

OFFICIAL STATEMENT

NEW ISSUE - BOOK ENTRY ONLY

NOT RATED

In the opinion of Quarles & Brady LLP, Bond Counsel, under present law and assuming continuous compliance with the terms of the Indenture described below, interest on the Bonds not includable the gross income of the owners of the Bonds 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 Bonds is, however, included in adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income taxes.

\$2,885,000
WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
VARIABLE RATE DEMAND REFUNDING REVENUE BONDS, SERIES 2003
(MARIAN COLLEGE)

- Price 100%
Dated Date of Issuance
Maturity February 1, 2022
CUSIP 97710V LB2
Interest Rate/ Tender Option Prior to the date (the "Conversion Date"), if any, on which the interest rate on the Bonds is converted to a Fixed Rate, the Bonds will bear interest at a Variable Rate, determined weekly (as described herein), payable monthly on the first Business Day of each month, beginning July 1, 2003. While the Bonds bear interest at the Variable Rate, each Bond (or Beneficial Ownership Interest therein) is subject to purchase at the demand of the registered owner or Beneficial Owner thereof as described herein. See "DESCRIPTION OF BONDS."
Issuance/Book Entry The Bonds are issuable as fully registered bonds in denominations of \$5,000 and any multiple thereof, and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive physical delivery of bond certificates. Beneficial ownership of the Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, (i) principal and interest payments will be made directly to such registered owner, which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners and (ii) all notices required to be given by the Trustee to Bondowners, including notices in connection with Mandatory Tender Dates, will be given by U.S. Bank National Association, as Trustee (the "Trustee"), to DTC only (and not to Beneficial Owners) as the sole registered owner of the Bonds. See "DESCRIPTION OF BONDS-Book-Entry-Only System." Beneficial Owners of Bonds should consult the DTC Participant or Indirect Participant through whom they purchased their Bonds to receive notices and to exercise rights under the Indenture.
Limited Obligations The Bonds are limited obligations of the Wisconsin Health and Educational Facilities Authority (the "Authority") and are not a debt or liability of the State of Wisconsin or any political subdivision or agency thereof. The Authority has no taxing power. The Bonds are payable from revenues derived under the terms of a Loan Agreement and a Promissory Note delivered by Marian College of Fond du Lac, Wisconsin, Inc. (the "Borrower").
Letter of Credit All principal and interest (but not redemption premiums, if any) that become due on the Bonds (whether at stated maturity or upon advancement of stated maturity by redemption or acceleration) and the purchase price of any Bonds subject to optional or mandatory tender (as described herein) through and including the first Business Day in February, 2012, is to be paid, as necessary, by draws on an Irrevocable Letter of Credit issued by:

NATIONAL EXCHANGE BANK AND TRUST

SUCH LETTER OF CREDIT EXPIRES FEBRUARY 15, 2012, AND MAY, UPON SATISFACTION OF THE CONDITIONS SET FORTH IN THE INDENTURE, BE REPLACED AT ANY TIME BY A LIKE LETTER OF CREDIT ISSUED BY A DIFFERENT FINANCIAL INSTITUTION, IN WHICH CASE THE BONDS (INCLUDING ALL BENEFICIAL OWNERSHIP INTERESTS THEREIN) WOULD BE REQUIRED TO BE TENDERED TO THE TRUSTEE FOR PURCHASE. See "THE LETTER OF CREDIT - Substitute Letter of Credit."

- Tender and Redemption Each Bond (and Beneficial Ownership Interest) must be tendered for purchase on the Conversion Date and each other Mandatory Tender Date. See "DESCRIPTION OF BONDS -Mandatory Tender of Bonds" herein. The Bonds are also subject to optional redemption prior to the stated maturity thereof, as described herein under "REDEMPTION OF BONDS PRIOR TO MATURITY." The Bonds may also become due in advance of their stated maturity as a consequence of a default by Borrower under the Reimbursement Agreement with the Letter of Credit Provider.
Underwriting The Bonds are offered when, as and if issued by the Authority and accepted by Robert W. Baird & Co. (the "Underwriter"), subject to prior sale, to the withdrawal or modification of the offer without notice and to certain other conditions including the unqualified approval of legality by Quarles & Brady LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Reinhart Boerner Van Deuren s.c. It is expected that delivery of the Bonds will be made through the facilities of DTC, on or about June 26, 2003, against payment therefor. Prior to this offering, there has been no market for the Bonds. Subject to applicable securities laws and market conditions, the Underwriter intends to effect a secondary market in the Bonds; however, neither the Underwriter nor any other party described herein is obligated to repurchase any Bonds except as specifically described herein. For information with respect to the Underwriter and its compensation, see "UNDERWRITING" herein.

Robert W. Baird & Co.

The date of this Official Statement is June 13, 2003

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, sales representative or other person has been authorized by the Authority, the Borrower, National Exchange Bank and Trust, Fond du Lac, Wisconsin ("National Exchange Bank") or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth in Appendix B hereto has been obtained from National Exchange Bank and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority, the Borrower or the Underwriter. Certain other information set forth herein has been provided by or obtained from the Borrower or other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority or the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implications that there has been no change in the affairs of the parties referred to above or that the other information or opinions are correct as of any time subsequent to the date hereof.

The CUSIP number is included in this Official Statement for the convenience of the Bondowners and potential Bondowners. No assurance can be given that the CUSIP number will remain the same after the date of issuance and delivery of the Bonds.

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THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAVE THE INDENTURE OR THE MASTER INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS WHEREIN THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON, OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

OFFICIAL STATEMENT

\$2,885,000

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY VARIABLE RATE DEMAND REFUNDING REVENUE BONDS, SERIES 2003 (MARIAN COLLEGE)

INTRODUCTION

This Official Statement, including the cover page and Appendices, is furnished in connection with the offering of \$2,885,000 in aggregate principal amount of Variable Rate Demand Refunding Revenue Bonds, Series 2003 (Marian College) (the "Bonds") of the Wisconsin Health and Educational Facilities Authority (the "Authority"). The Bonds are being issued by the Authority in accordance with the provisions of Chapter 231 of the Wisconsin Statutes (as amended from time to time, the "Act") for the purpose of (i) refunding the Wisconsin Health and Educational Facilities Authority Variable Rate Demand Revenue Bonds, Series 2002F (Pooled Loan Financing Program) in the outstanding principal amount of \$2,840,000 (the "Prior Bonds") and (ii) paying a portion of the costs of issuance of the Bonds.

The Bonds will be issued under and secured by a Trust Indenture, dated as of June 1, 2003 (the "Indenture"), between the Authority and U. S. Bank National Association, as trustee (the "Trustee"). The Trustee will act as registrar of and paying agent and authenticating agent for the Bonds.

Concurrently with the issuance of the Bonds, the Authority will enter into a Loan Agreement with Marian College of Fond du Lac, Wisconsin, Inc. (the "Borrower"), dated as of June 1, 2003 (the "Loan Agreement"). Pursuant to the Loan Agreement, the Authority will lend the proceeds of the sale of the Bonds to the Borrower (the "Loan"). To evidence its obligation to repay the Loan, the Borrower will execute and deliver its promissory note, dated the date of issuance of the Bonds (the "Promissory Note"), payable to the order of the Authority in the principal amount of \$2,885,000, maturing on such date and bearing interest from its date at such rates payable on such dates as will provide the Authority with revenues sufficient to pay when due the principal of, premium, if any, and interest on the Bonds. The Authority will pledge and assign the Promissory Note and certain of its rights under the Loan Agreement to the Trustee as security for the Bonds.

To further secure the Bonds, the Borrower will cause National Exchange Bank and Trust, Fond du Lac, Wisconsin ("National Exchange Bank"), to deliver its Irrevocable Letter of Credit (the "National Exchange Bank Letter of Credit") to the Trustee in a stated amount equal to the outstanding principal amount of the Bonds plus 45 days of accrued interest thereon at the maximum interest rate of 10%. The National Exchange Bank Letter of Credit will permit the Trustee to draw the amounts necessary to pay principal or purchase price of, and accrued interest (but not premium, if any) on, the Bonds as such principal, purchase price and interest becomes due (including upon optional or mandatory tender of the Bonds as described below) through and including the first Business Day of February, 2012. The National Exchange Bank Letter of Credit will have an expiration date of February 15, 2012.

Subject to the conditions described herein under the caption "THE LETTER OF CREDIT -- Substitute Letter of Credit," the Borrower is permitted to replace the National Exchange Bank Letter of Credit with a substitute letter of credit (a "Substitute Letter of Credit"). Upon any such replacement, the Bonds (including all Beneficial Ownership Interests therein) will be subject to mandatory tender. See "DESCRIPTION OF BONDS – Mandatory Tender of Bonds" herein. The National Exchange Bank Letter of Credit and any Substitute Letter of Credit are collectively referred to herein as the "Letter of Credit." National Exchange Bank and the issuer of any Substitute Letter of Credit

are collectively referred to herein as the "Letter of Credit Provider." The National Exchange Bank Letter of Credit will be issued pursuant to a Reimbursement Agreement between National Exchange Bank and the Borrower (the "National Exchange Bank Reimbursement Agreement"). The National Exchange Bank Reimbursement Agreement, as amended from time to time, and any similar agreement between the Borrower and the issuer of a Substitute Letter of Credit are referred to herein as the "Reimbursement Agreement."

The Bonds will be issued pursuant to and in full compliance with the Constitution and laws of the State of Wisconsin (including particularly the Act) and pursuant to resolutions adopted by the Authority's governing body. **THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES DESCRIBED HEREIN. THE BONDS SHALL NOT CONSTITUTE A LIABILITY OF THE AUTHORITY, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF.**

The Bonds will initially bear interest at a variable rate, determined each week as described under "DESCRIPTION OF BONDS -- Maturity and Interest Rates." The Indenture provides that, upon the satisfaction of certain conditions, the Borrower may cause the interest rate on the Bonds to be converted to fixed rates. On the effective date, if any, of such a conversion (the "Conversion Date"), certain other terms of the Bonds, including interest payment dates, redemption provisions and tender rights will be changed. Prior to the effectiveness of such a conversion, however, all Bondowners and Beneficial Owners of Bonds will be required to tender their Bonds for purchase as described below under "DESCRIPTION OF BONDS - - Mandatory Tender of Bonds." **This Official Statement describes only the terms of the Bonds that will be in effect prior to the Conversion Date.**

This Official Statement contains brief descriptions or summaries of the Authority, the Bonds, the source of payment for the Bonds, the National Exchange Bank Letter of Credit, the Promissory Note, the Loan Agreement and the Indenture. The descriptions and summaries herein do not purport to be comprehensive or definitive and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document. See "MISCELLANEOUS" herein for information regarding availability of the documents.

Appendix A to this Official Statement has been furnished by the Borrower and contains information concerning the Borrower. Appendix B to this Official Statement has been furnished by National Exchange Bank and contains information concerning National Exchange Bank.

BONDHOLDER'S RISK

The following discussion of risk factors is not exhaustive 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 revenues and income derived by or for the account of the Authority from or for the account of the borrower pursuant to the terms of the Loan Agreement, the Promissory Note and the Indenture, including without limitation (i) draws under the Letter of Credit, (ii) payments by the Borrower on the Promissory Note or pursuant to the Loan Agreement (excluding any amounts payable by the Borrower to the Authority pursuant to the Loan Agreement for certain fees and indemnity payments) and (iii) all cash and securities held from time to time in certain trust funds held by the Trustee under the Indenture and the investment earnings thereon. The capabilities of the Borrower's management, future legislation, regulatory actions, economic conditions, competition, changes in the demand for services and other

factors and conditions which are unpredictable could materially and adversely affect the ability of the Borrower to meet its obligations.

Letter of Credit

The ability of the Letter of Credit Provider to honor drawings on the Letter of Credit will be based solely on the Letter of 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 the Letter of Credit, and owners of the Bonds should not assume any such insurance coverages are available with respect to the Bonds or the Letter of Credit. See "SOURCE OF PAYMENT FOR THE BONDS" herein.

Liquidity for Put Options and Mandatory Tender

The Indenture permits Bondowners to tender their Bonds on any Optional Tender Date for purchase at a price of 100% of the principal amount thereof plus accrued interest. The Indenture also requires Bondowners to tender all outstanding Bonds on any Mandatory Tender Date at a price of 100% of the principal amount thereof plus accrued interest.

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 to the date of purchase, there is no assurance that all the Bonds will be successfully remarketed. The Letter of Credit is available to be drawn upon by the Trustee to pay the tender price of any Bonds not remarketed. The ability of the Letter of Credit Bank to honor drawings on the Letter of Credit will be based solely on the Letter of Credit Bank's general credit. For information on National Exchange Bank, see Appendix B.

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 subject to mandatory redemption in the event that interest on the Bonds becomes includable in gross income for federal income tax purposes. See "REDEMPTION OF BONDS PRIOR TO MATURITY - - Mandatory Redemption or Purchase Upon Determination of Taxability" herein.

Tax-Exempt Status of the Bonds

The tax-exempt status of the Bonds is based not only on maintenance by the Borrower of its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, but also on the continued compliance by the Authority and the Borrower with certain covenants relating generally to restriction on the use of the facilities of the Borrower, arbitrage limitations, rebate of certain excess 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 the Bonds to become subject to federal income taxation retroactive to the date of issue of the Bonds. In such event, the Bonds are subject to mandatory redemption. No additional interest or penalty is payable under the terms of the Indenture in the event of the taxability of interest on the Bonds.

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 owners 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 by and 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 current members of the Authority are:

	Term Expires <u>June</u>
Daniel P. Blask, <i>Chairperson</i> Senior Vice President of Finance -- Chief Financial Officer ProHealth Care, Inc. Waukesha, Wisconsin	2001 ⁽¹⁾
Tim Size, <i>Vice Chairperson</i> Executive Director Rural Wisconsin Health Cooperative Sauk City, Wisconsin	2004
Edward M. Aprahamian President Ficht Services Milwaukee, Wisconsin	2005
Paul B. Luber Chief Executive Officer The Jor-Mac Company Grafton, WI	2006
John A. Noreika Executive Director Oakwood Village Madison, Wisconsin	2010 ⁽²⁾
Dean K. Roe Former President Froedtert Memorial Lutheran Hospital Wauwatosa, Wisconsin	2003
Paul J. Senty Corporate Legal Counsel The Park Bank Madison, Wisconsin	2007

⁽¹⁾ Mr. Blask's term expired June 30, 2001. He continues to serve until his successor is nominated by the Governor and, with the advice and consent of the State Senate, appointed.

⁽²⁾ Mr. Norieka has been appointed by the Governor and serves pending Wisconsin State Senate confirmation.

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 <u>June 30</u>	<u>Public Issues</u>		<u>Private Placements</u>		<u>Total</u>	
	<u>Number of Issues</u>	<u>Amount</u>	<u>Number of Issues</u>	<u>Amount</u>	<u>Number of Issues</u>	<u>Amount</u>
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	27	705,925,000	5	41,032,000	32	746,960,000
2000	16	415,710,000	6	17,736,000	22	433,446,000
2001	19	437,580,000	8	26,589,000	27	464,169,000
2002	<u>18</u>	<u>829,350,000</u>	<u>2</u>	<u>8,000,000</u>	<u>20</u>	<u>837,350,000</u>
TOTAL	308	\$7,284,569,000 ^(*)	108	\$523,699,000 ^(**)	416	\$7,808,268,000

^(*) Includes \$1,717,379,557 which was refinanced by subsequent Authority bond issues.

^(**) Includes \$62,168,074 which was refinanced by subsequent Authority bond issues.

In its fiscal year beginning July 1, 2002, 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.

General Counsel

Quarles & Brady LLP serves as general counsel to the Authority.

Bonds of the Authority

The Authority may from time to time issue bonds for any corporate purpose, and these 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.

State of Wisconsin Not Liable on the Bonds

The Bonds do not constitute a debt or liability of the State of Wisconsin or of any political subdivision thereof other than the Authority, but shall be payable solely from the funds pledged therefor in accordance with the Indenture. The issuance of the Bonds does not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any pecuniary liability upon the State or any charge upon its general credit against its taxing power. The Authority has no taxing power.

The Act provides that the State pledges to, and agrees with, owners of any obligations issued under the Act that it will not limit or alter the rights vested in the Authority by the Act until such obligations, together with the interest thereon, are fully met and discharged, provided nothing in the Act precludes such limitation or alteration if and when adequate provision shall be made by law for the protection of the owners of such obligations.

Interest Not Exempt from Wisconsin Income Taxes

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

PLAN OF FINANCING

Refunding Prior Bonds

In February of 2002, the Authority loaned \$2,995,000 in principal amount of the proceeds of the Prior Bonds to the Borrower to finance or refinance the construction of the Stayer Center for Technology

and Executive Learning (the "Project"). The Prior Bonds have an outstanding principal balance of \$2,840,000.

On the date of issuance of the Bonds, the Borrower will apply all of the proceeds thereof (other than proceeds used for Bond issuance expenses) to fund an irrevocable escrow in an amount sufficient to redeem all of the Prior Bonds on July 2, 2003.

Estimated Sources and Uses of Funds

Set forth below is a summary of the estimated sources and uses of funds related to the Bonds:

Sources:		
Principal Amount of the Bonds		\$2,885,000
Borrower's Funds		<u>5,000</u>
Total Sources		\$2,890,000
Uses:		
Refund Prior Bonds ⁽¹⁾		\$2,843,200
Issuance Expenses ⁽²⁾		<u>46,800</u>
Total Uses		\$2,890,000

- (1) Includes interest accrued on the Prior Bonds to the July 2, 2003 redemption date.
- (2) Includes Underwriter's discount, legal, accounting, consulting, printing and other costs of issuing the Bonds.

SOURCE OF PAYMENT FOR THE BONDS

The Bonds and the interest payable thereon do not constitute a debt or liability of the State of Wisconsin or of any political subdivision thereof other than the Authority, but shall be payable solely from the funds pledged or available therefor in accordance with 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 Bonds and the interest payable thereon do not now and shall never constitute a debt of the State of Wisconsin within the meaning of the Constitution or statutes of the State of Wisconsin and do not now and shall never constitute a charge against the credit or taxing power of the State of Wisconsin or any political subdivision thereof. The State of Wisconsin shall not in any event be liable for the payment of the principal of or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, obligation or agreement may impose any pecuniary liability upon the State of Wisconsin or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

The Bonds are limited obligations of the Authority payable by it solely from revenues and income derived by or for the account of the Authority from or for the account of the Borrower pursuant to the terms of the Loan Agreement, the Promissory Note and the Indenture, including without limitation (i) draws under the Letter of Credit, (ii) payments by the Borrower on the Promissory Note or pursuant to the Loan Agreement (excluding any amounts payable by the Borrower to the Authority pursuant to the Loan Agreement for certain fees and indemnity payments), and (iii) all cash and securities held from time to time in certain trust funds held by the Trustee under the Indenture and the investment earnings thereon.

The Loan Agreement obligates the Borrower to provide the Authority with revenues sufficient to pay when due the principal and purchase price of and interest on the Bonds. The Trustee may enforce the Loan Agreement and the Promissory Note for the benefit of the Bondowners in accordance with the terms of the Indenture.

The Indenture requires the Trustee to draw on the Letter of Credit on or before each payment date on the Bonds in an amount necessary to provide for the payment of the principal or purchase price of, and interest on, the Bonds due on such payment date. The National Exchange Bank Letter of Credit does not cover any redemption premium that may become due.

The Bonds are offered on the basis of the Letter of Credit and the financial strength of the Letter of Credit Provider and not on the basis of the financial strength of the Borrower.

DESCRIPTION OF BONDS

The Indenture provides that, at the option of the Borrower, the interest rate on the Bonds may be converted from the Variable Rate described herein to fixed interest rates. In connection with any such conversion, all Bonds and beneficial ownership interests therein will be required to be tendered by the owners thereof for purchase. See "Mandatory Tender of Bonds" below. This Official Statement describes only the terms of the Bonds that will be in effect prior to such a conversion.

Book-Entry-Only System

The Depository Trust Company, New York, New York ("DTC") 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). One fully-registered Bond certificate will be issued in the aggregate principal amount of the Bonds, and will be deposited with DTC or the Trustee as custodian for DTC. **So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to Bondowners or registered owners of the Bonds shall mean DTC or its nominee, Cede & Co., and shall not mean the Beneficial Owners (as hereinafter defined) of the Bonds.**

DTC is a limited-purpose trust company organized under 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 and Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement among DTC Participants of securities transactions, among DTC Participants in such securities through electronic computerized book-entry changes in DTC Participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and DTC Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds (in denominations of \$5,000 or any multiple thereof) under the DTC book-entry system may be made only through brokers and dealers who are, or who act through, DTC Participants. The DTC Participants purchasing the Bonds will receive a credit balance in the records of DTC. The ownership interest of each purchaser of each Bond (a "Beneficial Owner") will be recorded in

the records of the applicable DTC Participant or Indirect Participant. No Bonds will be registered in the names of Beneficial Owners and Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued, as described below. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in the Bonds will be accomplished by book entries made by the DTC Participants or Indirect Participants who act on behalf of Beneficial Owners and, if necessary, in turn by DTC. For every transfer of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Trustee and the Authority will recognize DTC or its nominee as the owner of the Bonds for all purposes, including notice purposes. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among DTC, DTC Participants, Indirect Participants and Beneficial Owners, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or an Indirect Participant so that all notices of redemption of Bonds or other communications to DTC which affect such Beneficial Owners, and notification of all interest payments, will be forwarded in writing by the DTC Participant or Indirect Participant. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to advise a Beneficial Owner, of any notice of redemption or its content or effect will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on such notice.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its DTC Participant, to the Trustee, and shall effect delivery of such Bonds by causing the DTC Participant to transfer the DTC Participant's interest in the Bonds, on DTC's records, to the purchaser or the Trustee, as appropriate. Payment of the purchase price of Bonds purchased upon mandatory or optional tender thereof shall be made through the facilities of DTC, as described below.

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

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

Payments of principal or purchase price of, premium, if any, and interest on the Bonds will be made to DTC or its nominee, Cede & Co. DTC's current practice is to credit DTC Participants' accounts on payable dates in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on a payable date. Payments by DTC Participants and Indirect 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 DTC Participant or Indirect 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 (or purchase price) to DTC shall be the responsibility of the Trustee, disbursement of such payments to DTC Participants shall be the

responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving notice to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. The Authority may decide to discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered to Bondowners and the provisions described below under "Discontinuance of Book-Entry-Only System" shall apply.

The information in this section concerning DTC and DTC's book-entry system is based on information provided by DTC. No representation is made by the Authority, the Borrower, National Exchange Bank or the Underwriter as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Authority, the Borrower, National Exchange Bank or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Authority, the Trustee, the Borrower, National Exchange Bank nor the Underwriter will have any responsibility or liability for the failure of DTC, DTC Participants or Indirect Participants to make any payment or give any notice to a Beneficial Owner in respect of the Bonds, or for any error or delay relating thereto.

Maturity and Interest Rates

The Bonds have a stated maturity date of February 1, 2022, but will be subject to optional or mandatory redemption as described under "REDEMPTION OF BONDS PRIOR TO MATURITY." From the date of issuance of the Bonds through July 2, 2003, the Bonds will bear interest at the rate established by the Underwriter. Thereafter, for each Calculation Period the interest rate on the Bonds shall be determined on the Determination Date with respect thereto and shall be the minimum rate of interest which, in the judgment of the Remarketing Agent, under prevailing market conditions, taking into account the current rates for tax-exempt securities comparable in length of interest rate adjustment periods, liquidity, security and creditworthiness to the Bonds, would enable the Bonds to be sold at a price of par (plus accrued interest, if any) on the Determination Date. In no event shall the interest rate exceed 10% per annum. The Remarketing Agent shall determine the Variable Rate for each Calculation Period on the corresponding Determination Date, and shall notify the Trustee of such determination. In the event that the Remarketing Agent fails to determine and notify the Trustee of the interest rate on the Bonds for any Calculation Period, such rate shall be the rate in effect immediately prior to such Calculation Period. "Calculation Period" means the period from Thursday of each week through and including the following Wednesday. "Determination Date" means, for each Calculation Period, the Wednesday immediately preceding the commencement of such Calculation Period or, if such Wednesday is not a Business Day, the next preceding Business Day. "Remarketing Agent" shall mean Robert W. Baird & Co. or its successors in such capacity as described below under "Effect of Optional or Mandatory Tender."

Interest is payable (i) monthly on the first Business Day of each month, commencing July 1, 2003, (ii) on any date on which all Bonds are required to be tendered to the Trustee for purchase, as described below under "Mandatory Tender of Bonds" (a "Mandatory Tender Date") and (iii) as to particular Bonds, on the redemption date thereof. Interest will be calculated on the basis of a 365 or 366-day year (as the case may be), and the actual number of days elapsed. To the extent permitted by law, overdue principal, premium, if any, and interest shall bear interest at the same rate as was borne by the Bonds on the due date of the payment that is delinquent.

Purchase of Bonds Upon Demand

The Beneficial Owner of any Bond may demand the purchase of such Beneficial Owner's Beneficial Ownership Interest in such Bond, or any portion thereof that is a multiple of \$5,000, upon seven days' written notice of such demand (a "Purchase Demand") as described below. The purchase price shall be 100% of the principal amount of the Beneficial Ownership Interest so purchased, plus accrued interest to the date of such purchase (the "Optional Tender Date"). To demand the purchase of a Beneficial Ownership Interest, the Beneficial Owner thereof (through its DTC Participant) must deliver to the Trustee, at its principal corporate trust office, a Purchase Demand which: (i) states the name and taxpayer identification number of the Beneficial Owner and identifies the DTC Participant by or through which the Beneficial Ownership Interest is held, (ii) identifies the Bond(s) and Beneficial Ownership Interest therein (or portions thereof) to be purchased by CUSIP number, Bond number(s) and principal amount(s), (iii) states the Optional Tender Date on which purchase is being demanded, which must be a Business Day not earlier than seven days after delivery of the Purchase Demand to the Trustee, at or before 10:00 a.m., Milwaukee, Wisconsin time, on a Business Day, (iv) acknowledges that such demand is irrevocable, (v) is accompanied by evidence satisfactory to the Trustee of (a) the Beneficial Owner's beneficial ownership interest in the Bond(s) to be purchased and (b) the DTC Participant's position in the Bonds on DTC's records and (vi) contains irrevocable authorization for the DTC Participant to transfer the Beneficial Owner's Bonds on the Optional Tender Date. If the Trustee receives a properly completed and executed Purchase Demand, it shall, but only from the funds available therefor in the Bond Purchase Account, purchase the Bond(s) described therein on the Optional Tender Date. See "SUMMARY OF THE INDENTURE -- Trust Funds -- Bond Purchase Account."

Delivery of a Purchase Demand will be irrevocable, and will bind the Beneficial Owner to cause the transfer of the Bond(s) described therein to the purchaser thereof on the Optional Tender Date. See "Effect of Optional or Mandatory Tender" below.

Mandatory Tender of Bonds

Upon Proposed Conversion of Interest Rate

The Indenture provides that the Borrower has the option, upon the satisfaction of certain conditions, to convert the interest rate on the Bonds from the Variable Rate to fixed interest rates. Upon the commencement by the Borrower of proceedings to convert the interest rate on the Bonds, a Mandatory Tender Date will be established.

Upon Expiration of Letter of Credit

The Indenture provides that, prior to the Conversion Date, the first Business Day of the month in which the expiration date of the Letter of Credit is to occur (taking into account any extensions of the expiration date of such letter of credit by the terms thereof) will be a Mandatory Tender Date, unless the Borrower shall have caused to be delivered to the Trustee, no later than 45 days prior to such first Business Day of the month, a Substitute Letter of Credit or an amendment to such letter of credit extending the expiration date by at least the lesser of one year or the period ending on the fifteenth day of the month in which the maturity date of the Bonds is to occur.

Upon Replacement of Letter of Credit

The Indenture provides that the Borrower may, at any time, deliver a Substitute Letter of Credit to the Trustee to replace the Letter of Credit then in effect. Except as described in the next sentence, the effective date of any Substitute Letter of Credit will be a Mandatory Tender Date. If a

Substitute Letter of Credit is delivered upon the occurrence of one of the events described in clause (d) under "SUMMARY OF THE INDENTURE - - Events of Default; Remedies," there shall be no mandatory tender of the Bonds and the Bonds shall not be subject to tender for purchase in connection with such replacement of the Letter of Credit. See "THE LETTER OF CREDIT -- Substitute Letter of Credit."

General

The Bonds (including all Beneficial Ownership interests therein) are subject to mandatory tender to the Trustee for purchase by the Trustee, but only from the funds available therefor in the Bond Purchase Account, on any Mandatory Tender Date at a price equal to the principal amount of such Bonds plus accrued interest to the Mandatory Tender Date. The Trustee shall give notice of the Mandatory Tender Date by mailing a copy of the notice by first-class mail not less than 30 nor more than 60 days prior to the Mandatory Tender Date to the registered owner of each Bond to be redeemed at the address shown on the Bond register maintained by the Trustee. The notice shall (a) identify the Bonds by name, CUSIP number, date of issue and maturity date, (b) state the Mandatory Tender Date, (c) state that all Bonds are subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the Mandatory Tender Date, (d) state that, if moneys are available with the Trustee on the Mandatory Tender Date, all Bonds shall be deemed tendered, whether or not so tendered, and that the owners thereof shall have no further rights in such Bonds other than the right to receive the purchase price thereof and (e) state the place where the Bonds may be presented for purchase.

Effect of Optional or Mandatory Tender

Interest on Bonds which are required to be tendered for purchase as aforesaid but which in fact are not delivered to the Trustee on or before the Optional Tender Date or Mandatory Tender Date (each a "Tender Date") shall cease to be payable to the former Owners thereof on the Tender Date if funds sufficient to pay the purchase price of any such untendered Bond (including any accrued and unpaid interest) shall be held by the Trustee in the Bond Purchase Account. All liability of the Authority to the owner of such untendered Bond for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds in a separate segregated trust account, without liability for interest thereon, for the benefit of the owner of such untendered Bond, who shall thereafter be restricted exclusively to such account for any claim of whatever nature on such person's part under the Indenture or on or with respect to such Bonds.

THE BENEFICIAL OWNER OF EACH BOND, BY ACCEPTANCE THEREOF, AGREES TO CAUSE THE TENDER OF SUCH BOND FOR PURCHASE ON ANY MANDATORY TENDER DATE. THE BENEFICIAL OWNER OF EACH BOND, BY SUBMISSION OF A PURCHASE DEMAND, AGREES TO CAUSE THE TENDER OF SUCH BOND FOR PURCHASE ON THE OPTIONAL TENDER DATE. IN THE EVENT OF A FAILURE BY THE BENEFICIAL OWNER OF A BOND TO CAUSE SUCH BOND TO BE TENDERED ON A TENDER DATE, THE BENEFICIAL OWNER OF SUCH BOND SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING INTEREST TO ACCRUE FROM AND AFTER THE TENDER DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNTENDERED BOND UPON TRANSFER THEREOF TO THE TRUSTEE, AND SUCH BENEFICIAL OWNER SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF PAYMENT OF THE PURCHASE PRICE OF SUCH BOND.

The Remarketing Agent will use its best efforts to remarket the Bonds that are required to be tendered for purchase on any Tender Date at a price of par plus accrued interest, if any, to the date of such sale.

Robert W. Baird & Co., the underwriter for the Bonds, will act as the Remarketing Agent under the Indenture. Pursuant to the terms of a Remarketing Agreement, the Remarketing Agent and the Borrower shall agree on certain fees for remarketing of the Bonds. The Remarketing Agent may resign or be terminated as provided in the Remarketing Agreement and the Indenture, and, if so, a successor Remarketing Agent will be appointed by the Borrower, subject to the qualifications and conditions set forth in the Indenture.

Discontinuance of Book-Entry-Only System

As described under "Book-Entry-Only System" above, the use of the system of book-entry transfers may be discontinued at any time. In such event, Bond certificates would be printed and delivered to Beneficial Owners of the Bonds, and the following provisions would apply.

Denominations; Transfer of Bonds

The Bonds are issuable as fully registered bonds in denominations of \$5,000 each or any multiple of \$5,000. The Bonds are transferable or exchangeable for Bonds of different denominations upon presentation at the principal corporate trust office of the Trustee together with a written assignment acceptable to the Trustee and duly executed by the registered owner or such owner's authorized legal representative. The person in whose name a Bond is registered will be deemed the owner thereof for all purposes of the Indenture. Except in connection with the tender of Bonds for purchase on a Tender Date, the Trustee is not required to register the transfer of or to exchange any Bond (i) after receipt by the Trustee of a Purchase Demand with respect thereto and through the corresponding Optional Tender Date, (ii) after the Trustee has given notice of a Mandatory Tender Date and through the Mandatory Tender Date, (iii) during the 15 days next preceding the mailing of any redemption notice or (iv) after such Bond has been selected for redemption. The Bondowner requesting any registration of transfer or exchange of Bonds shall pay any resulting tax or other governmental charge. In the event any Bond is mutilated, lost, stolen or destroyed, the Authority may execute and the Trustee may authenticate a new Bond of like date and denomination in accordance with the provisions therefor in the Indenture, and the Authority and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in this connection and may also require satisfactory indemnity in the case of Bonds lost, stolen or destroyed.

Manner of Payment

Except in the case of interest in default, interest will be paid on each interest payment date by check drawn by the Trustee payable to the order of the persons in whose names the Bonds were registered at the close of business on the record date for such interest. The record date for each interest payment date shall be the day (whether or not a Business Day) immediately preceding such interest payment date. Interest in default will be paid on the dates and by reference to record dates selected by the Trustee in its discretion. Principal of and premium, if any, on the Bonds payable at maturity or upon proceedings for redemption thereof shall be payable to the registered owners thereof upon presentation and surrender of the Bonds at the Trustee's principal office.

Optional and Mandatory Tenders

The purchase price of Bonds subject to tender for purchase on a Tender Date will be payable only upon delivery of such Bonds to the Trustee on or after the Tender Date.

Selection of Bonds for Redemption

If less than all Outstanding Bonds are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by lot or by such other random means as the Trustee shall determine in its discretion. Bonds in denominations larger than \$5,000 are subject to redemption in part, in multiples of \$5,000.

REDEMPTION OF BONDS PRIOR TO MATURITY

The Bonds are subject to early redemption as described herein. In addition, following an Event of Default (as defined therein) under the Loan Agreement or the Indenture, the Trustee may be required to accelerate the maturity of the Bonds and draw upon the Letter of Credit for the funds necessary to retire the Bonds. Assuming in such circumstance that the Letter of Credit would be honored in accordance with its terms, the effect on Bondowners would be similar to that of an early redemption at par. An Event of Default can occur, at the direction of the Bank (and without the consent of the Bondowners, the Trustee or the Authority), any time there is an event of default under the Reimbursement Agreement.

Notice and Effect of Redemption

Notice of the call for any redemption of Bonds prior to maturity shall be given by mailing a copy of the redemption notice by first-class mail not less than 30 nor more than 60 days prior to the redemption date to the registered owner (which, so long as the Bonds are in book-entry-only form, shall be DTC or its nominee) of each Bond to be redeemed at the address shown on the Bond register maintained by the Trustee except that notice of the call for redemption of all the Bonds as described below under "Mandatory Redemption or Purchase Upon Determination of Taxability" shall be given by mailing a copy of the redemption notice within five days after the date of the Determination of Taxability with the redemption date to occur not more than 14 days after the date of the Determination of Taxability.

All notices of redemption shall (a) identify the Bonds to be redeemed by name, CUSIP number, date of issue, interest rate and maturity date and, if only a portion of the Bonds are to be redeemed, the certificate numbers and the respective principal amounts to be redeemed, (b) identify the redemption date, (c) state the redemption price, (d) state that interest on the Bonds or the portions thereof called for redemption will cease to accrue from the redemption date if funds sufficient for their redemption and available for that purpose are on deposit with the Trustee on the redemption date and (e) state that payment for the Bonds will be made on the redemption date at the principal trust office of the Trustee during normal business hours upon the surrender of the Bonds to be redeemed. Neither the failure to mail such notice, nor any defect in any notice so mailed, with respect to any particular Bond shall affect the validity of any proceedings for redemption of any other Bond.

All Bonds or portions thereof so called for redemption shall cease to bear interest on the specified redemption date and shall no longer be deemed to be outstanding under the provisions of the Indenture if Eligible Funds (defined herein under the caption "THE LETTER OF CREDIT - Eligible Funds") available and sufficient for their redemption are on deposit at the place of payment at that time. In the case of mandatory redemption of all Bonds as described below under "Mandatory Redemption or Purchase Upon Determination of Taxability," funds on deposit for the payment of the redemption premium need not be Eligible Funds.

Optional Redemption

Prior to the Conversion Date, the Bonds are subject to redemption (or purchase in lieu of redemption), at the option of the Borrower, in whole or in part (in multiples of \$5,000) on any Business Day. The redemption price for any such redemption shall be 100% of the principal amount of the Bonds or portions thereof so redeemed, plus accrued interest to the redemption date, and without premium. The Trustee shall not give notice of any such redemption unless it has received the written consent of the Bank to such redemption.

Bonds which otherwise are to be redeemed at the direction of the Borrower may, at the option of the Bank, be purchased in lieu of redemption on the redemption date. The purchase price shall be 100% of the principal amount of the Bonds so purchased, plus accrued interest to the purchase date.

Mandatory Redemption or Purchase Upon Determination of Taxability

The Bonds shall be subject to mandatory redemption (or purchase in lieu of redemption) in whole on the earliest practicable Business Day following a Determination of Taxability (as defined below) for which the Trustee can give timely notice of redemption, and in any event within 60 days after such Determination of Taxability. The redemption price for any such redemption shall be 100% of the principal amount of Bonds so redeemed, plus accrued interest to the redemption date, plus a premium of 3% of the principal amount of the Bonds so redeemed. Redemption of the Bonds shall be the Bondowners' sole remedy upon an Event of Taxability.

The premium payable in connection with such a redemption is not payable from proceeds of the Letter of Credit, and it is unlikely that Eligible Funds will be available under the Indenture for any such payment. The owners of Bonds may look only to the Borrower for the payment of such premium, and any such payments are not addressed in the opinion referred to herein under the caption "THE LETTER OF CREDIT - Eligible Funds."

"Determination of Taxability" means the occurrence of any of the following:

- (a) the filing of a Borrower's certificate with the Authority and the Trustee asserting or indicating by its terms to the satisfaction of the Trustee that an Event of Taxability has occurred;
- (b) notification to the Authority and the Trustee that an authorized officer or official of the Internal Revenue Service has issued a statutory notice of deficiency or document of similar import to the effect that an Event of Taxability has occurred; or
- (c) notification to the Authority and the Trustee from any Bondowner or former Bondowner to the effect that the Internal Revenue Service has assessed as includable in the gross income of such Bondowner or former Bondowner interest on a Bond due to the occurrence of any Event of Taxability;

provided, however, that in respect of clauses (b) and (c) above, a Determination of Taxability shall not be deemed to have occurred unless and until the Borrower has been notified of the allegation that an Event of Taxability and a Determination of Taxability have occurred and the Borrower fails within 60 days following such notice either (i) to have the allegation that an Event of Taxability has occurred rescinded by the Internal Revenue Service or the Bondowner or the former Bondowner who made such allegation, as the case may be, or (ii) to obtain an unqualified opinion of Bond Counsel acceptable to the Trustee to the effect that no Event of Taxability has occurred.

"Event of Taxability" means the circumstance of interest paid or payable on any Bond becoming includable (other than for purposes of computing alternative minimum taxes) in the gross income of any Bondowner as a consequence of any act, omission or event whatsoever.

Bonds which otherwise are to be redeemed as a result of a Determination of Taxability may, at the option of the Bank, be purchased in lieu of redemption on the redemption date. The purchase price shall be 103% of the principal amount of the Bonds so purchased, plus accrued interest to the purchase date.

THE LETTER OF CREDIT

General

The Indenture requires the Trustee to draw on the Letter of Credit on the Business Day immediately preceding each regularly scheduled interest payment date and each redemption date in an amount sufficient to pay the principal and interest (but not the premium, if any) then due on the Bonds. The Indenture also requires the Trustee, to the extent the proceeds of the remarketing of Bonds on a Tender Date are insufficient to pay the purchase price of such Bonds, to present a draft to the Bank on such Tender Date in an amount sufficient, together with such remarketing proceeds, to pay the purchase price of Bonds tendered or deemed tendered on such Tender Date. If an Event of Default resulting in acceleration of the principal and interest on the Bonds occurs, the Indenture requires the Trustee to present a draft to the Bank in an amount sufficient to pay the principal of the Bonds plus all interest accrued and to accrue to the date of expected payment to Bondowners. In the event the maturity of the Bonds is accelerated or in the event of the redemption of Bonds, the Letter of Credit Provider, in lieu of having the Bonds retired from proceeds of the Letter of Credit, may purchase such Bonds at a price equal to the redemption price that would otherwise be due.

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 the Letter of Credit or the payment by the Trustee to Owners of Bonds of amounts drawn under the Letter of Credit under various circumstances, including the bankruptcy or insolvency of, or of a similar event with respect to, the Borrower or an affiliate of the Borrower.

National Exchange Bank Letter of Credit

The National Exchange Bank Letter of Credit is an irrevocable obligation of National Exchange Bank to pay to the Trustee, upon timely and proper presentation of draws thereon, up to a maximum amount equal to the principal of the Bonds and 45 days of interest due on the Bonds at the maximum interest rate of 10%. The National Exchange Bank Letter of Credit will (unless extended in accordance with its terms) expire on February 15, 2012, or such earlier date as provided therein, including on the date of replacement thereof as described below under "Substitute Letter of Credit." The amount available under the terms of the National Exchange Bank Letter of Credit is sufficient, if a draft is timely presented by the Trustee, to cover the maximum amount of principal and interest (but not any redemption premium), and the maximum purchase price of Tendered Bonds, which could become due at any time on or prior to the first Business Day of February, 2012.

THE ABILITY OF NATIONAL EXCHANGE BANK TO HONOR DRAWINGS ON THE NATIONAL EXCHANGE BANK LETTER OF CREDIT IS BASED SOLELY ON NATIONAL EXCHANGE BANK'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 THE NATIONAL EXCHANGE BANK LETTER OF CREDIT, AND BONDOWNERS SHOULD NOT ASSUME ANY SUCH INSURANCE COVERAGE IS AVAILABLE. IN THE EVENT OF THE INSOLVENCY OF NATIONAL EXCHANGE BANK, A CLAIM BY THE TRUSTEE OR THE BONDOWNERS UNDER THE NATIONAL EXCHANGE BANK LETTER OF CREDIT WOULD PROBABLY BE SUBORDINATE TO THE CLAIMS OF NATIONAL EXCHANGE BANK'S DEPOSITORS. Prospective purchasers of Bonds are directed to Appendix B hereto for certain information relating to National Exchange Bank.

Substitute Letter of Credit

The Borrower may, at any time, deliver to the Trustee a substitute or replacement letter of credit ("Substitute Letter of Credit") to replace the Letter of Credit then in effect, subject to the following conditions:

(a) the Substitute Letter of Credit shall be issued in favor of the Trustee by a bank, savings and loan association, insurance company or other regulated financial institution and permit demands to be made against it as set forth in the Indenture;

(b) the Substitute Letter of Credit shall have an expiration date which is the fifteenth day of a month that is not earlier than the earlier of (i) one year from the effective date of such Substitute Letter of Credit or (ii) the maturity date of the Bonds;

(c) the Substitute Letter of Credit shall be in an amount not less than the sum of (i) the maximum principal amount of Bonds that will be outstanding commencing on the first date on which draws are permitted thereunder, plus (ii) at least 45 days of interest on such principal amount of Bonds at the maximum rate of 10% per annum;

(d) the Trustee shall be the beneficiary of the Substitute Letter of Credit; and

(e) except as described below, the Substitute Letter of Credit shall be delivered to the Trustee at least 45 days prior to its effective date, which must be a Business Day.

The Trustee shall not accept a Substitute Letter of Credit unless the Trustee shall have determined to its satisfaction that the foregoing conditions have been satisfied and unless the Trustee shall have received an opinion of Bond Counsel to the effect that the Trustee's acceptance of the Substitute Letter of Credit will not result in an Event of Taxability and certain other opinions of counsel described in the Indenture.

Except as described below, the effective date of a Substitute Letter of Credit shall be a Mandatory Tender Date. See "DESCRIPTION OF BONDS -- Mandatory Tender of Bonds." An amendment to an existing Letter of Credit to extend its expiration date in conformity with paragraph (b) above will not be deemed to be a Substitute Letter of Credit.

If a substitute Letter of Credit is delivered upon the occurrence of one of the events described in clause (d) under "SUMMARY OF THE INDENTURE - - Events of Default; Remedies" below, the requirements for mandatory tender of the Bonds for purchase and for delivery of such Substitute Letter of Credit 45 days before its effective date shall not apply.

Eligible Funds

Payments of principal or purchase price of and interest on the Bonds are required to be made with Eligible Funds. With reference to the Trust Funds described under "SUMMARY OF THE INDENTURE" herein, the term "Eligible Funds" means (i) all amounts (including investment earnings) in the Bond Purchase Account or in the Credit Facility Account of the Bond Fund, and (ii) any other amounts in the Bond Fund or the Redemption Fund with respect to which the Trustee has received an opinion of Bond Counsel to the effect that the use of such amounts to pay debt service on the Bonds would not constitute an avoidable preference upon (a) the filing of a petition in bankruptcy by or against the Borrower or the Authority as debtor under the United States Bankruptcy Code, or (b) the commencement and continuance of other judicial proceedings with respect to the Borrower or the Authority as debtor under similar or successor federal or state bankruptcy, reorganization or insolvency laws.

The law firm of Quarles & Brady LLP, bond counsel, is of the opinion that payments of the principal or purchase price of and interest on the Bonds made to the Bondowners from proceeds of the remarketing of Tendered Bonds or from proceeds of a draw on the Letter of Credit will not constitute avoidable preferences under either Section 547 of the United States Bankruptcy Code or Section 128.07 of the Wisconsin Statutes in the event of a bankruptcy or insolvency of the Borrower or the Authority. Such opinion does not address the payment of any premiums upon redemption of the Bonds, which would not be provided for by the Letter of Credit.

National Exchange Bank Reimbursement Agreement

The Borrower and National Exchange Bank have entered into the National Exchange Bank Reimbursement Agreement pursuant to which the Borrower agrees to reimburse National Exchange Bank for the amount of any draft drawn under the National Exchange Bank Letter of Credit and to pay certain fees and expenses related to the National Exchange Bank Letter of Credit. The National Exchange Bank Reimbursement Agreement contains various covenants of and restrictions on the Borrower of a sort which are typically found in loan agreements between a bank and a not-for-profit borrower. Such covenants include, without limitation, the Borrower's agreement to provide financial statements and other information to National Exchange Bank, the Borrower's agreement to maintain the 'its corporate existence and continue and conduct its business substantially as currently conducted, restrictions on the incurrence of certain liens, the agreement to comply with certain laws and restrictions on certain corporate transactions and agreements to maintain insurance and pay taxes, along with other covenants of the Borrower. The National Exchange Bank Reimbursement Agreement also requires the Borrower to redeem a portion of the Bonds annually commencing on February 1, 2004. Such covenants and restrictions are solely for the benefit of National Exchange Bank and may be waived or amended by National Exchange Bank and the Borrower without the consent of the Trustee, the Authority or the Bondowners. The Bondowners will have no rights or obligations as a result of any such covenants or any amendments thereto or waivers thereof.

The obligations of the Borrower to National Exchange Bank under the National Exchange Bank Reimbursement Agreement are secured, among other things, by a mortgage on the Project and a security interest in related personal property.

Defined events of default under the National Exchange Bank Reimbursement Agreement include, among others, (a) failure by the Borrower to pay or perform obligations under the National Exchange Bank Reimbursement Agreement, (b) breach of the covenants and restrictions contained therein, (c) Events of Default under the Indenture or the Loan Agreement, (d) any representations or warranties by the Borrower being false in any material respect, (e) certain events of bankruptcy or insolvency involving the Borrower, (f) the entry against the Borrower of certain judgments or decrees which remain unpaid, and (g) the

occurrence of defaults under the collateral and related documents. Upon the occurrence of an event of default under the Reimbursement Agreement, National Exchange Bank is entitled to have an Event of Default declared under the Indenture and to have the maturity of the Bonds accelerated.

The issuance of the National Exchange Bank Letter of Credit will be conditioned upon receipt by the Bank of certain legal opinions and the satisfaction of other requirements of National Exchange Bank.

SUMMARY OF THE PROMISSORY NOTE

The Promissory Note will be issued pursuant to the Loan Agreement. The Promissory Note will be executed by the Borrower, delivered to the Authority and assigned by the Authority to the Trustee. The maturity date of the Promissory Note corresponds to the maturity date of the Bonds. The Promissory Note will bear interest at the same rates from time to time as borne by the Bonds. The Loan Agreement provides that the Borrower's obligations to pay principal and interest on the Promissory Note are discharged to the extent that the corresponding principal and interest payments on the Bonds are made from the Bond Fund (including from proceeds of the Letter of Credit) in accordance with the terms of the Indenture.

SUMMARY OF THE LOAN AGREEMENT

Provision for Revenues to Pay the Bonds

The Borrower agrees to make payments to the Trustee (to the extent sufficient funds are not obtained by draws on the Letter of Credit) in such amounts and at such times as shall be necessary to enable the Trustee to make full and prompt payment when due (whether at stated maturity, upon call for redemption prior to stated maturity or upon acceleration of stated maturity) of the principal of, premium, if any, and interest on the Bonds.

Maintenance of Existence; Tax-Exempt Status

The Borrower agrees that it will maintain its existence as a nonstock corporation and its status as an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code.

Tax Exempt Bonds

The Borrower and Authority intend that the interest paid on the Bonds will be excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Code. The Borrower agrees in the Loan Agreement that it will not take any action which would, or fail to take any action the omission of which would, cause an Event of Taxability to occur.

Events of Default; Remedies

Each of the following constitutes an "Event of Default" under the Loan Agreement:

(a) Default in the due and punctual payment of any installment of principal or of any payment of interest or premium on the Promissory Note;

(b) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Borrower contained in the Loan Agreement, the Indenture or certain other documents to which the Borrower is a party and the continuance thereof for a period of 30 days after receipt by the Borrower of written notice (from the Authority, the Trustee or the Owners of at least 10% in aggregate principal amount of the Bonds at the time outstanding) specifying such default and requesting that it be cured; provided, however, that if the default is capable of being cured, but not within such 30-day period, such default shall not become an Event of Default if the Borrower institutes reasonable corrective action within such period and pursues such action diligently until such default is cured;

(c) The Borrower shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability, to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) have a court order relief against it under the United States Bankruptcy Code; or (v) file a petition with respect to itself as debtor under Chapter 7 or 11 of the United States Bankruptcy Code; or (vi) have a petition under Chapter 7 or 11 of the United States Bankruptcy Code filed against it as debtor and fail to have such petition vacated or discharged within 30 days following the filing thereof; or (vii) file an answer to a creditor's petition, admitting the material allegations thereof, for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (viii) apply to a court for the appointment of a receiver for any of its assets; or (ix) have a receiver appointed for any of its assets (with or without the consent of the Borrower) and such receiver shall not be discharged within 30 days after its appointment; or

(d) An "event of default" shall have occurred under the Indenture.

Upon the occurrence of any Event of Default, the Authority may, with the written consent of the Bank, or if the Bonds have been accelerated pursuant to the Indenture, declare the entire outstanding principal balance of the Promissory Note together with all interest accrued thereon (to the date of such acceleration) to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. There may be no acceleration of the Promissory Note unless there is an acceleration of the Bonds under the Indenture. Any acceleration of the Bonds under the Indenture results in an acceleration of the Promissory Note.

Also, upon the occurrence of an Event of Default, the Authority or the Trustee may, with the written consent of the Bank, pursue any available remedy at law or in equity to realize the payment of the principal of, premium, if any, and interest on the Promissory Note.

SUMMARY OF THE INDENTURE

Trust Funds

The following described trust funds (collectively the "Trust Funds") are created under the Indenture to be held in the custody of the Trustee for the uses and purposes provided in the Indenture and summarized below:

Bond Fund

The Indenture creates two separate accounts within the Bond Fund: the Credit Facility Account and the Borrower's Payments Account. All funds received from the Letter of Credit Provider resulting from drawings under the Letter of Credit to pay principal and interest on the Bonds will be deposited in the Credit Facility Account. All other monies received by the Trustee for the account of the

Bond Fund shall be deposited into the Borrower's Payments Account. All monies in the Bond Fund will be used solely for the payment of the principal of and interest on the Bonds when due whether at scheduled maturity, by acceleration or upon prior redemption. See "THE LETTER OF CREDIT" herein.

Principal of and interest on the Bonds shall be paid by the Trustee from the following accounts of the Bond Fund in the following priority: First, from the Credit Facility Account; Second, from Eligible Funds on deposit in the Borrower's Payments Account and; Third, from remaining monies in the Bond Fund, but only to the extent that the foregoing two sources are not likely, in the judgment of the Trustee, to be available and sufficient therefor.

Investment earnings on the Bond Fund will be for the account of the Bond Fund.

Bond Purchase Account

Proceeds of the remarketing by the Remarketing Agent of Bonds tendered or deemed tendered on a Tender Date (as described under "DESCRIPTION OF BONDS -- Effect of Optional or Mandatory Tender") shall be deposited in the Bond Purchase Account. In addition, all funds received from the Letter of Credit Provider resulting from drawings under the Letter of Credit to pay the purchase price of Tendered Bonds will be deposited in the Bond Purchase Account.

Funds in the Bond Purchase Account shall be held therein solely for the payment of the purchase price of Tendered Bonds in connection with the purchase thereof on a Tender Date.

Redemption Fund

Prepayments by the Borrower of principal on the Promissory Note together with the premium, if any, shall be deposited into the Redemption Fund. In addition, under certain circumstances moneys may be transferred to the Redemption Fund from other trust funds. Eligible Funds in the Redemption Fund may be (i) transferred to the Bond Fund when and as required to pay the principal of any Bonds called for redemption in accordance with the Indenture; (ii) used to pay any premiums payable on Bonds called for redemption, (iii) transferred to the Bond Fund to pay the final payment of principal on the Bonds at the last maturity thereof or (iv) to the extent not needed for the purposes described in clauses (i) and (ii), used at the direction of the Borrower to purchase Bonds for cancellation.

Issuance Expenses Fund

An amount of the proceeds of the Bonds equal to approximately \$26,800 will be deposited in the Issuance Expenses Fund and disbursed to pay (or reimburse the Borrower for the payment of) a portion of the costs of issuance of the Bonds.

Investment of Trust Fund Moneys

The Trust Funds shall be invested by the Trustee in one or more of the following types of investments: (a) direct, full faith and credit obligations of the United States 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 of Wisconsin 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 of Wisconsin, (f) any security which matures or which may be tendered for purchase at the option of the owner 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 Standard & Poor's Ratings Services, Moody's Investors Service, Inc. or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same Authority 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, 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 a future amendment of the Act if the prior written consent of Letter of Credit Provider, the Authority and the Trustee are obtained. Monies in the Bond Purchase Account and the Bond Fund shall be invested only in investments described in (i) above.

Nonpresentation of Bonds

In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at stated maturity or at the date fixed for redemption thereof, if Eligible Funds sufficient to pay such Bond shall be held by the Trustee for the benefit of the owner thereof, all liability of the Authority to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such Eligible Funds in a segregated trust account without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such account for any claim of whatever nature on such person's part under the Indenture or on or with respect to said Bond. Such Eligible Funds in such segregated trust account shall thereafter no longer be considered Pledged Revenues and any such Bond shall no longer be deemed outstanding under the Indenture. If any such Bond has not been presented within 60 days of the date the principal became due, the Trustee shall promptly notify the person identified as the owner of such Bond in the bond register (as of the date the principal of such Bond became due) by first class mail that such Bond has become due and that the amount due is being held by the Trustee under the Bond Indenture.

After any such Eligible Funds have been held in such segregated trust account for four years, the Trustee shall certify the amount thereof and the identifying numbers of the particular Bonds whose owners have a claim against it and deliver such certificate and such Eligible Funds to the Borrower. Thereafter such owners shall have an unsecured claim against the Borrower in respect of payment of such unrepresented Bonds, and shall have no further claim whatever against the Authority, the Trustee or the Letter of Credit Provider in respect thereof.

Events of Default; Remedies

Each of the following events constitute an "Event of Default" under the Indenture:

(a) Default in the due and punctual payment of the principal or purchase price of, premium, if any, or interest on any Bond whether on an interest payment date, at the stated maturity thereof, on a Tender Date, or upon proceedings for redemption (or purchase in lieu of redemption) thereof, or upon the maturity thereof by declaration, acceleration or otherwise;

(b) The acceleration of the maturity of the Promissory Note;

(c) Default in the performance or observance of any of the covenants, agreements or conditions on the part of the Authority contained in the Indenture or in the Bonds and the continuance thereof for a period of 60 days after written notice given to the Authority by the Trustee or to the Trustee and the Authority by the owners of not less than 25% in aggregate principal amount of Bonds then outstanding;

(d) The Letter of Credit Provider admits its insolvency or becomes unable to pay its debts as they mature or a receiver is appointed for the Letter of Credit Provider; or the Letter of Credit Provider defaults in the payment when due of any amounts due under the Letter of Credit; or the Letter of Credit ceases to remain in full force and effect and, in any such event, the Borrower fails to deliver to the Trustee, within 45 days of receipt of notice of such event, a Substitute Letter of Credit issued by another financial institution; or

(e) The Letter of Credit Provider delivers a certificate to the Trustee stating that an "event of default" has occurred under the Reimbursement Agreement and demanding an acceleration of the Bonds, or stating that the amount of a drawing under the Letter of Credit in respect of interest on the Bonds will not be reinstated.

Upon the occurrence of an Event of Default set forth in Clause (b), (d) or (e) above, or upon the occurrence and continuance for two Business Days of an Event of Default set forth in Section (a) above, the Trustee shall, by notice in writing delivered to the Authority, the Letter of Credit Provider and the Borrower, declare the principal of all Bonds then outstanding and the accrued interest thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Upon the occurrence of an Event of Default set forth in Clause (a) above, and without regard to the continuance thereof, the Trustee may, and shall upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then outstanding, by notice in writing delivered to the Authority, the Letter of Credit Provider and the Borrower, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Upon the occurrence of an Event of Default set forth in Clause (c) above, the Trustee may with the written consent of the Letter of Credit Provider, and shall upon the written request of the Letter of Credit Provider and the Owners of not less than 25% in aggregate principal amount of Bonds then outstanding, by notice in writing delivered to the Authority, the Letter of Credit Provider and the Borrower, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Upon an acceleration of the maturities of the Bonds, the Trustee shall forthwith demand payment from the Letter of Credit Provider for the payment under the Letter of Credit pursuant to the terms thereof in an amount sufficient to pay the principal of and interest on the Bonds to the expected payment date.

Upon the occurrence of an Event of Default, the Trustee, with the written consent of the Letter of Credit Provider, unless there has been an Event of Default as set forth in clause (d) above, may, in addition to acceleration of the Bonds, pursue any available remedy by action at law or suit in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds or on the Promissory Note.

The Trustee, as beneficiary of the Letter of Credit shall enforce such of its rights thereunder, and as an assignee of rights and interests of the Authority in and to the Loan Agreement shall, with the prior written consent of the Letter of Credit Provider, unless there has been an Event of Default as set forth in clause (d) above, enforce such of its rights and the rights of the Authority thereunder as it shall deem necessary or appropriate. In exercising such rights the Trustee shall take such action as, in its judgment, would best serve the interests of the Bondowners.

If an Event of Default shall have occurred, and if requested so to do by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in the Indenture, the Trustee shall be obliged to exercise such one or more of its rights and powers as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondowners, subject to the rights of the Letter of Credit Provider.

No remedy under 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 to the Bondowners under the Bond Indenture. No delay or omission 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 acquiescence therein. No waiver of any Event of Default under the Bond Indenture shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Upon providing sufficient indemnity to the Trustee as provided in the Indenture, the Letter of Credit Provider (unless there has been an Event of Default as described in clause (d) above which has occurred and is continuing in which case the Owners of a majority in aggregate principal amount of Bonds then Outstanding) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, 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 any other proceedings thereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture

Rights and Remedies of Bondowners

No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless: (i) a default has occurred of which the Trustee has been notified as provided in the Indenture, (ii) such default shall have become an Event of Default and the owners of at least 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) such owners shall have offered to the Trustee indemnity, and (iv) the Trustee shall thereafter have failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture by its, his, her or their action or to enforce any right under the Indenture except in the manner provided in the Indenture and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the owners of all Bonds then outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after the stated maturity thereof, or the obligation of the Authority to pay the principal of, premium, if any, and interest

on each of the Bonds issued under the Indenture to the respective owners of the Bonds at the time and place, from the source and in the manner provided in the Indenture and the Bonds.

Waivers of Events of Default

The Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the owners of a majority in aggregate principal amount of all of the Bonds then outstanding; provided, however, that the Event of Default set forth in clause (e) under the heading “SUMMARY OF THE INDENTURE - Events of Default; Remedies” may be waived only with the written consent of the Letter of Credit Provider and upon the reinstatement of funds available under the Letter of Credit; and provided further that there shall not be waived without the consent of the owners of all the Bonds outstanding (i) any Event of Default in the payment of the principal or purchase price of any outstanding Bonds at the date of maturity specified therein or at the date fixed for the redemption or mandatory purchase thereof, or (ii) any Event of Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest, or all arrears of payments of principal, and all expenses of the Trustee in connection with such default shall have been paid or provided for; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Removal of Trustee

The Trustee may be removed at any time without cause (a) at the direction of the Borrower (so long as no Default or Event of Default under the Indenture or any of the other documents to which the Borrower is a party has occurred, whether or not continuing) or (b) by an instrument or concurrent instruments in writing signed by the owners of a majority of the aggregate principal amount of the Bonds then outstanding and delivered to the Trustee and the Authority. A removal takes effect upon the appointment of a successor (or temporary trustee as provided in the Indenture) by the owners or the Authority, the successor or temporary trustee's acceptance of its appointment and the transfer of the Letter of Credit to the successor or temporary trustee.

Supplemental Indentures

The Indenture may be amended without the consent of the Bondowners to add additional covenants of the Authority, or to surrender any right or power therein conferred upon the Authority, or for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in the Indenture or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture as shall not be inconsistent with the provisions of the Indenture and shall not, in the judgment of the Trustee, adversely affect the interests of the owners of the Bonds.

The Indenture may also be amended from time to time by a supplemental indenture approved by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding. No amendment shall be made which affects the rights of some but less than all the outstanding Bonds without the consents of the owners of a majority in aggregate principal amount of the Bonds so affected. Unanimous written consent of Bondowners shall be required for any amendment with respect to (i) the amount or due date of any principal, purchase price, premium or interest payment upon

any Bonds, or (ii) the mandatory redemption provisions of any Bonds, or (iii) the provisions for optional or mandatory tender of the Bonds or (iv) the provisions of the Indenture relating to supplemental indentures or amendments to the Loan Agreement, Promissory Note and Letter of Credit. The prior written consent of the Letter of Credit Provider and, in some cases, the Borrower is required for any supplemental indenture.

Amendments to Promissory Note, Loan Agreement and Letter of Credit

The Authority and the Trustee may, without the consent of, or notice to, the Bondowners, consent to any amendment, change or modification of the Loan Agreement, the Promissory Note or the Letter of Credit to add additional covenants of the Borrower or the Letter of Credit Provider, or to add additional security for the performance of their respective obligations, or to extend the expiration date of the Letter of Credit to a date permitted by the Indenture, or to increase the interest coverage of the Letter of Credit or to make such other provisions in regard to matters or questions arising thereunder as shall not be inconsistent with the provisions of the Indenture and shall not, in the judgment of the Trustee, adversely affect the interests of the owners of the Bonds. Otherwise, neither the Authority nor the Trustee shall consent to any amendment of the Promissory Note, the Loan Agreement or the Letter of Credit without the giving of notice to and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding. No amendment shall be consented to which affects the rights of some but less than all outstanding Bonds without the consent of the owners of a majority in aggregate principal amount of the Bonds so affected. Unanimous written consent of the Bondowners shall be required for any amendment which would (i) decrease the amounts payable on the Letter of Credit or the Promissory Note, (ii) change the date of payment of principal of or premium or interest on the Promissory Note or (iii) change the unconditional nature of the Borrower's obligation to provide for payment of the Bonds. The prior written consent of the Letter of Credit Provider and the Borrower is required for any amendment to the Promissory Note, the Loan Agreement or the Letter of Credit.

Letter of Credit Provider

The particular provisions of the Indenture and the Loan Agreement which require notice to, or an approval, consent or direction from, the Letter of Credit Provider do not apply if (a) the Letter of Credit Provider is in default in any payment required to be made on the Letter of Credit or (b) if there is no Letter of Credit outstanding against which draws may be made to pay the principal of, or interest or redemption premium on, any Bonds or the purchase price for any Tendered Bonds.

TAX EXEMPTION

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 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 Bonds are outstanding in a manner that would adversely affect the value of an investment in the Bonds or the tax treatment of the interest paid on the Bonds.

Federal Income Tax Opinion of Bond Counsel

Quarles & Brady LLP, Bond Counsel, will deliver a legal opinion with respect to whether the interest on the Bonds must be included in the gross income for federal income tax purposes of an owner of a Bond under existing law in substantially the following form:

The interest on the Bonds is excludable for federal income tax purposes from gross income of the owners of the Bonds. The interest on the 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 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 Bonds in order for interest on the Bonds to be or continue to be excluded from the gross income of the owners of the Bonds for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Authority, the Trustee and the Borrower 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 Borrower comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Other Federal Income Tax Considerations

As noted above, interest on the Bonds is included in the adjusted current earnings of corporations for purposes of the alternative minimum tax imposed by Section 55 of the Internal Revenue Code. The Code also contains numerous other provisions which could adversely affect the value of an investment in the Bonds for particular Bondowners. For example, (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner's interest expense allocated to interest on the Bonds, (ii) interest on the 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, (iii) 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 Bonds, (iv) interest on the 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, (v) passive investment income, including interest on the 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 (vi) 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 Bonds in determining gross income. There may be other provisions of the Code which could adversely affect the value of an investment in the Bonds for particular Bondowners. 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 Tax

The interest on the Bonds is not exempt from present Wisconsin income taxes.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of the law firm of Quarles & Brady LLP, Bond Counsel, whose approving legal opinion will be delivered with the Bonds. The validity of the Letter of Credit will be passed upon by Foley & Lardner, Milwaukee, Wisconsin, counsel to National Exchange Bank.

Certain legal matters have been passed upon for the Borrower by von Briesen & Roper, s.c., Milwaukee, Wisconsin, for the Underwriter by its counsel, Reinhart Boerner Van Deuren s.c., Milwaukee, Wisconsin and for the Authority by its general counsel, Quarles & Brady LLP.

NO LITIGATION

There is no pending or, to the knowledge of the Borrower or the Authority, threatened litigation against the Borrower or the Authority which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to their issuance, sale or delivery.

UNDERWRITING

Robert W. Baird & Co. (the "Underwriter") has agreed, subject to the terms of a Bond Purchase Agreement among the Authority, the Borrower and the Underwriter, to purchase from the Authority the entire principal amount of the Bonds at a purchase price of \$2,870,000. The Underwriter will also act as Remarketing Agent under the Indenture, and will be paid a fee by the Borrower for its services in that capacity.

The Borrower has agreed to indemnify the Underwriter and the Authority against certain liabilities, including federal securities law liabilities arising from statements or omissions in this Official Statement.

CONTINUING DISCLOSURE

The Borrower and the Trustee will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), which will require the Trustee to file, with the Municipal Securities Rulemaking Board or with nationally recognized municipal securities information repositories, notice of the occurrence of certain events, including defaults, the delivery of a Substitute Letter of Credit, events adversely affecting the tax-exempt status of interest on the Bonds, and redemption of Bonds. No party is obligated to provide any other ongoing disclosure or to update any information included in this Official Statement.

MISCELLANEOUS

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of the complete documents referred to herein. For details of all terms and conditions, prospective purchasers are referred to the Letter of Credit, the Promissory Note, the Loan Agreement, the Indenture and the Disclosure Agreement, copies of which may be obtained from the Authority or the Underwriter. The Appendices attached hereto are a part of this Official

Statement. Any matters in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The Borrower has reviewed the information contained herein, including Appendix A hereto, which relate to it, its property and the plan of financing, and has approved all such information for use within this Official Statement. Appendix B hereto has been provided by National Exchange Bank.

The execution and delivery of this Official Statement has been duly authorized by the Authority and the Borrower.

**WISCONSIN HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

By /s/ Lawrence R. Nines
Executive Director

This Official Statement is approved:

**MARIAN COLLEGE OF FOND DU LAC,
WISCONSIN, INC.**

By /s/ Brian W. Harris
Vice President for Business & Finance

APPENDIX A

MARIAN COLLEGE OF FOND DU LAC, WISCONSIN, INC.

Marian College of Fond du Lac, Wisconsin, Inc. (the "Borrower") is a Wisconsin nonstock, nonprofit corporation, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. The Borrower is independent and is sponsored by the Congregation of Sisters of Saint Agnes. The Borrower was incorporated in 1963 and owns and operates a liberal arts college (the "College") in Fond du Lac, Wisconsin. The City of Fond du Lac, Wisconsin has a population of approximately 40,000 and is located in Fond du Lac County, north central Wisconsin, approximately 60 miles north of Milwaukee and approximately 70 miles south of Green Bay. The College is the only private college in the City of Fond du Lac, Wisconsin. The University of Wisconsin also has a two-year campus in the City of Fond du Lac, Wisconsin. Ripon College is located in the City of Ripon, which is located in western Fond du Lac County. Fond du Lac County has a population of approximately 106,000.

The College is an applied liberal arts college that has approximately 1,175 full-time students in traditional, undergraduate degree programs on the Fond du Lac, Wisconsin campus. Approximately 927 students are pursuing graduate programs in education or management, and another 555 students are pursuing undergraduate and business graduate degrees in adult accelerated degree programs, both in Fond du Lac, Wisconsin and at satellite locations across the State of Wisconsin. The College offers 50 academic majors and minors within six academic divisions. The College offers two graduate programs, being a Master of Art and Education and a Master of Science and Organizational Leadership and Quality. The College also offers several non-traditional programs, namely a Bachelor of Science and Nursing Completion Program, a Marian Adult Accelerated Degree Program and certain forms of executive training.

APPENDIX B

NATIONAL EXCHANGE BANK AND TRUST

National Exchange Bank and Trust (the "Bank"), is a national banking association. Its principal office and banking facility is located at 130 S. Main Street, Fond du Lac, Wisconsin; telephone number (920) 921-7700.

On March 31, 2003, the Bank maintained twenty domestic branch offices located in Eastern Wisconsin. As of March 31, 2003, the Bank had total assets of \$802,336,000 and total deposits of \$626,922,000. As of the same date the Bank's total equity capital was \$101,718,000.

All of the outstanding stock of the Bank is owned by NEB Corporation, a privately held bank holding company owning one other Bank, the American Bank, which is also located in Fond du Lac. The American Bank had total assets of \$167,723,000 and stockholder's equity of \$25,688,000 as of March 31, 2003. **Neither NEB Corporation nor the American Bank is obligated under the Letter of Credit, which is solely an obligation of the Bank.**

Statements of Condition of the Bank as of March 31, 2003, 2002, and December 31, 2002, 2001, 2000, are contained on the following pages. The Statements of Condition have not been audited but are derived from call reports filed with the Federal Deposit Insurance Corporation. Future Statements of Condition generated by the Bank on a quarterly basis may be obtained, upon written request from Mr. David G. Kramer, Controller, National Exchange Bank and Trust, P.O. Box 988, Fond du Lac, Wisconsin 54936-0988. Telephone requests should be directed to (920) 921-7700.

NATIONAL EXCHANGE BANK AND TRUST
STATEMENTS OF CONDITION
(UnAUDITED) (IN THOUSANDS)

	DECEMBER 31		
	2002	2001	2000
ASSETS			
Cash and Due from Banks	39,333	44,828	30,850
Interest-bearing Deposit Balances	30,168	14,493	0
Investment Securities	142,008	153,183	149,224
Trading Account Securities	0	0	0
Federal Funds Sold and Securities Purchased under Agreements to Resell	47,901	1,085	25,567
Loans(net of Unearned Income)	482,281	488,122	512,888
Less: Reserves for Loan Losses	(11,767)	(11,904)	(10,296)
Net Loans	470,514	476,218	502,592
Bank Premises & Equipment	4,806	4,937	5,987
Other Real Estate Owned	137	0	32
Investments in Unconsolidated Subsidiaries and Associated Companies	0	0	0
Customer's Liability on Acceptances	0	0	0
Intangible Assets	5,297	5,480	6,103
Other Assets	11,190	11,448	8,769
Total Assets	751,354	711,672	729,124
LIABILITIES			
Demand Deposits	80,862	101,285	89,000
Time and Savings Deposits	489,651	428,513	482,340
Foreign Deposits, Edge and Agreement Subsidiaries	0	0	0
Total Deposits	570,513	529,798	571,340
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	35,241	40,468	41,825
Other Short Term Borrowings	4,689	1,538	4,408
Bank's Liabilities on Acceptances	0	0	0
Other Liabilities	5,224	5,591	5,860
Long Term Borrowings	37,432	47,606	27,780
Subordinated Notes and Debentures	0	0	0
Total Liabilities and Deposits	653,099	625,001	651,213
STOCKHOLDERS' EQUITY			
Common Stock	5,000	5,000	5,000
Capital Surplus	12,780	12,780	12,780
Retained Earnings	80,475	68,891	60,131
Total Stockholders' Equity	98,255	86,671	77,911
Total Liabilities and Stockholders' Equity	751,354	711,672	729,124

**NATIONAL EXCHANGE BANK AND TRUST
MARCH 31**

	2003	2002
ASSETS		
Cash and Due from Banks	27,772	25,813
Interest-bearing Deposit Balances	40,071	21,319
Investment Securities	136,389	150,224
Trading Account Securities	0	0
Federal Funds Sold and Securities Purchased under Agreements to Resell	90,800	16,589
Loans(net of Unearned Income)	492,311	464,363
Less: Reserves for Loan Losses	(11,787)	(11,930)
Net Loans	480,524	452,433
Bank Premises & Equipment	5,321	4,781
Other Real Estate Owned	139	0
Investments in Unconsolidated Subsidiaries and Associated Companies	0	0
Customer's Liability on Acceptances	0	0
Intangible Assets	9,991	5,387
Other Assets	11,329	12,435
Total Assets	802,336	688,981
LIABILITIES		
Demand Deposits	66,723	83,383
Time and Savings Deposits	560,199	419,973
Foreign Deposits, Edge and Agreement Subsidiaries	0	0
Total Deposits	626,922	503,356
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	34,582	38,660
Other Short Term Borrowings	20,034	7,209
Bank's Liabilities on Acceptances	0	0
Other Liabilities	6,648	7,063
Long Term Borrowings	12,432	42,606
Subordinated Notes and Debentures	0	0
Total Liabilities and Deposits	700,618	598,894
STOCKHOLDERS' EQUITY		
Common Stock	5,000	5,000
Capital Surplus	12,780	12,780
Retained Earnings	83,938	72,307
Total Stockholders' Equity	101,718	90,087
Total Liabilities and Stockholders' Equity	802,336	688,981