

NEW ISSUE – BOOK ENTRY ONLY

In the opinion of Bond Counsel, under present law and assuming continuing compliance with certain covenants, interest on the Series 2007 Bonds is excluded from the gross income of the Bondholders for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on corporations and individuals. Interest on the Series 2007 Bonds is, however, included in adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. Interest on the Series 2007 Bonds is not exempt from current Wisconsin income taxes. For a more detailed description of the tax status of interest on the Series 2007 Bonds and certain other income tax consequences of Series 2007 Bond ownership, see "TAX EXEMPTION" herein.

\$65,000,000
WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Adjustable Rate Demand Revenue Bonds
(Indian Community School of Milwaukee, Inc. Project)

Offering of \$40,000,000 in principal amount of Adjustable Rate Demand Revenue Bonds, Series 2007

DATED	Date of Issuance	MATURITY: December 1, 2036
CUSIP	97710V 3T3	
ISSUANCE, SERIES 2006	The Wisconsin Health and Educational Facilities Authority (the "Authority") has authorized the issuance, in two series (each, a "Series") of \$65,000,000 in aggregate principal amount of its Adjustable Rate Demand Revenue Bonds (Indian Community School of Milwaukee, Inc. Project) (the "Bonds") for the benefit of the Indian Community School of Milwaukee, Inc. (the "Corporation") under an Indenture of Trust dated as of December 1, 2006, as amended by a Supplemental Indenture of Trust, dated as of June 1, 2007 (as so amended, the "Indenture"), each between the Authority and The Bank of New York Trust Company, N.A., as Trustee. On December 6, 2006, the Authority issued \$25,000,000 in principal amount of Bonds, Series 2006 (the "Series 2006 Bonds"), as the first Series of Bonds to be issued under the Indenture.	
SERIES 2007	This Official Statement relates to the offer for sale of \$40,000,000 in principal amount of Bonds, Series 2007 (the "Series 2007 Bonds"), as the second Series of Bonds to be issued under the Indenture. The terms of the Series 2006 and Series 2007 Bonds are identical in all respects (except for their respective principal amounts and dates of issuance), and the two Series of Bonds will be treated as a single issue of Bonds under the Indenture and the Loan Agreement (described herein). <i>Any references herein to the "Bonds" (without a designation as to Series) should be understood as referring both to the Series 2006 Bonds and to the Series 2007 Bonds.</i>	
INTEREST	The Series 2007 Bonds will initially be issued in a Weekly Rate Mode. The Bonds may bear interest under the Indenture in a Daily Rate Mode, a Weekly Rate Mode, an Adjustable Rate Mode or a Fixed Rate Mode, each of which has different operating features, with provision for conversion among Modes. See "THE BONDS-Conversion Features" herein. While Bonds are in a Weekly Rate Mode, interest thereon is set on a weekly basis and is payable on the first Business Day of each month.	
DENOMINATIONS	Bonds in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode will be issued in authorized denominations of \$100,000 or any multiple thereof. Bonds in a Fixed Rate Mode will be issued in authorized denominations of \$5,000 or any multiple thereof.	
TENDER, REDEMPTION	Bonds in a Daily Rate Mode or a Weekly Rate Mode may be optionally tendered to J. P. Morgan Securities Inc., as remarketing agent, for purchase at par plus accrued interest under certain circumstances as described herein. See "THE BONDS-Tenders and Purchases-Optional Tenders." The Bonds are subject to mandatory tender for purchase at par under certain circumstances, including a conversion to a different Mode. See "THE BONDS-Tenders and Purchases-Mandatory Tenders." The Bonds are subject to optional and extraordinary optional redemption prior to maturity under certain circumstances. See "THE BONDS-Redemption."	
REFUNDED SERIES 2002 BONDS, THE PROJECT	Proceeds of the Series 2007 Bonds are being used to effect a current refunding of \$40,000,000 in principal amount of Community Development Authority of the City of Franklin, Wisconsin Adjustable Rate Demand Redevelopment Revenue Bonds, Series 2002 (Indian Community School of Milwaukee, Inc. Project), the proceeds of which were used to finance costs constructing and improving an educational campus in the City of Franklin, Wisconsin for students from pre-school through eighth grade (the "Project"). Proceeds of the Series 2006 Bonds are being used to finance additional costs of the Project. See "PLAN OF FINANCING."	
CREDIT SUPPORT	All principal and up to 35 days' interest that becomes due on the Bonds and the purchase price of Bonds that are tendered and not remarketed on any optional or mandatory tender date, is to be paid, as necessary, by draws on an irrevocable transferable direct pay letter of credit (the "Initial Credit Facility") issued by JPMorgan Chase Bank, N.A. (the "Initial Credit Provider"). See "THE INITIAL CREDIT FACILITY."	

JPMorgan Chase Bank, N.A.

The Initial Credit Facility expires on December 6, 2013, but may be extended or terminated prior to its stated termination date under certain circumstances. See "THE INITIAL CREDIT FACILITY." In addition, under certain circumstances, the Corporation may substitute a different credit facility or a liquidity facility for the letter of credit issued by the Initial Credit Provider. See "ALTERNATE CREDIT FACILITIES."

RELIANCE ON CREDIT SUPPORT	Except for a very limited description of the Corporation contained herein, no information with respect to the Corporation (financial or otherwise) is included herein, and the Corporation makes no representation herein concerning its present or future financial condition. Potential investors should base their investment decisions with respect to the Bonds solely upon the credit of the Initial Credit Provider.
LIMITED OBLIGATION	The Bonds are limited obligations of the Authority payable solely from payments to be made under a Credit Facility (as defined herein), or by the Corporation and from funds pledged under the Indenture. The Bonds are not a debt or a pledge of the faith and credit of the Authority, the State of Wisconsin or any political subdivision or agency thereof under Wisconsin Law. The Authority has no taxing power, and Bondholders lack any right to have the Authority, the State of Wisconsin or any political subdivision or agency thereof levy taxes or appropriate funds to pay the Series Bonds.
UNDERWRITING	The Series 2007 Bonds are offered by J.P. Morgan Securities Inc. (the "Underwriter"), when issued by the Authority and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer, and to the approval of the legality of the Series 2007 Bonds by Whyte Hirschboeck Dudek S.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Whyte Hirschboeck Dudek S.C., for the Corporation by its counsel, Foley & Lardner LLP, and for the Initial Credit Provider and the Underwriter by their counsel, Michael Best & Friedrich LLP. The Series 2007 Bonds will be available for delivery through the facilities of DTC on or about June 28, 2007.

JPMorgan

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Authority, the Corporation or the Underwriter to give any information or to make any representation with respect to the Bonds, other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from sources which are believed to be reliable, but the accuracy and completeness of such information is not guaranteed by, and, except as to information specifically furnished by such entities for inclusion herein, such information is not to be construed as a representation by the Authority, the Corporation or the Underwriter. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change since the date hereof (or since the date of any information included herein that is dated other than the date hereof) in the information contained herein.

This Official Statement is intended to be used only for Series 2007 Bonds that are (i) in the Daily Rate Mode, the Weekly Rate Mode or the Adjustable Rate Mode in an Adjustable Rate Period not exceeding 270 days and supported by the Initial Credit Facility and (ii) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) pursuant to the book-entry system of DTC described herein.

Except for a very limited description of the Corporation contained herein, no information with respect to the Corporation (financial or otherwise) is included herein, and the Corporation makes no representation herein concerning its present or future financial condition. Potential investors should base their investment decisions with respect to the Bonds solely upon the credit of the Initial Credit Provider.

In making an investment decision, investors must rely on their own examination of the initial credit provider and the terms of the offering, including the merits and risks involved. Investors should read the entire Official Statement (including Appendices) to obtain information essential to making an informed investment decision.

UPON ISSUANCE, THE BONDS AND ANY SERIES NOTE WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE MERITS OF THE BONDS, NOR CONFIRMED THE ACCURACY OR COMPLETENESS OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof. The Underwriter is not a bank but is a broker-dealer and a subsidiary of JPMorgan Chase & Co. (“JPMorgan Chase”). JPMorgan Chase is a multi-bank holding company, whose subsidiaries also include JPMorgan Chase Bank, N.A., a national banking association and the Initial Credit Provider. Any obligations of the Underwriter are its sole obligations and do not create any obligations on the part of any affiliate of the Underwriter, including any affiliated banks. Securities sold, offered or recommended by the Underwriter are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by any bank affiliated with the Underwriter and are not otherwise an obligation or responsibility of any such affiliated bank, except that the Bonds are secured in part, by the Credit Facility issued by JPMorgan Chase Bank, N.A., which is an affiliate of the Underwriter.

THE CUSIP NUMBER REFERENCED ON THE COVER PAGE HAS BEEN ASSIGNED BY AN ORGANIZATION THAT IS NOT AFFILIATED WITH THE AUTHORITY, THE CORPORATION, OR THE UNDERWRITER AND IS INCLUDED IN THIS OFFICIAL STATEMENT FOR THE CONVENIENCE OF BONDHOLDERS AND POTENTIAL BONDHOLDERS. NO ASSURANCE CAN BE GIVEN THAT THE CUSIP NUMBER FOR THE BONDS WILL REMAIN THE SAME AFTER THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS.

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OFFICIAL STATEMENT
\$65,000,000
WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
ADJUSTABLE RATE DEMAND REVENUE BONDS
(INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. PROJECT)

\$40,000,000 OF ADJUSTABLE RATE DEMAND REVENUE BONDS, SERIES 2007

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices hereto, is to set forth certain information concerning the issuance and sale by the Wisconsin Health and Educational Facilities Authority (the "Authority") of its \$40,000,000 aggregate principal amount of Adjustable Rate Demand Revenue Bonds, Series 2007 (Indian Community School of Milwaukee, Inc. Project) (the "Series 2007 Bonds").

The Series 2007 Bonds represent the second of two Series of obligations, in an aggregate principal amount of \$65,000,000 (collectively, the "Bonds"), authorized to be issued by the Authority under the terms of an Indenture of Trust, dated as of December 1, 2006, as amended by a Supplemental Indenture of Trust, dated as of June 1, 2007 (as so amended, the "Indenture"), each between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), for the purpose of enabling the Authority to obtain funds to lend to the Corporation, pursuant to a Loan Agreement dated as of December 1, 2006 (the "Loan Agreement") to finance or refinance a portion of the costs of constructing and improving an approximately 163,000 square-foot educational campus, consisting of three buildings for students from pre-school through eighth grade, located in the City of Franklin, Wisconsin (the "Project"). See "PLAN OF FINANCING" herein.

Proceeds of the Series 2007 Bonds are being used to effect a current refunding of \$40,000,000 in principal amount of Adjustable Rate Demand Redevelopment Revenue Bonds, Series 2002 (Indian Community School of Milwaukee, Inc. Project) (the "Series 2002 CDA Bonds"), issued by the Community Development Authority of the City of Franklin, Wisconsin. Proceeds of the Series 2002 CDA Bonds were used to finance costs of the Project. Proceeds of the Series 2006 Bonds are being used to finance additional costs of the Project, as well as to pay capitalized interest thereon and certain costs of issuing the Series 2006 Bonds. See "PLAN OF FINANCING."

The Series 2007 Bonds are being initially issued in a Weekly Rate Mode. The Initial Credit Facility will initially secure the payment of the aggregate principal amount of the Bonds outstanding and the principal component of the purchase price of the Bonds tendered or required to be tendered for purchase, as applicable, plus an amount equal to 35 days' accrued interest thereon (at an assumed rate of 10% per annum calculated on the basis of a 365-day year). This Official Statement is intended to be used only for Series 2007 Bonds that are (i) in the Daily Rate Mode, the Weekly Rate Mode or the Adjustable Rate Mode in an Adjustable Rate Period not exceeding 270 days and supported by the Initial Credit Facility and (ii) registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") pursuant to the book-entry system of DTC described herein. Definitions of certain capitalized terms used in this Official Statement are set forth in Appendix A to this Official Statement.

Except for a very limited description of the Indian Community School of Milwaukee, Inc. (the "Corporation") contained herein, no information with respect to the Corporation (financial or otherwise) is included herein, and the Corporation makes no representation herein concerning its present or future financial condition. Potential investors should base their investment decisions with respect to the 2007 Bonds solely upon the credit of JPMorgan Chase Bank, N.A. (the "Initial Credit Provider").

The Authority will lend the proceeds of the Series 2007 Bonds to the Corporation through the purchase of its Promissory Note, Series 2007 (the "Series 2007 Note"), in the principal amount of \$40,000,000, which will evidence the loan of the proceeds of the Series 2007 Bonds from the Authority to the Corporation for the purposes described above. On December 6, 2006, when the Authority issued the Series 2006 Bonds, the proceeds of the Series 2006 Bonds were likewise lent to the Corporation through the Authority's purchase of the Corporation's Promissory Note, Series 2006 (the "Series 2006 Note" and, together with the Series 2007 Note, the "Series Notes"). The Series Notes (to the extent issued) will be issued and sold to the Authority pursuant to the Loan Agreement and assigned to the Trustee pursuant to the Indenture. The obligation of the Corporation to pay principal of, and interest on, any Series Note will be a general obligation of the Corporation.

Repayment of the Bonds is secured by an irrevocable transferable direct pay letter of credit (the “Initial Credit Facility”) issued by the Initial Credit Provider in favor of the Trustee. The Initial Credit Facility provides funds in an amount sufficient to allow the Trustee to draw upon the Initial Credit Facility to pay (i) the aggregate principal amount of the Bonds outstanding and the principal component of the purchase price of the Bonds tendered or required to be tendered for purchase, as applicable (the “Principal Component”), and (ii) an amount up to 35 days’ accrued interest on the aggregate principal amount of the Bonds at a rate per annum equal to 10% calculated on the basis of a 365-day year (the “Interest Component”). See “THE INITIAL CREDIT FACILITY” herein. The Corporation and the Initial Credit Provider entered into an Amended and Restated Reimbursement Agreement dated as of December 1, 2006 (the “Reimbursement Agreement”), with respect to certain matters pertaining to the Initial Credit Facility. See “THE REIMBURSEMENT AGREEMENT” herein. For additional information concerning the Initial Credit Provider, see APPENDIX B to this Official Statement entitled “THE INITIAL CREDIT PROVIDER,” which has been furnished by the Initial Credit Provider. Under certain circumstances, the Initial Credit Facility may be replaced by an Alternate Credit Facility or a Liquidity Facility. See “ALTERNATE CREDIT FACILITIES” herein.

The ability of the Initial Credit Provider to honor drawings on its letter of credit will be based solely on its general credit.

This Official Statement and the Appendices hereto contain brief descriptions of, among other things, the Bonds while they are in a Weekly Rate Mode, a Daily Rate Mode or an Adjustable Rate Mode, the Authority, the Corporation, the Initial Credit Provider, the Loan Agreement, the Initial Credit Facility, the Reimbursement Agreement and the Indenture. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to documents are qualified in their entirety by reference to such documents, and references to the Bonds are qualified in their entirety by reference to the form of the Bonds included in the Indenture. Copies of the Indenture, the Loan Agreement, the Initial Credit Facility, the Reimbursement Agreement and other documents described in this Official Statement may be obtained from the Trustee.

RISK FACTORS

The following discussion of risk factors is not complete and should be read in conjunction with all other parts of this Official Statement.

General

The Bonds are special limited obligations of the Authority secured by and payable from payments to be made by the Credit Provider pursuant to the Credit Facility and, secondarily, by the Corporation under the Series Notes and the Loan Agreement. **The Bonds are offered for sale solely on the strength of the Initial Credit Facility and not on the basis of the financial strength of the Corporation or any collateral security provided by the Corporation.** There is no assurance that the Corporation will make the required payments under the Series Notes and Loan Agreement (which payments would be relevant to Bondholders only in the event that draws on the Credit Facility are inadequate to pay principal and interest on the Bonds). The capabilities of the Corporation’s management, future legislation, regulatory actions, economic conditions, competition, changes in the demand for products and services, and other factors and conditions which are unpredictable could materially and adversely affect the ability of the Corporation to meet its obligations.

Credit Facility

The ability of a Credit Provider to honor drawings on any Credit Facility provided with respect to the Bonds will be based solely on the Credit Provider’s general credit. The Trustee may not assert a claim for federal deposit insurance against the Federal Deposit Insurance Corporation in respect of the Bonds or any Credit Facility, and owners of the Bonds should not assume any such insurance coverages are available with respect to the Bonds or any Credit Facility. A claim by the Trustee or of the Bondholders under a Credit Facility would probably be subordinate to the claims of the depositors of the Credit Provider.

Liquidity for Optional Purchase on Demand Date and Mandatory Purchase

The Indenture permits holders of the Bonds while in the Daily Mode and the Weekly Mode to tender their Bonds for purchase at a price of 100% of the principal amount thereof, plus accrued interest. The Indenture also requires the holders of the Bonds to tender all the outstanding Bonds for purchase on any mandatory purchase date at a price of 100% of the principal amount thereof.

Although the Remarketing Agent will attempt to remarket all the Bonds so tendered or required to be tendered at a price of par, plus accrued interest, if any, to the date of purchase, there is no assurance that all the Bonds will be successfully remarketed. The Credit Facility will be available to be drawn upon by the Trustee to pay the tender price. The ability of the Credit Provider to honor drawings on the Credit Facility will be based solely on the Credit Provider's general credit.

Tax-Exempt Status of the Bonds

The tax-exempt status of interest on the Bonds is based not only on maintenance by the Corporation of its tax-exempt status under Section 501(c)(3) of the Code, but also on the continued compliance by the Authority and the Corporation with certain covenants relating generally to use of the facilities of the Corporation financed with proceeds of the Bonds, arbitrage limitations, rebate of certain investment earnings to the federal government and restrictions on the amount of issuance costs financed with the proceeds of the Bonds. Failure to comply with such covenants could cause interest on a Series of Bonds to become subject to federal income taxation, in some cases retroactively to the date of issue of such Bonds. In the event that the Corporation notifies the Trustee that a Series of Bonds has become subject to taxation because of the Bonds' status as "arbitrage bonds," such Bonds are subject to mandatory tender for purchase. (The Bonds do not become subject to mandatory tender if they become subject to taxation for any other reason.) The Indenture does not provide for the payment of any additional interest or penalty in the event of the taxability of interest on the Bonds.

Possible Future Federal Tax Legislation

It is possible that future tax legislation could adversely affect the tax exemption of interest on, or the value or marketability of, the Bonds. The Bonds are not required to be redeemed in the event that interest on the Bonds becomes includable in gross income for federal income tax purposes, unless the Bonds are deemed to be "arbitrage bonds" under the Code, and are not required to be redeemed in the event that interest on the Bonds becomes an item of tax preference for purposes of the federal alternative minimum tax. There is no provision in the Indenture, the Bonds, or in any document related to the issuance thereof, for an increase in the rate of interest payable on the Bonds (or for any other form of compensation) in the event that interest on the Bonds becomes includable in gross income for federal income tax purposes, becomes an item of tax preference for purposes of the federal alternative minimum tax, or is otherwise affected adversely by future federal tax legislation. See "*TAX EXEMPTION*" herein.

Bankruptcy

The ability of the Authority and the Trustee to exercise rights under the Indenture or the Loan Agreement may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

Section 105 of the United States Bankruptcy Code empowers a bankruptcy court to issue such orders as are necessary or appropriate to carry out the provisions of the Bankruptcy Code. Court decisions discussing the enforceability of letters of credit indicate that it is possible that a bankruptcy court acting pursuant to Section 105 or other equitable powers under the Bankruptcy Code could enjoin a drawing by the Trustee under a Credit Facility or the payment by the Trustee to Bondholders of amounts drawn under a Credit Facility under various circumstances, including the bankruptcy or insolvency of, or of a similar event with respect to, the Corporation or an affiliate of the Corporation.

THE CORPORATION

The Corporation is a Wisconsin non-stock non-profit corporation, incorporated in 1971, which has provided educational services for over 30 years to the Milwaukee, Wisconsin Indian community at various locations in the Milwaukee area. The Corporation currently operates a kindergarten, private elementary and middle school in the City of Milwaukee for approximately 330 students of Native American descent. Students at the Corporation's school are drawn from throughout the Milwaukee metropolitan area and are members or descendants of members of the Ojibwe, Oneida, Menominee, Potawatomi, Ho-Chunk, and other tribes. The Corporation incorporates Native American cultures and traditions into its curriculum, values, and approach to education. The Corporation's school is accredited by the North Central Association Commission on Accreditation and School Improvement.

PLAN OF FINANCING

The Project

The Project consists of acquiring an approximately 200-acre site in the City of Franklin, Wisconsin, approximately 15 miles from downtown Milwaukee, and constructing and improving an approximately 163,000 square-foot educational campus thereon, consisting of three buildings and related facilities for students from pre-school through eighth grade. The facilities are also intended to provide cultural and community resources for the Milwaukee Indian community. Following a design competition, noted architect Antoine Predock was selected in 2003 to design a school facility that is integrated into its wooded setting and that incorporates and reflects elements of the traditional spiritual, cultural and aesthetic characteristics of the Eastern Woodland Indian peoples. Upon completion of the Project (currently anticipated to occur before the opening of school in fall, 2007), the Corporation intends to relocate its existing school operations from the City of Milwaukee to the Franklin campus.

Prior (Series 2002 CDA) Bonds

In July, 2002, the Community Development Authority of the City of Franklin, Wisconsin issued \$40,000,000 in principal amount of its Adjustable Rate Demand Redevelopment Revenue Bonds, Series 2002 (Indian Community School of Milwaukee, Inc. Project) (the "Series 2002 CDA Bonds"). Proceeds of the Series 2002 CDA Bonds were used to acquire the land in Franklin, Wisconsin on which the Project will be located and to finance a portion of the costs of constructing and equipping the school facilities thereon.

Series 2006 Bonds

Proceeds of the Series 2006 Bonds are being used to complete the Project, to pay capitalized interest on the Series 2006 Bonds, and to pay certain costs related to the issuance of the Series 2006 Bonds.

Series 2007 Bonds

All of the proceeds of the Series 2007 Bonds will be used to effect a current refunding of a like principal amount of outstanding Series 2002 CDA Bonds on or about September 4, 2007, thereby refinancing various construction and site acquisition costs of the Project.

Additional Bonds

Under and subject to the provisions of the Indenture and the Loan Agreement, the Authority may issue one or more series of Additional Bonds on a parity with the Series 2006 Bonds and Series 2007 Bonds. Additional Bonds may be issued to finance the completion of, or additions to, the Project, to refund outstanding Bonds, and to finance related costs. See "APPENDIX A: DEFINITIONS OF CERTAIN TERMS; SUMMARY OF PRINCIPAL BOND DOCUMENTS – SUMMARY OF THE INDENTURE – Additional Bonds."

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Indenture and to the summary of the Indenture included in Appendix A hereto for a more complete description of the Bonds. The discussion herein is qualified by such references. So long as DTC acts as a security depository for the Bonds, as described under "BOOK-ENTRY PROVISIONS" herein, all references herein to "Owner of the Bonds" or "Bondholder" are to Cede & Co., as nominee for DTC, and not to participants of DTC or Beneficial Owners.

General

The Bonds will be issued and available only in fully registered form in Authorized Denominations. "Authorized Denomination" means for any Bond in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode, the denomination of \$100,000 or any multiple thereof.

The Bonds of each Series, as initially issued, will be dated the date of issuance of such Series and will mature, subject to prior redemption or purchase, on December 1, 2036. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, premium, if any, and interest on the Bonds will be paid as described

herein under “Book-Entry System.”

Under the Indenture, the Bonds may operate in one or more of four Modes of operation, provided that the requirements of the Indenture, certain of which are described below, for operating in such Mode or Modes have been satisfied. **All Bonds need not be in the same Mode simultaneously; however, each Bond may be in only one Mode at any one time.** The four Modes of operation are the Daily Rate Mode, the Weekly Rate Mode, the Adjustable Rate Mode and the Fixed Rate Mode. Bonds operating in the Adjustable Rate Mode may bear interest at different rates for different Adjustable Rate Periods. Generally, the Modes have different operating features, including different demand features, purchase features, redemption provisions, Interest Periods and Interest Payment Dates. Except as otherwise described below, once a Mode is designated for any particular Bonds, such Bonds shall remain in that Mode until a new Mode for such Bond is designated as described below. The period of time that a Bond is in any Mode shall not be less than 25 days.

As to any Bond, the person in whose name the ownership of such Bond shall be registered on the registration books shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof or its legal representative, except that the payment of purchase price of Bonds may be made to Beneficial Owners of Bonds. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The Trustee shall keep the registration books for the Bonds at its corporate trust office, initially located in Milwaukee, Wisconsin. Subject to further conditions contained in the Indenture, the Bonds may be transferred or exchanged for one or more Bonds in different Authorized Denominations. While the Bonds are held in a book-entry only system, it shall be the duty of the Remarketing Agent to effect transfers and exchanges of beneficial interests in the Bonds through and subject to the facilities and procedures of DTC.

No Tender Agent shall be appointed in connection with the issuance and delivery of the Bonds. The Indenture provides that the Trustee will appoint a Tender Agent for the Bonds in the event that the Bonds are no longer held in a book-entry only system.

Interest Rates and Payment Dates

General. Under the Indenture, the Bonds may operate in one or more Modes, each of which affects the computation of the interest payable on the Bonds. The Series 2007 Bonds will be initially issued in the Weekly Rate Mode and will bear interest from the Closing Date, and thereafter will bear interest from the Interest Payment Date next preceding the date of authentication, unless (i) authenticated prior to the first Interest Payment Date, in which event such Series 2007 Bonds will bear interest from the Closing Date, (ii) authenticated on an Interest Payment Date, in which event such Series 2007 Bonds will bear interest from the date of authentication, or (iii) authenticated after a Record Date and before the following Interest Payment Date, in which event such Series 2007 Bonds will bear interest from the following Interest Payment Date. If interest on the Bonds is in default, the Bonds will thereafter bear interest from the date to which interest has been paid in full, or, if no interest has been paid on a Series of Bonds, from the date of issuance of such Series.

Interest on each Bond in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode in an Adjustable Rate Period of 365 days or less shall be computed on the basis of a 365 or 366-day year, for the actual number of days elapsed. Interest on each Bond shall be payable on each applicable Interest Payment Date. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and on overdue interest at the rates borne by such Bond on the date on which such principal, premium, if any, or interest became due and payable.

The maximum interest rate on the Bonds is the lesser of (a) 12% per annum, and (b) the rate stated in the Initial Credit Facility, currently 10% per annum.

The Trustee has no obligation to inform the Bondholders of the interest rate applicable in any rate period while Bonds bear interest at a Daily Rate or a Weekly Rate. Should any Bondholder or Beneficial Owner request in writing the Daily Rate or the Weekly Rate applicable to its Bonds for any particular Interest Period during a Daily Rate Period or a Weekly Rate Period, as applicable, the Remarketing Agent will furnish notice of the Daily Rate or the Weekly Rate, as applicable, for such Interest Period to such requesting Bondholder or Beneficial Owner, respectively.

Daily Rate Mode. Bonds in a Daily Rate Mode will bear interest at a daily rate of interest (the “Daily Rate”) established by the Remarketing Agent on each Business Day as hereinafter described. The Daily Rate established by the Remarketing Agent will be effective for Bonds in the Daily Rate Mode for the period from and including the Business Day on which such Daily Rate is established to but excluding the following Business Day (such period is the “Interest Period” for Bonds in the Daily Rate Mode).

The Daily Rate will be determined by the Remarketing Agent on or prior to the first day of the first Interest Period during which Bonds are in the Daily Rate Mode, and after such Interest Period by 11:00 a.m., New York City time, on the first day of each Interest Period (which day will be a Business Day) during a Daily Rate Period. In each case, the Daily Rate will be established by the Remarketing Agent at the lowest rate of interest which will, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, permit such Bonds to be remarketed on the first day of such Interest Period at par, plus accrued interest, if any. Each determination of the Daily Rate by the Remarketing Agent will be conclusive and binding upon the Authority, the Corporation, the Trustee, the Credit Provider, the Tender Agent and the registered owners of the Bonds. In the event the Daily Rate is not determined by the Remarketing Agent for an Interest Period during which the Bonds are in the Daily Rate Mode, the Daily Rate for such Interest Period will be the Daily Rate in effect for the immediately preceding Interest Period.

Interest on Bonds in the Daily Rate Mode is payable on the first Business Day of each month, commencing with the first Business Day of the month next succeeding a Daily Rate Conversion Date, on each day on which such Bonds are subject to mandatory tender for purchase and on the maturity date of such Bonds.

Weekly Rate Mode. Bonds in the Weekly Rate Mode will bear interest at a weekly rate of interest (the “Weekly Rate”) established by the Underwriter or the Remarketing Agent as hereinafter described.

The initial Weekly Rate for the Series 2006 Bonds effective as of the Closing Date shall be established by the Underwriter. Thereafter, the Weekly Rate for Bonds in the Weekly Rate Mode will be determined by the Remarketing Agent on or prior to the first day of the first Interest Period during which Bonds are in the Weekly Rate Mode, and for each subsequent Weekly Rate Interest Period on the Business Day preceding the first day of such Interest Period (such determination date being initially Tuesday). The Weekly Rate will be established by the Remarketing Agent at the lowest rate of interest that will, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, permit such Bonds to be remarketed on the first day of such Interest Period at par, plus accrued interest, if any. Each determination of the Weekly Rate by the Remarketing Agent shall be conclusive and binding upon the Authority, the Corporation, the Trustee, the Credit Provider, the Tender Agent and the registered owners of the Bonds. In the event the Weekly Rate is not determined by the Remarketing Agent for an Interest Period during which the Bonds are in the Weekly Rate Mode, the Weekly Rate for such Interest Period will be the Weekly Rate in effect for the immediately preceding Interest Period during such Weekly Rate Period.

In the event any such Bond shall commence to bear interest at a Weekly Rate as a result of the provisions described in “THE BONDS-Interest Rates and Payment Dates-Adjustable Rate Mode,” on the date that the Weekly Rate is so established, the Remarketing Agent shall follow the procedures for establishing a Weekly Rate for such Bond set forth in the preceding paragraph. In the event no such Weekly Rate is determined by the Remarketing Agent for the first week of a Weekly Rate Period established as a result of the provisions described in “THE BONDS-Interest Rates and Payment Dates-Adjustable Rate Mode,” the Weekly Rate for such week shall be the Adjustable Rate in effect for the immediately preceding Adjustable Rate Period.

While any Bonds are in the Weekly Rate Mode, if at any time the Remarketing Agent determines that, in its reasonable judgment, the scheduled rate determination day or rate change day has become inappropriate (taking into account general market practice with respect to periodic adjustment of rates on instruments comparable to the Bonds, whether based upon the time of compilation or reporting of any interest rate or financial index or indicator or otherwise), the Remarketing Agent may, after consultation with the Corporation and upon receipt of an opinion of Bond Counsel acceptable to the Trustee to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, designate a new scheduled rate determination day and/or rate change day, to remain in effect until another redetermination of scheduled rate determination day or rate change day in accordance with this paragraph. The Remarketing Agent will give written notice to the Trustee, and the Trustee will give written notice to the Tender Agent, the Credit Provider, the Authority and the Corporation, of any change in the scheduled rate determination day and/or rate change day, and such change shall become effective on the first scheduled rate determination day or rate change day, as the case may be, so designated occurring not less than 14 days following the giving of such notices. Promptly upon receipt of such notice, the Trustee shall notify, or cause the Remarketing Agent to notify, each affected Bondholder of such change in writing.

Interest on the Bonds in the Weekly Rate Mode is payable (a) on the first Business Day of each month, commencing on July 2, 2007 in the case of the Series 2007 Bonds, on each day on which such Bonds are subject to mandatory tender for purchase in accordance with the Indenture and on the maturity date of such Bonds, and (b) with respect to each Weekly Rate Period commencing after a Daily Rate Period or an Adjustable Rate Period, on the first Business Day of each month, commencing with the first Business Day of the month next succeeding a Weekly Rate Conversion Date, on each day on which such Bonds are subject to mandatory tender for purchase in accordance with the Indenture and on the maturity date of such Bonds.

The Series 2007 Bonds will be initially issued in the Weekly Rate Mode. The initial Interest Period for the Series 2007 Bonds will be the period from and including the date of issuance of the Bonds through and including the following Tuesday. The Weekly Rate for the initial Interest Period during the Weekly Rate Period will be set by the Underwriter on or prior to the Closing Date at the lowest rate of interest which will, in the sole judgment of the Underwriter having due regard for prevailing financial market conditions, permit the Series 2007 to be sold on the Closing Date at par.

Adjustable Rate Mode. Bonds in the Adjustable Rate Mode will bear interest at an Adjustable Rate from an Adjustable Rate Conversion Date or an Adjustable Rate Reset Date, as appropriate, to and including the day preceding the earliest of the redemption date of such Bonds, the succeeding Conversion Date, the following Adjustable Rate Reset Date or the maturity date of the Bonds.

The Adjustable Rate shall be established by the Remarketing Agent no later than 12:00 noon, New York City time, on the first day of each Adjustable Rate Period at the lowest rate which will, in its sole judgment having due regard for prevailing financial market conditions, permit the Bonds to be sold at par on the first day of such Adjustable Rate Period. In the event no Adjustable Rate is determined by the Remarketing Agent for an Adjustable Rate Period the duration of which has been established pursuant to the provisions of the Indenture, the Adjustable Rate for such Adjustable Rate Period shall be the Adjustable Rate in effect for the immediately preceding Adjustable Rate Period. Each determination of an Adjustable Rate by the Remarketing Agent shall be conclusive and binding upon the Authority, the Corporation, the Trustee, the Credit Provider, the Tender Agent and the registered owners of the Bonds.

If, at the end of an Adjustable Rate Period of 365 days or less, the Corporation does not elect and effect a conversion of any Bond in an Adjustable Rate Mode from the Adjustable Rate Mode to the Daily Rate Mode, the Weekly Rate Mode or the Fixed Rate Mode or elect to change or continue the duration of the Adjustable Rate Period, that Bond will convert to a Weekly Rate Mode.

Interest on any Bond in an Adjustable Rate Period of 365 days or less will be payable on the day following the last day of the Adjustable Rate Period, on each day on which such Bond is subject to mandatory tender for purchase in accordance with the Indenture and on the maturity date of such Bond.

Conversion Features

The Bonds may be converted from one Mode to another Mode, or within the Adjustable Rate Mode from one Adjustable Rate Period to another Adjustable Rate Period, all as described in and subject to compliance with the provisions of the Indenture summarized under this caption. Under the Indenture, a Bond in a Daily Rate Mode or a Weekly Rate Mode may be converted to another Mode on any Daily Rate Interest Payment Date or Weekly Rate Interest Payment Date, respectively. A Bond in an Adjustable Rate Mode may be converted from the Adjustable Rate Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, on the last Adjustable Rate Interest Payment Date of the then current Adjustable Rate Period, all subject to the limitations set forth in the Indenture. Bonds in an Adjustable Rate Period may not be converted to another Mode, or to another Adjustable Rate Period within the Adjustable Rate Mode, until the end of such Adjustable Rate Period. No Bond shall be converted from one Mode to another Mode, or from one Adjustable Rate Period to another Adjustable Rate Period, if an Event of Default shall have occurred and be continuing under the Indenture. **All Bonds need not be in the same Mode simultaneously; however, each Bond may be in only one Mode at any one time.**

In connection with any such conversion to a new Mode or a new Adjustable Rate Period, the Corporation will notify the Trustee in writing of its irrevocable election to effect such conversion, and together with such notice will specify the identification of the Bonds to be converted, the Interest Payment Date on which such conversion is to take place, and, if such conversion is to or within the Adjustable Rate Mode, the Adjustable Rate Interest Payment Date upon which the new Adjustable Rate Period is to terminate. In addition, when a conversion is (i) from a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Period of 365 days or less in duration to an Adjustable Rate Period

in excess of 365 days in duration; or (ii) from an Adjustable Rate Period in excess of 365 days in duration to a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Period of 365 days or less in duration; or (iii) from a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode to a Fixed Rate Mode, there will also be delivered with such notice of conversion an opinion of Bond Counsel (which opinion will be confirmed on the related Conversion Date or Adjustable Rate Reset Date, as appropriate) stating that such conversion will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds. If the conversion is to a Fixed Rate Mode from any other Mode, in addition to the notice of conversion and opinion of Bond Counsel described above, the Corporation will also deliver to the Trustee a firm underwriting or purchase contract from a firm of bond underwriters or recognized institutional investors in accordance with the terms of the Indenture.

The Conversion Date will be the Interest Payment Date specified by the Corporation in its notice of election to effect such conversion, which date will be not less than 20 days succeeding receipt by the Trustee, the Tender Agent, the Credit Provider and the Remarketing Agent of such notice from the Corporation of such conversion.

The Corporation may assign or delegate its right to elect to convert any of the Bonds from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, to the Remarketing Agent. The Corporation agrees under the Loan Agreement to notify the Trustee of any such assignment. If such an assignment or delegation is made, the Remarketing Agent, instead of the Corporation, shall deliver to the Trustee the notices of conversion required to be delivered pursuant to the Indenture, and in such event the Remarketing Agent will also deliver a copy of all such notices of conversion to the Corporation.

The Bonds (other than Pledged Bonds and Corporation Bonds), will be subject to mandatory tender for purchase on each Conversion Date or Adjustable Rate Reset Date, as appropriate, that is applicable to such Bonds. See "THE BONDS-Tenders and Purchases-Mandatory Tenders - Conversion Date and Adjustable Rate Reset Date." The Bonds shall not be converted from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, if an Event of Default has occurred and is continuing under the Indenture.

In the event any condition precedent to the conversion of any Bond from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration within the Adjustable Rate Mode, is not fulfilled (including, but not limited to, the establishment of the appropriate interest rate for such Mode or Adjustable Rate Period, as the case may be), after the mandatory tender date, such Bond will continue in its then current Mode, for the same period and bear the same interest rate as was last borne by such Bond in such Mode, provided, however, that in the case when the then current Mode is the Adjustable Rate Mode, in an Adjustable Rate Period of 365 days or less, such Bond will convert to a Weekly Rate Mode. In the event Bonds are not remarketed on the mandatory tender date and become Corporation Bonds or Pledged Bonds, the Remarketing Agent will be entitled to determine a new Daily Rate, Weekly Rate or Adjustable Rate with respect to such Bonds (under the conditions and subject to the limitations provided above), effective on such date as the Remarketing Agent is able to remarket such Corporation Bonds or Pledged Bonds in whole. Such new rate will be established by the Remarketing Agent at the lowest rate which will in its sole judgment, having due regard for prevailing financial market conditions, permit such Corporation Bonds or Pledged Bonds to be sold at a price of par. The determination of the new Daily Rate, Weekly Rate or Adjustable Rate with respect to such Bonds, as appropriate, by the Remarketing Agent shall be conclusive and binding on the Authority, the Corporation, the Trustee, the Credit Provider, the Tender Agent and the registered owners of the Bonds.

Tenders and Purchases

Optional Tenders

Daily Rate Mode. During each Daily Rate Period, each Beneficial Owner of a Bond bearing interest at a Daily Rate (other than Pledged Bonds and Corporation Bonds) may give written notice to the Remarketing Agent of a demand for purchase of such Beneficial Owner's beneficial interest or portion thereof (provided that the portion thereof tendered is an Authorized Denomination) at a price equal to 100% of the principal amount of such beneficial interest (or authorized portion thereof) plus accrued and unpaid interest thereon to the date of purchase, without premium. Each such beneficial interest (or authorized portion thereof) will be purchased on the date designated by the Beneficial Owner, which may be the date of delivery of such notice. Delivery of notice will be effective upon receipt but only if accomplished by 10:00 a.m., New York City time, on a Business Day.

Weekly Rate Mode. During each Weekly Rate Period, each Beneficial Owner of a Bond bearing interest at a Weekly Rate (other than Pledged Bonds and Corporation Bonds) may give written notice to the Remarketing Agent of

a demand for purchase of such Beneficial Owner's beneficial interest or portion thereof (provided that the portion thereof tendered is an Authorized Denomination) at a price equal to 100% of the principal amount of such beneficial interest (or authorized portion thereof) plus accrued and unpaid interest thereon to the date of purchase, without premium. Each such beneficial interest (or authorized portion thereof) will be purchased on the date designated by the Beneficial Owner, provided, however, such date must be a Business Day occurring not prior to the seventh day next succeeding the date of delivery of such notice. Delivery of notice will be effective upon receipt but only if accomplished on a Business Day.

No Optional Tender - Adjustable Rate Mode. Bonds (or beneficial interests therein) in the Adjustable Rate Mode are not subject to optional tender for purchase.

Mandatory Tenders

Conversion Date and Adjustable Rate Reset Date. Bonds (or beneficial interests therein) are subject to mandatory tender for purchase on each Conversion Date and each Adjustable Rate Reset Date applicable to those Bonds (See "THE BONDS - Conversion Features") at a price equal to the principal amount thereof, without premium. Not later than 20 days prior to each Conversion Date or Adjustable Rate Reset Date, as appropriate, the Trustee shall give to each affected Bondholder notice by first class mail, postage prepaid, stating (a) the Conversion Date or Adjustable Rate Reset Date, as appropriate, and (b) that on the Conversion Date or Adjustable Rate Reset Date, as appropriate, the beneficial interests in the affected Bonds are subject to mandatory tender for purchase.

Prior to Expiration of the Term of the Credit Facility. Bonds (or beneficial interests therein) in a Daily Rate Mode, a Weekly Rate Mode and an Adjustable Rate Mode (other than Pledged Bonds and Corporation Bonds) are subject to mandatory tender for purchase on the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility, at a price equal to 100% of the principal amount of such Bond (or beneficial interests therein), without premium. At least 20 days prior to the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility, the Trustee will give to each affected Bondholder notice by first class mail, postage prepaid, stating (i) the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility, and (ii) that on such last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, such Bond (or beneficial interests therein) are subject to mandatory tender for purchase. As defined in the Indenture, "Expiration of the Term of the Credit Facility" means the expiration of a then existing Credit Facility in effect with respect to any Bonds, including extensions thereof, without provisions being made in accordance with the provisions of the Indenture and the provisions of the Loan Agreement for the delivery of an Alternate Credit Facility prior to any date upon which the Trustee is required under the Indenture to give notice of a mandatory tender of Bonds as a result of such expiration. No "Expiration of the Term of the Credit Facility" with respect to a Bond shall be deemed to occur to the extent of a remarketing of such Bond in the Fixed Rate Mode on the Fixed Rate Conversion Date without the security of a Credit Facility.

Delivery of an Alternate Credit Facility or a Liquidity Facility. Bonds (or beneficial interests therein) in a Daily Rate Mode, a Weekly Rate Mode and an Adjustable Rate Mode (other than Pledged Bonds and Corporation Bonds) are subject to mandatory tender for purchase on the Business Day preceding the effective date of any Alternate Credit Facility or any liquidity arrangement substituted for the Credit Facility as provided in the Indenture (a "Liquidity Facility"), at a price equal to 100% of the principal amount of such Bonds (or beneficial interests therein), without premium. At least 20 days prior to the Business Day preceding the effective date of any such Liquidity Facility or any Alternate Credit Facility, the Trustee will give to each affected Bondholder notice by first class mail, postage prepaid, stating (i) the effective date of such Liquidity Facility or Alternate Credit Facility and (ii) that on the Business Day preceding such effective date (which Business Day shall be specified in such notice), such Bonds (or beneficial interests therein) are subject to mandatory tender for purchase.

Determination of Taxability. Each Series of Bonds (or beneficial interests therein) (other than Pledged Bonds and Corporation Bonds) is subject to mandatory tender for purchase, at a price equal to 100% of the principal amount of such Bonds (or beneficial interests therein), without premium, on the twentieth calendar day (or if such day is not a Business Day, on the immediately preceding Business Day) following receipt by the Trustee of written notice from the Corporation of a Determination of Taxability with respect to the affected Series of Bonds. The Trustee shall, promptly upon receipt of written notice from the Corporation that a Determination of Taxability has occurred with respect to a Series of Bonds, give notice to each affected Bondholder that a Determination of Taxability has occurred with respect to such Series of Bonds and that such Bondholder's Bonds (or beneficial interest therein) are subject to

mandatory tender for purchase on the twentieth calendar day (or if such day is not a Business Day, on the immediately preceding Business Day) following receipt by the Trustee of written notice from the Corporation of such Determination of Taxability (which date shall be specified).

Termination of a Credit Facility. Bonds (or beneficial interests therein) in a Daily Rate Mode, a Weekly Rate Mode and an Adjustable Rate Mode (other than Pledged Bonds and Corporation Bonds) are subject to mandatory tender for purchase, at a price equal to 100% of the principal amount of such Bonds (or beneficial interests therein) plus accrued and unpaid interest thereon to the date of purchase, without premium, on the twentieth calendar day (or if such day is not a Business Day, on the immediately preceding Business Day) following receipt by the Trustee of written notice from the Credit Provider following a drawing under the Credit Facility with respect to the payment of interest on the Bonds to the effect that the Credit Provider has not been reimbursed in full for such drawing, or any other event of default under the Reimbursement Agreement has occurred, and as a consequence thereof, the Credit Facility will be terminated. Upon receipt of such written notice from the Credit Provider, the Trustee will promptly give written, telephonic (promptly confirmed in writing), facsimile or telephonic notice to each affected Bondholder stating (i) that the Trustee has received written notice from the Credit Provider to the effect that the Credit Facility will terminate as described above and (ii) that on the twentieth calendar day (or if such day is not a Business Day, on the immediately preceding Business Day) following receipt by the Trustee of such notice from the Credit Provider (which date will be specified in the Trustee's notice), such Bonds (or beneficial interests therein) are subject to mandatory tender for purchase.

Defects in Notices. The failure by the Trustee to give any notice of mandatory tender for purchase, or any defect therein, will not in any way change the rights of the Bondholders to have their Bonds (or beneficial interests therein) purchased on any mandatory tender date or extend the period during which Bonds (or beneficial interests therein) may be mandatorily tendered for purchase. Any mandatory tender notice mailed as described above shall be conclusively presumed to have been given, whether or not the Bondholder receives such notice.

Bondholder's Failure to Deliver the Bonds (or beneficial interests therein). In the event of a failure by an owner of Bonds (or beneficial interests therein) to deliver its Bonds (or beneficial interests therein) on or prior to the required delivery date, said owner or beneficial owner will not be entitled to any payment (including interest to accrue subsequent to the purchase date) other than the purchase price for such undelivered Bonds (or beneficial interests therein), and any such undelivered Bonds (or beneficial interests therein) will no longer be entitled to the benefit and security of the Indenture, except for the purpose of the payment of the purchase price thereof.

Optional Tenders Occurring after Notice of Mandatory Tender Date. Any Bonds (or beneficial interests therein) optionally tendered for purchase after the date on which the Trustee has notified the affected Bondholders of a mandatory tender date as described above will not be remarketed unless the purchaser has been notified by the Remarketing Agent of the required mandatory tender for purchase. Any such notice will contain the same provisions as the mandatory tender notice delivered by the Trustee to the Bondholders as described above. Any purchaser so notified must deliver a notice to the Trustee and the Remarketing Agent stating that such purchaser will tender its Bonds (or beneficial interests therein) for purchase on the related mandatory tender date.

Redemption

During Daily Rate Period or Weekly Rate Period.

Optional Redemption. Each Bond in a Daily Rate Period or a Weekly Rate Period shall be subject to optional redemption by the Authority prior to maturity, in whole or in part (and if in part in Authorized Denominations), on any date selected by the Corporation, at the direction of the Corporation, at a redemption price equal to the aggregate principal amount of such Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the corresponding Series Note in accordance with the Loan Agreement.

Extraordinary Optional Redemption of Bonds Resulting from Damage, Destruction or Condemnation. In the event that the Project or any part thereof is damaged, destroyed, condemned or taken, and Net Proceeds and/or any additional funds of the Corporation are deposited in the Bond Fund pursuant to the provisions of the Loan Agreement, at the direction of the Corporation, such Net Proceeds or other funds shall be applied on the earliest possible date after receipt thereof to the redemption of the Bonds in the Daily Rate Period or Weekly Rate Period (or applied to reimburse the Initial Credit Provider for a draw made under the Credit Facility to effect such redemption), in whole or in part (and if in part in Authorized Denominations), at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and without premium.

During Adjustable Rate Period.

Optional Redemption on the Adjustable Rate Interest Payment Date in an Adjustable Rate Period Each Bond in an Adjustable Rate Mode shall be subject to optional redemption by the Authority prior to maturity, in whole or in part (and if part in Authorized Denominations), on the last Adjustable Interest Payment Date for the Adjustable Rate Period in which such Bond then operates, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the corresponding Series Note in accordance with the Loan Agreement.

Extraordinary Optional Redemption of Bonds Resulting from Damage, Destruction or Condemnation. In the event that the Project or any part thereof is damaged, destroyed, condemned or taken, and Net Proceeds and/or any additional funds of the Corporation are deposited in the Bond Fund pursuant to the provisions of the Loan Agreement, at the direction of the Corporation, such Net Proceeds or other funds shall be applied on the earliest possible date after receipt thereof to the redemption of the Bonds in the Adjustable Rate Mode (or applied to reimburse the Credit Provider for a draw made under the Credit Facility to effect such redemption), in whole or in part (and if part in Authorized Denominations), at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and without premium.

Extraordinary Optional Redemption of the Bonds in the Event of Certain Changes in Use. Each Bond in the Adjustable Rate Mode shall be subject to redemption by the Authority prior to maturity, in whole or in part (and if part in Authorized Denominations), on any date selected by the Corporation, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, in the event that (i) the Corporation determines in good faith that the continued operation of the Project (or a portion thereof) is not financially feasible or is otherwise disadvantageous to the Corporation, and that, as a result thereof, the Corporation determines that it is necessary to sell, lease or otherwise dispose of the Project (or such portion thereof), as the case may be, to a person or entity unrelated to the Corporation; and (ii) a written statement of Bond Counsel is filed with the Authority, the Trustee, the Credit Provider and the Remarketing Agent to the effect that, unless Bonds are redeemed or retired in the amount specified therein either prior to or concurrently with such sale, lease or other disposition, or on a subsequent date prior to the first date on which the Bonds are subject to redemption, without premium, at the direction of the Corporation, such Bond Counsel will be unable to render an unqualified opinion that such sale, lease or other disposition will not adversely affect the validity of any Bonds or, if applicable, any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

Mandatory Tender: Under certain circumstances, Bonds in an Adjustable Rate Period may be subject to mandatory tender for purchase at 100% of the principal amount thereof, and without premium, on any date, including any date on which such Bonds could not be subject to optional redemption. See “THE BONDS--Tenders and Purchases--Mandatory Tenders” above.

Notice of Redemption: Effect of Redemption. Not less than 30 nor more than 45 days prior to any redemption date, the Trustee will cause notice of the call for redemption, identifying each Bond or portion thereof to be redeemed, given in the name of the Authority, to be sent by first class mail, postage prepaid, to the Tender Agent, the Credit Provider, the Remarketing Agent, the Corporation and the Owner of each Bond to be redeemed at the address of such Owner shown on the registration books; provided that if all the Bonds are held in a book-entry-only system, such notice to such Owner may be given in accordance with provisions of any then-existing letter of representations or similar agreement between the Authority and the then existing securities depository for the Bonds; and provided, further, that neither the failure to give any such notice nor any defect in any notice so given with respect to any Bond shall affect the sufficiency or the validity of any proceedings for the redemption of the other Bonds; and provided, further, that if such notice by mail shall not have been given with respect to a Bond delivered for purchase pursuant to the Indenture and if such Bond shall be deemed to have been selected for redemption pursuant to the Indenture, such notice may be given by the Trustee by telephone, teletype (receipt confirmed by telephone) or telegram, confirmed in writing, as promptly as practicable to the registered owner of such Bond, but failure to duly give such notice by telephone, teletype or telegram or any defect therein will not affect the validity of proceedings for the redemption of other Bonds. Each notice of redemption shall state (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date, and (v) that the Bonds are to be surrendered for payment at the principal corporate trust office of the Trustee.

Interest will not accrue after the redemption date on any Bond called for redemption, if notice has been given and if sufficient moneys have been deposited with the Trustee to pay principal of, premium, if any, and interest on such Bonds to the redemption date.

Partial Redemption. If fewer than all of the Bonds are called for redemption, the portion of Bonds to be redeemed will be selected by the Corporation, or if no such selection is made, by lot by the Trustee, from among all outstanding Bonds eligible for redemption, and, for this purpose, each minimum Authorized Denomination increment of principal amount represented by any Bond will be considered a separate Bond for purposes of selecting the Bonds to be redeemed.

If the owner of any Bond of a denomination greater than an Authorized Denomination fails to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the Authorized Denomination increments of principal amount called for redemption (and to that extent only).

Notwithstanding the foregoing provisions, Pledged Bonds and Corporation Bonds (in that order of priority) will be redeemed prior to any other Bonds.

While the Bonds are held in a book-entry only system, it will be the duty of the Remarketing Agent to effect a partial redemption of the beneficial interests in the Bonds.

Purchase in Lieu of Redemption. In lieu of redeeming Bonds as described above, the Trustee will, at the written request of the Corporation, use funds otherwise available under the Indenture for the redemption of Bonds to purchase Bonds in the open market at a price not exceeding the redemption price then applicable; provided, however, that such purchase shall not be made unless the Credit Facility in effect at the time provides that it may be drawn upon for the purpose of accomplishing such purchase in lieu of redemption and the proceeds of such draw are used by the Trustee to purchase such Bonds. Any Bonds so purchased in lieu of redemption will be delivered to the Trustee for cancellation. It is understood that in the case of any optional or extraordinary optional redemption or purchase and cancellation of Bonds, the Authority will receive credit against its required Bond Fund deposits with respect to such Bonds.

Security

Limited Obligation of the Authority; Payment on the Bonds. The Bonds, together with interest thereon, are limited obligations of the Authority and are payable solely from (i) payments or prepayments to be made on the Series Note(s) pledged under the Indenture; (ii) payments made under the Loan Agreement (other than the Unassigned Rights); (iii) amounts payable under the Credit Facility; (iv) certain funds and accounts pledged to the Trustee under the Indenture; and (v) certain income from the temporary investment of any of the foregoing. The Bonds will constitute a valid claim of the registered owners thereof against the moneys held by the Trustee under the Indenture for the benefit of the registered owners, the payments and prepayments on the Series 2007 Note and such other sources which are pledged and assigned under the Indenture for the equal and ratable payment of the Bonds and may be used for no purpose other than to pay principal of, premium, if any, and interest on the Bonds, except as otherwise authorized by the Indenture.

The Bonds are secured by a pledge and assignment of the Series Note(s) and an assignment by the Authority of its rights under the Loan Agreement (other than the Unassigned Rights). The payments on the Series Notes are required to be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. In addition, the Corporation is required under the Loan Agreement to pay or provide for the payment of the purchase price for Bonds that are subject to optional or mandatory tender for purchase.

Neither the Authority, the State of Wisconsin, nor any Political Subdivision or Agency of the State of Wisconsin is Liable on the Bonds. **Under Wisconsin law, the Bonds do not represent or constitute a debt of the Authority, the State of Wisconsin, or of any political subdivision or agency of the State of Wisconsin or a pledge of the faith and credit of the Authority, the State of Wisconsin, or of any political subdivision or agency of the State of Wisconsin or a grant to the owners thereof of any right to have the Authority, the State of Wisconsin, or any political subdivision or agency of the State of Wisconsin levy any taxes or appropriate any funds for the payment of the principal thereof or the interest thereon. The Authority has no taxing power.**

The Authority makes no representation regarding the adequacy of the security for the Bonds or the suitability of the Bonds for investment. The Authority undertakes no obligation to administer or monitor the development of the Project or the production of income therefrom.

THE INITIAL CREDIT FACILITY

The Initial Credit Facility with respect to the Bonds is being provided in the stated available amount of \$65,623,289. The principal component of the Initial Credit Facility will be \$65,000,000, which is an amount sufficient to allow the Trustee to draw upon the Initial Credit Facility to pay the aggregate outstanding principal amount (i) of the \$25,000,000 of Series 2006 Bonds and (ii) of the \$40,000,000 of Series 2007 Bonds, and the principal component of the purchase price of any Bonds tendered or required to be tendered for purchase, as applicable (the "Principal Component"). The interest component of the Initial Credit Facility is \$623,289, which is an amount equal to 35 days' accrued interest on the aggregate principal amounts of the Series 2006 Bonds (\$239,727) and Series 2007 Bonds (\$383,562), determined at a rate per annum equal to 10% calculated for actual days elapsed on the basis of a 365-day year (the "Interest Component").

All drawings on the Initial Credit Facility to pay interest on the Bonds shall be automatically reinstated as set forth in the Initial Credit Facility.

The Initial Credit Facility will terminate, unless extended, on the earliest of (i) December 6, 2013 (the "Stated Expiration Date"), (ii) the date of receipt by the Initial Credit Provider of a notice from the Trustee to the effect that no Bonds remain Outstanding, (iii) the first Business Day which is twenty-one (21) calendar days following the day on which the Trustee receives a written notice from the Initial Credit Provider notifying the Trustee that an Event of Default under the Reimbursement Agreement has occurred and that the Initial Credit Provider is terminating the Initial Credit Facility, (iv) the date on which an Alternate Credit Facility becomes effective or (v) the date which is two Business Days after the Fixed Rate Conversion Date for all Bonds not then in a Fixed Rate Mode.

The ability of the Initial Credit Provider to honor draws on the Initial Credit Facility will be based solely on the Initial Credit Provider's general credit.

ALTERNATE CREDIT FACILITIES

The Corporation may, subject to the provisions of the then existing Credit Facility, at any time obtain an Alternate Credit Facility or a Liquidity Facility upon compliance with the conditions contained in the Indenture and the Loan Agreement. See APPENDIX A - "SUMMARY OF PRINCIPAL BOND DOCUMENTS -THE INDENTURE-Credit Facility; Alternate Credit Facility." In such event, all Bonds will be subject to mandatory tender for purchase as described under "THE BONDS - Tenders and Purchases - Mandatory Tenders - Delivery of an Alternate Credit Facility or a Liquidity Facility."

THE REIMBURSEMENT AGREEMENT

In connection with the issuance of the Series 2006 Bonds, the Initial Credit Provider and the Corporation entered into an Amended and Restated Reimbursement Agreement, dated as of December 1, 2006 (the "Reimbursement Agreement"). Under the Reimbursement Agreement, the Corporation agrees to reimburse the Initial Credit Provider for the amount of any draws under the Initial Credit Facility, plus interest thereon. The Corporation also agrees to pay certain fees and expenses and other amounts to the Initial Credit Provider. The Reimbursement Agreement contains certain covenants of and restrictions on the Corporation which are typically found in such agreements. Such covenants and restrictions include, without limitation: maintenance of corporate existence, properties and insurance, compliance with applicable laws and regulations and compliance with certain financial reporting requirements. Such covenants and restrictions are for the benefit of the Initial Credit Provider only and may be waived or amended by the Initial Credit Provider and the Corporation without the consent of the Trustee or any Bond owners. The Bond owners will have no rights or obligations as a result of any such covenants or amendments thereto or waivers thereof.

The Reimbursement Agreement requires the Corporation to exercise its option to cause the redemption of Bonds annually, beginning in July, 2013, in principal amounts agreed to by the Initial Credit Provider and the Corporation. Such requirements are only for the benefit of the Initial Credit Provider and may be waived or amended, or the amortization schedule changed or extended, without the consent of the Trustee, the Authority or the Bond owners.

Issuance of the Initial Credit Facility is conditioned upon receipt by the Initial Credit Provider of certain legal opinions and other requirements of the Initial Credit Provider.

The Reimbursement Agreement contains certain defined events of default including, without limitation, failure to pay any amounts due under the Reimbursement Agreement, breach of the covenants and restrictions contained therein, events of default under the Indenture and Loan Agreement, certain events of default relating to other indebtedness, certain events of bankruptcy or insolvency involving the Corporation and certain other events. If the Corporation defaults under any of its covenants, restrictions or obligations under the Reimbursement Agreement, the Initial Credit Provider may notify the Trustee that the Initial Credit Facility will be terminated which is an event which will cause the Bonds to be subject to mandatory tender for purchase in accordance with the terms of the Indenture.

BOOK-ENTRY PROVISIONS

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. A separate, single fully-registered Bond certificate will be issued for each Series of Bonds and will be deposited with the Trustee, as custodian for DTC. **So long as Cede & Co. (as nominee of DTC) is the Registered Owner of the Bonds, references herein to the Registered Owners or owners of the Bonds shall mean DTC or its nominee, and shall not mean the Beneficial Owners (as hereinafter defined) of the Bonds.**

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through a Direct Participant, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent in accordance with the terms of the Indenture. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred on the records of DTC or its Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority, the Trustee, or the Corporation (with the consent of the other two), as provided in the Indenture, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The above information concerning DTC and DTC's book-entry system has been obtained from sources that are believed to be reliable, but neither the Authority, the Corporation, nor the Underwriter takes responsibility for the accuracy thereof.

REMARKETING AGENT

J. P. Morgan Securities Inc. has been appointed by the Corporation pursuant to the Remarketing Agreement to act as remarketing agent (the "Remarketing Agent") for the purposes described in the Indenture. The Remarketing Agent's principal office is located at 270 Park Avenue, New York, New York, 10017. The Remarketing Agent will, under certain circumstances, determine the interest rates on the Bonds, will use its best efforts to remarket Bonds, and may from time to time effect purchases of the Bonds. The Remarketing Agent may resign upon 30 days' notice to the Authority, the Trustee, the Initial Credit Provider and the Corporation (with a copy thereof mailed by first class mail, postage prepaid, to each of the registered owners of the Bonds). The Remarketing Agent may be removed at any time at the direction of the Corporation with the consent of the Initial Credit Provider, by an instrument signed by the Corporation and the Initial Credit Provider, and filed at least 30 days prior to such removal with the Remarketing Agent and with the Trustee.

THE AUTHORITY

Powers

The Authority has, among other powers, the statutory power to make loans to certain health care and educational institutions in Wisconsin, to finance the cost of projects and refinance or refund outstanding indebtedness and to assign loan agreements, notes, mortgages and other securities of health care and educational institutions to which the Authority has made loans, and the revenues therefrom, for the benefit of the holders of bonds issued to finance or refinance such projects.

Members of the Authority

The Authority consists of seven members, all of whom must be Wisconsin residents, appointed by the Governor with the consent of the State Senate. Members of the Authority serve staggered seven-year terms and continue to serve until their successors are appointed. The members of the Authority receive no compensation for the performance of their duties but are paid their necessary expenses while engaged in the performance of such duties. No member, officer, agent or employee of the Authority may, directly or indirectly, have any financial interest in any bond issue or in any loan or any property to be included in, or any contract for property or materials to be furnished or used in connection with, any project of the Authority, under penalty of law. Members of the Authority, however, may serve as directors or officers of institutions for which the Authority is providing financing, but they may not vote or take part in the Authority's deliberations concerning such financings.

The following individuals are the present members of the Authority:

	<u>Term Expires June</u>
John A. Noreika, <i>Chairperson</i> Executive Director Oakwood Village Madison, Wisconsin	2009
Tim Size, <i>Vice Chairperson</i> Executive Director Rural Wisconsin Health Cooperative Sauk City, Wisconsin	2011
Linda C. Bruce Family Living Educator UW Extension Superior, Wisconsin	2008
Tonit M. Calaway Associate General Counsel – Motor Company Operations Harley-Davidson Motor Company Milwaukee, Wisconsin	2010
Bruce Colburn Coordinator- Property Services (Central Region) Service Employees International Union Milwaukee, Wisconsin	2007
Beth L. Gillis Physician ThedaCare Physicians-Shawano Family Medicine Shawano, Wisconsin	2012
Ken Thompson Managing Partner Quinn David & Associates Milwaukee, Wisconsin	2013

Bonds of the Authority

Pursuant to the authority granted by Chapter 231 of the Wisconsin Statutes, the Authority may, among other powers, issue bonds to finance projects undertaken by private elementary and secondary schools, which bonds are negotiable for all purposes notwithstanding their payment from a limited source. The bonds are payable solely out of revenues of the Authority specified in the resolution under which they are issued or in a related trust indenture or mortgage. The Authority must pledge the revenues to be received by it on account of each financing as security for the bonds issued in that financing.

Interest Not Exempt from Wisconsin Income Taxes

Interest on bonds issued by the Authority is not exempt from current Wisconsin income taxes.

State of Wisconsin Not Liable on the Bonds

The Bonds do not represent or constitute a debt or liability of the State of Wisconsin, or of any political subdivision or agency of the State of Wisconsin other than the Authority, but shall be payable solely from the funds pledged therefore in accordance with the terms of the Indenture. The issuance of the Bonds does not, directly, indirectly or contingently, obligate the State of Wisconsin or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. The Authority has no taxing power.

Financing Program of the Authority

The following summary outlines the principal amount of revenue bonds and notes issued during each of the Authority's fiscal years. These previous issues are secured by instruments separate and apart from the Indenture and the security for the Bonds.

Fiscal Year Ended June 30	Public Issues		Private Placements		Total	
	Number of Issues	Amount	Number of Issues	Amount	Number of Issues	Amount
1980	-	-	1	\$ 1,300,000	1	\$ 1,300,000
1981	3	\$ 24,480,000	4	20,365,000	7	44,845,000
1982	3	34,100,000	4	12,575,000	7	46,675,000
1983	1	4,000,000	1	600,000	2	4,600,000
1984	4	16,375,000	3	13,225,000	7	29,600,000
1985	6	196,505,000	2	2,200,000	8	198,705,000
1986	9	213,260,000	5	17,478,000	14	230,738,000
1987	12	191,610,000	9	48,410,000	21	240,020,000
1988	14	170,890,000	14	81,589,000	28	252,479,000
1989	20	254,979,000	6	14,394,000	26	269,373,000
1990	14	277,605,000	9	45,737,000	23	323,342,000
1991	11	233,590,000	3	37,500,000	14	271,090,000
1992	15	346,160,000	5	43,500,000	20	389,660,000
1993	25	579,235,000	6	18,775,000	31	598,010,000
1994	16	434,495,000	6	46,615,000	22	481,110,000
1995	7	101,770,000	6	18,847,000	13	120,617,000
1996	14	382,905,000	2	8,800,000	16	391,705,000
1997	28	706,960,000	1	764,000	29	707,724,000
1998	25	722,050,000	1	2,700,000	26	724,750,000
1999	28	710,960,000	4	36,000,000	32	746,960,000
2000	16	415,710,000	6	17,736,000	22	433,466,000
2001	19	437,580,000	8	26,589,000	27	464,169,000
2002	18	815,100,000	2	8,000,000	20	823,100,000
2003	14	296,895,000	3	15,935,000	17	312,830,000
2004	26	912,245,000	4	25,980,000	30	938,225,000
2005	32	923,038,430	2	23,067,000	34	946,105,430
2006	<u>25</u>	<u>706,235,000</u>	<u>2</u>	<u>6,570,000</u>	<u>27</u>	<u>712,805,000</u>
TOTAL	405	\$10,108,733,180*	119	\$595,251,000**	524	\$10,703,984,180

* Includes \$2,349,241,987 which was refinanced by subsequent Authority bond issues.

** Includes \$71,858,136 which was refinanced by subsequent Authority bond issues.

In its fiscal year beginning July 1, 2006, the Authority has issued and has authorized the issuance of additional issues of bonds. The Authority plans to offer other obligations from time to time to finance other health and educational facilities. Such other obligations will be issued pursuant to and secured by instruments separate and apart from the Indenture and the security for the Bonds.

LITIGATION

The Authority

There is not now pending or, to the knowledge of the Authority, threatened any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Authority to enter into the Loan Agreement or to secure the Bonds in the manner provided in the Indenture.

The Corporation

No action, suit, proceeding or investigation, at law or in equity, before or by any court, any governmental agency or any public board or body is pending, or to the Corporation's knowledge, threatened, affecting the validity of the Bond Purchase Agreement, the Loan Agreement, the Reimbursement Agreement, the Series 2006 Note, the Series 2007 Note, the Indenture, the Remarketing Agreement or the Bonds or contesting the corporate existence or powers of the Corporation.

CERTAIN LEGAL MATTERS

Under the terms of the Bond Purchase Agreement entered into among the Underwriter, the Authority, and the Corporation, certain legal matters incident to the authorization and issuance of the Series 2007 Bonds are subject to the delivery of various legal opinions, including but not limited to an approving opinion of Whyte Hirschboeck Dudek S.C. as Bond Counsel. Certain additional legal matters will be passed upon for the Authority by its counsel, Whyte Hirschboeck Dudek S.C, for the Corporation by its counsel, Foley & Lardner LLP, and for the Initial Credit Provider and the Underwriter by their counsel, Michael Best & Friedrich LLP. The firm of Michael Best & Friedrich LLP has regularly represented the Corporation over the years in connection with various legal matters. With respect to the issuance of the Bonds, the Corporation is being represented by Foley & Lardner LLP.

LEGAL OPINIONS AND ENFORCEABILITY AND REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction. The remedies available to the Trustee upon a default are in many respects dependent upon judicial actions which are often subject to discretion and delay.

Under existing constitutional and statutory law and judicial decisions, including specifically the United States Bankruptcy Code, the remedies may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Wisconsin and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity.

RATINGS

An application was submitted and certain information was provided to Moody's Investors Service, Inc. ("Moody's") for a rating on the Series 2007 Bonds, based upon the issuance of the Initial Credit Facility by the Initial Credit Provider. Moody's has assigned the ratings shown on the cover page of this Official Statement to the Series 2007 Bonds. Such ratings reflect only the view of Moody's, and any explanation of the significance of such ratings may be obtained only from Moody's. Such ratings for the Series 2007 Bonds are subject to revision, suspension or withdrawal at any time by Moody's, and any such revision, suspension or withdrawal may affect the market price or marketability of the Series 2007 Bonds. A rating is not a recommendation to buy, sell or hold the Series 2007 Bonds.

TAX EXEMPTION

In General

The opinion of Bond Counsel and the descriptions of the tax laws contained in this Official Statement are based on laws and official interpretations of them which are in existence on the date the Series 2007 Bonds are issued. There can be no assurance that those laws or the interpretation of them will not change or that new laws will not be enacted or regulations issued while the Series 2007 Bonds are outstanding in a manner that would adversely affect the value of an investment in the Series 2007 Bonds or the tax treatment of the interest paid on the Series 2007 Bonds.

Federal Income Tax Opinion of Bond Counsel

Whyte Hirschboek Dudek S.C., as Bond Counsel, will deliver a legal opinion with respect to whether the interest on the Series 2007 Bonds must be included in the gross income for federal income tax purposes of an owner of a Series 2007 Bond under existing law in substantially the following form:

The interest on the Series 2007 Bonds is excluded for federal income tax purposes from gross income of the owners of the Bonds. The interest on the Series 2007 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. The interest on the Series 2007 Bonds is, however, included in adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. The Code contains requirements that must be satisfied subsequent to the issuance of the Series 2007 Bonds in order for interest on the Series 2007 Bonds to be or continue to be excluded from the gross income of the owners of the Series 2007 Bonds for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Series 2007 Bonds to be included in gross income retroactively to the date of issuance of the Series 2007 Bonds. The Authority, the Trustee and the Corporation have agreed to comply with all of those requirements and the opinion set forth in the first sentence of this paragraph is subject to the condition that the Authority, the Trustee and the Corporation comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Series 2007 Bonds.

Other Federal Income Tax Considerations

As noted above, interest on the Series 2007 Bonds is included in the adjusted current earnings of corporations for purposes of the alternative minimum tax imposed by Section 55 of the Code. The Code also contains numerous other provisions which could adversely affect the value of an investment in the Series 2007 Bonds for particular Bondholders. For example, (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2007 Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2007 Bonds, (ii) interest on the Series 2007 Bonds may affect the federal income tax liabilities of life insurance companies and, with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 2007 Bonds, (iii) interest on the Series 2007 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series 2007 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the Subchapter S corporation is passive investment income and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account receipts or accruals of interest on the Series 2007 Bonds in determining gross income. There may be other provisions of the Code which could adversely affect the value of an investment in the Series 2007 Bonds for particular Bondholders. Investors should consult their tax advisors to determine how the provisions described under this heading and other provisions of the Code relating to the ownership of tax-exempt obligations apply to them.

Wisconsin Income Taxes

Interest on bonds issued by the Authority, including the Series 2007 Bonds, is *not* exempt from Wisconsin income taxes under present law.

UNDERWRITING

The Underwriter has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2007 Bonds from the Authority at a purchase price equal to the par amount of the Series 2007 Bonds, \$40,000,000. The Corporation has agreed to pay an Underwriter's fee equal to \$20,000. The Underwriter will be obligated to purchase all the Series 2007 Bonds if any Series 2007 Bonds are purchased. The Series 2007 Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering prices, and such public offering prices may be changed, from time to time, without notice by the Underwriter. The Corporation has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the federal securities laws.

The Underwriter is not a bank but is a broker-dealer and is an indirect subsidiary of JPMorgan Chase & Co. (“JPMorgan Chase”). JPMorgan Chase is a multi-bank holding company. Any obligations of the Underwriter are its sole obligations and do not create any obligations on the part of any affiliate of the Underwriter, including any affiliated banks. Securities sold, offered or recommended by the Underwriter are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by any affiliated bank of the Underwriter and are not otherwise an obligation or responsibility of any such affiliated bank, except that the Series 2007 Bonds are secured by a credit facility issued by JPMorgan Chase Bank, N.A., which is a subsidiary of JPMorgan Chase & Co.

EXEMPTION FROM CONTINUING DISCLOSURE

The Bonds are exempt from the continuing disclosure requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 so long as the Bonds bear interest at a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode in an Adjustable Rate Period with a duration not more than nine months.

MISCELLANEOUS

The agreement of the Authority with the owners of the Bonds is fully set forth in the Indenture, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Bonds. References to the Indenture, the Loan Agreement, the Series 2007 Note, the Bond Purchase Agreement, the Initial Credit Facility, the Reimbursement Agreement and the Act are summaries of certain provisions thereof. Such summaries do not purport to be complete, and for full and complete statements of the provisions thereof reference is made to the Indenture, the Loan Agreement, the Series 2007 Note, the Bond Purchase Agreement, the Initial Credit Facility, the Reimbursement Agreement and the Act. So far as any statements are made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds. The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The Authority and the Corporation have authorized the execution and delivery of this Official Statement.

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

By: /s/ Lawrence R. Nines
Its: Executive Director

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC.

By: /s/ Jacqueline D. Schellinger
Its: General Counsel

APPENDIX A

DEFINITIONS OF CERTAIN TERMS; SUMMARY OF PRINCIPAL BOND DOCUMENTS

“*Account*” means any of the accounts established under the Indenture.

“*Act*” means Chapter 231 of the Wisconsin Statutes, as heretofore and hereafter amended.

“*Additional Bonds*” means Bonds issued or to be issued under the Indenture in accordance with Article IX thereof, pursuant to the request of the Corporation and authorization of the Authority.

“*Additional Bonds Loans*” means any loan or loans made to the Corporation pursuant to Section 2.17 of the Loan Agreement.

“*Additional Bonds Promissory Notes*” means any Additional Bonds Promissory Notes issued by the Corporation to the order of the Authority as evidence of any Additional Bonds Loans and assigned by the Authority to the Trustee.

“*Adjustable Rate*” means the interest rate per annum on a Bond established in accordance with Section 2.02(D) of the Indenture.

“*Adjustable Rate Conversion Date*” means the Daily Rate Interest Payment Date or the Weekly Rate Interest Payment Date on which a Bond begins to bear interest at an Adjustable Rate in accordance with the terms of the Indenture.

“*Adjustable Rate Interest Payment Date*” means (a) with respect to a Bond in an Adjustable Rate Period of three hundred sixty-five (365) days or less, the day following the last day of such Adjustable Rate Period or the maturity date of such Bond (to the extent the conditions specified in Section 2.02(D) of the Indenture are met); (b) with respect to a Bond in an Adjustable Rate Period of more than three hundred sixty-five (365) days, each January 1 and July 1, commencing with the January 1 or July 1 next succeeding the Adjustable Rate Conversion Date, and the Adjustable Rate Reset Date or the maturity date of such Bond (to the extent the conditions specified in the Indenture are met); (c) with respect to a Bond in an Adjustable Rate Period, regardless of the duration of such Period, each date on which such Bond is subject to mandatory tender for purchase in accordance with Section 3.01(b) of the Indenture; and (d) with respect to a Pledged Bond or a Corporation Bond in an Adjustable Rate Period, regardless of the duration of such Period, the date on which such Pledged Bond or Corporation Bond, as appropriate, is remarketed pursuant to the Indenture.

“*Adjustable Rate Mode*” means the Mode in which a Bond bears interest at an Adjustable Rate.

“*Adjustable Rate Period*” means the period from (a) an Adjustable Rate Conversion Date or an Adjustable Rate Reset Date, as appropriate, to (b) a subsequent Conversion Date or Adjustable Rate Reset Date, as appropriate, which Conversion Date or Adjustable Rate Reset Date may not be less than twenty-five (25) days from commencement of such period and, if such date is more than three hundred sixty-five (365) days from commencement of such period, shall be any January 1 or July 1 or the maturity date of such Bond as shall be specified by the Remarketing Agent on the Adjustable Rate Conversion Date or Adjustable Rate Reset Date in accordance with the Indenture.

“*Adjustable Rate Reset Date*” means an Adjustable Rate Interest Payment Date on which a Bond begins to bear interest at a new Adjustable Rate in accordance with the terms of the Indenture.

“*Alternate Credit Facility*” means any Credit Facility delivered to, and accepted by, the Trustee pursuant to the Indenture in substitution for a Credit Facility.

“*Authority*” means the Wisconsin Health and Educational Facilities Authority, a body politic organized under the laws of the State of Wisconsin.

“*Authority’s Annual Fee*” means the fee which the Authority is authorized by the Act to charge and apportion among participating health institutions and participating educational institutions (as those terms are defined in the Act) to cover the Authority’s costs and expenses incurred in the exercise of the powers and duties conferred on it

by the Act. For purposes of the Loan Agreement and the Indenture, Authority's Annual Fee means one-tenth of one percent of the average principal amount of the Bonds outstanding during the period beginning on December 6 of each year and ending on the immediately succeeding December 5. The Authority's Annual Fee may be increased or decreased from time to time by the Authority but for purposes of the Loan Agreement and the Indenture cannot exceed the amount described above.

"Authority's Expenses" means, in addition to the Authority's Annual Fee, the reasonable and necessary fees and expenses incurred by the Authority with respect to the documentation of the Bonds, including any advances made by the Authority plus interest on those advances as provided by any of the terms of the financing and those for any legal, accounting, financial or other experts reasonably retained by the Authority.

"Authority Representative" means Chairperson, Vice Chairperson, Executive Director or Associate Executive Director of the Authority, or any other member or officer of the Authority designated by the Authority to act on behalf of the Authority.

"Authorized Denomination" means: (a) for any Bond in the Daily Rate Mode, the Weekly Rate Mode or the Adjustable Rate Mode, any integral multiple of \$100,000; and (b) for any Bond in the Fixed Rate Mode any multiple of \$5,000.

"Beneficial Owner" or *"beneficial owner"* means purchasers of beneficial interests in the Bonds.

"Bond Counsel" means the firm of Whyte Hirschboeck Dudek S.C. or any other law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal Bonds, acceptable to the Authority and the Trustee.

"Bond Fund" means the Fund by that name established by the Indenture.

"Bond Owner," "Bondowner," "Owner," "owner," "Bondholder," "bondholder," "Holder," "holder" or "owner of the Bonds," when used with respect to a Bond, means the person or entity in whose name such Bond shall be registered on the Registration Books.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of December 5, 2006, among the Authority, the Corporation and the Underwriter, including all amendments thereof and supplements thereto.

"Bond Registrar" means the Trustee.

"Bond Resolution" means the Resolution adopted by the members of the Authority on November 21, 2006 authorizing the issuance, delivery and sale of the Series 2006 Bonds and the Series 2007 Bonds.

"Bond Year," when used with respect to the Reserve Fund Requirement, means the initial period beginning on the date of issuance of the Bonds and ending on December 1, 2007, and thereafter each one-year period ending on December 1, 2036 or, if earlier, the day on which all outstanding Bonds are retired.

"Bonds" means the Series 2006 Bonds, the Series 2007 Bonds, and any Additional Bonds.

"Business Day" or *"business day"* means any day which is not (a) a Saturday, a Sunday or, in the City of New York, New York, or Milwaukee, Wisconsin (or, if different, in the city in which the Principal Office of the Trustee, the Principal Office of the Tender Agent, the Principal Office of the Remarketing Agent or the office of any Credit Provider at which a drawing under the Credit Facility is to be honored is located), a day on which banking institutions are authorized or required by law or executive order to close, or (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed.

"Capitalized Interest Account" means the Account by that name established in the Bond Fund by Section 5.02 of the Indenture.

"Closing Date" means the date a series of the Bonds are delivered to the Underwriter against payment therefor pursuant to the Bond Purchase Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor sections of a subsequent income tax statute or code. Each reference to a Section of the Code in the Indenture shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, rulings and proclamations relating to such Section which are applicable to the Bonds or the use of the proceeds thereof.

“Completion Certificate” means the certificate delivered by a Corporation Representative pursuant to the Indenture evidencing completion of the Project.

“Conversion Date” means a Daily Rate Conversion Date, an Adjustable Rate Conversion Date, a Weekly Rate Conversion Date or a Fixed Rate Conversion Date, as appropriate.

“Corporation” means Indian Community School of Milwaukee, Inc., a Wisconsin nonstock, nonprofit corporation qualified to do business in the State, and its successors and assigns and any surviving, resulting or transferred corporation permitted by the Loan Agreement.

“Corporation Bonds” means Bonds registered in the name of the Corporation, or beneficial interests in Bonds designated on the books of DTC or a DTC Participant as being held for the account of the Corporation that are not Pledged Bonds.

“Corporation Representative” means the Board Chair or any other officer or representative of the Corporation authorized by the Board Chair of the Corporation to act on behalf of the Corporation.

“Costs of Issuance” means (a) payment of all reasonable costs incurred by the Corporation in connection with the issuance of the Bonds including, but not limited to, legal and accounting fees and expenses, printing expenses, financial consultants’ fees, financing charges (including underwriting fees and discounts), printing and engraving costs, the fees and expenses of the Rating Agencies, preparation of the financing statements, preparation of any disclosure document and any other documents necessary for the issuance of the Bonds; and (b) payment of the fees and reasonable expenses of the Trustee, the Authority, any Bond Registrar, the Tender Agent, any Credit Provider and the reasonable expenses of their counsel properly incurred under or in connection with the issuance of the Bonds.

“Cost of the Project” or “Costs of the Project” means any cost within the meaning of the Act incurred with respect to the Project.

“Counsel” means an attorney or firm whose members are attorneys duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for the Corporation, the Trustee, the Tender Agent, the Credit Provider or the Authority.

“Credit Facility” means the Initial Credit Facility or any Alternate Credit Facility then in effect. All references to “Credit Facility” shall be of no effect if no Credit Facility is outstanding and no obligations of the Corporation to any Credit Provider remain outstanding under a Reimbursement Agreement

“Credit Facility Account” means the Account of that name established in the Bond Fund pursuant to the Indenture.

“Credit Provider” means the issuer or issuers of any Credit Facility, and its successor or successors, as appropriate, in such capacity and its assign or assigns, as appropriate. All references to “Credit Provider” shall be of no effect if (a) no Credit Facility is outstanding and no obligations of the Corporation to a Credit Provider remain outstanding under a Reimbursement Agreement or (b) the Credit Provider is in default under a Credit Facility.

“Custody Account” means the Account of that name established pursuant to the Indenture.

“Daily Rate” means the interest rate per annum on a Bond established in accordance with Section 2.02(B) of the Indenture.

“Daily Rate Conversion Date” means the Adjustable Rate Interest Payment Date or the Weekly Rate Interest Payment Date on which Bonds begin to bear interest at a Daily Rate in accordance with the terms of the Indenture.

“Daily Rate Interest Payment Date;” means (a) the first Business Day of each month, commencing with the

first Business Day of the month next succeeding a Daily Rate Conversion Date, (b) with respect to a Bond in a Daily Rate Period, each date on which such Bond is subject to mandatory tender for purchase in accordance with the Indenture and (c) the maturity date of a Bond (to the extent such Bond is in the Daily Rate Mode at such time).

“Daily Rate Mode” means the Mode in which a Bond bears interest at a Daily Rate.

“Daily Rate Period” means the period from a Daily Rate Conversion Date to the earlier of the following Conversion Date or the maturity date of a Bond (to the extent such Bond is in the Daily Rate Mode at such time).

“Default” or *“Event of Default”* or *“event of default”* means (a) with respect to the Indenture, any of those events defined as events of default by the Indenture and (b) with respect to the Loan Agreement, any of those events defined as events of default by the Loan Agreement.

“DTC” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the New York Banking Law, acting as the initial securities depository for the Bonds.

“DTC Participant” means a participant in DTC’s book-entry only system that deposits its securities with DTC.

“Determination of Taxability” means, with respect to any series of Bonds, a determination that the interest payable on any Bond of such series is includible for federal income tax purposes in the gross income of the Owner thereof by reason of such Bond being an “arbitrage bond” within the meaning of Section 148 of the Code, which determination shall be deemed to have been made with respect to a Bond upon the occurrence of the first of the following events: (a) the date on which the Corporation determines that the interest payable on such Bond is includible for federal income tax purposes in the gross income of the Owners thereof by reason of such Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; (b) the date on which the Internal Revenue Service issues any private ruling, technical advice or any other substantially equivalent written communication to the effect that the interest payable on such Bond is includible for federal income tax purposes in the gross income of the Owner thereof by reason of such Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; (c) the date on which the Corporation shall receive notice from the Trustee in writing that the Trustee has been advised in writing by the Owner of such Bond that the Internal Revenue Service has issued a 30-day letter or other formal written determination (a copy of which shall have been provided by such Owner to the Trustee) which asserts that the interest payable on such Bond is includible for federal income tax purposes in the gross income of the Owner by reason of such Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; or (d) the date on which the Trustee receives written notice that the Corporation has taken any action or has failed to take any action the effect of which is to cause the interest payable on such Bond to become includible for federal income tax purposes in the gross income of the Owner thereof by reason of such Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; provided, however, that in the event of a good faith appeal, protest or contest to the Internal Revenue Service or any court, governmental agency, authority or arbitrator, as appropriate, or the filing with the Internal Revenue Service of a request for ruling or other advice initiated by the Corporation within sixty (60) days after the earlier of the dates referred to in clauses (b), (c) or (d) of the Indenture no Determination of Taxability shall be deemed to have occurred until the date upon which all such appeals, protests, contests, or requests pursued with due diligence by the Corporation have been exhausted.

“Eligible Moneys” means:

(a) Bond proceeds deposited with the Trustee contemporaneously with the issuance and sale of the related Bonds and which were continuously thereafter held subject to the lien of the Indenture in a separate and segregated fund, account or subaccount established under the Indenture (except any Rebate Fund) in which no moneys which were not Eligible Moneys are at any time held, together with investment earnings on such Bond proceeds;

(b) moneys (i) paid or deposited by the Corporation to the Trustee, (ii) held in any fund, account or subaccount established under the Indenture in which no other moneys which are not Eligible Moneys are held and (iii) which have been on deposit with the Trustee for at least one hundred twenty-three (123) days from their receipt by the Trustee, during and prior to which period no petition by or against the Authority or the Corporation under any bankruptcy or similar law now or hereafter in effect shall have been filed and no bankruptcy or similar proceeding otherwise initiated (unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal), together with investment earnings on such moneys;

(c) moneys received by the Trustee from any draw on the Credit Facility, together with investment earnings on such moneys;

(d) proceeds from the remarketing of any Bonds pursuant to the provisions of the Indenture to any Person other than the Corporation or the Authority or any “insider” thereof as defined in the United States Bankruptcy Code;

(e) proceeds from the issuance and sale of refunding bonds, together with the investment earnings on such proceeds, if there is delivered to the Trustee at the time of issuance and sale of such bonds an opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters and acceptable to the Trustee and to each Rating Agency then maintaining a rating on the Bonds (which opinion may assume that no Bondholders are “insiders” within the meaning of the United States Bankruptcy Code) to the effect that the use of such proceeds and investment earnings to pay the principal of, premium, if any, or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the United States Bankruptcy Code recoverable under Section 550 of the United States Bankruptcy Code should the Authority or the Corporation become a debtor in a proceeding commenced thereunder; and

(f) moneys which are derived from any other source, together with the investment earnings on such moneys, if the Trustee has received an unqualified opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee and to each Rating Agency then maintaining a rating on the Bonds (which opinion may assume that no Bondholders are “insiders” within the meaning of the United States Bankruptcy Code) to the effect that payment of such amounts to Bondholders would not be avoidable as preferential payments under Section 547 of the United States Bankruptcy Code recoverable under Section 550 of the United States Bankruptcy Code should the Authority or the Corporation become a debtor in a proceeding commenced thereunder; provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment. For the purposes of this definition, the term “moneys” shall include cash and any investment securities including, without limitation, Government Obligations.

“Expense Account” means an Expense Account of the Expense Fund established by the Indenture.

“Expense Fund” means the Fund of that name established by the Indenture.

“Expiration of the Term of the Credit Facility” means the expiration of a then existing Credit Facility in effect with respect to any Bonds, including extensions thereof, without provisions being made in accordance with the Indenture and the Loan Agreement for the delivery of an Alternate Credit Facility prior to any date upon which the Trustee is required to give notice under the Indenture of a mandatory tender of Bonds as a result of such expiration. No “Expiration of the Term of the Credit Facility,” with respect to a Bond, shall be deemed to occur to the extent of a remarketing of such Bond in the Fixed Rate Mode on the Fixed Rate Conversion Date without the security of a Credit Facility.

“Financed Properties” means the facilities of the Corporation or portions thereof that constitute a part of the Project and the costs of which are, directly or indirectly, financed, refinanced or reimbursed with the proceeds of the Bonds and the Notes.

“Fixed Rate” means the interest rate per annum on a Bond established in accordance with Section 2.02(E) of the Indenture.

“Fixed Rate Conversion Date” means the Daily Rate Interest Payment Date, the Weekly Rate Interest Payment Date or the Adjustable Rate Interest Payment Date on which a Bond begins to bear interest at the Fixed Rate in accordance with the terms of the Indenture.

“Fixed Rate Interest Payment Date” means each January 1 and July 1, commencing with the January 1 or July 1 next succeeding the Fixed Rate Conversion Date, and the maturity date of a Bond (to the extent such Bond is in the Fixed Rate Mode at such time).

“Fixed Rate Mode” means the Mode in which a Bond bears interest at the Fixed Rate.

“Fixed Rate Period” means the period from the Fixed Rate Conversion Date to the maturity date of a Bond.

“*Fund*” means any of the funds established under the Indenture.

“*Government Obligations*” means (a) direct obligations of the United States of America or any agency or instrumentality of the United States of America and (b) obligations on which the timely payment of principal and interest is fully guaranteed by the United States of America or any agency or instrumentality of the United States of America.

“*Indenture*” means the Indenture of Trust, dated as of December 1, 2006, between the Authority and the Trustee, including all amendments of the Indenture and supplements thereto, including the Supplemental Indenture of Trust, dated as of June 1, 2007, between the Authority and the Trustee.

“*Initial Credit Facility*” means the irrevocable transferable direct pay letter of credit issued by JPMorgan Chase Bank, N.A. and delivered to the Trustee on the Closing Date, including extensions thereof and amendments or supplements thereto executed in accordance with the Indenture.

“*Interest Payment Date*” means a Daily Rate Interest Payment Date, a Weekly Rate Interest Payment Date, an Adjustable Rate Interest Payment Date or a Fixed Rate Interest Payment Date, as appropriate.

“*Interest Period*” means (a) while a Bond is in the Daily Rate Mode, the period from and including each day which is a Business Day to but excluding the next succeeding day which is a Business Day, and (b) while a Bond is in the Weekly Rate Mode, the period from and including the Closing Date or a Weekly Rate Conversion Date, as appropriate, through and including the following Tuesday, and, after the initial Interest Period, the period from and including Wednesday of each week through and including the earlier of the following Tuesday or the day preceding a Conversion Date, whether or not such days are Business Days; provided, however, that if the scheduled rate change day for Bonds in the Weekly Rate Mode is changed to a day of the calendar week other than Tuesday pursuant to the Indenture, the Interest Period for Bonds in the Weekly Rate Mode shall mean the period from the Weekly Rate Conversion Date, or the last scheduled rate change day for such Bonds, as appropriate, through and including the day immediately preceding such new rate change day, and, thereafter, the period from such new rate change day through and including the earlier of the day immediately preceding the following rate change day or the day preceding a Conversion Date, whether or not such days are Business Days.

“*Liquidity Facility*” means any standby bond purchase agreement, bank bond purchase agreement, line of credit, surety bond, revolving credit facility, bond insurance policy or other agreement or instrument under which any Person (other than the Authority or the Corporation) undertakes to pay or provide funds to pay the principal component and interest component of the purchase price of Bonds (or beneficial interests therein) supported by such Liquidity Facility. As used in the Indenture and in the Loan Agreement, an extension of, or an amendment or supplement to, an existing Liquidity Facility does not constitute a new or alternate Liquidity Facility.

“*Loan Agreement*” means the Loan Agreement dated as of December 1, 2006, between the Authority and the Corporation, including all amendments thereof and supplements thereto.

“*Maximum Rate*” has the meaning assigned in Section 2.02(B) of the Indenture.

“*Mode*” means the Daily Rate Mode, the Weekly Rate Mode, the Adjustable Rate Mode or the Fixed Rate Mode, as appropriate. The period that any Bond is in any Mode shall not be less than twenty-five (25) days.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, at the written direction of the Corporation, with written notice to the Authority and the Credit Provider.

“*Net Proceeds*,” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award remaining after payment of all expenses (including attorneys’ and adjusters’ fees and any expenses of the Trustee, the Authority or the Corporation) incurred in the collection of such gross proceeds.

“*Notes*” means, collectively, the Series 2006 Note, the Series 2007 Note, and any Additional Bonds

Promissory Notes, as defined herein.

“Official Statement” means this Official Statement.

“Outstanding,” “Bonds outstanding” or *“Bonds then outstanding”* means, as of any date, all Bonds that have been executed and delivered by the Authority and authenticated by the Trustee or the Tender Agent under the Indenture, except:

- (a) Bonds theretofore cancelled upon surrender thereof to the Trustee;
- (b) Bonds paid or deemed to be paid pursuant to the Indenture;
- (c) Bonds in lieu of or in exchange for which other Bonds shall have been executed and delivered by the Authority and authenticated by the Trustee or the Tender Agent pursuant to the Indenture; and
- (d) Undelivered Bonds.

“Person” means any natural person, firm, joint venture, association, corporation, public body, agency or political subdivision thereof or any other similar entity.

“Pledged Bonds” means Bonds purchased with moneys drawn under the Credit Facility pursuant to the Indenture.

“Premium” or *“premium,”* when used with respect to a Bond, means any amount in addition to the principal of and interest on such Bond that is required to be paid in the event of the exercise of an option or obligation to pay the principal of such Bond prior to maturity as permitted or required by the Indenture, and, when used with respect to a Note, means any amount in addition to the principal of and interest on such Note that is required to be paid pursuant to an option or obligation to pay the principal of such Note prior to maturity as permitted or required by the Note and the Loan Agreement

“Prepayment” or *“prepayment,”* when used with respect to a Note, means the payment of all or a portion of the principal of such Note prior to maturity, except for a payment made in advance of the scheduled due date thereof that is not to be applied against the outstanding principal balance of such Note until such due date.

“Principal Office of the Remarketing Agent” means the office of the Remarketing Agent designated in writing to the Authority, the Trustee, the Tender Agent, the Credit Provider and the Corporation, and means, initially, the office of the Remarketing Agent located at 10 South Dearborn – 32nd Floor, Chase Tower, Mail Code IL1-04826, Chicago, IL 60670, Attention: Public Finance Department.

“Principal Office of the Tender Agent” means the office of the Tender Agent designated by the Tender Agent in writing to the Authority, the Trustee, the Credit Provider, the Remarketing Agent and the Corporation.

“Principal Office of the Trustee” means the office of the Trustee located at the address set forth in or established pursuant to the Indenture.

“Prior Bonds” means the \$40,000,000 Community Development Authority of the City of Franklin, Wisconsin Adjustable Rate Demand Redevelopment Revenue Bonds, Series 2002 (Indian Community School of Milwaukee, Inc. Project).

“Project” means a project to be owned by the Corporation, including the acquisition of land and the construction and equipping of an educational campus consisting of three buildings totaling approximately 163,000 square feet, to be located at 10405 W. St. Martins Road, Franklin, Wisconsin, for children from pre-school through eighth grade.

“Project Account” means a Project Account of the Project Fund established by the Indenture.

“Project Consultant” means any architect, engineer or firm of architects or engineers selected by the

Corporation and licensed by, or permitted to practice in, the State of Wisconsin, which architect, engineer or firm of architects or engineers shall have no interest, direct or indirect, in the Corporation and, in the case of an individual shall not be a member, trustee, officer or employee of the Corporation and, in the case of a firm, shall not have a partner, member, trustee, officer or employee who is a member, trustee, officer or employee of the Corporation unless, in any such case, such relationship shall have been disclosed and acknowledged in accordance with any applicable conflict of interest policy of the Corporation; it being understood that an arms-length contract with the Corporation for the performance of service shall not be regarded as creating an interest in or an employee relationship with such entity.

“Project Fund” means the Fund of that name established by the Indenture.

“Project Period” means the period beginning on the date of delivery of the Bonds and ending on the date of delivery of the Completion Certificate referred to in the Indenture.

“Property” means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

“Purchase Fund” means the Fund of that name established pursuant to the Indenture.

“Qualified Investments” means,

- (a) U.S. Government Obligations and bonds or securities issued or guaranteed as to principal and interest by a commission, board or other instrumentality of the federal government,
- (b) short-term discount obligations of the Federal National Mortgage Association,
- (c) 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,
- (d) time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State if the time deposits mature in not more than three years,
- (e) bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State,
- (f) 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 which is the highest or second highest rating category assigned by S&P, Moody’s or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating,
- (g) securities of an open-end management investment company or investment trust if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the Investment Company Act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following: (i) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (ii) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government and (iii) repurchase agreements that are fully collateralized by bonds or securities described under (i) or (ii) and
- (h) any other obligation or security which constitutes a permitted investment for money of the Authority as a result of an amendment of the Act subsequent to December 1, 2006 if the prior written consent of the Authority and the Trustee are obtained.

“Rate Change Date” means (a) with respect to any Bond in the Daily Rate Mode, each Business Day on which the Daily Rate becomes effective for the related Interest Period in accordance with the Indenture, (b) with respect to any Bond in the Weekly Rate Mode, each Business Day on which the Weekly Rate becomes effective for the related Interest Period in accordance with the Indenture, (c) with respect to any Bond in the Adjustable Rate Mode, each Adjustable Rate Reset Date and (d) with respect to any Bond, each Business Day on which the interest rate on such Bond is reset in accordance with the Indenture.

“Rating Agency” or *“Rating Agencies”* means S&P and/or Moody’s, according to which of such rating agencies then rates a Bond; and provided that if neither of such rating agencies then rates a Bond, the term *“Rating Agency”* or

“Rating Agencies” shall refer to any national rating agency (if any) that provides such rating.

“*Rebate Fund*” means any fund by that name, if any, which may be created pursuant to any Tax Agreement to comply with Section 148(f) of the Code.

“*Record Date*” means (a) with respect to any Daily Rate Interest Payment Date or Weekly Rate Interest Payment Date, the Business Day next preceding such Interest Payment Date, and (b) with respect to any Adjustable Rate Interest Payment Date or Fixed Rate Interest Payment Date, the fifteenth day of the calendar month preceding such Interest Payment Date.

“*Registration Books*” means the registration records of the Authority, maintained by the Trustee, as registrar for the Bonds.

“*Reimbursement Agreement*” means with respect to the Credit Facility, the agreement pursuant to which the Credit Facility is issued, including all amendments thereof and supplements thereto. All references to “Reimbursement Agreement” shall be of no effect, with respect to any Bond, at any time that such Bond is not secured by a Credit Facility, except with respect to vested rights.

“*Remarketing Agent*” means the Remarketing Agent appointed in accordance with the Indenture, and means, initially, J.P. Morgan Securities Inc., Chicago, Illinois.

“*Remarketing Agreement*” means the Remarketing Agreement dated as of December 1, 2006, among the Authority, the Corporation and the Remarketing Agent as the same may be amended, supplemented or assigned from time to time, or any similar agreement as may be substituted therefor among the Authority, the Corporation and the Remarketing Agent.

“*Representation Letter*” means the blanket Letter of Representations between the Authority and The Depository Trust Company, New York, New York, including all amendments thereof and supplements thereto.

“*Reserve Fund*” means the Fund by that name, if any, created pursuant to the Indenture.

“*Reserve Fund Requirement*” means the least of (a) ten percent of the Outstanding aggregate principal amount of the Bonds bearing interest at a Fixed Rate as of the Fixed Rate Conversion Date, (b) the maximum amount required to pay principal and interest due on such Bonds (whether at maturity or upon redemption or otherwise) in the then current or any succeeding Bond Year or (c) one hundred twenty-five percent (125%) of the average annual amount required to pay principal and interest on such Bonds (whether at maturity or upon redemption or otherwise) (determined on a Bond Year basis) in the then current or any succeeding Bond Year.

“*Revenue Account*” means the Account of that name created by the Indenture.

“*S&P*” means Standard & Poor’s Credit Markets Services, a division of The McGraw Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, at the written direction of the Corporation, with written notice to the Authority and the Credit Provider.

“*Series 2006 Bonds*” means the Authority’s \$25,000,000 Adjustable Rate Demand Revenue Bonds, Series 2006 (Indian Community School of Milwaukee, Inc. Project), issued for the purpose of funding completion of the Project.

“*Series 2007 Bonds*” means the Authority’s \$40,000,000 Adjustable Rate Demand Revenue Refunding Bonds, Series 2007 (Indian Community School of Milwaukee, Inc. Project) to be issued for the purpose of refunding the Prior Bonds.

“*Series 2006 Closing Date*” means the date the Series 2006 Bonds are delivered to the Underwriter against payment therefor pursuant to the Bond Purchase Agreement.

“*Series 2007 Closing Date*” means the date the Series 2007 Bonds are delivered to the Underwriter against

payment therefor pursuant to the Bond Purchase Agreement.

“*Series 2006 Note*” means the Corporation’s \$25,000,000 Promissory Note, Series 2006, in substantially the form attached as Exhibit A to the Loan Agreement, being issued and sold by the Corporation to the Authority pursuant to the Loan Agreement to evidence the loan of the proceeds of the Bonds to the Corporation, and then being pledged by the Authority to the Trustee, concurrently with the issuance of the Series 2006 Bonds, and any note issued in exchange or substitution therefor.

“*Series 2007 Note*” means the Corporation’s \$40,000,000 Promissory Note, Series 2007, in substantially the form attached as Exhibit A to the Loan Agreement, being issued and sold by the Corporation to the Authority pursuant to the Loan Agreement to evidence the loan of the proceeds of the Bonds to the Corporation, and then being pledged by the Authority to the Trustee, concurrently with the issuance of the Series 2007 Bonds, and any note issued in exchange or substitution therefor.

“*State*” means the State of Wisconsin.

“*Supplemental Bonds Indenture*” means any supplement to or amendment of the Indenture entered into in accordance with Article IX of the Indenture.

“*Supplemental Bonds Loan Agreement*” means any supplement to or amendment of the Loan Agreement entered into in accordance with Article IX of the Indenture.

“*Tax Agreement*” means the tax exemption agreement and certificate executed by the Authority, the Trustee and the Corporation in connection with the issuance of a series of Bonds and relating to certain federal tax law matters, including all amendments thereof and supplements thereto.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof(a) which is an organization described in Section 501(c)(3) of the Code, and (b) which is exempt from federal income taxes under Section 501(a) of the Code.

“*Tender Agent*” means the Tender Agent, if any (or any successor to its interests), appointed in accordance with the Indenture.

“*Trust Estate*” means the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture.

“*Trustee*” means The Bank of New York Trust Company, N.A., a national banking association with a corporate trust office located in Milwaukee, Wisconsin and its successors, and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as such under the Indenture; provided, in each case, the requirements of the Indenture are satisfied.

“*Trustee Prime Rate*” means that rate of interest per year announced from time to time by the Trustee as its “prime rate” or its “corporate base rate,” changing when and as such prime rate or corporate base rate changes, which rate may or may not be the lowest rate of interest that the Trustee charges its customers.

“*Unassigned Rights*” means the Authority’s right under the Loan Agreement (a) to receive fees and expenses payable to the Authority under the Loan Agreement, (b) to be indemnified and held harmless under the Loan Agreement in certain circumstances, and (c) to execute and deliver supplements and amendments to the Loan Agreement pursuant to the Loan Agreement.

“*Undelivered Bonds*” means Bonds that are not presented to the Trustee for payment of principal thereof and interest thereon when due, or purchase price thereon when due and for which sufficient moneys are on deposit with the Trustee to pay such principal and interest or purchase price.

“*Underwriter*” means J.P. Morgan Securities Inc., Chicago, Illinois, and its successors and assigns.

“*United States Bankruptcy Code*” means Title XI of the United States Code, as heretofore and hereafter amended.

“*Weekly Rate*” means the interest rate per annum on a Bond established in accordance with Section 2.02(C) of the Indenture.

“*Weekly Rate Conversion Date*” means the Daily Rate Interest Payment Date or the Adjustable Rate Interest Payment Date on which a Bond begins to bear interest at a Weekly Rate in accordance with the terms of the Indenture.

“*Weekly Rate Interest Payment Date*” means (a) with respect to the Weekly Rate Period commencing on the Closing Date for the Series 2007 Bonds, July 2, 2007, and the first Business Day of each month thereafter and (b) with respect to each Weekly Rate Period commencing after a Weekly Rate Conversion Date, the first Business Day of each month, commencing with the first Business Day of the month next succeeding the Weekly Rate Conversion Date, (c) with respect to a Bond in a Weekly Rate Period, each date on which such Bond is subject to mandatory tender for purchase in accordance with the Indenture and (d) the maturity date of a Bond (to the extent such Bond is in the Weekly Rate Mode at such time).

“*Weekly Rate Mode*” means the Mode in which a Bond bears interest at a Weekly Rate.

“*Weekly Rate Period*” means the period from the Closing Date until the earlier of the following Conversion Date or the maturity date of a Bond, and, should a Weekly Rate Conversion Date occur, the period from the Weekly Rate Conversion Date to the earlier of the following Conversion Date or the maturity date of a Bond.

“*Written Request*” means, with reference to the Authority, a request in writing signed by an Authority Representative, and with reference to the Corporation, a request in writing signed by a Corporation Representative.

SUMMARY OF THE INDENTURE

Pledge and Assignment to the Trustee.

In order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Authority of all of the covenants and obligations expressed or implied in the Indenture and in the Bonds, the Authority has irrevocably granted, alienated, bargained, sold, conveyed, transferred, assigned and pledged unto the Trustee (to the extent of its legal capacity to hold the same for the purposes of the Indenture), and the successors in trust and assigns of the Trustee, forever:

- The Notes, which are from time to time endorsed by the Authority to the order of the Trustee, and all sums payable in respect of the indebtedness evidenced thereby; and

- All right, title and interest of the Authority (a) in, to and under the Loan Agreement (except its Unassigned Rights), and all extensions and renewals of the term thereof, if any; (b) the amounts payable to the Authority under the Loan Agreement (excluding Unassigned Rights); and (c) to do any and all other things which the Authority is or may become entitled to do under the Loan Agreement; provided, however, that the assignment described in this clause shall not impair or diminish any obligation of the Authority under the Loan Agreement or alter the rights, duties and obligations of the Trustee under the remaining terms of the Indenture; and

- All right, title and interest of the Authority in and to all moneys and securities from time to time held by the Trustee under the terms of the Indenture and all other property, if any, pledged to the Trustee as security under the Indenture; and

There is, however, expressly excepted and excluded from the lien of the Indenture amounts held by the Trustee in any Rebate Fund established by the Tax Agreement, amounts on deposit in the Purchase Fund or elsewhere (including amounts held by the Remarketing Agent) to pay the purchase price of Bonds delivered or deemed delivered for purchase pursuant to the Indenture and amounts and Pledged Bonds (or beneficial interests therein) on deposit in the Custody Account or held by the Remarketing Agent in accordance with the Indenture for the benefit of the Credit Provider.

Limited Obligations.

The Bonds, together with interest thereon, shall be limited obligations of the Authority payable solely from the payments to be made on the Note, from amounts payable under the Loan Agreement (other than with respect to

Unassigned Rights), from payments made under the Credit Facility and from certain funds and accounts pledged to the Trustee under the Indenture, except funds held, or required to be deposited, in the Rebate Fund, if any, the Purchase Fund and the Custody Account or held by the Remarketing Agent pursuant to the Indenture, and shall be a valid claim of the respective Owners thereof only against the moneys held by the Trustee, the payments to be made on the Note and such other sources, which are pledged by the Indenture and assigned for the equal and ratable payment of the Bonds, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture. The Bonds do not represent or constitute indebtedness within the meaning of the Constitution of the State of Wisconsin or any statutory debt limitation or restriction of the Authority, the State of Wisconsin, any political subdivision or agency of the State of Wisconsin, or of any other public body; and they do not constitute a pledge of the faith and credit of the Authority, the State of Wisconsin, any political subdivision or agency of the State of Wisconsin, or of any other public body, or grant to the Owners thereof any right to have the Authority, the State of Wisconsin, any political subdivision or agency of the State of Wisconsin, or any other public body levy any taxes or appropriate any funds for the payment of principal of or interest on the Bonds.

Application of Bond Proceeds.

The Authority shall deposit with the Trustee all of the proceeds from the sale of the Bonds. The Trustee is required to deposit all such proceeds of the Series 2006 Bonds in the following accounts: the Series 2006 Expense Account of the Expense Fund and the Series 2006 Project Account of the Project Fund. The Trustee is required to deposit all such proceeds of the 2007 Bonds in the Series 2007 Refunding Account of the Project Fund, to be used to refund the Prior Bonds.

Withdrawals from the Project Fund.

Except for withdrawals made in accordance with a Tax Agreement, moneys deposited in a Project Account shall be paid out from time to time by the Trustee in order to pay, or to reimburse the Corporation for payment made, for the Costs of the Project (including any expense of planning, financing or other services constituting a cost of the Project).

Funds and Accounts.

The following funds and accounts are created by the Indenture:

Bond Fund Under the terms of the Indenture, the Authority creates and orders to be established with the Trustee a trust fund to be designated the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, (Indian Community School of Milwaukee, Inc. Project) – Bond Fund” (the “Bond Fund”). Within the Bond Fund there are created by the Authority and ordered established with the Trustee three trust accounts to be designated the “Revenue Account,” the “Credit Facility Account” and the “Capitalized Interest Account.” Within the aforementioned trust accounts there is authorized by the Authority, to be created and established with the Trustee, Subaccounts designated “Series 2006 Revenue Subaccount” and “Series 2007 Revenue Subaccount,” “Series 2006 Credit Facility Subaccount” and “Series 2007 Credit Facility Subaccount,” and “Series 2006 Capitalized Interest Subaccount” and “Series 2007 Capitalized Interest Subaccount.”

There shall be deposited into the applicable account of the Bond Fund when received (a) all payments specified in the Loan Agreement; (b) all moneys required to be so deposited in connection with any redemption of Bonds; (c) all moneys derived or received by the Trustee under or with respect to the Credit Facility to pay principal or premium, if any, and interest on the Bonds when due; (d) any amounts directed to be transferred into the Bond Fund pursuant to any provision of the Indenture or the Tax Agreement; and (e) all other moneys when received by the Trustee which are required to be deposited into the Bond Fund or which are accompanied by directions that such moneys are to be paid into the Bond Fund. Any amounts drawn under the Credit Facility shall be held in the Credit Facility Account and shall not be commingled with any other moneys held by the Trustee. Any amounts transferred from the Project Fund as provided in the Indenture shall be held in the Capitalized Interest Account. Any other amounts received for deposit in the Bond Fund shall be held in the Revenue Account and shall not be commingled with any other moneys held by the Trustee.

Use of Moneys in Bond Fund Except as otherwise provided in the Indenture, (a) moneys on deposit in the Capitalized Interest Account, the Credit Facility Account and the Revenue Account (in the order listed) of the Bond Fund shall be used by the Trustee to pay interest on the Bonds as it becomes due, (b) moneys on deposit in the Credit Facility Account and the Revenue Account (in the order listed) shall be used to pay principal on the Bonds when due (whether

upon maturity, redemption or acceleration) and (c) moneys on deposit in the Credit Facility Account shall be used to pay premium on the Bonds when due as described in the Indenture. Moneys on deposit in the Credit Facility Account shall only be applied to make payments with respect to Bonds secured by a Credit Facility.

Moneys derived from the Credit Facility pursuant to the Indenture shall be used solely for the payment of the principal of, premium, if any (but only if the Credit Facility secures premium payable upon an optional redemption of such Bonds), and interest on the Bonds secured by such Credit Facility (other than Pledged Bonds and Corporation Bonds). The payment of any premium on the Bonds in the event of an optional redemption thereof after an Adjustable Rate Conversion Date or an Adjustable Rate Reset Date shall be made from a draw under the Credit Facility if such is permitted by the terms thereof (in each case, if the Bonds are secured by a Credit Facility).

Notwithstanding the deposit of moneys into the Bond Fund, the Corporation and the Authority will have no right, title or interest in or to any moneys deposited into the Bond Fund for the benefit of the Bondholders and such moneys will be held in trust exclusively for the benefit of the Bondholders and will be paid over in accordance with the terms of the Indenture.

Moneys on deposit in the Capitalized Interest Account and the Revenue Account of the Bond Fund (in the order listed) shall also be used to pay interest on Pledged Bonds and Corporation Bonds when due to the extent available and moneys on deposit in the Revenue Account of the Bond Fund shall also be used to pay principal of and premium, if any, on Pledged Bonds and Corporation Bonds to the extent available; provided, however, that principal of, premium, if any, and interest on Pledged Bonds and Corporation Bonds shall not be paid until all principal of, premium, if any, and interest then due and payable on the other Bonds then outstanding shall have been paid and the Trustee has received written confirmation from the Credit Provider to the effect that the Credit Facility has been fully reimbursed for any draw made thereunder as described above.

Subject to compliance with the provisions of the Tax Agreement, at the Written Request of the Corporation, the Trustee shall transfer funds from a Capitalized Interest Account to the corresponding Project Account of the Project Fund to be used to pay Costs of the Project in accordance with the Indenture. Similarly, at the Written Request of the Corporation, funds may be transferred by the Trustee from a Project Account of the Project Fund to the corresponding Capitalized Interest Subaccount to be used to pay interest on the Bonds in accordance with the provisions of this paragraph; provided that, as long as there are any Bonds outstanding that are secured by a Credit Facility, any such funds so transferred to the applicable Capitalized Interest Account must be Eligible Moneys.

Project Fund Under the terms of the Indenture, the Authority creates and orders to be established with the Trustee a trust fund in the name of the Authority to be designated the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds (Indian Community School of Milwaukee, Inc. Project)-Project Fund” (the “Project Fund”). Within the Project Fund there are created by the Authority and ordered established with the Trustee separate trust accounts in the name of the Authority to be designated the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds (Indian Community School of Milwaukee, Inc. Project-Series 2006 Project Account,” the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Refunding Bonds (Indian Community School of Milwaukee, Inc. Project-Series 2007 Project Account” and the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds (Indian Community School of Milwaukee, Inc. Project-Series 2007 Refunding Account.”

Proceeds received by the Authority upon the sale of the Bonds or any Additional Bonds shall be deposited in the Project Fund in accordance with the Indenture. Any moneys received by the Trustee from any source for the Project shall be deposited in the Project Fund. The moneys in the Project Fund shall be held in trust by the Trustee, shall be applied to the payment of the Costs of the Project except to the extent required to be transferred to a Rebate Fund in accordance with a Tax Agreement and except to the extent transferred to the Capitalized Interest Account of the Bond Fund as described in the Indenture and, pending such application, shall be held as trust funds under the Indenture until paid out or transferred as provided in the Indenture.

In the case of the Series 2007 Bonds, the Indenture (as amended by the Supplemental Indenture of Trust dated as of June 1, 2007) provides that all of the proceeds of the Series 2007 Bonds are to be deposited in the Series 2007 Refunding Account of the Project Fund. Moneys in the Series 2007 Refunding Account, including earnings on such moneys, are to be paid to the provider of the direct-pay letter of credit with respect to the Prior Bonds in reimbursement of draws made under such letter of credit to pay interest on the Prior Bonds and the redemption price of the Prior Bonds. Remaining moneys will be transferred to the Bond Fund and used to pay or reimburse the Credit Provider for the payment of interest on the Series 2007 Bonds.

Custody Account. Upon the creation of any Pledged Bonds, the Trustee shall establish a separate and segregated account to be designated the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, (Indian Community School of Milwaukee, Inc. Project) - Custody Account” (the “Custody Account”). Moneys and Pledged Bonds (if Bonds are no longer held in a book-entry system) shall be transferred into the Custody Account in accordance with the Indenture.

If a beneficial interest in a Bond is purchased by the Trustee pursuant to the Indenture with moneys drawn under the Credit Facility pursuant to the Indenture, that beneficial interest shall be designated on the books of the Remarketing Agent as a Pledged Bond until released as provided in the Indenture.

Reserve Fund Upon commencement of the Fixed Rate Period for the first Bond converted to bear interest at a Fixed Rate, there shall be created by the Trustee a trust fund to be known as the “Reserve Fund.”

Pursuant to the Loan Agreement, simultaneously with the conversion of any Bond to bear interest at a Fixed Rate, the Corporation shall cause to be deposited in the Reserve Fund cash and/or Qualified Investments equal to the Reserve Fund Requirement Moneys held for the credit of the Reserve Fund shall be transferred to the Bond Fund and used for the purpose of paying debt service on the Bonds in a Fixed Rate Mode whenever and to the extent that monies held in the Bond Fund therefor are insufficient for such purpose. In lieu of depositing cash and/or Qualified Investments in the Reserve Fund, the Corporation may deliver to the Trustee a letter of credit, surety bond or non-cancelable insurance policy in accordance with the Loan Agreement. From time to time as the Trustee determines is necessary, and in any event on the first Business Day of each May, while amounts are required to be on deposit in the Reserve Fund, the Trustee shall determine the market value (including accrued but unpaid interest) of all Qualified Investments on deposit in the Reserve Fund, together with any cash then held in the Reserve Fund and any amounts that are available to be drawn under any letter of credit, surety bond or insurance policy then on deposit in the Reserve Fund. If the Trustee determines that the aggregate value of such amounts on deposit in the Reserve Fund is less than the Reserve Fund Requirement, the Trustee shall promptly notify the Corporation of the amount of such deficiency. The Corporation agrees in the Loan Agreement to make up any such deficiency in accordance with the terms thereof. The Corporation also agrees in the Loan Agreement to make up any deficiency in the Reserve Fund resulting from a withdrawal therefrom. If, at the time of valuation, the amount on deposit in the Reserve Fund exceeds the Reserve Fund Requirement, the Trustee shall transfer the amount of such excess to the Corporation.

Expense Fund The Authority will create and establish with the Trustee a trust fund in the name of the Authority to be designated the “Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Series 2006 (Indian Community School of Milwaukee, Inc. Project)-Expense Fund” (the “Expense Fund”).

The Trustee shall payout of the Expense Fund amounts equal to the amount of expenses certified by the Corporation to be payable for any recording expenses, Trustee’s and depositories’ fees, feasibility study and accounting fees and other fees and expenses incurred or to be incurred in connection with or incident to the issuance and sale of the Bonds. At the earlier of (i) six months after the date of issuance of the Bonds and (ii) the date on which the Trustee is furnished with a request stating that all such fees and expenses have been paid, the Trustee shall transfer any moneys remaining in the Expense Fund to the Project Fund.

Investment of Moneys.

Subject to the restrictions set forth in the Indenture and in the Tax Agreement, moneys held in the Bond Fund, the Expense Fund, the Project Fund and the Reserve Fund shall be invested and reinvested by the Trustee in Qualified Investments, maturing, redeemable or marketable no later than the date on which it is estimated that such moneys will be required to be paid out under the Indenture; provided that any moneys held in the Credit Facility Account of the Bond Fund shall be invested and reinvested solely in Government Obligations maturing no later than the date on which its is estimated that such moneys will be required to be paid out under the Indenture, and in any event not later than thirty (30) days after the date of such investment or reinvestment. Moneys held by the Remarketing Agent for the purpose of paying the purchase price of beneficial interests in Bonds tendered or required to be tendered for purchase and moneys held by the Tender Agent in the Purchase Fund shall not be invested by the Remarketing Agent or the Tender Agent

Tax Covenants.

Subject to the Corporation's direction of the investment of moneys on deposit in certain Funds pursuant to the Indenture, the Authority covenants and agrees that it will not take any action, or fail to take any action, to the extent permitted by applicable law, with respect to the investment of the proceeds of any Bond or with respect to the payments derived under the Loan Agreement, or any other amounts regardless of the source or where held, which may result in any Bond being treated as an "arbitrage bond" within the meaning of such term as used in Section 148 of the Code. The Authority further covenants and agrees that it will comply with and take all actions required of it by the Tax Agreement. Subject to the Corporation's direction of the investment of moneys on deposit in certain Funds pursuant to the Indenture, the Authority further covenants and agrees that it will not take any action, or fail to take any action, to the extent permitted by applicable law, with respect to the investment of the proceeds of any Bond, with respect to the payments derived under the Loan Agreement, or any other amounts regardless of the source or where held, which may cause the interest on any Bond to be includible in the gross income of the Owners thereof for purposes of federal income taxation. The Authority shall be deemed to have complied with the requirements of the Indenture so long as the Authority acts on the written direction of the Corporation. The Trustee shall not take any action, permit any action to be taken or fail to take any action with respect to investments of any amounts held by the Trustee relating to the Bonds, to the extent the Trustee has investment discretion under the Indenture, that may result in any Bond being treated as an "arbitrage bond" within the meaning of such term as used in Section 148 of the Code.

Defaults and Remedies.

Each of the following events is defined as, and declared to constitute, an "Event of Default" under the Indenture:

- (a) default in the due and punctual payment of the principal or purchase price or premium, if any, or interest on, any Outstanding Bond, whether at the stated maturity thereof, upon the purchase date thereof, upon any proceedings for redemption, or upon the maturity thereof by declaration of acceleration; or
- (b) default by the Authority in its performance or observance of any of the other covenants, agreements or conditions contained in the Indenture, and the continuation thereof for the period after notice thereof as specified in the Indenture; or
- (c) an event of default under the Loan Agreement has occurred and is continuing; or
- (d) with respect to any Bond in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode (other than Pledged Bonds and Corporation Bonds), payment of principal, premium, if any, or interest on, any such Bond, whether at the stated maturity thereof, upon any proceedings for redemption, or upon the maturity thereof by declaration of acceleration, is not made with moneys drawn under a Credit Facility or with Eligible Moneys.

Acceleration. Upon the occurrence of an Event of Default described in paragraph (a) or (d) above, the Trustee shall accelerate the maturity of the Bonds then Outstanding, whereupon the principal of and all accrued interest on the Bonds shall become immediately due and payable, without premium. Upon the occurrence of any other Event of Default, the Trustee may, and if requested to do so by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, accelerate the maturity of the Bonds, whereupon the principal of and all accrued interest on the Bonds shall become immediately due and payable, without premium. In the event of any acceleration of the Bonds, the Trustee shall give the Authority, the Credit Provider and the Corporation immediate notice thereof.

Upon an acceleration of the Bonds pursuant to the Indenture, the Trustee shall draw upon the Credit Facility in accordance with its terms in an amount which equals the amount of principal of and interest on the Bonds coming due and payable that are so secured; provided that no such draw shall be made to pay any Pledged Bond, any Corporation Bond or any Bond not secured by the Credit Facility. All amounts derived by the Trustee with respect to any Credit Facility shall be deposited in the Credit Facility Account of the Bond Fund upon receipt thereof by the Trustee and applied as provided in the Indenture; all moneys held by the Trustee in the Revenue Account of the Bond Fund shall be applied by the Trustee to reimburse the Credit Provider, or, to the extent that the Credit Provider fails to honor such draw, to pay the Bonds as provided in the Indenture. All fees and expenses payable (or reasonably expected to be incurred) to the Trustee or the Tender Agent under the Indenture prior to the discharge of the Indenture shall be paid from available funds held by the Trustee other than funds representing proceeds of draws under the Credit Facility, or moneys already held for the benefit of the Bondholders.

Other Remedies; Rights of Bond Owners. Upon the occurrence of any Event of Default, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal or purchase price of, premium, if any, and interest on the Bonds then Outstanding, and the performance by the Authority of its obligations under the Indenture, including, without limitation, the following:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bond Owners, and require the Authority to carry out its obligations under the Indenture and the Act;
- (b) bring suit upon the Bonds;
- (c) by action, suit or proceeding at law or in equity require the Authority to account for any moneys received by the Authority as if it were the trustee of an express trust for the Bond Owners; and
- (d) by action, suit or proceeding at law or in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bond Owners.

Any judgment against the Authority shall be enforceable only against the Trust Estate. There shall not be authorized any deficiency judgment against any assets of, or the general credit of, the Authority. Subject to the prior rights of the Bond Owners, the Authority shall be entitled to reimbursement for any of its expenses in connection with such proceeding from any available funds in the Trust Estate.

If an Event of Default shall have occurred, and if requested to do so by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy conferred upon or reserved to the Trustee or the Bond Owners by the terms of the Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Bond Owners under the Indenture or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed expedient. No waiver of any default or Event of Default under the Indenture, whether by the Trustee or the Bond Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereon.

Right of Bond Owners to Direct Proceedings. Anything in the Indenture to the contrary notwithstanding, upon the occurrence of an Event of Default, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee and the Credit Provider, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or for any other proceedings under the Indenture, other than for the payment of the principal or purchase price of, premium, if any, and interest on the Bonds, or any part thereof.

Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners under the Indenture, the Trustee shall be entitled, as a matter of right, to request the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Waiver of Certain Laws. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived neither the Authority, nor anyone claiming through or under it, shall claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of the Indenture. The Authority, for itself and all who may claim through or under it, waives, to the extent that it lawfully may do so, the benefit of all such laws.

Application of Moneys. Subject to the provisions of the Tax Agreement, all moneys relating to the Bonds received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall (after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees and expenses, liabilities and advances of the Authority, the Trustee and the Tender Agent, it being understood that payment of such costs and expenses shall not be made from the proceeds of any draw under the Credit Facility or any moneys already held for the payment of principal of, premium, if any, interest on and/or purchase price for Bonds that were not presented for payment when due in accordance with the terms of the Indenture (including remarketing proceeds and Eligible Moneys» be deposited in the Revenue Account of the Bond Fund (or if received under the Credit Facility, in the Credit Facility Account of the Bond Fund) and all moneys in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds Outstanding shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Agreement;

SECOND - To the payment to the persons entitled thereto of all installments of interest then due on the Outstanding Bonds and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege (provided, however, that no payment shall be made with respect to any Pledged Bond or Corporation Bond); and

THIRD - To the payment to the persons entitled thereto of the unpaid principal of, and premium, if any, on, the Outstanding Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are already held pursuant to the provisions of the Indenture) in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of each Bond due on any particular date, together with such premium, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto, without any discrimination or privilege (provided, however, that no payment shall be made with respect to any Pledged Bond or Corporation Bond).

(b) If the principal of all the Outstanding Bonds shall have become due or shall have been declared due and payable by acceleration, all such moneys shall be applied first to the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Agreement, and second to the payment of the principal, premium, if any, and interest then due on such Bonds, without preference or priority of principal and premium over interest or of interest over principal and premium, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto, without any discrimination or privilege (provided, however, that no payment shall be made with respect to any Pledged Bond or Corporation Bond).

(c) If the principal of all the Outstanding Bonds shall have been declared due and payable by acceleration, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then the moneys shall be applied in accordance with the provisions of subsection (a) above; provided, however, that in the event that the principal of all the Bonds shall later become due or be declared due and payable by acceleration, the moneys shall be applied in accordance with the provisions of subsection (b) above.

Notwithstanding the foregoing restrictions on payment in respect of any Pledged Bond or Corporation Bond, moneys may be applied to the payment first of Pledged Bonds and second of Corporation Bonds, but only after payment in full of all other Outstanding Bonds and of all obligations owed to the Credit Provider pursuant to the Reimbursement Agreement. Under no circumstances shall any Pledged Bond or any Corporation Bond be paid with moneys on deposit in the Credit Facility Account of the Bond Fund; rather, Pledged Bonds and Corporation Bonds shall be paid solely and only from moneys on deposit in the Revenue Account of the Bond Fund; provided that, if the Bonds are then held in a book-entry only system, the procedures concerning waivers of payments with respect to DTC and direct payments to the Credit Provider, as set forth in the Indenture, shall be followed. Whenever moneys are to be applied pursuant to the provisions described in this paragraph, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine is appropriate upon due consideration of the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future.

Supplemental Indentures.

The Authority and the Trustee may, without the consent of, or notice to, any of the Bond Owners, enter into an indenture or indentures supplemental to the Indenture, not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes: (a) if the conditions for the issuance of Additional Bonds set forth in the Indenture are satisfied, to set forth any or all of the matters in connection with the issuance of Additional Bonds required or permitted by the Indenture; (b) to cure an ambiguity, formal defect or omission in the Indenture; (c) to grant to or confer upon the Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bond Owners or the Trustee; (d) to subject to the Indenture additional revenues, properties or collateral; (e) to modify, amend or supplement the Indenture, or any indenture supplemental thereto, in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or any of the states of the United States of America, and if the Authority so determines, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute; (f) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed for the protection of the Bond Owners or to surrender or limit any right, power or authority herein reserved to or conferred upon the Authority; (g) elaborate on any provisions necessary to exercise any conversion options provided herein including better enabling different Bonds to be in different Modes; (h) to provide for the substitution of an Alternate Credit Facility; (i) to provide that Bonds in the Fixed Rate Mode may be secured by a Credit Facility or other additional security not otherwise provided for in the Indenture or the Loan Agreement; (j) to modify, amend or supplement the Indenture, or any indenture supplemental thereto, in such manner as the Trustee, the Corporation and the Remarketing Agent deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Bonds; (k) to provide for changes in the components of the Project, to the extent permitted by the Indenture and the Loan Agreement; (l) to provide for the appointment of a successor securities depository; (m) to provide for the availability of certificated Bonds; (n) to provide for the replacement of a Credit Facility with a Liquidity Facility pursuant to the Indenture; (o) to amend the notice provisions of the Indenture to comply with the procedure and timing requirements of DTC or any successor securities depository applicable to the Bonds or the Indenture; and (p) to make any other change which either (i) does not, in the opinion of the Trustee, have a material adverse effect upon the interests of the Bondholders, or (ii) becomes effective only after a mandatory tender date for all Bonds.

Supplemental Indentures Requiring Consent of Bond Owners. Exclusive of supplemental indentures described in the preceding paragraph, the Indenture may be amended or supplemented only as described in this paragraph. The Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to approve the execution by the Authority and the Trustee of such indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Authority for the purposes of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture. If at any time the Authority shall request the Trustee to enter into any such supplemental indenture for any of the purposes described in this paragraph, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail, postage prepaid, to the Credit Provider and the Bond Owners. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bond Owners. If, within one hundred eighty (180) days, or such longer period as shall be prescribed by the Authority, following the mailing of such notice, the Owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof; or in any manner to question the propriety of the execution thereof; or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as described in this paragraph, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

Limitation upon Amendments and Supplements. Nothing contained in the Indenture shall permit, or be construed as permitting, without the consent and approval of the Owners of all of the Bonds then Outstanding (a) an extension of the maturity of the principal of, or the time for payment of any redemption premium or interest on, any Bond, or a reduction in the principal amount of any Bond, or the rate of interest or redemption premium thereon, or a reduction in the amount of, or extension of the time of any payment required by, any Bond, or a material modification of the Bondholders' optional tender rights under the Indenture; (b) a privilege or priority of any Bond over any other Bond

(except as provided in the Indenture); (c) a reduction in the aggregate principal amount of the Bonds required for consent to such a supplemental indenture; (d) the deprivation of the Owner of any Bond then Outstanding of the lien created by the Indenture; (e) except as provided in the Indenture, an alteration of the obligations of the Credit Provider under the Credit Facility; or (f) the amendment of the provisions described in this paragraph.

Consent of Corporation, Remarketing Agent and Tender Agent Required. An amendment or supplemental indenture under the Indenture shall not become effective unless and until the Corporation has consented in writing to the execution and delivery thereof. The Trustee shall inform the Tender Agent and the Remarketing Agent of any amendment or supplement to the Indenture affecting the respective rights or obligations of the Tender Agent and the Remarketing Agent, and such amendment or supplement shall not become effective unless and until the Tender Agent or the Remarketing Agent, as the case may be, shall have consented in writing to the provisions thereof that affect its rights or obligations.

Amendments to the Loan Agreement.

Amendments of Loan Agreement and Tax Agreement Not Requiring Consent of Bond Owners. The Authority and the Corporation may, with the prior written consent of the Trustee, amend or modify the Loan Agreement and Tax Agreement, or any provision thereof, or may consent to the amendment or modification thereof, in any manner not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes: (a) to issue the Series 2007 Bonds; (b) to issue Additional Bonds; (c) to cure any ambiguity or formal defect in the Loan Agreement and Tax Agreement; (d) to grant to or confer upon the Authority, the Credit Provider or the Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Authority, the Credit Provider or the Trustee; (e) to identify more clearly the Project or provide for changes in the components of the Project, to the extent permitted by the Indenture and the Loan Agreement; (f) to amend or modify the Loan Agreement and Tax Agreement, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds; (g) to provide that Bonds in the Fixed Rate Mode may be secured by a Credit Facility or other additional security not otherwise provided for in the Indenture or the Loan Agreement; (h) to modify, amend or supplement the Loan Agreement and Tax Agreement, or any part thereof, or any supplement thereto, in such manner as the Trustee, the Corporation and the Remarketing Agent deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Bonds; (i) to provide for the appointment of a successor securities depository; (j) to provide for the availability of certificated Bonds; (k) to provide for the replacement of the Credit Facility with a Liquidity Facility; and (l) to make any other change which either (i) does not, in the opinion of the Trustee, have a material adverse effect upon the interests of the Bondholders or (ii) becomes effective only after a mandatory tender date for all Bonds.

Amendments of Loan Agreement and Tax Agreement Requiring Consent of Bond Owners. Exclusive of amendments and modifications described in the preceding paragraph, the Loan Agreement, and Tax Agreement may be amended or modified only as provided in this paragraph. The Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, with the prior written consent of the Trustee, shall have the right, from time to time, to consent to and approve the amendment or modification of the Loan Agreement, and Tax Agreement as shall be deemed necessary and desirable by the Trustee for the purpose of amending and modifying, in any particular, any of the terms or provisions contained in the Loan Agreement, and Tax Agreement. If at any time the Trustee shall be asked to enter into or to consent to any such amendment or modification, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed by first class mail, postage prepaid, to the Bond Owners. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by the Bond Owners. If, within one hundred eighty (180) days, or such longer period as shall be prescribed by the Authority, following the mailing of such notice, the Owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof; or in any manner to question the propriety of the execution thereof; or to enjoin or restrain the Trustee or the Authority from executing or consenting to the same or from taking any action pursuant to the provisions thereof.

Limitation upon Amendments of Loan Agreement. Nothing contained in the Indenture shall permit, or be construed as permitting, without the approval and consent of the Owners of all of the Bonds then Outstanding, (a) the extension of the time for any payment under the Loan Agreement or a reduction in the amount of any such payment under the Loan

Agreement or (b) the payment to any person other than the Trustee, the Remarketing Agent and the Tender Agent as provided in the Indenture of any amount (except fees and expenses of the Authority) due under the Loan Agreement.

No Amendment May Alter Note. Under no circumstances shall any amendment to the Loan Agreement alter the Note or the payments of principal thereof and premium, if any, and interest thereon in any way which is adverse to the interests of the holders of the Bonds without the consent of the holders of all the Bonds then outstanding.

Discharge of Indenture: Provision for Payment of a Bond.

Discharge. Subject to the provisions of the Indenture, if the Authority shall pay or cause to be paid, or there shall be otherwise paid, or provision shall be made for the payment of, the principal, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein, and if the Authority shall not then be in default under any of the other covenants and promises in such Bonds and the Indenture to be kept, performed and observed by it or on its part, and if the Authority shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture or of the Bonds and of the Loan Agreement (and the Trustee shall have paid all amounts payable to the Credit Provider pursuant to the Indenture from trust funds and the Credit Facility shall have been returned to the Credit Provider for cancellation in accordance with its terms), then, except for the rights of the Trustee under the Indenture, these presents and the interests in the Trust Estate and rights granted by the Indenture shall cease, determine and be void, and the Trustee shall take such actions, at the request of the Authority or the Corporation, as may be necessary to evidence the cancellation and discharge of the lien of the Indenture.

Provisions for Payment of a Bond Subject to the provisions of the Indenture, while in an Adjustable Rate Mode or the Fixed Rate Mode, a Bond shall be deemed to be paid within the meaning of the Indenture and for all purposes of the Indenture when (a) payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), shall have been provided to the Trustee by irrevocably depositing with the Authority and the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively for such payment, any combination of (i) funds sufficient to make such payment (which funds shall be Eligible Moneys with respect to any Bond in an Adjustable Rate Mode), and/or (ii) Government Obligations (which Government Obligations shall have been purchased with Eligible Moneys with respect to any Bond in an Adjustable Rate Mode) not subject to redemption or prepayment and maturing as to principal and interest in such amounts and at such times as will, in the opinion of an independent certified public accountant delivered to the Authority and the Trustee, provide sufficient moneys, without reinvestment of any matured amounts, to make such payment without reinvestment (and there shall be no such reinvestment); (b) the Trustee shall have been given irrevocable written instructions to call all outstanding Bonds for redemption on a date certain, if such Bonds are to be called for redemption prior to maturity; (c) the Trustee shall have received a written opinion of Bond Counsel to the effect that such deposit (and the payment of the Bonds therefrom) will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes; (d) the Trustee receives notice from each Rating Agency, promptly confirmed in writing to the Trustee, of the rating that the Bonds will bear after payment is provided therefor in accordance with this paragraph and such rating is not lower than the rating borne by the Bonds immediately prior to any such provision for payment; and (e) all necessary and proper fees, compensation and expenses of the Trustee and the Tender Agent pertaining to the Bonds shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

Subject to the provisions of the Indenture, while in a Daily Rate Mode or a Weekly Rate Mode, a Bond shall be deemed to be paid within the meaning of the Indenture and for all purposes of the Indenture when (a) payment of (i) the principal and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise) and (ii) the purchase price for such Bond if tendered for purchase prior to its due date (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise) shall have been provided to the Trustee by irrevocably depositing with the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively for such payments, Eligible Moneys in any amount sufficient to make such payments; (b) the Trustee shall have been given irrevocable written instructions to call all outstanding Bonds for redemption on a date certain, if such Bonds are to be called for redemption prior to maturity; (c) the Trustee shall have received a written opinion of Bond Counsel to the effect that such deposit (and the payment of the Bonds therefrom) will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes; (d) the Trustee receives notice from each Rating Agency, promptly confirmed in writing to the Trustee, of the rating that the Bonds will bear after payment is provided therefor in accordance with this paragraph and such rating is not lower than the rating borne by the Bonds immediately prior to any such provision for payment; and (e) all necessary and proper fees, compensation and expenses of the Trustee and the Tender Agent pertaining to the Bonds shall have been paid or the payment thereof provided for to the

satisfaction of the Trustee. If a Bond for which Eligible Moneys have been so deposited with the Trustee is tendered for purchase prior to the date that such Bond matures or is redeemed, the purchase price for such Bond shall be paid with such Eligible Moneys; upon payment of such purchase price such Bond shall not be remarketed but shall be cancelled by the Trustee. Eligible Moneys deposited with the Trustee as described in clause (a) above shall either not be invested or shall be invested in Government Obligations that mature in a principal amount not less than their original purchase price and have maturity dates not later than the dates in which such moneys will be needed to pay the redemption price or purchase price of the Bonds, and in no event later than seven (7) days after their date of purchase.

If provision for payment of a Bond in a Daily Rate, Weekly Rate or Adjustable Rate Mode is being made as described in the Indenture and the interest rate on such Bond may change or be reset in accordance with the Indenture during the period between the date that funds and/or Government Obligations are deposited with the Trustee and the date that such Bonds are purchased, redeemed or otherwise paid, then the amount of such funds and/or Government Obligations (taking into account the proceeds thereof) to be deposited with the Trustee shall be sufficient to pay the principal of, premium, if any, and interest on such Bond when due (whether such due date be by reason of maturity or upon redemption or otherwise) and purchase price for such Bond if tendered for purchase prior to its due date assuming that such Bond bore interest at the rate of 12% per annum during such period. After payment of such Bond, if, as a result of any such interest rate assumption, excess funds remain on deposit with the Trustee, subject to compliance with any applicable provisions of the Code, the Tax Agreement and the Indenture, such funds shall be returned to the Corporation.

Additional Bonds

The Indenture and the Loan Agreement provide that Additional Bonds may be issued by the Authority to finance (i) costs of completing the Project or any additional Project, in the event proceeds of the Bonds are insufficient to finance the Project or the additional Project, (ii) the acquisition, construction or installation of land or depreciable property to improve or construct an addition to the Project, (iii) refunding one or more outstanding series of Bonds, and (iv) financial, legal, accounting, printing and other issuance costs of Additional Bonds. Additional Bonds, if issued, will rank equally and on a parity with each other and with the Bonds, and will have such terms as are set forth in the Supplemental Bonds Indenture providing for their issuance. The Authority has not committed itself to issuing any Additional Bonds, but has agreed to give prompt and good faith consideration to any request by the Corporation for the issuance of Additional Bonds.

SUMMARY OF THE LOAN AGREEMENT

Payment of Principal, Premium and Interest.

The Corporation will duly and punctually pay the principal of, premium, if any, and interest on the Notes at the dates and the places and in the manner required in the Notes and in the Loan Agreement. The Corporation will make such payments of the principal of, premium, if any, and interest on the Notes to the Trustee for deposit in accordance with the terms of the Indenture. In addition, the Corporation will duly and punctually pay, or arrange for the payment of, the purchase price of the Bonds tendered or required to be tendered for purchase in accordance with the Indenture at the dates, times and places and in the manner set forth in the Indenture.

Notwithstanding any schedule of payments to be made upon the Notes set forth in the Loan Agreement or in the Notes, the Corporation agrees to make payments upon the Notes and to be liable therefor at times and in amounts sufficient to pay when due all principal (whether at maturity, by mandatory redemption or acceleration), premium, if any, and interest on all Bonds from time to time outstanding under the Indenture.

The foregoing provisions notwithstanding, the Corporation agrees that the moneys and securities, if any, on deposit or to be deposited in any Rebate Fund, the Purchase Fund and the Custody Account, or held or to be held by the Remarketing Agent pursuant to the Indenture, are not available to make payments of principal, premium, if any, and interest on the Bonds.

Maintenance of Tax Status.

The Corporation agrees that it will at all times, maintain its existence as a Tax-Exempt Organization.

The Corporation further agrees that it will take such actions as are necessary or appropriate and within its

control to take to comply with any applicable provisions of the Code and the regulations promulgated thereunder in order to avoid any loss of any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled, and will not act or fail to act in any other manner which would adversely affect such exemption. In connection with the foregoing, the Corporation acknowledges and agrees to comply with the provisions of the Tax Agreement.

The Corporation further acknowledges that in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, the Authority is likely to be treated as the “taxpayer” in such examination, and the Corporation agrees that it will respond, and will direct the Authority to respond, in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Authority covenants that it will cooperate with the Corporation, at the Corporation’s expense and at its direction, in connection with such examination.

Merger, Dissolution and Disposition of Property.

The Corporation covenants that it will maintain its corporate existence and will not dissolve or otherwise dispose of (in a single transaction or in a series of related transactions) all or substantially all of its Property (excluding for purposes of this caption dispositions of securities and other Property held solely for investment purposes) and will not permit one or more other corporations to consolidate with or merge with it unless:

(a) the entity surviving such consolidation or merger or to whom such Property is conveyed (the “Surviving Corporation”) is a Tax-Exempt Organization;

(b) the Surviving Corporation expressly assumes in writing all of the obligations of the Corporation under the Notes, and Additional Notes and the Loan Agreement;

(c) at the time of such merger, consolidation or transfer, no event of default under the Loan Agreement shall have occurred and be continuing and no event shall have occurred and be continuing which with the lapse of time or giving of notice or both would constitute such an event of default;

(d) such merger, consolidation or conveyance will not adversely affect any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled; and

(e) the Trustee and the Authority shall receive such certifications and documentation as they may reasonably request, including, without limitation, an opinion of Counsel in form and substance satisfactory to the Trustee stating that the validity and enforceability of the Credit Facility or Alternate Credit Facility, if any, will not be adversely affected by such merger, consolidation or conveyance.

Prior to such merger, consolidation or transfer of Property, the Corporation shall deliver to the Authority and the Trustee a certificate signed by its chief executive officer and its chief financial officer stating that the foregoing conditions (a) through (d) have been satisfied and that such merger, consolidation or transfer of Property does not violate, and is not inconsistent with, any of the terms, covenants and provisions of the Tax Agreement which certificate shall be supported: as to paragraphs (a) and (b) above, by an opinion of Counsel and as to paragraph (d) above, by an Opinion of Bond Counsel.

Taxes, Charges and Assessments.

Subject to the provisions of the Loan Agreement relating to permitted contests, to the extent that the Corporation or its properties are or become liable to taxation, the Corporation covenants and agrees to pay or cause to be paid (when the same shall become due or payable) all lawful taxes, charges, assessments and other governmental levies against the Corporation or its properties. If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, the Corporation may exercise such option.

Compliance with Orders, Ordinances. Etc.

Subject to provisions of the Loan Agreement, the Corporation will, at its sole cost and expense, comply with all applicable present and future laws, and all applicable present and future ordinances, orders, decrees, rules, regulations and requirements of which it has notice, of every duly constituted governmental authority, commission and

court and the officers thereof of which it has notice, the failure to comply with which would materially and adversely affect the ability of the Corporation to operate the Project.

Permitted Contests.

The Corporation shall not be required to pay any tax, charge, fee, rate, imposition or assessment required to be paid under the Loan Agreement, or to comply with any law, ordinance, order, decree, rule, regulation or requirement referred to in the Loan Agreement, so long as the Corporation shall in good faith and at its cost and expense contest the amount or validity thereof; or take other appropriate action with respect thereto, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, charge, fee, rate, imposition, assessment, lien, security interest, encumbrance or charge so contested, and the sale, forfeiture or loss of its Property or any part thereof to satisfy the same. While any such matters are pending, the Corporation shall have the right to pay, remove or cause to be discharged or marked exempt the tax, charge, fee, rate, imposition, assessment, lien, security interest, encumbrance or charge being contested. Each such contest shall be promptly prosecuted to final conclusion or settlement, and the Corporation will pay, and save the Authority and the Trustee harmless against, all losses, judgments, decrees and costs (including reasonable attorneys' fees and reasonable expenses in connection therewith) and will, promptly after the final determination or settlement of such contest or action, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interest, costs and reasonable expenses thereon or in connection therewith.

Use of the Financed Properties.

The Corporation will use the Financed Properties only in furtherance of the lawful corporate purposes of the Corporation.

The Corporation further agrees that it will not use the Financed Properties or any part thereof, or permit the Financed Properties or any part thereof to be used in a manner which would violate the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America, including the decisions of the United States Supreme Court interpreting the same, or any comparable provisions of the Constitution of the State, including the decisions in the Supreme Court of the State interpreting the same. To the extent required by law, the Corporation will permit the Authority, upon reasonable notice, to inspect the Financed Properties solely in order to determine whether the Corporation has complied with the provisions of this paragraph and such right of inspection shall survive the termination of the Loan Agreement.

The Corporation further agrees that it will not use the Financed Properties, or permit the Financed Properties to be used, in such manner as would result in the loss of any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled, as more specifically described in the Tax Agreement.

Maintenance of Properties.

The Corporation covenants to preserve and keep the Project, or cause the Project to be preserved and kept, in material good repair and order and from time to time will make, or cause to be made, all repairs, replacements, renewals and additions deemed necessary by the Corporation for the efficient functioning of the Project; provided, however, that the foregoing shall not prevent the Corporation from selling, removing, disposing of or demolishing any properties, or any portion thereof, (a) not considered by the Corporation to be necessary or useful for the efficient conduct of its activities or the Project or (b) as otherwise permitted by the Loan Agreement, so long as, in each case, such act or acts are consistent with and not in violation of any terms, covenants or provisions of the Tax Agreement.

Insurance.

The Corporation agrees to maintain insurance coverage by reputable insurance companies or associations or self-insurance in such forms and amounts and against such hazards as are customary for institutions of similar size and scope of activities.

Trustee's Right to Perform Corporation's Covenants: Advances.

In the event the Corporation shall fail to (a) perform any covenant summarized above under "Taxes, Charges

and Assessments,” (b) maintain the Project in good repair as required by the Loan Agreement, (c) procure the insurance required by the Loan Agreement, or (d) make any other payment or perform any other act required to be performed under the Loan Agreement, then and in each such case (unless the same is being contested or other appropriate action is being taken with respect to the Loan Agreement) the Trustee, upon not less than fifteen (15) days prior written notice to the Corporation, may (but shall not be obligated to) remedy such default for the account of the Corporation and make advances for that purpose. No such performance or advance shall operate to release the Corporation from any such default, and any sums so advanced by the Trustee shall be repayable by the Corporation on demand and shall bear interest from the date of the advance until repaid at the Trustee Prime Rate.

Tax Covenant.

The Corporation covenants in the Loan Agreement that it will not take any action, permit any action to be taken or fail to take any action, including without limitation any action with respect to the investment of the proceeds of any Bonds, with respect to any other moneys or securities deposited with the Trustee pursuant to the Indenture, with respect to the payments derived from the Notes or the Loan Agreement, with respect to the purchase of Authority obligations, with respect to any actions or payments required under the Tax Agreement or with respect to any other amounts regardless of the source or where held which might cause the Bonds to become “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code.

Defaults and Remedies.

The occurrence and continuance of any of the following events shall constitute an “event of default” under the Loan Agreement:

(a) failure of the Corporation to pay an installment of interest on or principal of, or premium, if any, on any Note when the same shall become due and payable, whether at maturity or upon any date fixed for prepayment or by acceleration or otherwise; or

(b) failure of the Corporation to observe or perform any of the covenants or conditions contained in the Loan Agreement and summarized above; or

(c) failure of the Corporation to perform any other covenant, condition or provision of the Loan Agreement and to remedy such default within thirty (30) days after written notice thereof from the Authority or the Trustee to the Corporation, unless the nature of the default is such that it cannot be remedied within the thirty-day period and the Corporation has instituted corrective action within a period of time reasonably agreed to by the Trustee and diligently pursues such action until the default is remedied; or

(d) any representation or warranty made by the Corporation in any statement or certificate furnished to the Authority or the Trustee or the purchaser of any Bonds in connection with the sale of any Bonds or furnished by the Corporation pursuant to the Loan Agreement is found to have been untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within thirty (30) days after written notice thereof to the Corporation by the Authority or the Trustee, unless the nature of the default is such that it cannot be remedied within the thirty-day period and the Corporation has instituted corrective action within a period of time reasonably agreed to by the Trustee and diligently pursues such action until the default is remedied; or

(e) any event of default as defined in the Indenture shall occur and be continuing.

During the occurrence and continuance of any event of default referred to in above, the Authority may pursue the following remedies, in addition to any other remedies provided for by law:

Acceleration of Maturity of the Notes; Waiver of Event of Default and Rescission of Acceleration. If the Bonds have been declared due and payable pursuant to the Indenture, the Authority may by written notice to the Corporation, declare the principal of the Notes (if not then due and payable) to be due and payable immediately, and upon any such declaration, the principal of the Notes shall become and be immediately due and payable, anything in the Notes or in the Loan Agreement contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Notes shall have been so declared and become due and payable, all arrears of interest and of principal payable prior to such acceleration, if any, upon the Notes and the reasonable expenses of the Authority shall be paid by the Corporation, and every other default in the observance or performance of any covenant,

condition or agreement in the Notes or in the Loan Agreement contained shall be made good, or be secured, to the satisfaction of the Authority, or provision deemed by the Authority to be adequate shall be made therefor, then and in every such case the Authority by written notice to the Corporation may, at its option, waive the event of default by reason of which the principal of the Notes shall have been so declared and become due and payable, and may rescind and annul such declaration and its consequences; but no such waiver, rescission or annulment shall extend to or affect any subsequent event of default or impair any right consequent thereon.

Suits, etc. The Authority personally or by attorney, may, in its discretion, proceed to protect and enforce its rights by suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained in the Notes or in the Loan Agreement, or in aid of the execution of any power granted under the Loan Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority shall deem most effectual to protect and enforce any of its rights or duties under the Loan Agreement.

Termination of Proceedings. In case the Authority shall have proceeded to enforce any right under the Loan Agreement, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Authority, then and in every case the Authority and the Corporation shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Loan Agreement with respect to the property pledged and assigned under the Loan Agreement, and all rights, remedies and powers of the Authority shall continue as if no such proceedings had been taken.

No remedy conferred under the Loan Agreement or reserved to the Authority is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Loan Agreement or now or hereafter existing at law or in equity or by statute.

Delay or Omission Not a Waiver.

No delay or omission of the Authority to exercise any right or power accruing upon any event of default shall impair any such right or power, or shall be construed to be a waiver of any such event of default or an acquiescence therein; and every power and remedy given by the Loan Agreement to the Authority may be exercised from time to time and as often as may be deemed expedient by the Authority.

Waiver of Extension or Stay Laws.

To the extent permitted by law, the Corporation will not during the continuance of any event of default under the Loan Agreement insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of the Loan Agreement; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of any of the Corporation's Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision contained in the Loan Agreement, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the property so sold or any part thereof; and the Corporation expressly waives all benefits or advantages of any such law or laws and covenants not to hinder, delay or impede the execution of any power granted or delegated to the Authority under the Loan Agreement, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Supplements and Amendments to the Loan Agreement: Waivers.

Subject to the terms, conditions and provisions of the Indenture, (a) the Corporation and the Authority, with the consent of the Trustee, may from time to time enter into such supplements and amendments to the Loan Agreement, and (b) the Authority, with the consent of the Trustee, may grant such waivers of compliance by the Corporation with provisions of the Loan Agreement, as to them or it may seem necessary or desirable to effectuate the purposes or intent thereof.

Defeasance.

If (a) the Corporation shall pay and discharge or provide, in a manner satisfactory to the Authority, for the payment and discharge of the whole amount of the principal of, premium, if any, and interest on the Notes, and shall

payor cause to be paid all other sums payable under the Loan Agreement, or shall make arrangements satisfactory to the Authority for such payment and discharge, (b) provision shall have been made for the satisfaction and discharge of the Indenture as provided for therein and (c) the Corporation shall (i) have paid or caused to be paid all other sums then accrued and unpaid under the Loan Agreement, the Notes and the Indenture and (ii) not be in default of any covenant which has resulted, or with the passage of time or the giving of notice, or both, gives rise to a reasonable possibility of resulting, in the invalidity of the Bonds or the inclusion of interest on any Bond in the gross income of the Owner thereof for purposes of federal income taxation under the Code, then and in that case all property, rights, and interest conveyed by the Loan Agreement or assigned or pledged shall revert to the Corporation, and the estate, right, title and interest of the Authority therein shall thereupon cease, terminate and become void; and, except to the extent necessary to assure the maintenance of the exclusion of interest on the Bonds from the gross income of the Owners of such Bonds in the opinion of Bond Counsel acceptable to the Authority, the Loan Agreement, and the rights granted by the Loan Agreement, shall cease, determine and be discharged and the Authority in such case on demand of the Corporation and at the Corporation's cost and expense, shall execute and deliver to the Corporation a proper instrument or proper instruments acknowledging the satisfaction and termination of the Loan Agreement and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Corporation, all property, including money, then held by the Authority, other than moneys held in any Rebate Fund(s), if any, or deposited with the Trustee for the payment of the principal of and premium, if any, or interest on the Notes, together with the Notes marked paid or cancelled.

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APPENDIX B

THE INITIAL CREDIT PROVIDER

The following information concerning JPMorgan Chase Bank, N.A., has been provided by representatives of the Initial Credit Provider and has not been independently confirmed or verified by the Underwriter, the Authority or the Corporation. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by references is correct as of any time subsequent to its date.

JPMorgan Chase Bank, N.A. ("JPMCB"), the Initial Credit Provider, is a wholly owned bank subsidiary of JPMorgan Chase & Co. ("JPMorgan Chase"), a Delaware corporation whose principal office is located in New York, New York. JPMCB is a commercial bank offering a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency. The Initial Credit Facility is not an obligation of JPMorgan Chase.

As of March 31, 2007, JPMCB had total assets of \$1.4 trillion, total net loans of \$442 billion, total deposits of \$630 billion, and total stockholder's equity of \$117 billion. These figures are extracted from JPMCB's unaudited Consolidated Reports of Condition and Income as at March 31, 2007, which are filed with the Federal Deposit Insurance Corporation.

Additional information, including the most recent Form 10-K for the year ended December 31, 2006, of JPMorgan Chase, the 2006 Annual Report of JPMorgan Chase and additional annual, quarterly and current reports filed or furnished with the Securities and Exchange Commission by JPMorgan Chase, as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017.

The information contained in this Appendix relates to and has been obtained from JPMCB. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of JPMCB or JPMorgan Chase since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

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