



# STATE OF WISCONSIN CONTINUING DISCLOSURE ANNUAL REPORT

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

## GENERAL OBLIGATIONS

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

## MASTER LEASE CERTIFICATES OF PARTICIPATION

(Base CUSIP 977087)

## TRANSPORTATION REVENUE OBLIGATIONS

(Base CUSIP 977123)

## CLEAN WATER REVENUE BONDS

(Base CUSIP 977092)

## PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS

(Base CUSIP 977109)

## GENERAL FUND ANNUAL APPROPRIATION BONDS

(Base CUSIP 977100)

**DECEMBER 23, 2005**



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**JIM DOYLE**  
GOVERNOR

**STEPHEN E. BABLITCH**  
SECRETARY

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December 23, 2005

Thank you for your interest in the State of Wisconsin.

This is the Continuing Disclosure Annual Report for the fiscal year ending June 30, 2005 (**Annual Report**).

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

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

### **Organization of the Annual Report**

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

- **Part I** presents the **State's continuing disclosure undertakings**. A Master Agreement on Continuing Disclosure establishes a general framework. Separate addenda describe the information to be provided for specific types of securities.
- **Part II** presents **general information about the State**, including its operations and financial results. This part includes the audited basic financial statements for the fiscal year ending June 30, 2005 and the State Auditor's report. This part also includes the results of the 2004-05 fiscal year and the budget for the 2005-06 and 2006-07 fiscal years.

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

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

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

### **Ratings on the State's Securities**

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

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

<sup>(1)</sup> On March 29, 2005, Moody's changed the rating outlook on the State's general obligations, master lease certificates of participation, and general fund annual appropriation bonds from "negative" to "stable".

<sup>(2)</sup> On November 9, 2005, Standard & Poor's Ratings Services changed the rating outlook on the State's general obligation bonds, master lease certificates of participation, and general fund annual appropriation bonds from "stable" to "positive".

### **How to Get Additional Information**

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

December 23, 2005

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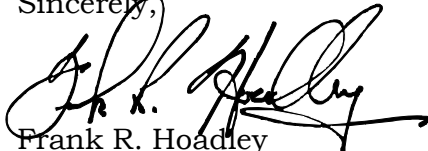
The Capital Finance Office maintains a web site that provides access to both disclosure and non disclosure information.

**[www.doa.wi.gov/capitalfinance](http://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 **[DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov)**.

Sincerely,

A handwritten signature in black ink, appearing to read "F. R. Hoadley". The signature is stylized and written over the printed name.

Frank R. Hoadley  
Capital Finance Director

**SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS  
AS OF DECEMBER 15, 2005**

	<u>Principal Balance 12/1/2004</u>	<u>Principal Issued 12/1/2004 - 12/15/05</u>	<u>Principal Matured, Redeemed, or Defeased 12/1/2004 - 12/15/05</u>	<u>Statutory Adjustment<sup>(b)</sup></u>	<u>Principal Balance 12/15/2005</u>
	<b><u>GENERAL OBLIGATIONS<sup>(a)</sup></u></b>				
<b>Total</b>	<b>\$4,876,460,340</b>	<b>\$1,050,505,000</b>	<b>\$834,617,652</b>	<b>—</b>	<b>\$5,092,347,689</b>
General Purpose Revenue (GPR)	3,225,307,815	583,524,170	202,506,967	250,000,000	3,856,325,018
Self-Amortizing: Veterans	369,940,000	5,000,000	41,125,000	—	333,815,000
Self-Amortizing: Other	1,281,212,525	211,980,830	340,985,684	(250,000,000)	902,207,671

	<u>Principal Balance 12/1/2004</u>	<u>Principal Issued 12/1/2004 - 12/15/05</u>	<u>Principal Matured, Redeemed, or Defeased 12/1/2004 - 12/15/05</u>	<u>Principal Balance 12/15/2005</u>
	<b><u>MASTER LEASE CERTIFICATES OF PARTICIPATION</u></b>			
<b>Total</b>	<b>\$ 82,102,804</b>	<b>\$15,792,525</b>	<b>\$22,710,720</b>	<b>\$75,184,609</b>

**TRANSPORTATION REVENUE OBLIGATIONS<sup>(a)</sup>**

<b>Total</b>	<b>\$1,376,743,000</b>	<b>\$393,985,000</b>	<b>\$246,560,000</b>	<b>\$1,524,168,000</b>
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**CLEAN WATER REVENUE BONDS**

<b>Total</b>	<b>\$ 682,935,000</b>	<b>\$107,025,000</b>	<b>\$148,525,000</b>	<b>\$641,435,000</b>
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**PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS<sup>(a)(c)</sup>**

<b>Total</b>	<b>\$ 348,455,000</b>	<b>—</b>	<b>\$48,205,000</b>	<b>\$300,250,000</b>
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**TAXABLE GENERAL FUND ANNUAL APPROPRIATION BONDS<sup>(a)</sup>**

<b>Total</b>	<b>\$1,794,850,000</b>	<b>—</b>	<b>—</b>	<b>\$1,794,850,000</b>
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- (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) Source of debt service payments on general obligations issued for highway rehabilitation projects changed from the Transportation Fund to the General Fund on July 1, 2005.
- (c) As of December 16, 2005.

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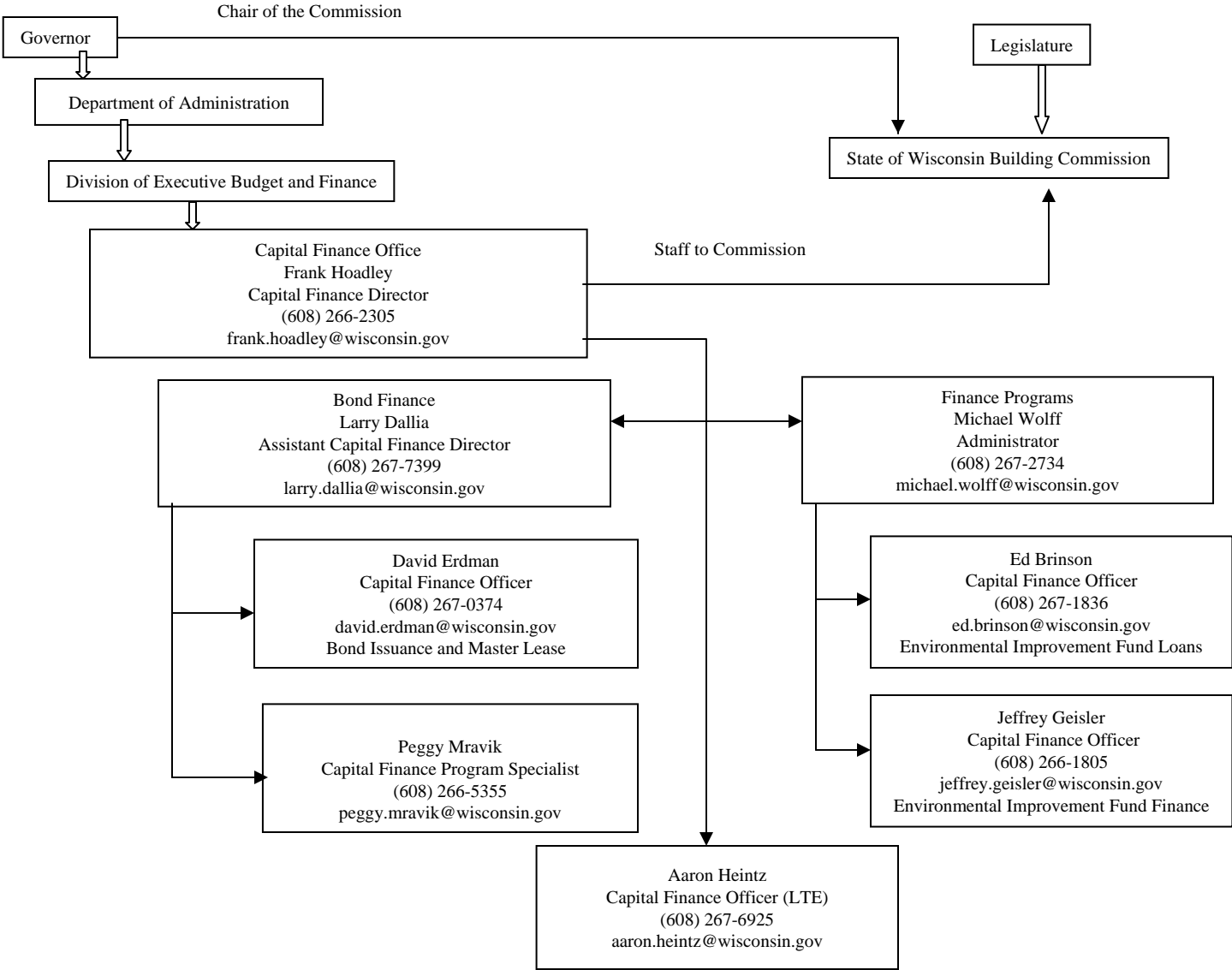
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**PART IV**  
**MASTER LEASE CERTIFICATES OF**  
**PARTICIPATION**

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### Capital Finance Office Staff (As of December 15, 2005)





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

## BUILDING COMMISSION MEMBERS

<b>Voting Members</b>	<b>Term of Office Expires</b>
Governor Jim Doyle, Chairperson	January 8, 2007
Senator Fred A. Risser, Vice-Chairperson	January 5, 2009
Senator Carol Roessler	January 5, 2009
Senator David Zien	January 8, 2007
Representative Jeff Fitzgerald	January 8, 2007
Representative Jennifer Shilling	January 8, 2007
Representative Debi Towns	January 8, 2007
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor
<b>Nonvoting, Advisory Members</b>	
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	_____
Mr. Dave Haley, State Chief Architect Department of Administration	_____
<b>Building Commission Secretary</b>	
Mr. Robert G. Cramer, Administrator Division of State Facilities Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

## OTHER PARTICIPANTS

Ms. Peggy A. Lautenschlager State Attorney General	January 8, 2007
Mr. Stephen E. Bablitch, Secretary Department of Administration	At the pleasure of the Governor

## DEBT MANAGEMENT AND DISCLOSURE

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(Note: New e-mail addresses effective November 2005)

## 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 (12/15/2005)	\$75,184,609
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Certificate Ratings (Fitch/Moody's/Standard & Poor's)	A+/A1 <sup>(1)</sup> /A+ <sup>(2)</sup>
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<sup>(1)</sup> On March 29, 2005, Moody's Investors Service, Inc. changed the rating outlook on the State's master lease certificates of participation from "negative" to "stable".

<sup>(2)</sup> On November 9, 2005, Standard & Poor's Ratings Services changed the rating outlook on the State's master lease certificates of participation from "stable" to "positive".

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

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

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

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

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

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

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

## OUTSTANDING CERTIFICATES

The Trustee, with the consent of the State and pursuant to the Master Indenture, has issued the Certificates shown in Table IV-1. The table includes the outstanding principal balances as of December 15, 2005.

**Table IV-1**  
**OUTSTANDING MASTER LEASE CERTIFICATES OF PARTICIPATION BY ISSUE**  
**(As of December 15, 2005)**

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
<i>Fixed Rate Master Lease COPs</i>				
1996- Master Lease COPs Series B .....	11/8/96	1997-2003	\$ 38,260,000	\$ -0-
1999- Master Lease COPs Series A .....	2/18/99	1999-2005	28,855,000	-0-
Master Lease COPs Series B (Taxable) .....	2/18/99	1999-2005	14,120,000	-0-
2000- Master Lease COPs Series A .....	9/27/00	2001-07	27,255,000	4,413,566 <sup>(a)</sup>
Master Lease COPs Series B (Taxable) .....	9/27/00	2001-05	11,265,000	-0-
2002- Master Lease COPs Series A .....	1/23/02	2002-07	40,275,000	16,403,901 <sup>(a)</sup>
Master Lease COPs Series D .....	12/19/02	2003-07	<u>29,425,000</u>	<u>17,111,024</u> <sup>(a)</sup>
<i>Subtotal; Fixed Rate Master Lease COPs</i>			\$189,455,000	\$37,928,491
<i>Variable Rate Master Lease COPs<sup>(b)</sup></i>				
2002- Master Lease COPs Series C .....	9/3/02	2013	\$ 19,760,463	\$ 1,687,614 <sup>(c)</sup>
2003- Master Lease COPs Series B .....	9/2/03	2013	11,763,900	7,608,768 <sup>(c)</sup>
2004- Master Lease COPs Series A .....	9/1/04	2014	11,960,000	9,108,864 <sup>(c)</sup>
2005- Master Lease COPs Series A .....	9/1/05	2015	13,907,705	13,907,705 <sup>(c)</sup>
2003- Master Lease COPs Series A .....	5/29/03	2022	<u>75,000,000</u>	<u>4,943,167</u>
<i>Subtotal; Variable Rate Master Lease COPs</i>			<u>\$132,392,068</u>	<u>\$37,256,118</u>
<i>Total Master Lease COPs .....</i>			<u>\$321,847,068</u>	<u>\$75,184,609</u>

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

## 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 15, 2005, 15 of the 17 State departments, the Legislature, the Supreme Court, and various other State bodies have used the Program to acquire approximately \$430 million of Leased Items.

### **Program Structure**

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

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

### **Program Operations**

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

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

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

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

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

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

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

## **State Appropriation Process**

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

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

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

## **SECURITY FOR CERTIFICATES**

### **General**

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

### **Common Pool of Collateral**

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

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

*All Leased Items serve as a common pool of collateral, ratably securing all present and future Certificates. All Certificates are secured by all Leased Items, regardless of their funding source or the time at which the Program finances them. If the Legislature fails to appropriate necessary funds for the continued performance of the State's obligations under the Master Lease or if an event of default occurs under any Lease Schedule, then 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 15, 2005, 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. Many of the Leased Items will perform critical governmental functions, but the State will not certify that the Leased Items perform any “essential” functions. Examples of Leased Items currently existing in the Trust include components to the State’s integrated tax collection system, expansion of the State’s central mainframe computer, various information technology items that provide various automated services and information technology upgrades for the State, and energy conservation projects for state-owned buildings. See “[TABLE IV-2; Outstanding Master Lease Schedules.](#)”

## **Centralized Control and Review**

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

## **Two-Phase Financing Structure**

The State ordinarily uses a two-phase financing structure for the Program. In the first (or acquisition) phase, all Leased Items are initially financed with proceeds from a revolving credit facility. The revolving credit facility is a line of credit, and the State, acting on behalf of the Trustee, requests draws from the revolving credit facility to pay for the acquisition of Leased Items. Certificates have been issued to the current provider of this revolving credit facility to evidence the State’s repayment of balances under the facility. The provider has been Banc of America Leasing & Capital LLC; however, in November 2005 the provider’s interest was assigned to Banc of America Public and Institutional Financial Funding LLC. 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, may sell additional Certificates to fund all, or a portion, of the Lease Schedules previously funded with proceeds from the revolving credit facility with proceeds of a fixed-rate, and most often tax-exempt, financing. Since all Leased Items have already been accepted by the State in the first phase, Certificates issued in the second phase do not have any nonorigination risk. The State last issued fixed-rate Certificates in December 2002 and during the past two years has exclusively used the revolving credit facility to fund Lease Schedules.

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

## **Appropriation Process**

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

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

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

#### *Priority of Claims*

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

## **RISK FACTORS**

### **Nonappropriation**

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

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

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

### **Essentiality of Leased Items**

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

### **Collateral Value of Leased Items**

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

security interests kept by the State of Wisconsin Department of Financial Institutions under the Uniform Commercial Code.

**Tax Exemption**

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

**Applicability of Securities Law**

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



**Table IV-2**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
99-053	5/13/1999	3/1/2006	vhf Trunking Infrastructure	\$ 311,250.00	\$ 3,199.41
99-054	5/13/1999	3/1/2006	vhf Trunking Infrastructure	311,250.00	3,859.78
99-113	9/20/1999	3/1/2006	vhF Trunking Project (DOT)	792,578.64	71,843.26
99-114	9/20/1999	3/1/2006	vhF Trunking Project (DNR)	792,578.63	71,843.27
99-141	12/13/1999	3/1/2006	vhF Trunking Pilot	141,171.36	3,659.99
99-142	12/13/1999	3/1/2006	vhF Trunking Pilot	141,171.37	3,659.97
00-010	2/7/2000	9/1/2006	CADD -Computer Aid Dispatch System	478,610.00	30,297.15
00-031	4/28/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	569,400.00	433,010.39
00-032	4/28/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	1,450,000.00	1,102,678.41
00-045	5/18/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	74,600.00	56,723.76
00-050	5/26/2000	3/1/2007	Dig Microwave Comm Infra Equip	1,343,109.85	309,893.87
00-068	6/30/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Marathon County	32,594.00	23,982.93
00-073	7/19/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	624,000.00	473,814.96
00-074	7/19/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	1,800,000.00	1,366,773.96
00-081	8/7/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	501,520.00	386,770.63
00-086	8/25/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Marathon County	102,562.00	76,004.96
00-095	9/29/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	312,000.00	231,314.12
00-096	9/29/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	750,000.00	554,802.15
00-097	9/29/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	364,820.00	270,152.11
00-100	9/29/2000	9/1/2007	Vapor Testing	249,889.00	67,324.05
00-107	10/16/2000	9/1/2007	Mass Spectrometer	298,450.00	79,058.17
00-108	10/16/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	413,798.00	306,878.34
00-120	11/2/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	276,714.00	205,479.57
00-121	11/2/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	292,169.21	216,959.48
00-128	11/22/2000	9/1/2015	WEI 3-Energy Perf Contract; Winnebago MHI	364,307.50	271,043.04
00-129	11/22/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	131,710.25	97,522.38
00-130	11/22/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	450,000.00	333,194.09
00-131	11/22/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	1,200,000.00	888,517.61
00-132	11/22/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	78,880.00	58,686.35
00-135	12/18/2000	9/1/2015	WEI 3-Energy Perf Contract; Winnebago MHI	182,598.00	136,132.59
00-142	12/18/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	516,614.64	385,152.55
00-144	12/18/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	391,860.00	292,144.01
00-146	12/29/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	351,434.00	262,246.85
00-147	12/29/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	216,443.15	161,514.07
00-148	12/29/2000	9/1/2015	WEI 3-Energy Perf Contract; Winnebago MHI	79,455.00	59,290.88
00-149	12/29/2000	9/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	85,000.00	63,428.63
00-151	12/29/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	452,800.00	334,833.69
00-152	12/29/2000	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	350,000.00	258,815.80
01-001	2/1/2001	9/1/2015	WEI 3-Energy Perf Contract; Winnebago MHI	33,274.50	24,899.32
01-007	2/1/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 4	794,500.00	603,677.31
01-008	2/1/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Marathon County	27,812.00	20,468.50
01-009	2/1/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	140,829.20	105,382.50
01-010	2/1/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	256,062.00	191,611.25
01-011	2/1/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	85,000.00	63,605.53
01-012	2/1/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	200,000.00	147,191.86
01-013	2/1/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	350,000.00	257,585.70
01-020	2/22/2001	3/1/2010	WEI 3-Energy Perf Contract; Jackson Correctional	17,046.00	9,220.94
01-025	3/27/2001	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	160,584.00	122,771.96
01-029	3/27/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	256,912.00	193,610.64
01-030	3/27/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	129,036.87	97,243.09
01-031	3/27/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	93,375.00	71,427.65
01-033	3/27/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	998,500.00	740,331.02
01-034	3/27/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	73,838.75	54,747.22
01-035	3/27/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	151,040.00	111,987.56
01-036	3/27/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	92,000.00	69,331.84
01-037	4/17/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	286,000.00	204,943.98
01-038	4/17/2001	3/1/2006	Golf Course Maintenance Equio	77,787.00	8,520.88
01-039	4/17/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Colleges Waukesha	53,534.00	40,455.84

**Table IV-2 – Continued**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
01-042	4/17/2001	3/1/2008	Ice Cream Processing Equipment	99,390.00	38,844.96
01-043	5/9/2001	9/1/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	14,040.00	9,879.83
01-048	5/9/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	25,000.00	18,640.11
01-049	5/9/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	250,000.00	186,401.23
01-050	5/9/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	50,477.20	38,242.95
01-051	5/9/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	24,025.89	18,202.68
01-052	5/9/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	484,510.00	372,510.87
01-053	5/9/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	277,000.00	199,093.52
01-057	5/30/2001	9/1/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	20,500.00	14,493.87
01-058	5/30/2001	3/1/2010	WEI 3-Energy Perf Contract; Jackson Correctional	55,707.00	30,888.88
01-059	5/30/2001	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	153,466.00	118,456.36
01-065	5/30/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	88,700.00	66,414.35
01-066	5/30/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	63,011.00	47,179.65
01-067	5/30/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	235,800.00	170,251.19
01-069	5/30/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence Halls	319,552.00	246,653.77
01-071	6/28/2001	9/1/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	20,500.00	14,568.71
01-073	6/28/2001	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	13,500.00	10,463.25
01-077	6/28/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	45,208.00	34,001.62
01-078	6/28/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	40,300.00	30,310.24
01-079	6/28/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	240,550.00	174,706.81
01-080	6/28/2001	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	36,145.20	27,614.54
01-081	6/28/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence Halls	442,300.00	342,807.06
01-084	7/18/2001	3/1/2006	WISACWIS Child Welfare System ; Phase 2 Rollout	1,726,968.00	199,660.16
01-092	8/2/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville	138,000.00	107,762.47
01-093	8/2/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	165,450.00	121,072.31
01-094	8/2/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1	307,262.00	239,937.07
01-095	8/2/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	22,150.00	16,792.63
01-096	8/31/2001	3/1/2006	Turnstiles	36,470.00	4,322.24
01-104	8/31/2001	9/1/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	7,490.00	5,393.16
01-105	8/31/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	107,950.00	79,314.91
01-106	8/31/2001	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	28,700.00	22,484.39
01-107	8/31/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence Halls	278,000.00	217,792.95
01-108	8/31/2001	9/1/2008	Office/Systems Furniture-State Just. Cnt	130,885.20	60,173.88
01-110	9/28/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	435,980.00	342,684.27
01-115	9/28/2001	3/1/2006	Systems Furniture-Phase 2	30,520.59	1,000.00
01-117	9/28/2001	9/1/2015	WEI 3-Energy Perf Contract; Winnebago MHI	20,965.00	16,252.82
01-119	9/28/2001	9/1/2008	Development of ICS	262,533.25	121,768.33
01-120	9/28/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	45,000.00	35,370.41
01-121	9/28/2001	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	67,000.00	49,429.34
01-122	9/28/2001	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	62,800.00	49,361.38
01-123	9/28/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	26,650.00	20,351.68
01-125	9/28/2001	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	666,242.00	529,943.85
01-127	10/24/2001	9/1/2008	Systems Furn-State Justice Center	395,554.99	185,003.18
01-128	10/24/2001	3/1/2008	Ice Cream Equipment	198,780.00	83,481.97
01-129	10/24/2001	9/1/2008	Development of ICS	317,181.00	148,347.24
01-130	10/24/2001	9/1/2006	WISACWIS Child Welfare System ; Phase 2 Rollout	1,542,845.00	338,100.63
01-133	11/21/2001	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	487,245.20	389,906.78
01-134	11/21/2001	9/1/2008	Development of ICS	184,092.00	86,863.15
01-135	11/21/2001	9/1/2006	WISACWIS Child Welfare System ; Phase 2 Rollout	566,525.00	125,813.05
01-138	11/21/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville Residence Halls	334,050.00	264,237.08
01-140	11/21/2001	9/1/2008	System Furn - State Justice Center	1,034,582.09	488,163.88
01-144	12/28/2001	9/1/2006	WISACWIS Child Welfare System ; Phase 2 Rollout	486,784.00	110,149.96
01-147	12/28/2001	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	51,210.00	40,691.21
01-148	12/28/2001	9/1/2013	WEI 3-Energy Perf Contract; Green Bay Correctional	7,670.00	5,627.01
01-149	12/28/2001	9/1/2008	Systems and Office Furn - State Justice	313,696.34	149,854.76
01-150	12/28/2001	9/1/2008	Development of ICS	285,495.00	136,382.81
01-151	12/28/2001	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Biotron Facility	23,675.00	18,299.84
01-152	12/28/2001	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	587,298.00	466,663.95

**Table IV-2 – Continued**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
02-001	1/23/2002	9/1/2006	Develop WiSACWIS Phase 1	1,036,179.00	242,314.73
02-003	1/31/2002	9/1/2008	Systems Furniture - State Justice Center	1,015,155.28	493,321.17
02-004	1/31/2002	9/1/2008	Development of ICS	102,466.00	19,079.25
02-005	1/31/2002	9/1/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	1,022,343.35	733,710.13
02-010	1/31/2002	9/1/2008	Digital Microwave Phase 2	48,611.45	23,623.04
02-012	1/31/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville	95,800.00	83,154.36
02-013	1/31/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	1,081,226.20	775,968.87
02-014	1/31/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	81,075.00	57,658.69
02-015	1/31/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	227,500.00	161,792.82
02-017	2/21/2002	9/1/2008	Development of ICS	79,444.26	38,991.56
02-019	2/21/2002	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 1	17,552.00	12,276.70
02-020	2/21/2002	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 2	21,655.60	15,320.55
02-023	2/21/2002	9/1/2008	Systems Furniture	42,675.87	20,945.49
02-025	2/21/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	100,000.00	71,485.53
02-027	2/21/2002	3/1/2014	WEI 3-Energy Perf Contract; UW-Oshkosh	50,250.00	34,230.49
02-028	2/21/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	196,496.80	141,730.54
02-029	2/21/2002	9/1/2015	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	10,083.54	7,133.73
02-031	3/14/2002	9/1/2008	Development of ICS	83,557.50	36,495.58
02-032	3/14/2002	9/1/2008	Digital Microwave Infrastructure	604,442.34	299,969.89
02-037	4/26/2002	9/1/2008	Systems Furniture/Equip. - 17 E Main	15,590.77	7,893.55
02-038	4/26/2002	3/1/2010	WEI 3-Energy Perf Contract; Jackson Correctional	12,479.00	7,102.01
02-040	4/26/2002	3/1/2007	Tractor	62,730.00	20,809.20
02-042	4/26/2002	9/1/2008	Digital Microwave Phase 2	498,075.51	188,791.91
02-043	4/26/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 1&2	225,000.00	163,433.82
02-044	4/26/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	429,034.20	314,306.57
02-048	4/26/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Platteville	85,858.00	62,364.90
02-049	4/26/2002	9/1/2008	Develop Integrated Corrections System	207,102.74	104,855.20
02-050	4/26/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	1,307,850.00	967,820.01
02-051	4/26/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	825,640.24	610,980.72
02-052	5/24/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	250,000.00	186,167.06
02-055	5/24/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	142,872.90	105,373.42
02-056	5/24/2002	3/1/2016	WEI 3-Energy Perf Contract; Mendota MHI	32,340.00	23,653.83
02-057	5/24/2002	9/1/2008	ICS	32,025.50	16,436.06
02-058	5/24/2002	9/1/2008	Dig Microwave Infra Equipment	58,101.76	29,818.87
02-059	5/31/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Oshkosh	696,128.00	519,054.85
02-060	6/18/2002	9/1/2008	ICS	263,980.00	137,071.58
02-061	6/18/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	127,832.05	94,821.16
02-062	6/18/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Oshkosh	250,000.00	187,163.87
02-063	6/18/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	206,800.00	154,821.93
02-064	6/18/2002	3/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 2	31,000.00	22,807.54
02-066	6/18/2002	9/1/2008	Dig Microwave Infrastructure	173,195.51	89,931.74
02-070	6/18/2002	3/1/2007	Golf Course Maintenance Equip	103,831.00	35,584.59
02-071	6/18/2002	3/1/2016	WEI 3-Energy Perf Contract; King Veterans' Home	185,490.00	136,561.41
02-074	7/16/2002	3/1/2006	Truck for Agronomy	17,558.00	2,290.11
02-075	7/16/2002	3/1/2008	Ice Cream Processing	33,520.97	16,033.76
02-076	7/16/2002	3/1/2006	Hardware and Software for Int Tax System	813,032.47	36,823.55
02-081	7/16/2002	9/1/2008	Development of ICS	130,647.00	68,847.57
02-082	7/16/2002	9/1/2012	WEI 3-Energy Perf Contract; UW-Colleges Washington County	103,301.00	69,965.12
02-083	7/16/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	79,754.00	60,122.59
02-084	7/16/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	1,006,392.00	752,324.74
02-085	8/22/2002	9/1/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	49,230.00	37,073.44
02-086	8/22/2002	3/1/2017	WEI 3-Energy Perf Contract; Oshkosh Correctional	124,032.00	94,164.02
02-087	8/22/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	175,328.20	132,033.65
02-088	8/22/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	382,687.28	290,532.84
02-089	8/22/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	120,000.00	91,102.97
02-090	8/22/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	229,500.00	172,828.58
02-091	8/22/2002	9/1/2007	Development of E-WiSACWIS (Internet Bas)	456,801.60	185,459.07
02-092	8/22/2002	3/1/2009	Dbase Redesign	294,232.65	158,823.79

**Table IV-2 – Continued**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
02-093	8/22/2002	9/1/2007	WISACWIS Child Welfare System ; Phase 2 Rollout	644,028.00	261,472.01
02-096	8/22/2002	3/1/2007	Tractor for University Ridge Golf Course	24,500.00	8,335.06
02-100	9/13/2002	9/1/2007	Grand Piano	17,000.00	6,894.03
02-104	9/13/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	682,701.48	517,709.54
02-105	9/13/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	222,320.50	167,230.89
02-106	9/13/2002	9/1/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	105,963.42	79,706.38
02-107	9/13/2002	3/1/2017	WEI 3-Energy Perf Contract; Oshkosh Correctional	553,036.00	419,380.98
02-108	9/13/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	575,550.00	436,453.92
02-109	9/13/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	419,000.00	315,174.47
02-110	9/13/2002	9/1/2012	WEI 3-Energy Perf Contract; UW-Colleges Washington County	34,200.00	23,389.01
02-111	9/13/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	96,300.00	73,026.70
02-112	9/13/2002	9/1/2017	WEI 3-Energy Perf Contract; Racine Correctional	597,251.20	456,065.20
02-113	9/13/2002	9/1/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	75,777.00	53,518.15
02-115	9/13/2002	3/1/2009	Dbase Redesign	281,173.53	151,601.42
02-116	10/4/2002	9/1/2007	E-WiSACWIS - Internet Based	292,485.20	118,459.87
02-117	10/4/2002	9/1/2007	WISACWIS Child Welfare System ; Phase 2 Rollout	684,481.00	277,222.70
02-120	10/4/2002	9/1/2009	Record Center Shelving	314,453.00	179,032.29
02-123	10/24/2002	3/1/2009	Dbase Redesign	359,712.77	193,495.45
02-126	10/24/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	30,641.00	23,181.66
02-127	10/24/2002	9/1/2017	WEI 3-Energy Perf Contract; Racine Correctional	361,201.60	275,172.93
02-128	10/24/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	100,000.00	75,045.22
02-129	10/24/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	75,000.00	56,741.76
02-130	10/24/2002	9/1/2014	WEI 3-Energy Perf Contract - Kettle Moraine	127,113.00	91,885.32
02-131	10/24/2002	9/1/2013	WEI 3-Energy Perf Contract; UW-Colleges Fox Valley	143,756.00	101,292.16
02-132	10/24/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	1,077,876.00	815,474.20
02-142	11/19/2002	9/1/2007	Development of E-WiSACWIS	258,494.80	104,409.72
02-143	11/19/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	63,250.00	47,772.76
02-144	11/19/2002	9/1/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	65,090.00	45,787.05
02-145	11/19/2002	9/1/2009	Dbase Redesign	788,372.82	447,640.14
02-146	11/19/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	90,000.00	67,428.57
02-147	11/19/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	59,634.00	45,041.58
02-148	11/19/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	171,500.00	129,534.06
02-149	12/19/2002	9/1/2009	Int Tax SystemPhase2 Milestone 1 #9&10	6,056,718.00	3,434,276.54
02-150	12/30/2002	9/1/2008	Development of ICS	232,282.51	127,852.16
02-151	12/30/2002	9/1/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	121,100.00	94,008.15
02-152	12/30/2002	3/1/2016	WEI 3-Energy Perf Contract; King Veterans' Home	13,010.00	10,727.19
02-153	12/30/2002	9/1/2013	WEI 3-Energy Perf Contract; UW-Colleges Fox Valley	36,500.00	28,334.42
02-154	12/30/2002	9/1/2014	WEI 3-Energy Perf Contract; Kettle Moraine	69,200.00	55,231.19
02-155	12/30/2002	3/1/2014	WEI 3-Energy Perf Contract; UW-Madison Health	39,220.00	31,305.36
02-156	12/30/2002	9/1/2017	WEI 3-Energy Perf Contract; Racine Correctional	189,187.30	159,930.86
02-157	12/30/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	120,000.00	100,671.15
02-158	12/30/2002	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	130,075.00	108,222.92
02-159	12/30/2002	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	103,000.00	86,409.40
02-160	12/30/2002	9/1/2009	Dbase Redesign	347,464.91	216,746.45
02-163	12/30/2002	9/1/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	42,633.43	35,471.16
02-164	12/30/2002	9/1/2008	Systems Furniture for State Justice Cent	29,446.94	16,208.08
03-001	1/24/2003	9/1/2017	WEI 3-Energy Perf Contract; Racine Correctional	41,851.50	35,589.16
03-002	1/24/2003	9/1/2014	WEI 3-Energy Perf Contract; Kettle Moraine	45,000.00	36,171.76
03-003	1/24/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	51,670.00	43,611.22
03-004	1/24/2003	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	222,760.00	186,497.75
03-005	1/24/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	82,800.00	69,885.99
03-006	1/24/2003	9/1/2008	Development of ICS	833,478.00	464,770.07
03-007	1/24/2003	9/1/2009	DMV DataBase Redesign	318,371.14	200,828.18
03-009	1/24/2003	3/1/2006	Computer Network Equipment	16,630.47	2,788.33
03-011	2/14/2003	9/1/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	77,200.00	60,764.48
03-012	2/14/2003	9/1/2009	DMV DataBase Redesign	430,084.33	273,791.00
03-014	2/14/2003	3/1/2008	Shelving	32,027.49	16,533.91
03-015	2/14/2003	9/1/2008	Development of ICS	668,781.87	376,943.88

**Table IV-2 – Continued**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
03-016	2/28/2003	3/1/2016	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 4	55,150.00	46,199.43
03-017	2/28/2003	3/1/2017	WEI 3-Energy Perf Contract; Oshkosh Correctional	16,880.00	14,374.41
03-018	2/28/2003	9/1/2008	Development of ICS	107,814.74	61,296.61
03-020	2/28/2003	3/1/2018	WEI 3-Energy Perf Contract; UW-Milwaukee Ph 3	69,900.00	60,358.97
03-024	3/14/2003	3/1/2006	Computer Network Equipment	56,584.00	9,956.13
03-025	3/14/2003	9/1/2008	Development of ICS	257,231.01	147,354.61
03-026	3/14/2003	3/1/2010	Development of E-WiSACWIS	324,211.90	209,047.65
03-029	3/14/2003	3/1/2010	Coach Bus	340,822.00	229,688.70
03-030	3/14/2003	3/1/2010	Database Redesign	383,004.41	258,116.52
03-031	4/14/2003	9/1/2008	Development of ICS	274,939.88	160,154.87
03-032	4/14/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 3	85,000.00	73,190.59
03-033	4/14/2003	9/1/2017	WEI 3-Energy Perf Contract; Racine Correctional	38,911.40	33,738.65
03-034	4/14/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	157,664.00	135,759.09
03-035	4/14/2003	9/1/2016	WEI 3-Energy Perf Contract; UW-Whitewater	35,496.15	30,335.06
03-038	4/14/2003	9/1/2008	Excise Tax Syst	100,000.00	58,250.86
03-039	4/14/2003	9/1/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	27,980.00	22,446.24
03-040	4/14/2003	3/1/2010	Development/Redesign of DMV Database	468,532.04	319,993.61
03-042	5/6/2003	9/1/2008	Development of ICS	143,987.54	84,911.43
03-043	5/6/2003	3/1/2006	PCs for Academic Computing Labs	62,230.00	9,684.17
03-044	5/6/2003	3/1/2006	54 PC's Specialty Computer Labs	48,006.00	8,904.71
03-045	5/6/2003	9/1/2009	Integrated Tax System Phase 2 Release 1	1,246,527.00	824,822.82
03-046	7/31/2003	3/1/2018	WEI 3-Energy Perf Contract; UW-Eau Claire Ph 3	52,680.00	45,158.33
03-049	5/6/2003	3/1/2010	Coach Bus	340,822.00	235,067.99
03-050	5/6/2003	3/1/2010	Manure Handling Equipment - Waupun Farms	163,000.00	112,422.56
03-052	5/27/2003	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	306,308.00	264,733.97
03-053	5/27/2003	9/1/2012	WEI 3-Energy Perf Contract; UW-Colleges Washington County	8,025.00	6,330.96
03-054	5/27/2003	3/1/2010	Database Redesign	481,094.79	334,946.15
03-055	5/27/2003	3/1/2010	Development of E-WISACWIS	265,726.00	185,002.84
03-057	6/19/2003	9/1/2013	WEI 3-Energy Perf Contract; Oakhill Correctional	172,414.90	141,166.24
03-059	6/19/2003	3/1/2008	Golf Course Maintenance Equip	10,275.00	5,722.83
03-060	6/19/2003	3/1/2010	Database Redesign	350,079.93	246,030.14
03-061	6/19/2003	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	189,775.00	164,879.38
03-062	7/10/2003	9/1/2016	WEI 3-Energy Perf Contract; Southern Wisconsin Center	27,851.81	24,327.98
03-063	7/10/2003	3/1/2010	Development of E-WiSACWIS	291,680.70	206,919.06
03-066	7/10/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-LaCrosse	19,432.00	17,090.95
03-067	7/10/2003	3/1/2010	Manure Handling System	37,000.00	26,247.91
03-072	7/31/2003	3/1/2010	DMV DataBase Redesign	295,253.01	202,967.92
03-073	7/31/2003	3/1/2008	Golf Course Maintenance Equipment	22,310.00	12,206.48
03-074	7/31/2003	3/1/2010	Development of E-WISACWIS	187,592.80	119,569.84
03-076	7/31/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	250,000.00	211,728.84
03-077	7/31/2003	9/1/2013	WEI 3-Energy Perf Contract; UW-Stevens Point	11,740.00	9,322.02
03-079	8/20/2003	3/1/2010	WISACWIS Child Welfare System ; Phase 2 Rollout	1,055,797.00	366,317.67
03-080	8/20/2003	3/1/2010	DMV DataBase Redesign	281,408.93	195,274.40
03-082	8/20/2003	3/1/2008	Golf Course Maintenance Equipment	94,312.78	52,294.42
03-083	8/20/2003	3/1/2010	Addition of Lavatories to Coach Buses	32,821.80	22,775.61
03-085	9/19/2003	9/1/2008	Development of ICS 2.0	108,257.75	66,262.58
03-087	9/22/2003	9/1/2008	Int Tax System- Excise Tax Report (DOT)	358,682.00	87,945.11
03-088	9/22/2003	9/1/2010	Development of WiSACWIS Phase 2	654,520.00	237,959.47
03-089	9/19/2003	3/1/2010	DMV DataBase Redesign	326,148.03	229,962.88
03-091	10/27/2003	9/1/2013	WEI 3-Energy Perf Contract; Oakhill Correctional	52,068.10	42,619.37
03-092	10/27/2003	3/1/2010	DMV DataBase Redesign	302,529.60	217,039.93
03-093	10/27/2003	3/1/2018	WEI 3-Energy Perf Contract; UW-Eau Claire	163,040.00	142,961.83
03-094	10/27/2003	9/1/2008	Development of ICS Phase 2.0	54,543.00	34,136.09
03-095	10/27/2003	9/1/2006	Liquid Chromo Mass Spect. - Primate Rsch	219,227.87	77,558.87
03-096	11/13/2003	3/1/2010	DMV DataBase Redesign	351,103.03	253,917.71
03-099	11/13/2003	9/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 6	130,000.00	113,333.45
03-100	12/11/2003	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	758,482.00	661,863.54
03-101	12/11/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	254,050.00	222,971.19

**Table IV-2 – Continued**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
03-102	12/11/2003	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	75,617.00	66,366.52
03-103	12/11/2003	9/1/2010	Development of WiSACWIS Phase 2	1,653,820.00	582,331.03
03-105	12/11/2003	3/1/2015	WEI 3-Energy Perf Contract; UW-Mad Charter Street Ph 2	22,500.00	19,229.91
03-106	12/11/2003	9/1/2008	ICS	54,540.50	35,103.03
03-107	12/11/2003	3/1/2010	Database Redesign	232,218.56	170,970.51
04-001	1/16/2004	9/1/2010	Development of E-WiSACWIS-Internet Child	43,183.20	16,547.05
04-002	1/16/2004	3/1/2010	Dbase Redesign	201,270.61	150,150.66
04-003	1/16/2004	9/1/2008	Integrated Corrections System	50,462.63	33,224.75
04-004	1/16/2004	9/1/2008	Monitoring Units	215,065.08	116,614.44
04-006	2/24/2004	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Health	31,633.00	28,320.22
04-007	2/24/2004	9/1/2010	Development of WiSACWIS Phase 2	229,658.00	89,598.77
04-008	2/24/2004	9/1/2010	Development of E-WiSACWIS	38,105.40	14,866.44
04-009	2/24/2004	3/1/2010	Dbase Development - DMV	133,559.64	101,584.68
04-011	2/24/2004	9/1/2006	Various IT Items; Department-Wide Apps	86,563.00	29,960.46
04-012	2/24/2004	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	277,000.00	246,714.86
04-013	2/24/2004	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	278,200.00	249,065.37
04-014	2/24/2004	3/1/2010	Manure Handling System - Waupun Correct.	9,454.00	7,190.67
04-015	3/23/2004	3/1/2010	Dbase Development - DMV	205,290.14	158,483.66
04-016	3/23/2004	9/1/2010	Development of Statewide Child Welfare S	1,586,770.00	627,677.82
04-017	4/22/2004	3/1/2017	WEI 3-Energy Perf Contract; UW-Colleges Baraboo/Sauk	163,226.00	148,475.00
04-018	4/22/2004	3/1/2012	WEI 3-Energy Perf Contract; Dodge Correctional	144,800.00	126,672.88
04-019	4/22/2004	3/1/2010	Dbase Development - DMV	85,048.88	66,650.88
04-020	4/22/2004	3/1/2009	Golf Course Maintenance Equipment	17,398.00	12,787.97
04-021	4/22/2004	9/1/2015	WEI 3-Energy Perf Contract; Biotron FIN	6,165.00	5,522.44
04-023	5/12/2004	3/1/2007	IBM pSeries Server Systems	600,212.40	327,976.35
04-024	5/12/2004	9/1/2008	Excise Tax Report and Auditing System (D	350,000.00	178,016.08
04-026	5/12/2004	3/1/2009	Golf Course Maintenance Equip	84,465.00	62,863.00
04-027	5/12/2004	3/1/2010	Dbase Redesign	190,133.00	150,570.53
04-028	6/10/2004	3/1/2007	PCs for General Access Computer Lab	68,400.00	38,503.04
04-029	6/10/2004	3/1/2007	PCs for Genera Access Comp Lab(AppleMac)	43,428.37	24,446.26
04-030	6/10/2004	3/1/2010	Dbase Redesign-FINAL	5,269.75	4,235.49
04-031	6/10/2004	9/1/2010	WISACWIS Child Welfare System ; Phase 2 Rollout	119,434.00	49,042.42
04-032	6/10/2004	3/1/2018	WEI 3-Energy Perf Contract; UW-Eau Claire Ph 3	4,915.00	4,564.68
04-033	6/10/2004	3/1/2007	PCs for Student Labs	83,300.00	46,890.40
04-034	6/30/2004	3/1/2010	ITS Phase III, Release 2, Milestones 4-6	413,838.00	336,216.80
04-035	6/30/2004	3/1/2007	PC Replacement ML27	233,128.75	134,118.42
04-037	6/30/2004	9/1/2010	WISACWIS Child Welfare System ; Phase 2 Rollout	43,174.00	17,905.90
04-038	6/30/2004	3/1/2007	Microscope System	44,737.37	25,737.31
04-039	6/30/2004	3/1/2007	IBM pSeries Server Systems	105,272.32	60,562.93
04-040	6/30/2004	3/1/2009	Silage Bagging System	22,716.50	17,431.15
04-041	7/20/2004	9/1/2009	CARES -Web Graphical User Interface	879,325.00	704,735.70
04-042	7/20/2004	9/1/2014	WEI 3-Energy Perf Contract; Ethan Allen	210,757.00	194,789.87
04-043	8/20/2004	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	190,000.00	179,029.69
04-044	8/20/2004	9/1/2010	Development WiSACWIS Phase 2 -FINAL	2,430,141.00	1,032,681.72
04-045	9/20/2004	9/1/2011	I-94 LED Sign	559,063.07	493,817.13
04-046	9/20/2004	9/1/2009	Vehicle Scale Test Truck	74,591.48	61,702.81
04-047	9/20/2004	9/1/2007	Servers and Storage Area Network System	261,095.00	181,327.92
04-048	9/20/2004	9/1/2008	Electronic Monitoring Units	71,400.00	36,914.80
04-049	10/29/2004	9/1/2014	WEI 3-Energy Perf Contract; Ethan Allen	122,991.00	112,609.54
04-050	10/29/2004	3/1/2012	WEI 3-Energy Perf Contract; Dodge Correctional	418,453.00	379,041.64
04-051	10/29/2004	3/1/2017	WEI 3-Energy Perf Contract; UW-Colleges Baraboo/Sauk	30,663.00	29,197.73
04-052	10/29/2004	3/1/2009	Upgrades to CARES	1,237,709.03	1,043,936.01
04-053	10/29/2004	9/1/2007	Server Replacement/SANS	6,984.00	5,020.99
04-054	10/29/2004	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	175,000.00	166,637.41
04-055	10/29/2004	9/1/2017	WEI 3-Energy Perf Contract; Racine Correctional	28,051.00	26,783.61
04-056	10/29/2004	9/1/2009	Street & Directional Signage - SFP	37,442.58	31,580.65
04-058	11/30/2004	9/1/2009	Street & Directional Signage - SFP	25,853.31	22,154.67
04-059	11/30/2004	9/1/2008	Excise Tax and Reporting System	356,000.00	257,229.34

**Table IV-2 – Continued**  
**OUTSTANDING MASTER LEASE SCHEDULES**  
(As of December 15, 2005)

<u>Schedule Number</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Leased Item</u>	<u>Financed Amount</u>	<u>Principal Balance</u>
04-060	11/30/2004	3/1/2009	Upgrades to CARES	1,117,580.00	957,695.28
04-061	11/30/2004	3/1/2018	WEI 3-Energy Perf Contract; UW-Eau Claire	42,765.00	41,113.09
05-001	1/6/2005	3/1/2009	Development of Data Center	285,000.00	244,011.38
05-002	1/6/2005	9/1/2009	Van Body, Trolley System, and Scale Test	102,500.00	89,514.51
05-003	1/31/2005	3/1/2008	Laptops	56,190.00	46,202.85
05-004	1/31/2005	3/1/2012	WEI 3-Energy Perf Contract; Dodge Correctional	90,617.00	84,472.95
05-005	1/31/2005	3/1/2014	WEI 3-Energy Perf Contract; UW-Madison Section 7	175,000.00	166,313.61
05-006	2/24/2005	3/1/2008	Laptop Computers	334,644.00	280,706.94
05-007	3/17/2005	3/1/2008	Computer Printers-IT Hardware	213,325.20	182,486.84
05-008	3/17/2005	3/1/2009	Development of Data Center	133,000.00	119,008.78
05-009	3/17/2005	9/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 6	501,490.00	488,890.93
05-010	3/17/2005	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	320,550.00	312,018.62
05-011	3/17/2005	9/1/2016	WEI 3-Energy Perf Contract; UW-Madison Section 4	290,000.00	281,809.90
05-012	3/17/2005	3/1/2007	Snow Removal Equipment/Wheel Loader	126,772.00	46,582.78
05-013	3/17/2005	3/1/2008	Develop E-Filing Estate Transfer Return	100,000.00	85,543.97
05-014	4/13/2005	9/1/2009	Upgrades to CARES System	744,430.00	685,696.39
05-015	4/13/2005	9/1/2008	Excise and Tax Reporting System (DOT)	310,791.35	277,322.81
05-016	4/13/2005	3/1/2008	Data Warehouse Project	102,443.24	89,655.12
05-017	4/13/2005	3/1/2008	Emergency Server Replacement/Laptops	60,577.31	53,015.37
05-019	4/13/2005	3/1/2009	Development of Date Warehouse-Legis.	199,500.00	181,493.75
05-020	4/13/2005	3/1/2008	PCs/Workstation and Related Software	534,159.45	467,479.64
05-021	5/5/2005	3/1/2008	PCs, Hardware and Software	416,458.02	371,773.69
05-022	5/5/2005	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	547,825.00	537,418.01
05-023	5/5/2005	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 6	387,180.00	380,242.61
05-024	5/5/2005	3/1/2008	Data Warehouse Project	188,510.77	168,284.30
05-025	5/5/2005	3/1/2008	Various IT Hardware/Software Upgrades	89,501.92	79,898.71
05-026	5/5/2005	3/1/2008	Apple Mac PCs; General Access Lab	99,712.00	89,013.29
05-027	5/5/2005	3/1/2008	PCs	46,665.00	41,658.02
05-028	5/26/2005	3/1/2008	PCs, Hardware and Software	172,660.80	157,158.42
05-029	5/26/2005	3/1/2008	Data Warehouse Project	97,861.03	89,074.56
05-030	5/26/2005	3/1/2008	Develop E-Filing Estate Transfer Return	100,000.00	91,021.48
05-031	5/26/2005	3/1/2008	Server Replacement and Audit Laptops	30,921.44	28,145.15
05-032	5/26/2005	3/1/2010	Int Tax System Phase 3-Release 2.0	441,815.00	420,020.49
05-033	6/9/2005	3/1/2010	Golf Course Maintenance Equipment	118,620.00	113,532.42
05-034	6/9/2005	3/1/2008	PC's, Hardware and Software	56,669.74	52,218.70
05-035	6/9/2005	3/1/2012	ITS Phase 3-WINPAS Project	1,400,000.00	1,360,121.71
05-036	6/30/2005	3/1/2010	Int Tax System Phase 3, Release 2.0	211,410.00	184,172.37
05-038	7/26/2005	3/1/2007	WEI 3-Energy Perf Contract; UW-Madison Section 5	220,000.00	220,092.60
05-039	7/26/2005	3/1/2008	Develop E-Filing Estate Transfer Return	140,000.00	70,029.46
05-040	11/9/2005	3/1/2008	DNR Mobile Data Communication System Upgrade For	229,957.00	229,957.00
05-041	7/26/2005	9/1/2008	WINPAS Blade Server	357,432.77	357,583.22
05-042	7/26/2005	3/1/2008	PC's, Hardware and Software	15,844.39	15,851.06
05-043	8/17/2005	9/1/2011	LED Sign	35,000.00	35,000.00
05-044	8/17/2005	3/1/2009	CAD V, CAD V Redundancy, Digitized Mapping	283,850.00	283,850.00
05-045	8/17/2005	3/1/2008	PC's, Hardware and Software	16,626.68	16,626.68
05-046	9/7/2005	3/1/2012	ITS Phase 3-WINPAS Project	600,000.00	600,000.00
05-047	9/7/2005	3/1/2017	WEI 3-Energy Perf Contract; UW-Madison Section 5	165,000.00	165,000.00
05-048	9/7/2005	3/1/2014	WEI 3-Energy Perf Contract; UW-Madison Section 7	319,286.00	319,286.00
05-049	9/7/2005	3/1/2008	PC Software	46,764.12	46,764.12
05-050	9/7/2005	3/1/2007	WEI 3-Energy Perf Contract; UW-Oshkosh	152,509.00	152,509.00
05-051	10/5/2005	9/1/2008	WINPAS Blade Server	185,350.81	185,350.81
05-052	10/19/2005	3/1/2008	PCs, Hardware and Software	272,373.01	272,373.01
05-053	10/19/2005	3/1/2008	Develop E-Filing Estate Transfer Return	99,807.50	99,807.50
05-054	11/23/2005	3/1/2012	WINPAS Project; ITS Ph 3	900,000.00	900,000.00
05-055	11/23/2005	3/1/2017	WEI 3-Energy Perf Contract; UW-Oshkosh	170,643.00	170,643.00
05-056	11/23/2005	3/1/2014	WEI 3-Energy Perf Contract; UW-Madison Section 7	350,000.00	350,000.00
05-057	11/23/2005	9/1/2008	DL Navigator Equipment Package For BadgerNet Upgrade	1,116,000.00	1,116,000.00
					<u>\$ 75,433,520.25</u>

## 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, then 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, then the State has the right to terminate the Master Lease. Termination would affect all Leased Items and would be effective as of the last day of a fiscal year (that is, June 30).

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



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

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

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

### **Insurance Requirements; Loss or Damage to Leased Items**

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

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

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

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

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

### **Other Obligations**

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

### **Rights in Leased Items; Security Interest**

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

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

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

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

### **Assignment, Mortgaging, and Selling**

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

### **Option to Terminate Lease Schedule**

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

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

### **Events of Default and Remedies**

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

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

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

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

- The Lessor, with or without terminating the Master Lease, may declare all Lease Payments due or to become due during the fiscal year to be immediately due and payable.
- The Lessor, with or without terminating the Master Lease, may give the State written notice requiring the State to deliver all the Leased Items to the Lessor. If the State fails to return them within 30 days, the Lessor may exercise all its legal rights to take possession of the Leased Items and to receive damages resulting from the State’s failure. Even though the Lessor takes possession of the Leased Items, the State continues to be responsible for Lease Payments during the fiscal year. If the Event of Default is cured and the Master Lease has not been terminated with respect to such Leased Items, then 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, then 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 **Certificate Payment Fund** (within includes an **Interest Account**, a **Principal Account**, and an **Additional Rent Account**), a **Project Fund** (within which is a **Project Account** and an **Earnings Account**), a **Lease Payment Fund** (within which is an **Interest Account**, a **Principal Account**, and an **Additional Rent Account**), a **Lease Payment Reserve Fund**, an **Administrative Expense Payment Fund**, and an **Insurance Fund**.

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

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

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

for retransfer to the Interest Account of the Certificate Payment Fund and (2) to the Administrative Expense Payment Fund.

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

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

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

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

On any day in which Certificates are to be paid or redeemed, the Trustee is required to transfer the aggregate amount on deposit in the Principal Account of the Lease Payment Fund for deposit into the Principal Account of the Certificate Payment Fund. On the date Certificates are to be redeemed in accordance with the Master Indenture as a result of deposit of moneys into the Principal Account of the Lease Payment Fund, the Trustee is required then to transfer the money for deposit 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.

On each Interest Payment Date with respect to Certificates, the Trustee is required to transfer from the Lease Payment Reserve Fund to the Interest Account or the Principal Account of the Lease Payment Fund for a particular series of Certificates to the extent amounts on deposit in the Interest Account are insufficient to pay interest due on the Certificates of such series, or amounts on deposit in the Principal Account are insufficient to pay that portion of the principal of the Certificates of such series to be paid or redeemed. If at any time amounts on deposit in the Lease Payment Reserve Fund are less than the required amount, as adjusted from time to time as provided for in the Indenture, the State upon receiving notice of such deficiency from the Trustee shall immediately pay the Trustee an amount equal to the deficiency.

The Trustee is enabled to bill the State semi-annually for all administrative expenses. If at any time the Trustee determines that payments deposited, or to be deposited, in the Administrative Expense Fund will be more or less than the expenses for the current Fiscal Year, the Trustee is enabled to adjust the semi-annual billing. The Trustee shall disburse amounts from the Administrative Expense Fund to pay invoices rendered in accordance with the Indenture.

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:

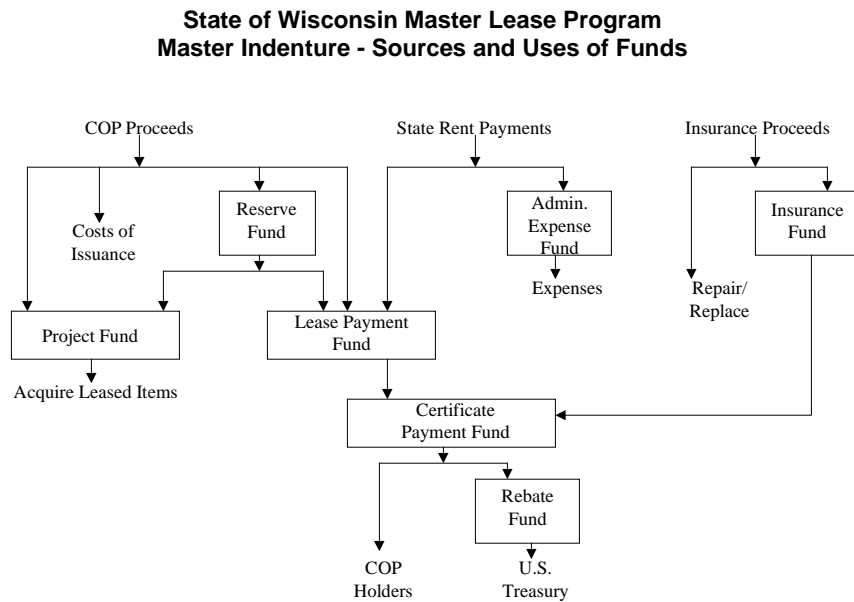
- Obligations of, or obligations guaranteed as to interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States.
- Federal Housing Administration debentures.
- Federal Home Loan Mortgage Corporation participation 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**



### **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.