A/V Presentation System-Learning Innovations	19,947.00	5,739.28
01-007	02/01/2001	3/1/2016	WEI 3 Energy Perf Contract - Milwaukee Phase 3	794,500.00	692,685.66
01-008	02/01/2001	3/1/2015	WEI 3 Energy Perf Contract - Colleges (Marathon)	27,812.00	23,888.50
01-009	02/01/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	140,829.20	121,903.82
01-010	02/01/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	256,062.00	221,651.05
01-011	02/01/2001	9/1/2015	WEI 3 Energy Perf Contract - Colleges (Waukeshu	85,000.00	73,577.26
01-012	02/01/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	200,000.00	171,785.56
01-013	02/01/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	350,000.00	300,624.70
01-014	02/22/2001	3/1/2004	IT Network Equipment	233,584.32	40,149.34
01-015	02/22/2001	9/1/2004	Grounds Equipment	79,202.00	23,366.96
01-016	02/22/2001	3/1/2004	Develop Child Welfare System (WISACWIS)	26,605.00	4,572.96
01-018	02/22/2001	3/1/2006	Development of WISACWIS	296,455.40	153,816.25
01-019	02/22/2001	9/1/2004	IT Equipment-DOC Move To 3099 E Wash Avenu	1,166,368.64	343,917.13
01-020	02/22/2001	3/1/2010	WEI 3 Energy Perf Contract - Jackson Correctiona	17,046.00	12,870.02
01-021	02/22/2001	3/1/2004	Copy Equipment	1,205,835.00	206,886.08
01-022	03/27/2001	9/1/2004	IT Equipment-DOC Move To 3099 E Wash Avenu	189,260.31	57,253.69
01-024	03/27/2001	3/1/2006	Develop Child Welfare System (WISACWIS)	381,614.40	201,332.87
01-025	03/27/2001	3/1/2016	WEI 3 Energy Perf Contract - Health & Family Se	160,584.00	140,873.89
01-027	03/27/2001	3/1/2005	Wisconsin Waters Initiative - Develop Data Syster	30,657.00	12,154.65
01-029	03/27/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	256,912.00	223,963.90

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
01-030	03/27/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	129,036.87	112,488.34
01-031	03/27/2001	3/1/2016	WEI 3 Energy Perf Contract - Milwaukee Phase 4	93,375.00	81,959.20
01-033	03/27/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	998,500.00	864,030.05
01-034	03/27/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Biotron	73,838.75	63,894.73
01-035	03/27/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	151,040.00	130,699.13
01-036	03/27/2001	9/1/2015	WEI 3 Energy Perf Contract - Colleges (Waukesh)	92,000.00	80,201.31
01-037	04/17/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	286,000.00	244,157.85
01-038	04/17/2001	3/1/2006	Golf Course Maintenance Equipment	77,787.00	41,293.12
01-039	04/17/2001	9/1/2015	WEI 3 Energy Perf Contract - Colleges (Waukesh)	53,534.00	46,798.30
01-040	04/17/2001	3/1/2004	IT Network Upgrades	69,010.22	12,441.56
01-041	04/17/2001	9/1/2004	IT Equipment-DOC Move To 3099 E Wash Avem	116,392.95	35,748.03
01-042	04/17/2001	3/1/2008	Ice Cream Processing Equipment	99,390.00	67,670.28
01-043	05/09/2001	9/1/2013	WEI 3 Energy Perf Contract - Green Bay Correcti	14,040.00	11,912.46
01-044	05/09/2001	9/1/2004	IT Equipment-DOC Move To 3099 E Wash Avem	54,016.07	16,863.54
01-045	05/09/2001	3/1/2006	Development of WISACWIS	69,519.20	37,449.74
01-046	05/09/2001	3/1/2005	Develop Child Welfare System (WISACWIS)	15,600.00	7,023.17
01-048	05/09/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	25,000.00	21,754.61
01-049	05/09/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	250,000.00	217,546.28
01-050	05/09/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	50,477.20	44,238.49
01-051	05/09/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	24,025.89	21,056.41
01-052	05/09/2001	3/1/2016	WEI 3 Energy Perf Contract - Madison Sections 1	484,510.00	427,435.21
01-053	05/09/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	277,000.00	237,187.98
01-054	05/30/2001	3/1/2006	Grain Truck	72,885.00	39,617.59
01-056	05/30/2001	3/1/2004	IT Equipment/Develop Graphic Applications	43,462.00	8,162.27
01-057	05/30/2001	9/1/2013	WEI 3 Energy Perf Contract - Green Bay Correcti	20,500.00	17,475.76
01-058	05/30/2001	3/1/2010	WEI 3 Energy Perf Contract - Jackson Correction	55,707.00	43,112.75
01-059	05/30/2001	3/1/2016	WEI 3 Energy Perf Contract - Mendota Health	153,466.00	135,921.99
01-060	05/30/2001	3/1/2006	Develop Child Welfare System (WISACWIS)	78,639.20	42,884.08
01-062	05/30/2001	3/1/2004	Furnishings for Millenium Hall - UW Stout	124,271.30	9,253.27
01-064	05/30/2001	9/1/2004	Grounds and Maintenance Equipment	54,645.00	17,369.29
01-065	05/30/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	88,700.00	77,511.27
01-066	05/30/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Biotron	63,011.00	55,062.71
01-067	05/30/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	235,800.00	202,826.96
01-068	05/30/2001	9/1/2004	Network/IT Cabling - 1 E Main	16,591.25	5,273.65
01-069	05/30/2001	3/1/2016	WEI 3 Energy Perf Contract - Platteville	319,552.00	283,021.28
01-070	06/28/2001	3/1/2004	IT Equipment/Develop Graphic Applications	26,286.28	2,593.30
01-071	06/28/2001	9/1/2013	WEI 3 Energy Perf Contract - Green Bay Correcti	20,500.00	17,566.00
01-072	06/28/2001	9/1/2004	IT Equipment-DOC Move To 3099 E Wash Avem	105,327.66	34,259.98
01-073	06/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Mendota Health	13,500.00	12,005.99
01-074	06/28/2001	3/1/2004	IT Equipment-State Justice Center	398,033.00	76,842.81
01-075	06/28/2001	3/1/2004	Wisconsin Waters Initiative - Develop Data Syster	295,603.98	56,761.04
01-076	06/28/2001	3/1/2004	DOR PC Replacement Round 3	176,043.95	33,986.41
01-077	06/28/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	45,208.00	39,682.82
01-078	06/28/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	40,300.00	35,374.66
01-079	06/28/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	240,550.00	208,135.12
01-080	06/28/2001	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	36,145.20	31,943.80
01-081	06/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Platteville	442,300.00	393,351.78
01-083	07/18/2001	3/1/2006	Develop Child Welfare System (WISACWIS)	69,519.20	38,951.08
01-084	07/18/2001	3/1/2006	Develop Child Welfare System (WISACWIS) Pha	1,726,968.00	967,576.92
01-085	07/18/2001	3/1/2004	IT Equipment - State Justice Center	178,676.72	35,230.11
01-086	07/18/2001	3/1/2004	IT Equipment - Department-wide Apps	104,254.97	20,492.12
01-087	07/18/2001	3/1/2005	Suburban	31,167.00	8,449.75
01-089	08/02/2001	9/1/2004	IT Infrastructure Equipment - Regional Offices	228,502.00	76,772.86
01-090	08/02/2001	9/1/2004	Oracle Licenses	600,322.50	201,698.35
01-091	08/02/2001	9/1/2006	Concrete Slate Silo & Silo Loader	16,886.00	10,346.75
01-092	08/02/2001	3/1/2016	WEI 3 Energy Perf Contract - Platteville	138,000.00	123,651.35
01-093	08/02/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	165,450.00	144,238.22
01-094	08/02/2001	3/1/2016	WEI 3 Energy Perf Contract - Madison Section 1	307,262.00	275,314.25
01-095	08/02/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	22,150.00	19,598.44
01-096	08/31/2001	3/1/2006	Turnstiles at State Fair Park	36,470.00	20,946.13
01-097	08/31/2001	9/1/2004	Trolley Trailers at State Fair Park	49,580.00	17,042.84
01-098	08/31/2001	9/1/2004	Various IT Equipment & Dbase Development	70,470.96	24,223.98
01-099	08/31/2001	9/1/2004	IT Equipment for State Justice Center	83,008.00	28,533.51
01-100	08/31/2001	9/1/2006	Develop Child Welfare System (WISACWIS)	218,624.20	135,702.24
01-101	08/31/2001	9/1/2006	Develop Child Welfare System (WISACWIS) Pha	1,640,618.00	1,018,348.08
01-104	08/31/2001	9/1/2013	WEI 3 Energy Perf Contract - Green Bay Correcti	7,490.00	6,502.72
01-105	08/31/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	107,950.00	94,490.97
01-106	08/31/2001	3/1/2016	WEI 3 Energy Perf Contract - Mendota Health	28,700.00	25,799.56
01-107	08/31/2001	3/1/2016	WEI 3 Energy Perf Contract - Platteville	278,000.00	249,905.12

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
01-108	08/31/2001	9/1/2008	Office/Systems Furniture-State Justice Center	130,885.20	97,020.30
01-109	09/28/2001	9/1/2004	IT Equipment-DOC Move To 3099 E Wash Aven	34,863.11	12,270.11
01-110	09/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Madison Sections 1	435,980.00	393,210.87
01-111	09/28/2001	9/1/2004	Automated Document Factory	659,080.00	231,964.02
01-112	09/28/2001	9/1/2004	Wisconsin Waters Initiative - GPS Units	39,672.25	13,962.70
01-113	09/28/2001	9/1/2006	Develop Child Welfare System (WISACWIS) Pha	1,079,353.00	678,877.58
01-114	09/28/2001	9/1/2004	IT Equipment - State Justice Center	252,782.06	88,966.95
01-116	09/28/2001	3/1/2005	Vehicles	24,423.00	11,021.42
01-117	09/28/2001	9/1/2015	WEI 3 Energy Perf Contract - Winnebago	20,965.00	18,800.86
01-118	09/28/2001	9/1/2004	PCs for Student Academic Lab	94,950.00	33,417.78
01-119	09/28/2001	9/1/2008	Development of Integrated Corrections System	262,533.25	196,331.00
01-120	09/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Milwaukee Phase 4	45,000.00	40,585.55
01-121	09/28/2001	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	67,000.00	58,887.13
01-122	09/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Mendota Health	62,800.00	56,639.39
01-123	09/28/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	26,650.00	23,752.17
01-124	09/28/2001	3/1/2004	IT Equipment	9,264.00	1,967.02
01-125	09/28/2001	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	666,242.00	605,134.03
01-127	10/24/2001	9/1/2008	Systems Furn-State Justice Center	395,554.99	298,286.59
01-128	10/24/2001	3/1/2008	Ice Cream Equipment	198,780.00	145,430.71
01-129	10/24/2001	9/1/2008	Development of Integrated Corrections System	317,181.00	239,185.05
01-130	10/24/2001	9/1/2006	Develop Child Welfare System (WISACWIS) Pha	1,542,845.00	982,648.42
01-131	10/24/2001	9/1/2004	IT Equipment - State Justice Center	12,176.00	4,383.43
01-132	10/24/2001	9/1/2004	Truck	24,927.00	8,973.87
01-133	11/21/2001	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	487,245.20	445,228.04
01-134	11/21/2001	9/1/2008	Development of Integrated Corrections System	184,092.00	140,052.27
01-135	11/21/2001	9/1/2006	Develop Child Welfare System (WISACWIS) Pha	566,525.00	365,660.37
01-136	11/21/2001	3/1/2006	Develop Child Welfare System (WISACWIS)	1,870,773.26	1,123,050.96
01-137	11/21/2001	9/1/2004	Wisconsin Waters Initiative - Develop Database	58,611.72	21,619.02
01-138	11/21/2001	3/1/2016	WEI 3 Energy Perf Contract - Platteville	334,050.00	303,197.15
01-139	11/21/2001	9/1/2004	Virtual Tape Hardware	639,520.00	235,887.89
01-140	11/21/2001	9/1/2008	System Furniture - State Justice Center	1,034,582.09	787,082.36
01-143	12/28/2001	9/1/2004	Automated Document Factor	329,454.00	125,802.13
01-144	12/28/2001	9/1/2006	Develop Child Welfare System (WISACWIS) Pha	486,784.00	320,137.49
01-145	12/28/2001	9/1/2004	IT Equipment - New State Justice Center	90,287.69	34,476.39
01-147	12/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Mendota Health	51,210.00	46,690.87
01-148	12/28/2001	9/1/2013	WEI 3 Energy Perf Contract - Green Bay Correcti	7,670.00	6,784.69
01-149	12/28/2001	9/1/2008	Systems and Office Furniture - State Justice Cent	313,696.34	241,615.66
01-150	12/28/2001	9/1/2008	Development of Integrated Corrections System	285,495.00	219,894.38
01-151	12/28/2001	3/1/2015	WEI 3 Energy Perf Contract - Madison Biotron	23,675.00	21,357.47
01-152	12/28/2001	3/1/2016	WEI 3 Energy Perf Contract - Madison Sections 1	587,298.00	535,470.56
02-001	01/23/2002	9/1/2006	Develop Child Welfare System (WISACWIS)	1,036,179.00	704,258.32
02-002	01/31/2002	9/1/2005	Badgernet Phase 7	5,202,042.12	276,910.61
02-003	01/31/2002	9/1/2008	Systems Furniture - State Justice Center	1,015,155.28	783,856.24
02-004	01/31/2002	9/1/2008	Development of Integrated Corrections System	102,466.00	30,315.72
02-005	01/31/2002	9/1/2016	WEI 3 Energy Perf Contract - Southern Wisc Cent	1,022,343.35	848,491.99
02-006	01/31/2002	9/1/2004	IT Equipment - State Justice Center	10,738.76	4,211.69
02-007	01/31/2002	3/1/2005	IT Equipment - Regional Offices	283,928.04	140,128.20
02-008	01/31/2002	3/1/2005	IT Equipment	52,287.60	25,805.73
02-009	01/31/2002	3/1/2005	IVR Units	174,598.00	57,825.46
02-010	01/31/2002	9/1/2008	Digital Microwave Communication Infrastructure	48,611.45	37,535.52
02-011	01/31/2002	9/1/2008	DMV DataBase Redesign	477,266.69	345,246.13
02-013	01/31/2002	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	1,081,226.20	897,361.70
02-014	01/31/2002	3/1/2016	WEI 3 Energy Perf Contract - Milwaukee Phase 4	81,075.00	67,071.16
02-015	01/31/2002	3/1/2016	WEI 3 Energy Perf Contract - Madison Sections 1	227,500.00	188,204.65
02-016	02/21/2002	3/1/2005	IT Equipment	19,361.25	9,753.24
02-017	02/21/2002	9/1/2008	Development of Integrated Corrections System	79,444.26	61,955.14
02-018	02/21/2002	9/1/2005	Wisconsin Waters Initiative - IT Equipment	70,875.00	40,880.14
02-019	02/21/2002	3/1/2015	WEI 3 Energy Perf Contract - Madison Charter Ph	17,552.00	14,492.01
02-020	02/21/2002	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 2	21,655.60	17,946.52
02-022	02/21/2002	3/1/2005	Storage Area Network Storage	380,630.26	191,742.67
02-023	02/21/2002	9/1/2008	Systems Furniture	42,675.87	33,281.07
02-025	02/21/2002	3/1/2016	WEI 3 Energy Perf Contract - Madison Sections 1	100,000.00	83,155.15
02-026	02/21/2002	9/1/2008	DMV DataBase Redesign	170,054.57	132,618.21
02-027	02/21/2002	3/1/2014	WEI 3 Energy Perf Contract - Oshkosh	50,250.00	41,139.84
02-028	02/21/2002	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	196,496.80	163,902.91
02-029	02/21/2002	9/1/2015	WEI 3 Energy Perf Contract - Milwaukee Phase 3	10,083.54	8,356.47
02-030	03/14/2002	9/1/2008	DMV DataBase Redesign	207,488.78	163,615.34
02-031	03/14/2002	9/1/2008	Development of Integrated Corrections System	83,557.50	57,989.17
02-032	03/14/2002	9/1/2008	Digital Microwave Communication Infrastructure	604,442.34	476,633.25

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
02-037	04/26/2002	9/1/2008	Systems Furniture/Equipment - State Justice Cente	15,590.77	12,542.34
02-038	04/26/2002	3/1/2010	WEI 3 Energy Perf Contract - Whitewater	12,479.00	9,873.76
02-039	04/26/2002	9/1/2008	DMV DataBase Redesign	240,115.12	193,165.83
02-040	04/26/2002	3/1/2007	Tractor	62,730.00	46,262.13
02-041	04/26/2002	9/1/2005	Wisconsin Waters Initiative - IT Equipment	58,753.22	28,620.72
02-042	04/26/2002	9/1/2008	Digital Microwave Communication Infrastructure	498,075.51	299,978.43
02-043	04/26/2002	3/1/2016	WEI 3 Energy Perf Contract - Madison Sections 1.	225,000.00	190,113.52
02-044	04/26/2002	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	429,034.20	363,476.78
02-048	04/26/2002	3/1/2016	WEI 3 Energy Perf Contract - Platteville	85,858.00	72,545.63
02-049	04/26/2002	9/1/2008	Development of Integrated Corrections System	207,102.74	166,608.30
02-050	04/26/2002	3/1/2017	WEI 3 Energy Perf Contract - Milwaukee Phase 3	1,307,850.00	1,112,147.99
02-051	04/26/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Health	825,640.24	702,094.38
02-052	05/24/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Health	250,000.00	213,929.58
02-053	05/24/2002	9/1/2008	DMV DataBase Redesign	295,555.37	241,016.96
02-055	05/24/2002	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	142,872.90	121,858.08
02-056	05/24/2002	3/1/2016	WEI 3 Energy Perf Contract - Mendota Health	32,340.00	27,515.18
02-057	05/24/2002	9/1/2008	Development of Integrated Corrections System	32,025.50	26,115.87
02-058	05/24/2002	9/1/2008	Digital Microwave Communication Infrastructure	58,101.76	47,380.32
02-059	05/31/2002	3/1/2017	WEI 3 Energy Perf Contract - Oshkosh	696,128.00	596,459.88
02-060	06/18/2002	9/1/2008	Development of Integrated Corrections System	263,980.00	217,798.10
02-061	06/18/2002	9/1/2016	WEI 3 Energy Perf Contract - Whitewater	127,832.05	109,655.01
02-062	06/18/2002	3/1/2017	WEI 3 Energy Perf Contract - Oshkosh	250,000.00	215,075.02
02-063	06/18/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	206,800.00	177,910.05
02-064	06/18/2002	3/1/2016	WEI 3 Energy Perf Contract - Madison Section 2	31,000.00	26,530.75
02-065	06/18/2002	9/1/2008	DMV DataBase Redesign	254,363.07	209,863.61
02-066	06/18/2002	9/1/2008	Digital Microwave Communication Infrastructure	173,195.51	142,895.88
02-068	06/18/2002	9/1/2005	BadgerNet Phase 7&8	791,905.00	168,007.17
02-070	06/18/2002	3/1/2007	Golf Course Maintenance Equipment	103,831.00	79,110.14
02-071	06/18/2002	3/1/2016	WEI 3 Energy Perf Contract - King Veterans Hom	185,490.00	158,854.33
02-072	07/16/2002	9/1/2004	ADF Document System	500,576.00	231,602.77
02-073	07/16/2002	3/1/2005	PCs for Academic Computing	197,892.00	100,571.85
02-074	07/16/2002	3/1/2006	Truck for Agronomy	17,558.00	10,905.51
02-075	07/16/2002	3/1/2008	Ice Cream Processing	33,520.97	27,509.18
02-076	07/16/2002	3/1/2006	Hardware and Software for Int Tax System	813,032.47	175,352.63
02-078	07/16/2002	3/1/2005	Replacement Mobile Computers	2,912,659.79	1,480,259.71
02-079	07/16/2002	9/1/2008	DMV DataBase Redesign	240,504.45	201,381.20
02-081	07/16/2002	9/1/2008	Development of Integrated Corrections System	130,647.00	109,394.43
02-082	07/16/2002	9/1/2012	WEI 3 Energy Perf Contract - Colleges (Washingt	103,301.00	87,163.96
02-083	07/16/2002	3/1/2017	WEI 3 Energy Perf Contract - LaCrosse	79,754.00	69,088.49
02-084	07/16/2002	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	1,006,392.00	870,018.66
02-085	08/22/2002	9/1/2016	WEI-3 Energy Perf Contract	49,230.00	42,873.21
02-086	08/22/2002	3/1/2017	WEI-3 Energy Perf Contract	124,032.00	108,206.40
02-087	08/22/2002	9/1/2016	WEI-3 Energy Perf Contract	175,328.20	152,689.03
02-088	08/22/2002	3/1/2017	WEI-3 Energy Perf Contract	382,687.28	333,859.09
02-089	08/22/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	120,000.00	104,688.86
02-090	08/22/2002	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	229,500.00	199,865.94
02-091	08/22/2002	9/1/2007	Develop Internet Child Welfare System (E-WISAC	456,801.60	356,449.57
02-092	08/22/2002	3/1/2009	DMV DataBase Redesign	294,232.65	239,858.80
02-093	08/22/2002	9/1/2007	Develop Child Welfare System (WISACWIS) Pha	644,028.00	502,545.31
02-094	08/22/2002	3/1/2005	Storage Capacity for Laptop Campus	297,178.07	70,985.19
02-096	08/22/2002	3/1/2007	Tractor for University Ridge Golf Course	24,500.00	18,697.48
02-097	08/22/2002	9/1/2008	Development of Integrated Corrections System	301,754.00	243,108.03
02-098	08/22/2002	9/1/2005	Various IT Hardware/Software Replacement	251,858.26	167,529.35
02-099	09/13/2002	9/1/2007	Systems Furniture - Superior	367,810.71	286,681.04
02-100	09/13/2002	9/1/2007	Grand Piano	17,000.00	13,250.23
02-101	09/13/2002	9/1/2005	Computers - Academic Computing	38,518.95	25,592.54
02-102	09/13/2002	3/1/2005	Extension of WONDER Distance Education Netw	1,153,199.00	363,276.03
02-103	09/13/2002	9/1/2008	Development of Integrated Corrections System	263,714.84	212,219.34
02-104	09/13/2002	3/1/2017	WEI 3 Energy Perf Contract	682,701.48	594,913.95
02-105	09/13/2002	9/1/2016	WEI 3 Energy Perf Contract	222,320.50	193,392.54
02-106	09/13/2002	9/1/2016	WEI 3 Energy Perf Contract	105,963.42	92,175.65
02-107	09/13/2002	3/1/2017	WEI 3 Energy Perf Contract	553,036.00	481,921.95
02-108	09/13/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	575,550.00	501,540.92
02-109	09/13/2002	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	419,000.00	364,480.45
02-110	09/13/2002	9/1/2012	WEI 3 Energy Perf Contract - Colleges (Washingt	34,200.00	29,138.51
02-111	09/13/2002	3/1/2017	WEI 3 Energy Perf Contract	96,300.00	83,916.94
02-112	09/13/2002	9/1/2017	WEI 3 Energy Perf Contract	597,251.20	521,274.14
02-113	09/13/2002	9/1/2013	WEI 3 Energy Perf Contract	75,777.00	65,004.23
02-114	09/13/2002	9/1/2007	Pumps - Hancock Research Station	20,486.00	12,834.21

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
02-115	09/13/2002	3/1/2009	DMV DataBase Redesign	281,173.53	228,951.43
02-116	10/04/2002	9/1/2007	Develop Internet Child Welfare System (E-WISAC	292,485.20	227,678.11
02-117	10/04/2002	9/1/2007	Develop Child Welfare System (WISACWIS) Pha	684,481.00	532,817.90
02-118	10/04/2002	9/1/2005	Wisconsin Waters Initiative - Develop Database	23,729.95	15,746.30
02-119	10/04/2002	9/1/2008	Development of Integrated Corrections System	164,610.76	132,297.43
02-120	10/04/2002	9/1/2009	Record Center Shelving	314,453.00	258,252.03
02-121	10/04/2002	9/1/2005	Access Card Readers	82,865.17	38,397.15
02-122	10/04/2002	9/1/2005	Mass Spectrometer	236,989.80	157,257.48
02-123	10/24/2002	3/1/2009	DMV DataBase Redesign	359,712.77	292,220.63
02-124	10/24/2002	9/1/2008	Development of Integrated Corrections System	334,861.41	268,844.77
02-126	10/24/2002	3/1/2017	WEI 3 Energy Perf Contract	30,641.00	26,638.67
02-127	10/24/2002	9/1/2017	WEI 3 Energy Perf Contract	361,201.60	314,517.59
02-128	10/24/2002	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	100,000.00	86,785.32
02-129	10/24/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	75,000.00	65,203.47
02-130	10/24/2002	9/1/2014	WEI 3 Energy Perf Contract	127,113.00	109,392.74
02-131	10/24/2002	9/1/2013	WEI 3 Energy Perf Contract - Colleges (Fox Valle	143,756.00	123,031.50
02-132	10/24/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 5	1,077,876.00	937,083.33
02-133	10/24/2002	9/1/2007	Systems Furniture - Superior	58,030.00	45,124.59
02-134	11/01/2002	9/1/2009	Co-Generation Facility	11,936,000.00	11,936,000.00
02-135	11/19/2002	9/1/2008	Development of Integrated Corrections System	267,531.96	214,432.50
02-136	11/19/2002	9/1/2005	Digital Video Editing System UW-Madison Athlet	241,000.00	159,485.22
02-137	11/19/2002	9/1/2005	Scanning Equipment/PCs	191,830.50	126,946.60
02-138	11/19/2002	9/1/2007	Tractor at Spooner	56,234.63	43,655.90
02-139	11/19/2002	9/1/2005	Extension of Legacy Distance Education Contract	45,264.00	33,248.85
02-140	11/19/2002	9/1/2004	IMB Mainframe Computer	1,900,000.00	960,517.16
02-141	11/19/2002	9/1/2005	PCs and PC Workstations	55,837.60	36,951.33
02-142	11/19/2002	9/1/2007	Develop Internet Child Welfare System (E-WISAC	258,494.80	200,673.93
02-143	11/19/2002	3/1/2017	WEI 3 Energy Perf Contract	63,250.00	54,896.97
02-144	11/19/2002	9/1/2013	WEI 3 Energy Perf Contract	65,090.00	55,613.87
02-145	11/19/2002	9/1/2009	DMV DataBase Redesign	788,372.82	645,715.77
02-146	11/19/2002	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	90,000.00	77,977.12
02-147	11/19/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Health	59,634.00	51,758.51
02-148	11/19/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	171,500.00	148,851.08
02-149	12/19/2002	9/1/2009	Integrated Tax System (Phase2 Milestone #9&10)	6,056,718.00	4,953,904.49
02-150	12/30/2002	9/1/2008	Development of Integrated Corrections System	232,282.51	203,149.01
02-151	12/30/2002	9/1/2013	WEI 3 Energy Perf Contract	121,100.00	112,256.45
02-152	12/30/2002	3/1/2016	WEI 3 Energy Perf Contract	13,010.00	12,211.76
02-153	12/30/2002	9/1/2013	WEI 3 Energy Perf Contract - Colleges (Fox Valle	36,500.00	33,834.53
02-154	12/30/2002	9/1/2014	WEI 3 Energy Perf Contract - Kettle Moraine Coi	69,200.00	64,512.66
02-155	12/30/2002	3/1/2014	WEI 3 Energy Perf Contract - Madison Health	39,220.00	36,949.81
02-156	12/30/2002	9/1/2017	WEI 3 Energy Perf Contract - Racine Correctional	189,187.30	178,529.74
02-157	12/30/2002	3/1/2017	WEI 3 Energy Perf Contract	120,000.00	113,054.00
02-158	12/30/2002	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	130,075.00	122,328.65
02-159	12/30/2002	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	103,000.00	97,038.02
02-160	12/30/2002	9/1/2009	DMV DataBase Redesign	347,464.91	310,082.51
02-163	12/30/2002	9/1/2016	WEI 3 Energy Perf Contract - Southern Wisc Cent	42,633.43	40,094.47
02-164	12/30/2002	9/1/2008	Systems Furniture for State Justice Center	29,446.94	25,753.63
03-001	01/24/2003	9/1/2017	WEI 3 Energy Perf Contract	41,851.50	39,727.94
03-002	01/24/2003	9/1/2014	WEI 3 Energy Perf Contract	45,000.00	42,250.35
03-003	01/24/2003	3/1/2017	WEI 3 Energy Perf Contract - Madison Health	51,670.00	48,975.53
03-004	01/24/2003	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	222,760.00	210,805.80
03-005	01/24/2003	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 3	82,800.00	78,482.17
03-006	01/24/2003	9/1/2008	Development of Integrated Corrections System	833,478.00	738,490.33
03-007	01/24/2003	9/1/2009	DMV DataBase Redesign	318,371.14	287,309.45
03-009	01/24/2003	3/1/2006	Computer Network Equipment	16,630.47	13,277.92
03-010	02/14/2003	3/1/2006	IT Equipment - Department Wide Applications	131,674.12	107,154.56
03-011	02/14/2003	9/1/2013	WEI 3 Energy Perf Contract - Stevens Point	77,200.00	72,559.73
03-012	02/14/2003	9/1/2009	DMV DataBase Redesign	430,084.33	391,691.74
03-014	02/14/2003	3/1/2008	Shelving	32,027.49	28,367.28
03-015	02/14/2003	9/1/2008	Development of Integrated Corrections System	668,781.87	598,940.06
03-016	02/28/2003	3/1/2016	WEI 3 Energy Perf Contract - Milwaukee Phase 4	55,150.00	52,593.10
03-017	02/28/2003	3/1/2017	WEI 3 Energy Perf Contract	16,880.00	16,142.50
03-018	02/28/2003	9/1/2008	Development of Integrated Corrections System	107,814.74	97,396.47
03-019	02/28/2003	9/1/2005	Badgernet Phase 9 & 10	5,587,216.20	3,562,565.66
03-020	02/28/2003	3/1/2018	WEI 3 Energy Perf Contract - Milwaukee Phase 3	69,900.00	67,006.62
03-021	02/28/2003	3/1/2010	Milk Analyzer Machine	40,619.00	37,493.47
03-022	02/28/2003	3/1/2008	Electronic Cell Counter	23,900.00	21,370.51
03-023	03/14/2003	9/1/2005	Digital Video Editing System UW-Madison Athlet	555,153.00	145,157.83
03-024	03/14/2003	3/1/2006	Computer Network Equipment	56,584.00	47,410.88

Table IV-2 – Continued
OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2003)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
03-025	03/14/2003	9/1/2008	Development of Integrated Corrections System	257,231.01	234,137.16
03-026	03/14/2003	3/1/2010	Develop Internet Child Welfare System (E-WISAC)	324,211.90	288,050.14
03-027	03/14/2003	3/1/2006	IT Equipment - Department Wide Applications	40,124.00	33,619.30
03-028	03/14/2003	3/1/2006	Robotic Tape Library	759,740.00	636,574.72
03-029	03/14/2003	3/1/2010	Coach Bus	340,822.00	316,491.80
03-030	03/14/2003	3/1/2010	DMV DataBase Redesign	383,004.41	355,662.93
03-031	04/14/2003	9/1/2008	Development of Integrated Corrections System	274,939.88	254,475.99
03-032	04/14/2003	3/1/2017	WEI 3 Energy Perf Contract	85,000.00	82,193.25
03-033	04/14/2003	9/1/2017	WEI 3 Energy Perf Contract	38,911.40	37,662.23
03-034	04/14/2003	3/1/2017	WEI 3 Energy Perf Contract	157,664.00	152,457.86
03-035	04/14/2003	9/1/2016	WEI 3 Energy Perf Contract	35,496.15	34,288.91
03-038	04/14/2003	9/1/2008	Excise Tax System	100,000.00	92,556.95
03-039	04/14/2003	9/1/2013	WEI 3 Energy Perf Contract	27,980.00	26,803.39
03-040	04/14/2003	3/1/2010	DMV DataBase Redesign	468,532.04	440,924.38
03-041	05/06/2003	9/1/2005	Badgernet Phase 10	164,910.00	143,419.98
03-042	05/06/2003	9/1/2008	Development of Integrated Corrections System	143,987.54	134,918.90
03-043	05/06/2003	3/1/2006	PCs for Academic Computing Labs	62,230.00	46,115.80
03-044	05/06/2003	3/1/2006	PCs for Specialty Computer Labs	48,006.00	42,404.04
03-045	05/06/2003	9/1/2009	Integrated Tax System Phase 2 Release 1	1,246,527.00	1,180,010.66
03-046	07/31/2003	3/1/2018	WEI 3 Energy Perf Contract - Eau Claire Phase 3	52,680.00	52,680.00
03-049	05/06/2003	3/1/2010	Coach Bus	340,822.00	323,903.99
03-050	05/06/2003	3/1/2010	Manure Handling Equipment - Waupun Farms	163,000.00	154,908.87
03-051	05/06/2003	3/1/2005	IT Equipment	85,797.00	63,703.24
03-052	05/27/2003	9/1/2016	WEI-3 Energy Contact Section 4	306,308.00	299,239.30
03-053	05/27/2003	9/1/2012	WEI-3 Energy Contract - Wash Cnty	8,025.00	7,772.76
03-054	05/27/2003	3/1/2010	Database Redesign	481,094.79	461,527.74
03-055	05/27/2003	3/1/2010	Development of E-WISACWIS	265,726.00	254,918.41
03-056	05/27/2003	3/1/2006	Laptops for MDC and Other Use	582,400.00	200,324.04
03-057	06/19/2003	9/1/2013	WEI-3 Contract - Oakhill Correction	172,414.90	168,568.60
03-058	06/19/2003	3/1/2006	Oracle Licenses	47,800.00	44,111.25
03-059	06/19/2003	3/1/2008	Golf Course Maintenance Equip	10,275.00	9,818.68
03-060	06/19/2003	3/1/2010	Database Redesign	350,079.93	339,008.93
03-061	06/19/2003	9/1/2016	WEI 3 Energy Perf Contract - Madison Section 4	189,775.00	186,369.69
03-062	07/10/2003	9/1/2016	WEI 3 Energy Perf Contract - Southern Wisc Cent	27,851.81	27,498.88
03-063	07/10/2003	3/1/2010	Develop Internet Child Welfare System (E-WISAC)	291,680.70	285,117.13
03-066	07/10/2003	3/1/2017	WEI 3 Energy Perf Contract	19,432.00	19,193.19
03-067	07/10/2003	3/1/2010	Manure Handling Equipment - Waupun Farms	37,000.00	36,167.41
03-069	07/31/2003	9/1/2006	PC Replacement Summer 2003	279,052.43	279,052.43
03-070	07/31/2003	3/1/2008	Systems Furniture	301,659.10	301,659.10
03-071	07/31/2003	3/1/2005	IT Equipment	16,149.19	16,149.19
03-072	07/31/2003	3/1/2010	DMV DataBase Redesign	295,253.01	295,253.01
03-073	07/31/2003	3/1/2008	Golf Course Maintenance Equipment	22,310.00	22,310.00
03-074	07/31/2003	3/1/2010	Develop Internet Child Welfare System (E-WISAC)	187,592.80	187,592.80
03-075	07/31/2003	3/1/2010	Integrated Tax System Phase 3 Release 2	137,946.00	137,946.00
03-076	07/31/2003	3/1/2017	WEI 3 Energy Perf Contract - Madison Section 5	250,000.00	250,000.00
03-077	07/31/2003	9/1/2013	WEI 3 Energy Perf Contract - Stevens Point	11,740.00	11,740.00
03-078	08/20/2003	9/1/2006	Thermocycler System	44,035.25	19,035.25
03-079	08/20/2003	3/1/2010	Develop Child Welfare System (WISACWIS) Pha	1,055,797.00	527,898.50
03-080	08/20/2003	3/1/2010	DMV DataBase Redesign	281,408.93	281,408.93
03-081	08/20/2003	9/1/2006	PC Replacement - Summer 2003	524,396.22	524,396.22
03-082	08/20/2003	3/1/2008	Golf Course Maintenance Equipment	94,312.78	94,312.78
03-083	08/20/2003	3/1/2010	Addition of Lavatories to Coach Buses	32,821.80	32,821.80
03-084	09/22/2003	3/1/2010	Develop Internet Child Welfare System (E-WISAC)	155,289.60	77,644.80
03-085	09/19/2003	9/1/2008	Development of Integrated Corrections System	108,257.75	108,257.75
03-086	09/19/2003	9/1/2008	Systems Furniture for DOT Green Bay Office	303,093.87	303,093.87
03-087	09/22/2003	9/1/2008	Integrated Tax System- Excise Tax Report (DOT)	358,682.00	143,682.00
03-088	09/22/2003	9/1/2010	Develop Child Welfare System (WISACWIS) Pha	654,520.00	327,260.00
03-089	09/19/2003	3/1/2010	DMV DataBase Redesign	326,148.03	326,148.03
03-090	10/27/2003	9/1/2008	Electronic Monitoring Equipment	608,691.76	608,691.76
03-091	10/27/2003	9/1/2013	WEI 3 Energy Perf Contract - Oakhill Correctiona	52,068.10	52,068.10
03-092	10/27/2003	3/1/2010	DMV DataBase Redesign	302,529.60	302,529.60
03-093	10/27/2003	3/1/2018	WEI 3 Energy Perf Contract	163,040.00	163,040.00
03-094	10/27/2003	9/1/2008	Development of Integrated Corrections System	54,543.00	54,543.00
03-095	10/27/2003	9/1/2006	Liquid Chromo Mass Spectrometer - Primate Rese	219,227.87	219,227.87
03-096	11/13/2003	3/1/2010	DMV DataBase Redesign	351,103.03	351,103.03
03-097	11/13/2003	9/1/2005	DASD Equipment/Substation	1,000,000.00	1,000,000.00
03-098	11/13/2003	3/1/2010	Develop Child Welfare System (WISACWIS) Pha	29,531.40	29,531.40
03-099	11/13/2003	9/1/2017	WEI 3 Energy Perf Contract - Madison Section 6	130,000.00	130,000.00
				\$ 190,104,882.42	\$115,154,670.54

SUMMARY OF THE MASTER LEASE

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

Acquisition, Delivery, and Lease of Leased Items

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

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

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

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

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

Lease Term and Lease Termination

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

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

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

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

The State would still be obligated to make any Lease Payments due by the end of the fiscal year but would not be responsible for the payment of any Lease Payments scheduled to come due in any succeeding fiscal year. In the event of termination of the Master Lease based on an Event of Nonappropriation, if the Lessor

requests, the State is required to deliver possession of all Lease Items to the Lessor and must convey to the Lessor, or release, its interest in all Leased Items.

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

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

Insurance Requirements; Loss or Damage to Leased Items

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

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

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

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

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

Other Obligations

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

Rights in Leased Items; Security Interest

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

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

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

The Lessor has no responsibility for the condition or usefulness of the Leased Items. The Leased Items are leased "as is" and "where is." Nor is the Lessor responsible for any damages in connection with the use of the Leased Items.

Assignment, Mortgaging and Selling

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

Option to Terminate Lease Schedule

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

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

Events of Default and Remedies

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

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

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

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

- The Lessor, with or without terminating the Master Lease, may declare all Lease Payments due or to become due during the fiscal year to be immediately due and payable.
- The Lessor, with or without terminating the Master Lease, may give the State written notice requiring the State to deliver all the Leased Items to the Lessor. If the State fails to return them within 30 days, the Lessor may exercise all its legal rights to take possession of the Leased Items and to receive damages resulting from the State’s failure. Even though the Lessor takes possession of the Leased Items, the State continues to be responsible for Lease Payments during the fiscal year. If the Event of Default is cured and the Master Lease has not been terminated with respect to such Leased Items, the Lessor is required to return the Leased Items to the State at the State’s expense.
- If the Lessor terminates the Master Lease and takes possession of Leased Items, the Lessor is required to attempt to sell the Leased Items in a commercially reasonable manner. The Lessor must apply any proceeds of the sale in the following order: (1) all expenses incurred in securing possession of the Leased Items, (2) all expenses incurred in completing the sale, (3) any amounts payable to any party having a security interest in or lien against the Leased Items, (4) the applicable purchase price for the Leased Items, and (5) the balance of any Lease Payments due with respect to such Leased Items for such Fiscal Year. Any remaining proceeds of the sale will be paid to the State.

- The Lessor may use any other remedy available at law or in equity with respect to such Event of Default.

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

SUMMARY OF THE MASTER INDENTURE

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

General

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

Funds and Accounts; Payments to be Deposited

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

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

- If specified in the supplemental indenture, the Trustee will deposit in the Principal Account and the Interest Account of the Certificate Payment Fund an amount to be used for the partial or complete redemption of one or more series of outstanding Certificates, and the Leased Items related with the redeemed Certificates will thereafter relate to the newly issued Certificates.
- If specified in the supplemental indenture, the Trustee will pay to the Lessor the unreimbursed costs of acquiring Leased Items.
- Payment or reimbursement of cost of issuance.
- If specified in the supplemental indenture, the Trustee will deposit an amount in the Lease Payment Reserve Fund.
- The Trustee will deposit into the Project Account of the Project Fund the amount specified in the supplemental indenture.
- The Trustee will deposit the balance of the proceeds, if any, in the Lease Payment Fund.

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

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

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

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

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

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

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

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

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

The following are Qualified Investments:

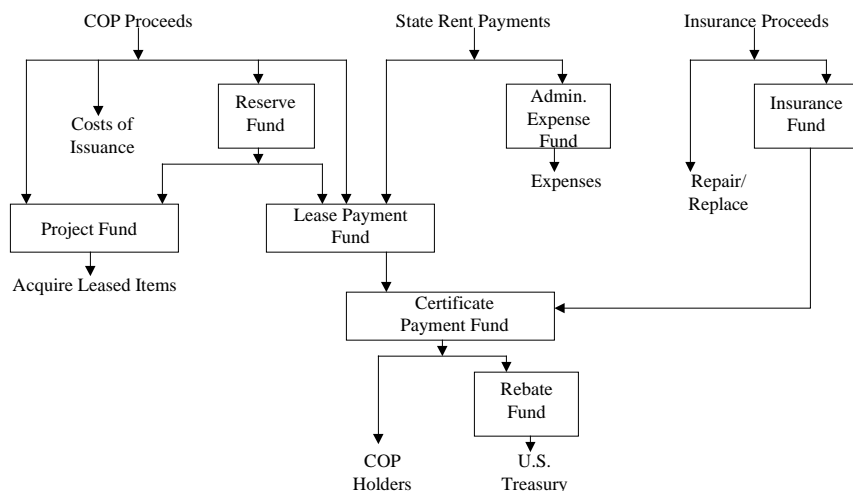
- Obligations of, or obligations guaranteed as to interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States.
- Federal Housing Administration debentures.
- Federal Home Loan Mortgage Corporation participation certificates.
- Farm Credit System consolidated system wide bonds and notes.
- Federal Home Loan Banks consolidated debt obligations.

- Federal National Mortgage Association senior debt obligations and mortgage backed issues.
- Student Loan Marketing Association senior debt obligations and letter-of-credit-backed issues.
- Resolution Funding Corporation debt obligations.
- Unsecured certificates of deposit, time deposits and banker's acceptances (having maturities of not more than 365 days) of any bank, the short-term obligations of which are rated the highest classification (without regard to any suffix or numerical order) by each of those agencies selected by the State to assign a credit rating to the Certificates or the Program (**Rating Agencies**).
- Certificates of deposit or time deposits constituting direct obligations of any bank, the full amount of which is insured by the Federal Deposit Insurance Corporation.
- Debt obligations, including pre-refunded municipals, rated in either of the two highest classifications (without regard to any suffix or numerical order) by each of the Rating Agencies.
- Commercial paper rated the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies.
- Securities issued by those investment companies registered under the Investment Company Act of 1940 commonly known as "money market funds" rated in the highest classification by each of the Rating Agencies that invest solely in securities which are otherwise Qualified Investments.
- Investments made through repurchase agreements with any transferor with debt or commercial paper rated in the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies provided that each repurchase agreement (1) is acceptable in form and substance to the State and the Trustee, (2) provides for the registration of title to certificated government obligations in the name of the Trustee or any agent of the Trustee and the physical transfer of certificated government obligations to the Trustee or to a custodial account in the name of the Trustee at a Federal Reserve Bank and for the registration of title to "book entry" government obligations in the name of the Trustee, (3) provides that the government obligations acquired pursuant to such repurchase agreement shall be valued at least monthly at the lower of the then current fair market value or the repurchase price in the applicable repurchase agreement (except that the Lease Payment Reserve Fund shall always be valued at the then current fair market value), and (4) is with any state or national bank or foreign bank with a United States branch or agency with short-term obligations rated in the highest classification (without regard to any suffix or numerical order) by each of the Rating Agencies.
- Any stripped securities rated in the highest classification by each of the Rating Agencies, including, but not limited to, U.S. Treasury STRIPS and REFCORP STRIPS.
- Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating from each of the Rating Agencies which is equal to or higher than the rating assigned to the Certificates by the Rating Agencies and the rating is in either of the two highest classifications (without regard to any suffix or numerical order) of each of the Rating Agencies.

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

Figure IV-1

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



Servicing of Lease Schedules

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

Events of Default and Remedies

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

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

If an Event of Nonappropriation or an Event of Default under the Master Lease has occurred and is continuing, the Trustee is required to cause the Certificates of all series to be redeemed pursuant to the Master Indenture, pro rata, to the extent money is available in the Lease Payment Fund. In addition, if an Event of Nonappropriation or an Event of Default has occurred and is continuing, the Trustee may proceed, and upon written request of owners of not less than a majority in aggregate principal amount of Certificates then outstanding shall proceed, to take any of the remedial steps available under the Master Lease (including

acceleration, if applicable) or whatever action at law or in equity may be necessary or appropriate to enforce its rights as assignee under the Master Indenture. All payments received by the Trustee with respect to the Trust upon an Event of Default, whether from the sale of Leased Items, damages or otherwise, shall be applied by the Trustee, *first*, to its reasonable fees and expenses and, *second*, to the Lease Payment Fund.

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

Amendment

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

Any of the Operative Documents may also be amended from time to time with the consent of the owners of not less than 51% of the aggregate outstanding principal amount of Certificates of any series affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Operative Documents, or of modifying in any manner the rights of the owners of not less than 51% of the aggregate outstanding principal amount of Certificates; *provided, however*, that no amendment shall without the consent of the owners of all Certificates:

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

Limitation on Rights of Certificate Holders

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

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

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