

SECURITIES AND EXCHANGE COMMISSION

**FORM S-6EL24**

Registration statements of unit investment trusts

Filing Date: **1994-04-11**  
SEC Accession No. **0000883053-94-000023**

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**FILER**

**NUVEEN TAX EXEMPT UNIT TRUST SERIES 726**

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Type: **S-6EL24** | Act: **33** | File No.: **033-53079** | Film No.: **94522135**

Business Address  
*C/O JOHN NUVEEN & CO INC  
333 WEST WACKER DRIVE  
CHICAGO IL 60606  
3129177947*

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM S-6

For Registration under the Securities Act of 1933 of Securities of Unit Investment Trusts Registered on Form N-8B-2.

A. Exact Name of Trust: NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 726

B. Name of Depositor: JOHN NUVEEN & CO. INCORPORATED

C. Complete address of Depositor's principal executive offices:

333 West Wacker Drive  
Chicago, Illinois 60606

D. Name and complete address of agents for service:

JOHN NUVEEN & CO. INCORPORATED  
Attn: James J. Wesolowski  
333 West Wacker Drive  
Chicago, Illinois 60606

CHAPMAN AND CUTLER  
Attn: Daniel C. Bird, Jr.  
111 West Monroe Street  
Chicago, Illinois 60603

It is proposed that this filing will become effective (check appropriate box)

immediately upon filing pursuant to paragraph (b)

on (date) pursuant to paragraph (b) of rule 485

60 days after filing pursuant to paragraph (a)

on (date) pursuant to paragraph (a) of rule (485 or 486)

E. Title and amount of securities being registered: An indefinite number of Units pursuant to Rule 24f-2 promulgated under the Investment Company Act of 1940, as amended.

F. Proposed maximum offering price to the public of the securities being registered: Indefinite

G. Amount of filing fee: \$500 (as required by Rule 24f-2)

H. Approximate date of proposed sale to the public:

As soon as practicable after the effective  
date of the registration statement

- - - - - Check box if it is proposed that this filing will become effective  
- - - - - on (Date) at (Time) pursuant to Rule 487.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a) may determine.

APRIL 8, 1994

SUBJECT TO COMPLETION

NUVEEN Tax-Exempt Unit Trusts

INTEREST INCOME TO THE TRUST AND TO UNITHOLDERS, IN THE OPINION OF COUNSEL, UNDER EXISTING LAW IS EXEMPT FROM FEDERAL INCOME TAX. CAPITAL GAINS, IF ANY, ARE SUBJECT TO TAX. INTEREST INCOME OF THE TRUST MAY BE SUBJECT TO STATE AND LOCAL TAXES.

CURRENTLY OFFERED AT PUBLIC OFFERING PRICE PLUS INTEREST ACCRUED TO THE DATE OF SETTLEMENT. MINIMUM PURCHASE--EITHER \$5,000 OR 50 UNITS, WHICHEVER IS LESS.

THE NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 723 consists of one underlying separate unit investment trust designated as National Insured Trust 267. The Trust initially consists of delivery statements relating to contracts to purchase Bonds and, thereafter, will consist of a diversified portfolio of obligations issued by or on behalf of states and territories of the United States and authorities and political subdivisions thereof (see SCHEDULE OF INVESTMENTS), the interest on which is, in the opinion of bond counsel to the issuers, exempt from Federal income tax under existing law. All obligations in the National Insured Trust 267 are covered by policies of insurance obtained from the Municipal Bond Investors Assurance Corporation guaranteeing payment of principal and interest when due. All such policies of insurance remain effective so long as the obligations are outstanding. As a result of such insurance, the Bonds in the portfolio of the National Insured Trust 267 have received a rating of "Aaa" by Moody's Investors Service, Inc. and the Bonds in the National Insured Trust 267 and the Units of the Trust have received a rating of "AAA" by Standard & Poor's Corporation. INSURANCE RELATES ONLY TO THE BONDS IN THE NATIONAL INSURED TRUST 267 AND NOT TO THE UNITS OFFERED HEREBY OR TO THEIR MARKET VALUE. (See Section 5.)

THE OBJECTIVES of the Trust are tax-exempt income and conservation of capital through a diversified investment in tax-exempt Bonds. (SEE SECTIONS 2, 3 AND 11.) The payment of interest and the preservation of principal are, of course, dependent upon the continuing ability of the issuers of Bonds and of any insurer thereof to meet their obligations thereunder. There is no guarantee that the Trust's objectives will be achieved.

DISTRIBUTIONS of interest received by the Trust will be made semi-annually unless the Unitholder elects to receive them monthly or quarterly. (SEE SECTION 13.) Distribution of funds in the Principal Account, if any, will ordinarily be made semi-annually.

FOR ESTIMATED LONG TERM RETURNS AND ESTIMATED CURRENT RETURNS to Unitholders in the Trust on the business day prior to the Date of Deposit. (SEE PAGE 3 AND SECTION 9.)

THE PUBLIC OFFERING PRICE per Unit of the Trust during the initial offering period is equal to a pro rata share of the OFFERING prices of the Bonds in the Trust's portfolio plus a sales charge of up to 4.90% of the Public Offering Price (equivalent to 5.152% of the net amount invested). The sales charge is somewhat lower if the Trust has a lesser average maturity. (SEE SECTION 6.) The Secondary Market Public Offering Price per Unit for the Trust will be equal to a pro rata share of the sum of BID prices of the Bonds in the Trust plus the sales charges determined based on the number of years remaining to the maturity of each Bond. Accrued interest from the preceding Record Date to, but not including, the settlement date (normally five business days after purchase) is added to the Public Offering Price. The sales charge is reduced on a graduated scale for sales involving at least \$50,000 or 500 Units and will be applied on whichever basis is more favorable to the purchaser. (SEE SECTION 6.)

A UNITHOLDER MAY REDEEM UNITS at the office of the Trustee, United States Trust Company of New York, at prices based upon the BID prices of the Bonds. The price received upon redemption may be more or less than the amount paid by Unitholders, depending upon the value of the Bonds on the date of tender for redemption. (SEE SECTION 19.) The Sponsor, although not required to do so, intends to make a secondary market for the Units of the Trust at prices based upon the BID prices of the Bonds in the Trust. (SEE SECTION 7.) RETAIN THIS PROSPECTUS FOR FUTURE REFERENCE.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NUVEEN Tax-Exempt Unit Trusts

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</TABLE>

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ESTIMATED LONG TERM RETURN  
AND  
ESTIMATED CURRENT RETURN FOR THE TRUST

Following are the Estimated Long Term and Estimated Current Returns for the Trust on the business day prior to the Date of Deposit, under the monthly, quarterly and semi-annual plans of distribution (SEE SECTION 3):

Estimated Long Term Returns

<TABLE>				
<CAPTION>				
		PLAN OF DISTRIBUTION		
		-----		
<S>	TRUST	<C> MONTHLY	<C> QUARTERLY	<C> SEMI-ANNUAL
<CAPTION>				
		-----		
<S>	National Insured Trust 267.....	<C> 5.92%	<C> 5.94%	<C> 5.96%
</TABLE>				

Estimated Current Returns

<TABLE>				
<CAPTION>				
		PLAN OF DISTRIBUTION		
		-----		
<S>	TRUST	<C> MONTHLY	<C> QUARTERLY	<C> SEMI-ANNUAL
<CAPTION>				
		-----		
<S>	National Insured Trust 267.....	<C> 5.89%	<C> 5.92%	<C> 5.94%

</TABLE>

The Estimated Long Term Return for the Trust is a measure of the return to the investor earned over the estimated life of the Trust. The Estimated Long Term Return represents an average of the yields to maturity (or call) of the Bonds in the Trust's portfolio calculated in accordance with accepted bond practice and adjusted to reflect expenses and sales charges. Under accepted bond practice, tax-exempt bonds are customarily offered to investors on a "yield price" basis, which involves computation of yield to maturity or to an earlier call date (whichever produces the lower yield), and which takes into account not only the interest payable on the bonds but also the amortization or accretion to a specified date of any premium over or discount from the par (maturity) value in the bond's purchase price. In calculating Estimated Long Term Return, the average yield for the Trust's portfolio is derived by weighting each Bond's yield by the market value of the Bond and by the amount of time remaining to the date to which the Bond is priced. Once the average portfolio yield is computed, this figure is then reduced to reflect estimated expenses and the effect of the maximum sales charge paid by investors. The Estimated Long Term Return and Estimated Current Return calculations do not take into account the delays in payments to Unitholders for the first few months of Trust operations, and it also does not take into account the difference in the timing of payments to Unitholders who choose quarterly or semi-annual plans of distribution, each of which will reduce the return.

Estimated Current Return is computed by dividing the Net Annual Interest Income per Unit by the Public Offering Price. In contrast to Estimated Long Term Return, Estimated Current Return does not reflect the amortization of premium or accretion of discount, if any, on the Bonds in the Trust's portfolio. Net Annual Interest Income per Unit is calculated by dividing the annual interest income to the Trust, less estimated expenses, by the number of Units outstanding.

Net Annual Interest Income per Unit, used to calculate Estimated Current Return, will vary with changes in fees and expenses of the Trustee and the Evaluator and with the redemption, maturity, exchange or sale of Bonds. A Trust may experience expenses and portfolio changes different from those assumed in the calculation of Estimated Long Term Return. There thus can be no assurance that the Estimated Current Returns or the Estimated Long Term Returns quoted herein will be realized in the future. Both the Estimated Current Return and the Estimated Long Term Return quoted herein are based on the market value of the underlying Bonds on the business day prior to the Date of Deposit; subsequent calculations of these performance measures will reflect the then current market value of the underlying Bonds and may be higher or lower. For more information, see Section 9. The Sponsor will provide estimated cash flow information relating to a Trust without charge to each potential investor in a Trust who receives this prospectus and makes an oral or written request to the Sponsor for such information.

ESSENTIAL INFORMATION REGARDING THE TRUST ON  
APRIL 7, 1994+

Sponsor and Evaluator..... John Nuveen & Co. Incorporated  
Trustee..... United States Trust Company of New York  
-----

The income, expense and distribution data set forth below have been calculated for Unitholders receiving MONTHLY distributions. Unitholders choosing distributions quarterly or semi-annually will receive slightly higher current returns because of the lower Trustee's fees and expenses under such plans. (SEE SECTION 3 FOR DATA RELATING TO THESE PLANS.)

<TABLE>  
<CAPTION>

	National Insured Trust 267
	-----
Principal Amount of Bonds in Trust.....	\$ 10,000,000
<S>	<C>
Number of Units.....	100,000
Fractional Undivided Interest in Trust Per Unit....	1/100,000
Public Offering Price--Less than 500 Units	
Aggregate Offering Price of Bonds in Trust.....	\$ 9,675,605
Divided by Number of Units.....	\$ 96.76
Plus Sales Charge*.....	\$ 4.98
Public Offering Price Per Unit(1).....	\$ 101.74
Redemption Price Per Unit (exclusive of accrued interest).....	\$ 96.23
Sponsor's Initial Repurchase Price Per Unit (exclusive of accrued interest).....	\$ 96.76
Excess of Public Offering Price Per Unit over Redemption Price Per Unit.....	\$ 5.51
Excess of Public Offering Price Per Unit over Sponsor's Repurchase Price Per Unit.....	\$ 4.98

Calculation of Estimated Net Annual Interest Income

Per Unit	
Annual Interest Income(2).....	\$ 6.1975
Less Estimated Annual Expense.....	\$ .2077
-----	
Estimated Net Annual Interest Income(3).....	\$ 5.9898
Daily Rate of Accrual Per Unit.....	\$ .01664
Estimated Current Return(4).....	5.89%
Estimated Long Term Return(4).....	5.92%

<FN>

- - - - -

Evaluations for purpose of sale, purchase or redemption of Units are made as of 4 p.m. Eastern time on the business day next following receipt of an order by the Sponsor or Trustee. (See Section 6.)

+ The business day prior to the Date of Deposit.

\* National and State, 5.152%; Long Intermediate, 4.439%; Intermediate, 4.058%; Short Intermediate, 3.093%; Short Term, 2.564% (4.9%, 4.25%, 3.9%, 3.0% and 2.5% of the Public Offering Prices, respectively.)

- (1) Units are offered at the Public Offering Price plus accrued interest from the preceding Record Date to, but not including, the date of settlement (normally five business days after purchase). The Date of Deposit of the Fund has been designated as the First Record Date for all plans of distribution of the Trust and, accordingly, for Units purchased on the Date of Deposit, the following amount of accrued interest to the Settlement Date will be added to the Public Offering Prices: National Insured Trust--\$.12. (See Section 7.)
- (2) Assumes delivery of all Bonds. (See Section 4.) Interest income does not include accretion of original issue discount on "zero coupon" Bonds, Stripped Obligations or other original issue discount Bonds. (See "General Trust Information" in Section 3.)
- (3) The amount and timing of interest distributions from the Trust under the various plans of distribution are shown in Section 3.
- (4) Estimated Long Term Return for the Trust represents the average of the yields to maturity (or call) of the Bonds in the Trust's portfolio calculated in accordance with accepted bond practices and adjusted to reflect expenses and sales charges. Estimated Current Return is computed by dividing the Net Annual Interest Income per Unit by the Public Offering Price, and in contrast to Estimated Long Term Return does not reflect the amortization of premium or accretion of discount, if any. For more information see page 3 and Section 9.

</TABLE>

ESSENTIAL INFORMATION REGARDING THE TRUST  
(CONTINUED)

<TABLE>

<S>	<C>	<C>	<C>
Record Dates.....			See Section 13
Distribution Dates.....			See Section 13
Minimum Principal Distribution.....			\$.10 Per Unit
Date Trust Established.....			April 8, 1994
Settlement Date.....			April 15, 1994
Mandatory Termination Date.....			See Section 24
Minimum Value of Each Trust.....			See Section 24
Sponsor's Annual Evaluation Fee.....			\$.017 per \$1,000 principal amount of Bonds
Trustee's Annual Fees:			

<CAPTION>

PLAN OF DISTRIBUTION

	TRUST	MONTHLY	QUARTERLY	SEMI-ANNUAL
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
	National Insured Trust 267.....	\$1.6321	\$ 1.3121	\$ 1.1221
	-----			

\* Each Trustee annual fee is per \$1,000 principal amount of the underlying Bonds in a Trust for that portion of the Trust that represents a particular plan of distribution.

</TABLE>

THE NUVEEN TAX-EXEMPT UNIT TRUST

SERIES 723

1. WHAT IS THE NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 723?

Series 723 of the Nuveen Tax-Exempt Unit Trust is one of a series of separate but similar investment companies created by the Sponsor, each of which is designated by a different Series number. This Series consists of one underlying separate unit investment trust, under one trust indenture and agreement, designated National Insured Trust 267. A Trust in which few or none of the Bonds are insured is sometimes referred to as a "Traditional Trust", while a trust in which all of the Bonds are insured as described herein is sometimes referred to as an "Insured Trust." This Series was created under the laws of the State of New York pursuant to a Trust Indenture and Agreement dated April 8, 1994 (the "Indenture") between John Nuveen & Co. Incorporated (the "Sponsor") and United States Trust Company of New York (the "Trustee").

The Sponsor has deposited with the Trustee delivery statements relating to contracts for the purchase of municipal debt obligations together with funds represented by an irrevocable letter of credit issued by a major commercial bank in the amount, including accrued interest, required for their purchase (or the obligations themselves) in the principal amount of \$10,000,000 (the "Bonds"), which initially constitute the underlying securities of the Trust. Bonds may include fixed rate obligations with regularly scheduled interest payments, zero coupon bonds and stripped obligations, which represent evidences of ownership interests with respect to either a principal payment or a payment of interest on a tax-exempt obligation ("Stripped Obligations"). See "Summary of Portfolios--General Trust Information" for a discussion of zero coupon bonds and Stripped Obligations. The following principal amounts were deposited in the Trust: \$10,000,000 in the National Insured Trust. Some of

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the delivery statements may relate to contracts for the purchase of "when issued" or other Bonds with delivery dates after the date of settlement for a purchase made on the Date of Deposit. See the "Schedule of Investments" and Section 4. For a discussion of the Sponsor's obligations in the event of a failure of any contract for the purchase of any of the Bonds and its limited right to substitute other bonds to replace any failed contract, see Section 4.

Payment of interest on the Bonds in the Insured Trust, and of principal at maturity, is guaranteed under policies of insurance obtained by the Sponsor or by the issuers of the Bonds. (See Section 5.)

The Trustee has delivered to the Sponsor registered Units for 100,000 Units of the National Insured Trust, which represent ownership of the entire Series, and which are offered for sale by this Prospectus. Each Unit of the Trust represents a fractional undivided interest in the principal and net income of the Trust in the ratio of 10 Units for each \$1,000 principal value of Bonds initially deposited in the Trust.

## 2. WHAT ARE THE OBJECTIVES OF THE TRUST?

The objectives of the Trust are income exempt from Federal income tax and conservation of capital, through an investment in obligations issued by or on behalf of states and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel to the issuing governmental authorities, exempt from Federal income tax under existing law. Insurance guaranteeing the timely payment, when due, of all principal and interest on the Bonds in the Insured Trust has been obtained by the Sponsor or by the issuers of such Bonds from Municipal Bond Investors Assurance Corporation, and as a result of such insurance the obligations in the Insured Trust are rated "Aaa" by Moody's Investors Service, Inc. and "AAA" by Standard & Poor's Corporation. (SEE SECTION 5) . The portfolios of National and State Trusts consist of long-term (approximately 15 to 40 year maturities) obligations; those of Long Intermediate Trusts consist of intermediate to long term (approximately 11 to 19 year maturities) obligations; those of Intermediate Trusts consist of intermediate term (approximately 5 to 15 year maturities) obligations; those of Short Intermediate Trusts consist of short to intermediate term (approximately 3 to 7 year maturities) obligations; and those of Short Term Trusts consist of short term (approximately 1 to 5 year maturities) obligations. There is, of course, no guarantee that the Trust's objectives will be achieved. For a comparison of net after-tax return for various tax brackets see the "Taxable Equivalent Estimated Current Return Table" included in this Prospectus.

The Trust consists of fixed-rate municipal debt obligations. Because of this an investment in the Trust should be made with an understanding of the risks which an investment in such debt obligations may entail, including the risk that the value of the debt obligations and therefore of the Units will decline with increases in interest rates. In general, the longer the period until the maturity of a Bond, the more sensitive its value will be to fluctuations in interest rates. During the past decade, there have been substantial fluctuations in interest rates, and, accordingly, in the value of debt obligations. The Sponsor cannot predict whether such fluctuations will recur.

## 3. SUMMARY OF PORTFOLIOS

In selecting Bonds for the Trust, the following factors, among others, were considered: (i) the Standard & Poor's Corporation rating of the Bonds or the Moody's Investors Service, Inc. rating of the Bonds (see Section 2 for a description of minimum rating standards), (ii) the

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prices of the Bonds relative to other bonds of comparable quality and maturity, (iii) the diversification of Bonds as to purpose of issue and location of issuer, (iv) the maturity dates of the Bonds, and (v) the availability of

In order for Bonds in the Insured Trust to be eligible for Municipal Bond Investors Assurance Corporation insurance, they must have credit characteristics which, in the opinion of the insurer, would qualify them as "investment grade" obligations. Insurance is not a substitute for the basic credit of an issuer, but supplements the existing credit and provides additional security therefor. (SEE SECTION 5.)

Certain bonds may carry a "mandatory put" (also referred to as a "mandatory tender" or "mandatory repurchase") feature pursuant to which the holder of such bonds will receive payment of the full principal amount thereof on a stated date prior to the maturity date unless such holder affirmatively acts to retain the bond. Under the Indenture, the Trustee does not have the authority to act to retain Bonds with such features; accordingly, it will receive payment of the full principal amount of any such Bonds on the stated put date and such date is therefore treated as the maturity date of such Bonds in selecting Bonds for the Trust and for purposes of calculating the average maturity of the Bonds in the Trust.

NATIONAL INSURED TRUST 267

The Portfolio of National Insured Trust 267 consists of 9 long term (approximately 15 to 40 year maturities) obligations issued by entities located in 7 states and one obligation issued by an entity located in the District of Columbia. Two Bonds in the Trust are general obligations of the governmental entities issuing them and are backed by the taxing powers thereof. Eight Bonds in the Trust are payable as to principal and interest from the income of a specific project or authority and are not supported by the issuer's power to levy taxes. The sources of payment for these Bonds are divided as follows: Dedicated-Tax Supported Revenue, 1; Electrical System Revenue, 3; Health Care Facility Revenue, 3; Water and/or Sewer Revenue, 1. All of the Bonds in the Trust, as insured, are rated AAA by Standard & Poor's Corporation and Aaa by Moody's Investors Service, Inc. Twenty percent of the principal amount of Bonds in the Trust consists of issues of entities located in the State of Illinois and 20% of the principal amount of Bonds in the Trust consists of issues of entities located in the State of Washington; such concentration may involve more risk than if such Bonds were issued by issuers located in several states.

At the Date of Deposit, the average maturity of the Bonds in the National Insured Trust is 28.4 years. The average maturity of the Bonds in a Trust is calculated based upon the stated maturities of the Bonds in such Trust (or, with respect to Bonds for which funds or securities have been placed in escrow to redeem such Bonds on a stated call date, based upon such call date). The average maturity of the Bonds in a Trust may increase or decrease from time to time as Bonds mature or are called or sold.

Approximately 30% of the aggregate principal amount of the Bonds in the Trust consists of obligations of issuers whose revenues are primarily derived from the sale of electric energy.

Approximately 25% of the aggregate principal amount of the Bonds in the Trust consists of obligations of issuers whose revenues are primarily derived from services provided by hospitals or other health care facilities.

For a discussion of the risks associated with investments in the bonds of various issuers, see "General Trust Information" in this section.

The Sponsor entered into contracts to acquire the Bonds between April 6, 1994 and April 7, 1994. The following summarizes certain information about the Bonds as of the business day prior to the Date of Deposit:

<TABLE>  
<CAPTION>

Cost to Sponsor	Profit (or loss) to Sponsor	Annual Interest Income to Trust	Bid Price of Bonds	Difference between Trustee's Determination of Offering Price and the Bid Price (as % of principal amount)
<S> \$9,629,438	<C> \$46,167	<C> \$619,750	<C> \$9,623,105	<C> .53%

</TABLE>

Neither cost to Sponsor nor profit (or loss) to Sponsor reflects underwriting profits or losses received or incurred by the Sponsor through its participation in underwriting syndicates. An underwriter or underwriting syndicate purchases bonds from the issuer on a negotiated or competitive bid



basis as principal with the motive of marketing such bonds to investors at a profit. The Sponsor did not participate as either the sole underwriter or as a manager or member of a syndicate that acted as the original underwriter of any of the Bonds.

Unitholders may elect to have interest distributions made on a monthly, quarterly or semi-annual basis. The interest on the Bonds initially deposited in the National Insured Trust, less estimated expenses, is estimated to accrue at the rate of \$.01678 per Unit per day under the semi-annual plan of distribution, \$.01673 per Unit per day under the

quarterly plan of distribution and \$.01664 per Unit per day under the monthly plan of distribution. It is anticipated that the amount of interest to be distributed per Unit in each year under each plan of distribution will initially be substantially equal to the Estimated Net Annual Interest Income per Unit for that plan.

Details of interest distributions per Unit of the National Insured Trust under the various plans appear in the following table based upon estimated Net Annual Interest Income at the Date of Deposit:

<TABLE>

<CAPTION>

National Insured Trust <S>	<C>	1994 <C>	<C>	1995 <C>	<C>	Normal Distributions per Year
Record Date*.....	5/1	8/1	11/1	2/1		
Distribution Date.....	5/15	8/15	11/15	2/15		
Monthly Distribution Plan.....	\$ .3826(1)		\$ .4991 every month			\$ 5.9898
Quarterly Distribution Plan.....	\$ .3826(1)	\$ 1.5054(2)	\$ 1.5054	\$ 1.5054		\$ 6.0218
Semi-Annual Distribution Plan.....	\$ .3826(1)		\$ 3.0203(3)			\$ 6.0408

<FN>

\* Record Dates for semi-annual distributions are May 1 and November 1; for quarterly distributions, they are February 1, May 1, August 1 and November 1. Record Dates for monthly distributions are the first day of each month.

(1) The first distribution will be paid to all Unitholders, regardless of the distribution plan selected. Such distribution may be more or less than a regular monthly distribution.

(2) Regular 3-month distribution.

(3) Regular 6-month distribution.

</TABLE>

The accrual amounts set forth above, and in turn the amount of interest to be distributed annually per Unit, will generally change as Bonds are redeemed, mature or are sold or as fees and expenses increase or decrease.

TAX STATUS--NATIONAL INSURED TRUST

For a discussion of the tax status of income earned on National Insured Trust Units, see Section 11.

NATIONALLY DIVERSIFIED TRUST TAXABLE ESTIMATED CURRENT RETURN TABLE  
(NATIONAL TRADITIONAL TRUST)

The following tables show the approximate taxable estimated current returns for individuals that are equivalent to tax-exempt estimated current returns under published 1994 marginal Federal tax rates. The tables incorporate increased tax rates for higher-income tax payers that were included in the Revenue Reconciliation Act of 1993. The tables illustrate what you would have to earn on taxable investments to equal the tax-exempt estimated current return for your income tax bracket. A taxpayer's marginal tax rate is affected by both his taxable income and his adjusted gross income. Locate your adjusted gross income and your taxable income (which is your adjusted gross income reduced by any deductions and exemptions), then locate your tax bracket based on joint or single tax filing. Read across to the equivalent taxable estimated current return you would need to match the tax-free income.

MARGINAL FEDERAL TAX RATES FOR JOINT TAXPAYERS WITH FOUR PERSONAL EXEMPTIONS

<TABLE>

<CAPTION>

Federal

Federal Taxable Income (1,000's)	Adjusted Gross Income (1,000's)	Federal Tax Rate <sup>1</sup>	Tax-Exempt Estimated Current Return								
			5.00%	5.25%	5.50%	5.75%	6.00%	6.25%	6.50%	6.75%	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 0- 38.0	\$ 0-111.8	15.0 %	5.88	6.18	6.47	6.76	7.06	7.35	7.65	7.94	
38.0- 91.9	0-111.8	28.0	6.94	7.29	7.64	7.99	8.33	8.68	9.03	9.38	
	111.8-167.7	29.0	7.04	7.39	7.75	8.10	8.45	8.80	9.15	9.51	
91.9-140.0	0-111.8	31.0	7.25	7.61	7.97	8.33	8.70	9.06	9.42	9.78	
	111.8-167.7	32.0	7.35	7.72	8.09	8.46	8.82	9.19	9.56	9.93	
	167.7-290.2	34.5	7.63	8.02	8.40	8.78	9.16	9.54	9.92	10.31	
140.0-250.0	111.8-167.7	37.0	7.94	8.33	8.73	9.13	9.52	9.92	10.32	10.71	
	167.7-290.2	40.0	8.33	8.75	9.17	9.58	10.00	10.42	10.83	11.25	
	Over 290.2	37.0 2	7.94	8.33	8.73	9.13	9.52	9.92	10.32	10.71	
Over 250.0	167.7-290.2	44.0	8.93	9.38	9.82	10.27	10.71	11.16	11.61	12.05	
	Over 290.2	41.0 3	8.47	8.90	9.32	9.75	10.17	10.59	11.02	11.44	

</TABLE>

MARGINAL FEDERAL TAX RATES FOR SINGLE TAXPAYERS WITH ONE PERSONAL EXEMPTION

<TABLE>

<CAPTION>

Federal Taxable Income (1,000's)	Adjusted Gross Income (1,000's)	Federal Tax Rate <sup>1</sup>	Tax-Exempt Estimated Current Return								
			5.00%	5.25%	5.50%	5.75%	6.00%	6.25%	6.50%	6.75%	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 0- 22.8	\$ 0-111.8	15.0 %	5.88	6.18	6.47	6.76	7.06	7.35	7.65	7.94	
22.8- 55.1	0-111.8	28.0	6.94	7.29	7.64	7.99	8.33	8.68	9.03	9.38	
55.1-115.0	0-111.8	31.0	7.25	7.61	7.97	8.33	8.70	9.06	9.42	9.78	
	111.8-234.3	32.5	7.41	7.78	8.15	8.52	8.89	9.26	9.63	10.00	
115.0-250.0	111.8-234.3	38.0	8.06	8.47	8.87	9.27	9.68	10.08	10.48	10.89	
	Over 234.3	37.0 2	7.94	8.33	8.73	9.13	9.52	9.92	10.32	10.71	
Over 250.0	Over 234.3	41.0 3	8.47	8.90	9.32	9.75	10.17	10.59	11.02	11.44	

<FN>

1 The table reflects the effect of the limitations on itemized deductions and the deduction for personal exemptions. They were designed to phase out certain benefits of these deductions for higher income taxpayers. These limitations, in effect, raise the current maximum marginal Federal tax rate to approximately 44.0 percent for taxpayers filing a joint return and entitled to four personal exemptions and to approximately 41.0 percent for taxpayers filing a single return entitled to only one personal exemption. These limitations are subject to certain maximums, which depend on the number of exemptions claimed and the total amount of the taxpayer's itemized deductions. For example, the limitation on itemized deductions will not cause a taxpayer to lose more than 80% of his allowable itemized deductions, with certain exceptions.

2 Federal tax rate reverts to 36.0% after the 80% cap on the limitation on itemized deductions has been met.

3 Federal tax rate reverts to 39.6% after the 80% cap on the limitation on itemized deductions has been met.

</TABLE>

A comparison of tax-free and equivalent taxable estimated current returns with the returns on various taxable investments is one element to consider in making an investment decision. The Sponsor may from time to time in its advertising and sales materials compare the then current estimated returns on the Trust and returns over specified periods on other similar Nuveen Trusts with returns on taxable investments such as corporate or U.S. Government bonds, bank CD's and money market accounts or money market funds, each of which has investment characteristics that may differ from those of the Trust. U.S. Government bonds, for example, are backed by the full faith and credit of the U.S. Government and bank CD's and money market accounts are insured by an agency of the federal government. Money market accounts and money market funds provide stability of principal, but pay interest at rates that vary with the condition of the short-term debt market. The investment characteristics of the Trust are described more fully elsewhere in this Prospectus.

Nuveen Tax-Exempt Unit Trust  
Schedule of Investments at Date of Deposit  
April 8, 1994  
NATIONAL INSURED TRUST 267  
(Series 723)

<TABLE>

<CAPTION>

Aggregate Principal	Name of Issuer and Title of Issue Represented by Sponsor's Contracts to Purchase Bonds(1)	Optional Redemption Provisions(2)	Ratings(3)		Trustee's Determination of Offering Price(4)
			Standard & Poor's	Moody's	
<C>	<C> <S>	<C>	<C>	<C>	<C>
\$ 1,000,000	Department of Water and Power of the City of Los Angeles, California, Electric Plant	2003 at 102	AAA	Aaa	\$ 926,170

	Refunding Revenue Bonds, Issue of 1993, 5.875% Due 9/1/30.				
1,000,000	District of Columbia (Washington, D.C.), General Obligation Bonds, Series 1993 E, 6.00% Due 6/1/13.	2003 at 102	AAA	Aaa	956,100
500,000	Illinois Health Facilities Authority, Revenue Bonds, Series 1993 (Rush-Presbyterian-St. Luke's Medical Center Obligated Group), 5.50% Due 11/15/25.	2003 at 102	AAA	Aaa	433,225
1,500,000	Metropolitan Pier and Exposition Authority (Illinois), McCormick Place Expansion Project Bonds, Series 1992A, 6.50% Due 6/15/27.	2003 at 102	AAA	Aaa	1,500,000
1,000,000	County of Boone, Kentucky, Collateralized Pollution Control Revenue Refunding Bonds, 1992 Series A (The Dayton Power and Light Company Project), 6.50% Due 11/15/22.	2002 at 102	AAA	Aaa	1,007,520
1,000,000	Louisiana Public Facilities Authority, Revenue Bonds, Series 1992-B (Alton Ochsner Medical Foundation Project), 6.50% Due 5/15/22.	2002 at 102	AAA	Aaa	1,002,500
1,000,000	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, New England Medical Center Hospitals Issue, Series G-1, 5.375% Due 7/1/24.	2004 at 102	AAA	Aaa	863,580
1,000,000	Piedmont Municipal Power Agency (South Carolina), Electric Revenue Bonds, 1992 Refunding Series, 6.30% Due 1/1/14.	2003 at 102	AAA	Aaa	983,260
1,000,000	Northshore School District No. 417, King and Snohomish Counties, Washington, Unlimited Tax General Obligation Bonds, 1992 Series A, 6.625% Due 12/1/11.	2002 at 100	AAA	Aaa	1,024,650
1,000,000	Municipality of Metropolitan Seattle (Seattle, Washington), Sewer Revenue Bonds, Series W, 6.30% Due 1/1/33.	2003 at 102	AAA	Aaa	978,600
- - - - -					- - - - -
\$10,000,000					\$ 9,675,605
- - - - -					- - - - -

</TABLE>

See Notes to Schedules of Investments, page 12.

NOTES TO SCHEDULE OF INVESTMENTS

(1) Contracts, which are "when-issued" or "regular way" contracts or contracts having delivery dates beyond the normal settlement date, have been deposited with the Trustee on the Date of Deposit. The performance of such contracts is secured by an irrevocable letter of credit, issued by a major commercial bank, which has been deposited with the Trustee. At the Date of Deposit, Bonds may have been delivered to the Sponsor pursuant to certain of these contracts; the Sponsor has assigned to the Trustee all of its right, title and interest in and to such Bonds.

(2) The Bonds are first subject to optional redemption in the years, and at the prices, shown. Unless otherwise indicated, the Bonds, except for Bonds issued at a substantial original issue discount, are redeemable at declining prices (but not below par value) in subsequent years. Original issue discount bonds, including zero coupon bonds, are generally redeemable at prices based on the issue price plus the amount of original issue discount accreted to redemption plus, if applicable, some premium, the amount of which will decline in subsequent years. The Bonds may also be subject to sinking fund redemption without premium prior to the dates shown.

Certain Bonds may be subject to redemption without premium prior to the date shown pursuant to special or mandatory call provisions; for example, if bond proceeds are not able to be used as contemplated, the project is condemned or sold, or the project is destroyed and insurance proceeds are used to redeem the bonds. Single family mortgage revenue bonds and housing authority bonds are most likely to be called subject to such provisions, but other bonds may have similar call features. See Section 4 and "General Trust Information" in this Section.

The Trustee's determination of the offering prices of Bonds in the Fund may be greater or less than the amounts that may be received upon redemption or maturity of such Bonds. Subject to rules concerning amortization of bond premium and of original issue discount, gain or loss realized by the Trustee on disposition of any Bonds will be recognized as taxable capital gain or loss by Unitholders. (See Section 11.)

(3) See "Description of Ratings" herein. All the Bonds in the Insured Trust, as insured by the Insurer, are rated AAA by Standard & Poor's Corporation and Aaa by Moody's Investors Service, Inc. (See Section 5.)

(4) As determined by Kenny S&P Evaluation Services on behalf of the Trustee as of the close of business on the business day preceding the Date of Deposit. The prices as determined by Kenny S&P Evaluation Services have been rounded to the nearest dollar.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS OF JOHN NUVEEN & CO. INCORPORATED AND UNITHOLDERS OF NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 723:

We have audited the accompanying statement of condition and the related schedule of investments at date of deposit (included in the prospectus herein) of Nuveen Tax-Exempt Unit Trust, Series 723 (comprised of National Insured Trust 267), as of April 8, 1994. These financial statements are the responsibility of the Sponsor. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. Our procedures included confirmation of the irrevocable letter of credit arrangement for the purchase of securities, described in Note (1) to the statement of condition, by correspondence with the Trustee. An audit also includes assessing the accounting principles used and significant estimates made by the Sponsor, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of condition and the related schedule of investments at date of deposit referred to above present fairly, in all material respects, the financial position of the trust constituting the Nuveen Tax-Exempt Unit Trust, Series 723 as of April 8, 1994, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,  
April 8, 1994.

Statement of Condition

NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 723

(National Insured Trust 267)

AS OF APRIL 8, 1994

<TABLE>  
<CAPTION>

TRUST PROPERTY	National Insured Trust 267
<S>	<C>
Sponsor's contracts to purchase Tax-Exempt Bonds, backed by an irrevocable letter of credit (1) (2) .....	\$ 9,675,605
Accrued interest to April 8, 1994 on underlying Bonds (1) .....	200,113
Total .....	\$ 9,875,718

LIABILITY AND INTEREST OF UNITHOLDERS

Liability:

Accrued interest to April 8, 1994 on underlying Bonds(3).....	\$ 200,113
	-----

Interest of Unitholders:

Units of fractional undivided interest outstanding (National Insured Trust 267 --100,000)	
Cost to investors(4).....	\$ 10,174,092
Less: Gross underwriting commission(5)....	(498,487)
	-----

Net amount applicable to investors.....	\$ 9,675,605
	-----

Total.....	\$ 9,875,718
	-----
	-----

- (1) Represented by contracts to purchase Tax-Exempt Bonds which include "when issued" or "regular way" or "delayed delivery" contracts for which an irrevocable letter of credit issued by a major commercial bank has been deposited with the Trustee. The amount of such letter of credit and any cash deposited exceeds the amount necessary for the purchase of the Bonds plus accrued interest to the Date of Deposit. At the Date of Deposit, Bonds may have been delivered to the Sponsor pursuant to certain of these contracts; the Sponsor has assigned to the Trustee all of its rights, title and interest in and to such Bonds.
- (2) Aggregate value (at offering prices) as of the Date of Deposit of the Bonds listed under "Schedule of Investments" herein, and their aggregate cost to the Trust are the same. Such offering prices were determined by Standard & Poor's Corporation as of the close of business on the business day prior to the Date of Deposit. (See Section 10.) Insurance coverage providing for the timely payment, when due, of all principal of and interest on the Bonds in the Insured Trust has been obtained by the Sponsor or by the issuers of such Bonds. Such insurance does not guarantee the market value of the Bonds or the value of the Units. Both the bid and the offering prices of the underlying Bonds and of the Units may include value attributable to such policies of insurance.
- (3) Representing, as set forth in Section 8, advancement by the Trustee of an amount equal to the accrued Bond interest as of the Date of Deposit from the later of the last payment date on the Bonds or the date of issuance thereof.
- (4) Aggregate Public Offering Price (exclusive of accrued interest) computed as set forth under Section 6.
- (5) The gross underwriting commission has been calculated on the assumption that the Units offered by this prospectus are sold in single transactions involving less than \$50,000 or 500 Units. At this level, the sales charge is 4.90% of the Public Offering Price in the case of National and State Trusts, 4.25% thereof in the case of Long Intermediate Trusts, 3.90% in the case of Intermediate Trusts, 3.00% in the case of Short Intermediate Trusts and 2.50% in the case of Short Term Trusts. In single transactions involving 500 Units or more, the sales charge is reduced. (See Section 6.)

</TABLE>

GENERAL TRUST INFORMATION

An investment in Units of the Trust should be made with an understanding of the risks that such an investment may entail. As set forth in the portfolio summary above, the Trust may contain or be concentrated in one or more of the types of bonds discussed below. The following paragraphs discuss certain circumstances which may adversely affect the ability of issuers of Bonds held in the portfolio of the Trust to make payment of principal and interest thereon or which may adversely affect the ratings of such Bonds; with respect to the Insured Trust, however, because of the insurance obtained by the Sponsor or by the issuers of the Bonds, such changes should not adversely affect the Insured Trust's receipt of principal and interest, the Standard & Poor's AAA or Moody's Aaa ratings of the Bonds in the Insured Trust portfolio, or the Standard & Poor's AAA rating of the Units of the Insured Trust.

HEALTH FACILITY OBLIGATIONS. Some of the Bonds in the Trust may be obligations of issuers whose revenues are derived from services provided by hospitals or other health care facilities, including nursing homes. Ratings of bonds issued for health care facilities are sometimes based on feasibility studies that contain projections of occupancy levels, revenues and expenses. A facility's gross receipts and net income available for debt service may be affected by future events and conditions including, among other things, demand

for services, the ability of the facility to provide the services required, an increasing shortage of qualified nurses or a dramatic rise in nursing salaries, physicians' confidence in the facility, management capabilities, economic developments in the service area, competition from other similar providers, efforts by insurers and governmental agencies to limit rates, legislation establishing state rate-setting agencies, expenses, government regulation, the cost and possible unavailability of malpractice insurance, and the termination or restriction of governmental financial assistance, including that associated with Medicare, Medicaid and other similar third party payor programs. Medicare reimbursements are currently calculated on a prospective basis and are not based on a provider's actual costs. Such method of reimbursement may adversely affect reimbursements to hospitals and other facilities for services provided under the Medicare program and thereby may have an adverse effect on the ability of such institutions to satisfy debt service requirements. In the event of a default upon a bond secured by hospital facilities, the limited alternative uses for such facilities may result in the recovery upon such collateral not providing sufficient funds to fully repay the bonds.

Certain hospital bonds provide for redemption at par upon the damage, destruction or condemnation of the hospital facilities or in other special circumstances.

HOUSING OBLIGATIONS. Some of the Bonds in the Trust may be obligations of issuers whose revenues are primarily derived from mortgage loans to housing projects for low to moderate income families. Such issues are generally characterized by mandatory redemption at par or, in the case of original issue discount bonds, accreted value in the event of economic defaults and in the event of a failure of the operator of a project to comply with certain covenants as to the operation of the project. The failure of such operator to comply with certain covenants related to the tax-exempt status of interest on the Bonds, such as provisions requiring that a specified percentage of units be rented or available for rental to low or moderate income families, potentially could cause interest on such Bonds to be subject to Federal income taxation from the date of issuance of the Bonds. The ability of such issuers to make debt service payments will be affected by events and conditions affecting financed projects, including, among other things, the achievement and maintenance of sufficient occupancy levels and adequate rental income, employment and income conditions prevailing in local labor markets, increases in taxes, utility costs and other operating expenses, the managerial ability of project managers, changes in laws and

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governmental regulations, the appropriation of subsidies, and social and economic trends affecting the localities in which the projects are located. Occupancy of such housing projects may be adversely affected by high rent levels and income limitations imposed under Federal and state programs.

SINGLE FAMILY MORTGAGE REVENUE BONDS. Some of the Bonds in the Trust may be single family mortgage revenue bonds, which are issued for the purpose of acquiring from originating financial institutions notes secured by mortgages on residences located within the issuer's boundaries and owned by persons of low or moderate income. Mortgage loans are generally partially or completely prepaid prior to their final maturities as a result of events such as sale of the mortgaged premises, default, condemnation or casualty loss. Because these bonds are subject to extraordinary mandatory redemption in whole or in part from such prepayments of mortgage loans, a substantial portion of such bonds will probably be redeemed prior to their scheduled maturities or even prior to their ordinary call dates. Extraordinary mandatory redemption without premium could also result from the failure of the originating financial institutions to make mortgage loans in sufficient amounts within a specified time period. The redemption price of such issues may be more or less than the offering price of such bonds. Additionally, unusually high rates of default on the underlying mortgage loans may reduce revenues available for the payment of principal or interest on such mortgage revenue bonds. Single family mortgage revenue bonds issued after December 31, 1980 were issued under Section 103A of the Internal Revenue Code of 1954, as amended, or Section 143 of the Internal Revenue Code of 1986, which Sections contain certain requirements relating to the use of the proceeds of such bonds in order for the interest on such bonds to retain its tax-exempt status. In each case, the issuer of the bonds has covenanted to comply with applicable requirements and bond counsel to such issuer has issued an opinion that the interest on the bonds is exempt from Federal income tax under existing laws and regulations. There can be no assurance that such continuing requirements will be satisfied; the failure to meet such requirements could cause interest on the Bonds to be subject to Federal income taxation, possibly from the date of issuance of the Bonds.

FEDERALLY ENHANCED OBLIGATIONS. Some of the mortgages which secure the various health care or housing projects which underlie the previously discussed Health Facility, Housing, and Single Family Mortgage Revenue Obligations (the

"Obligations") in the Trust may be insured by the Federal Housing Administration ("FHA"). Under FHA regulations, the maximum insurable mortgage amount cannot exceed 90% of the FHA's estimated value of the project. The FHA mortgage insurance does not constitute a guarantee of timely payment of the principal of and interest on the Obligations. Payment of mortgage insurance benefits may be (1) less than the principal amount of Obligations outstanding or (2) delayed if disputes arise as to the amount of the payment or if certain notices are not given to the FHA within the prescribed time periods. In addition, some of the previously discussed Obligations may be secured by mortgage-backed certificates guaranteed by the Government National Mortgage Association ("GNMA"), a wholly owned corporate instrumentality of the United States, and/or the Federal National Mortgage Association ("Fannie Mae") a federally chartered and stockholder-owned corporation. GNMA and Fannie Mae guarantee timely payment of principal and interest on the mortgage-backed certificates, even where the underlying mortgage payments are not made. While such mortgage-backed certificates are often pledged to secure payment of principal and interest on the Obligations, timely payment of interest and principal on the Obligations is not insured or guaranteed by the United States, GNMA, Fannie Mae or any other governmental agency or instrumentality. The GNMA mortgage-backed certificates constitute a general obligation of the United States backed by its full faith and credit. The obligations of Fannie Mae, including its obligations under the Fannie Mae mortgage-backed securities, are obligations

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solely of Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States.

INDUSTRIAL REVENUE OBLIGATIONS. Certain of the Bonds in the Trust may be industrial revenue bonds ("IRBs"), including pollution control revenue bonds, which are tax-exempt securities issued by states, municipalities, public authorities or similar entities to finance the cost of acquiring, constructing or improving various industrial projects. These projects are usually operated by corporate entities. Issuers are obligated only to pay amounts due on the IRBs to the extent that funds are available from the unexpended proceeds of the IRBs or receipts or revenues of the issuer under an arrangement between the issuer and the corporate operator of a project. The arrangement may be in the form of a lease, installment sale agreement, conditional sale agreement or loan agreement, but in each case the payments to the issuer are designed to be sufficient to meet the payments of amounts due on the IRBs. Regardless of the structure, payment of IRBs is solely dependent upon the creditworthiness of the corporate operator of the project and, if applicable, corporate guarantor. Corporate operators or guarantors may be affected by many factors which may have an adverse impact on the credit quality of the particular company or industry. These include cyclicity of revenues and earnings, regulatory and environmental restrictions, litigation resulting from accidents or environmentally-caused illnesses, extensive competition and financial deterioration resulting from a corporate restructuring pursuant to a leveraged buy-out, takeover or otherwise. Such a restructuring may result in the operator of a project becoming highly leveraged which may have an impact on such operator's creditworthiness which in turn would have an adverse impact on the rating and/or market value of such Bonds. Further, the possibility of such a restructuring may have an adverse impact on the market for and consequently the value of such Bonds, even though no actual takeover or other action is ever contemplated or effected. The IRBs in a Trust may be subject to special or extraordinary redemption provisions which may provide for redemption at par or, in the case of original issue discount bonds, accreted value. The Sponsor cannot predict the causes or likelihood of the redemption of IRBs in a Trust prior to the stated maturity of such Bonds.

ELECTRIC UTILITY OBLIGATIONS. Some of the Bonds in the Trust may be obligations of issuers whose revenues are primarily derived from the sale of electric energy. The problems faced by such issuers include the difficulty in obtaining approval for timely and adequate rate increases from the applicable public utility commissions, the difficulty of financing large construction programs, increased competition, reductions in estimates of future demand for electricity in certain areas of the country, the limitations on operations and increased costs and delays attributable to environmental considerations, the difficulty of the capital market in absorbing utility debt, the difficulty in obtaining fuel at reasonable prices and the effect of energy conservation. All of such issuers have been experiencing certain of these problems in varying degrees. In addition, Federal, state and municipal governmental authorities may from time to time review existing, and impose additional, regulations governing the licensing, construction and operation of nuclear power plants, which may adversely affect the ability of the issuers of certain of the Bonds in a Trust to make payments of principal and/or interest on such Bonds.

TRANSPORTATION FACILITY REVENUE BONDS. Some of the Bonds in the Trust may be obligations of issuers which are payable from and secured by revenues derived from the ownership and operation of airports, public transit systems and ports. The major portion of an airport's gross operating income is generally derived

from fees received from airlines pursuant to use agreements which consist of annual payments for airport use, occupancy of certain terminal space, service fees and leases. Airport operating income may therefore be affected by the ability of the airlines to meet their obligations under the use agreements. The air transport industry is experiencing significant variations in earnings and

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traffic, due to increased competition, excess capacity, increased costs, deregulation, traffic constraints and other factors, and several airlines are experiencing severe financial difficulties. In particular, facilities with use agreements involving airlines experiencing financial difficulty may experience a reduction in revenue due to the possible inability of these airlines to meet their use agreement obligations because of such financial difficulties and possible bankruptcy. The Sponsor cannot predict what effect these industry conditions may have on airport revenues which are dependent for payment on the financial condition of the airlines and their usage of the particular airport facility. Bonds that are secured primarily by the revenue collected by a public transit system typically are additionally secured by a pledge of sales tax receipts collected at the state or local level, or of other governmental financial assistance. Transit system net revenues will be affected by variations in utilization, which in turn may be affected by the degree of local governmental subsidization, demographic and population shifts, and competition from other forms of transportation; and by increased costs, including costs resulting from previous deferrals of maintenance. Port authorities derive their revenues primarily from fees imposed on ships using the facilities. The rate of utilization of such facilities may fluctuate depending on the local economy and on competition from competing forms of transportation such as air, rail and trucks.

**WATER AND/OR SEWERAGE OBLIGATIONS.** Some of the Bonds in the Trust may be obligations of issuers whose revenues are derived from the sale of water and/or sewerage services. Such Bonds are generally payable from user fees. The problems of such issuers include the ability to obtain timely and adequate rate increases, population decline resulting in decreased user fees, the difficulty of financing large construction programs, the limitations on operations and increased costs and delays attributable to environmental considerations, the increasing difficulty of obtaining or discovering new supplies of fresh water, the effect of conservation programs and the impact of "no-growth" zoning ordinances. All of such issuers have been experiencing certain of these problems in varying degrees.

**UNIVERSITY AND COLLEGE REVENUE OBLIGATIONS.** Some of the Bonds in the Trust may be obligations of issuers which are, or which govern the operation of, colleges and universities and whose revenues are derived mainly from tuition, dormitory revenues, grants and endowments. General problems of such issuers include the prospect of a declining percentage of the population consisting of "college" age individuals, possible inability to raise tuitions and fees sufficiently to cover increased operating costs, the uncertainty of continued receipt of Federal grants and state funding, and government legislation or regulations which may adversely affect the revenues or costs of such issuers. All of such issuers have been experiencing certain of these problems in varying degrees.

**BRIDGE AUTHORITY AND TOLLROAD OBLIGATIONS.** Some of the Bonds in the Trust may be obligations of issuers which derive their payments from bridge, road or tunnel toll revenues. The revenues of such an issuer could be adversely affected by competition from toll-free vehicular bridges and roads and alternative modes of transportation. Such revenues could also be adversely affected by a reduction in the availability of fuel to motorists or significant increases in the costs thereof. Specifically, governmental regulations restricting the use of vehicles in the New York City metropolitan area may adversely affect revenues of the Triborough Bridge and Tunnel Authority.

**DEDICATED-TAX SUPPORTED BONDS.** Some of the Bonds in the Trust may be obligations of issuers which are payable from and secured by tax revenues from a designated source, which revenues are pledged to secure the bonds. The various types of Bonds described below differ in structure and with respect to the rights of the bondholders to the underlying property. Each type of dedicated-tax supported Bond has distinct risks, only some of which are set forth below. One type of dedicated-tax supported Bond is secured by the

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incremental tax received on either real property or on sales within a specifically defined geographical area; such tax generally will not provide bondholders with a lien on the underlying property or revenues. Another type of



dedicated-tax supported Bond is secured by a special tax levied on real property within a defined geographical area in such a manner that the tax is levied on those who benefit from the project; such bonds typically provide for a statutory lien on the underlying property for unpaid taxes. A third type of dedicated-tax supported Bond may be secured by a tax levied upon the manufacture, sale or consumption of commodities or upon the license to pursue certain occupations or upon corporate privileges within a taxing jurisdiction. As to any of these types of Bonds, the ability of the designated revenues to satisfy the interest and principal payments on such bonds may be affected by changes in the local economy, the financial success of the enterprise responsible for the payment of the taxes, the value of any property on which taxes may be assessed and the ability to collect such taxes in a timely fashion. Each of these factors will have a different affect on each distinct type of dedicated-tax supported bonds.

MUNICIPAL LEASE BONDS. Some of the Bonds in the Trust may be obligations that are secured by lease payments of a governmental entity. Such payments are normally subject to annual budget appropriations of the leasing governmental entity. A governmental entity that enters into such a lease agreement cannot obligate future governments to appropriate for and make lease payments but covenants to take such action as is necessary to include any lease payments due in its budgets and to make the appropriations therefor. A governmental entity's failure to appropriate for and to make payments under its lease obligation could result in insufficient funds available for payment of the obligations secured thereby.

ORIGINAL ISSUE DISCOUNT BONDS AND STRIPPED OBLIGATIONS. Certain of the Bonds in the Trust may be original issue discount bonds. These Bonds were issued with nominal interest rates less than the rates then offered by comparable securities and as a consequence were originally sold at a discount from their face, or par, values. This original issue discount, the difference between the initial purchase price and face value, is deemed under current law to accrue on a daily basis and the accrued portion is treated as tax-exempt interest income for federal income tax purposes. On sale or redemption, gain, if any, realized in excess of the earned portion of original issue discount will be taxable as capital gain. See "What is the Tax Status of Unitholders". The current value of an original issue discount bond reflects the present value of its face amount at maturity. In a stable interest rate environment, the market value of an original issue discount bond would tend to increase more slowly in early years and in greater increments as the bond approached maturity.

Certain of the original issue discount bonds in the Trust may be zero coupon bonds. Zero coupon bonds do not provide for the payment of any current interest; the buyer receives only the right to receive a final payment of the face amount of the bond at its maturity. The effect of owning a zero coupon bond is that a fixed yield is earned not only on the original investment but also, in effect, on all discount earned during the life of the obligation. This implicit reinvestment of earnings at the same rate eliminates the risk of being unable to reinvest the income on such obligation at a rate as high as the implicit yield, but at the same time also eliminates the holder's ability to reinvest at higher rates in the future. For this reason, zero coupon bonds are subject to substantially greater price fluctuations during periods of changing market interest rates than are securities of comparable quality that pay interest currently.

Original issue discount bonds, including zero coupon bonds, may be subject to redemption at prices based on the issue price plus the amount of original issue discount accreted to redemption (the "accreted value") plus, if applicable, some premium. Pursuant to such call provisions an original issue discount bond may be called prior to its maturity date at a

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price less than its face value. See the "Schedule of Investments" for more information about the call provisions of portfolio Bonds.

Certain of the Bonds in the Trust may be Stripped Obligations, which represent evidences of ownership with respect to either the principal amount of or a payment of interest on a tax-exempt obligation. An obligation is "stripped" by depositing it with a custodian, which then effects a separation in ownership between the bond and any interest payment which has not yet become payable, and issues evidences of ownership with respect to such constituent parts. A Stripped Obligation therefore has economic characteristics similar to zero coupon bonds, as described above.

Each Stripped Obligation has been purchased at a discount from the amount payable at maturity. With respect to each Unitholder, the Internal Revenue Code

treats as "original issue discount" that portion of the discount which produces a yield to maturity (as of the date of purchase of the Unitholder's Units) equal to the lower of the coupon rate of interest on the underlying obligation or the yield to maturity on the basis of the purchase price of the Unitholder's Units which is allocable to each Stripped Obligation. Original issue discount which accrues with respect to a Stripped Obligation will be exempt from Federal income taxation to the same extent as interest on the underlying obligations. (See Section 11, "What Is The Tax Status of Unitholders".)

Unitholders should consult their own tax advisers with respect to the state and local tax consequences of owning original issue discount bonds or Stripped Obligations. Under applicable provisions governing determination of state and local taxes, interest on original issue discount bonds or Stripped Obligations may be deemed to be received in the year of accrual even though there is no corresponding cash payment.

#### 4. COMPOSITION OF TRUSTS

The Trust initially consists of delivery statements relating to contracts to purchase Bonds (or of such Bonds) as are listed under "Schedule of Investments" and, thereafter, of such Bonds as may continue to be held from time to time (including certain securities deposited in the Trust in substitution for Bonds not delivered to the Trust or in exchange or substitution for Bonds upon certain refundings), together with accrued and undistributed interest thereon and undistributed cash realized from the disposition of Bonds.

"WHEN-ISSUED" AND "DELAYED DELIVERY" TRANSACTIONS. The contracts to purchase Bonds delivered to the Trustee represent an obligation by issuers or dealers to deliver Bonds to the Sponsor for deposit in the Trust. Normally, "regular way" contracts are settled and the Bonds delivered to the Trustee within a relatively short period of time. However, certain of the contracts relate to Bonds which have not been issued as of the Date of Deposit and which are commonly referred to as "when issued" or "when, as and if issued" Bonds. Although the Sponsor does not believe it is likely, one or more of the issuers of such Bonds might decide not to proceed with such offerings. If such Bonds, or replacement bonds described below, are not acquired by the Trust or if their delivery is delayed, the Estimated Current Returns and Estimated Long Term Returns shown herein may be reduced. Certain of the contracts for the purchase of Bonds provide for delivery dates after the date of settlement for purchases made on the Date of Deposit. Interest on such "when issued" and "delayed delivery" Bonds accrues to the benefit of Unitholders commencing with the first settlement date for the Units. However, in the opinion of counsel, Unitholders who purchase their Units prior to the date such Bonds are actually delivered to the Trustee must reduce the tax basis of their Units for interest accruing on such Bonds during the interval between their purchase of Units and the delivery of the Bonds because such amounts constitute a return of principal. As a result of such adjustment, the Estimated Current Returns set forth herein (which are based on the Public

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Offering Price as of the business day prior to the Date of Deposit) may be slightly lower than Unitholders will receive after the first year, assuming the Portfolio does not change and estimated annual expense does not vary from that set forth under "Essential Information Regarding the Trust." Those Bonds in the Trust purchased with delivery dates after the date of settlement for purchases made on the Date of Deposit are so noted in the Schedule of Investments.

LIMITED REPLACEMENT OF CERTAIN BONDS. Neither the Sponsor nor the Trustee shall be liable in any way for any default, failure or defect in any Bond. In the event of a failure to deliver any Bond that has been purchased for the Trust under a contract, including those Bonds purchased on a when, as and if issued basis ("Failed Bonds"), the Sponsor is authorized under the Indenture to direct the Trustee to acquire other specified Bonds ("Replacement Bonds") to make up the original corpus of the Trust. The Replacement Bonds must be purchased within 20 days after delivery of notice of the failed contract and the cost to the Trust (exclusive of accrued interest) may not exceed the amount of funds reserved for the purchase of the Failed Bonds. The Replacement Bonds (i) must satisfy the criteria previously described for Bonds originally included in the Trust, (ii) must have a fixed maturity date after the date of purchase of not less than approximately 15 years in the case of National Trusts, approximately 11 years in the case of a Long Intermediate Trust, approximately 5 years in the case of Intermediate or State Intermediate Trusts, approximately 3 years in the case of a Short Intermediate Trust and approximately 1 year in the case of a Short Term Trust, but not later than the maturity date of the Failed Bonds, (iii) must be acquired at a cost to the Trust equal to the cost of the same principal amount of Bonds provided in the failed contract and have a current return and yield to maturity not less than the current return and yield to maturity of the Failed Bonds and (iv) shall not be "when, as and if issued"

Bonds. Whenever a Replacement Bond has been acquired for the Trust, the Trustee shall, within five days after the delivery thereof, mail or deliver a notice of such acquisition to all Unitholders of the Trust involved. Once the original corpus of the Trust is acquired, the Trustee will have no power to vary the investment of the Trust; i.e., the Trust will have no managerial power to take advantage of market variation to improve a Unitholder's investment.

To the extent the right of limited substitution described in the preceding paragraph shall not be utilized to acquire Replacement Bonds for the entire principal amount of Failed Bonds, the Sponsor shall refund to all Unitholders of the Trust involved the sales charge attributable to such Failed Bonds not replaced, and the principal and accrued interest attributable to such Bonds shall be distributed not more than 30 days after the determination of such failure or at such earlier time as the Trustee in its sole discretion deems to be in the interest of the Unitholders. Any such accrued interest paid to Unitholders will be paid by the Sponsor and, accordingly, will not be treated as tax-exempt income. In the event Failed Bonds in the Trust could not be replaced, the Net Annual Interest Income per Unit for the Trust would be reduced and the Estimated Current Return thereon might be lowered.

**SALE, MATURITY AND REDEMPTION OF BONDS.** Certain of the Bonds may from time to time under certain circumstances be sold or redeemed or will mature in accordance with their terms. The proceeds from such events will be used to pay for Units redeemed or distributed to Unitholders and not reinvested; accordingly, no assurance can be given that the Trust will retain for any length of time its present size and composition.

All of the Bonds in the Trust are subject to being called or redeemed in whole or in part prior to their stated maturities pursuant to the optional redemption provisions described in the "Schedule of Investments" and in most cases pursuant to sinking fund, special or extraordinary redemption provisions. A bond subject to optional call is one which is subject to redemption or refunding prior to maturity at the option of the issuer. A

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refunding is a method by which a bond issue is redeemed, at or before maturity, by the proceeds of a new bond issue. A bond subject to sinking fund redemption is one which is subject to partial call from time to time from a fund accumulated for the scheduled retirement of a portion of an issue prior to maturity. Special or extraordinary redemption provisions may provide for redemption of all or a portion of an issue upon the occurrence of certain circumstances related to defaults or unanticipated changes in circumstances. Events that may permit or require the special or extraordinary redemption of bonds include, among others: substantial damage to or destruction of the project for which the proceeds of the bonds were used; exercise by a local, state or federal governmental unit of its power of eminent domain to take all or substantially all of the project for which the proceeds of the bonds were used; a final determination that the interest on the bonds is taxable; changes in the economic availability of raw materials, operating supplies or facilities or technological or other changes which render the operation of the project for which the proceeds of the bonds were used uneconomical; changes in law or an administrative or judicial decree which render the performance of the agreement under which the proceeds of the bonds were made available to finance the project impossible or which create unreasonable burdens or which impose excessive liabilities, such as taxes, not imposed on the date the bonds are issued on the issuer of the bonds or the user of the proceeds of the bonds; an administrative or judicial decree which requires the cessation of a substantial part of the operations of the project financed with the proceeds of the bonds; an overestimate of the costs of the project to be financed with the proceeds of the bonds resulting in excess proceeds which may be applied to redeem bonds; or an underestimate of a source of funds securing the bonds resulting in excess funds which may be applied to redeem bonds. The Sponsor is unable to predict all of the circumstances which may result in such redemption of an issue of Bonds. See the discussion of the various types of bond issues, above, for information on the call provisions of such bonds, particularly single family mortgage revenue bonds.

The exercise of redemption or call provisions will (except to the extent the proceeds of the called Bonds are used to pay for Unit redemptions) result in the distribution of principal and may result in a reduction in the amount of subsequent interest distributions; it may also affect the current return on Units of the Trust involved. Redemption pursuant to optional call provisions is more likely to occur, and redemption pursuant to sinking fund or special or extraordinary redemption provisions may occur, when the Bonds have an offering side evaluation which represents a premium over par. Redemption pursuant to optional call provisions may be, and redemption pursuant to sinking fund or special or extraordinary redemption provisions is likely to be, at a price equal

to the par value of the bonds without any premium (in the case of original issue discount bonds, such redemption is generally to be made at the issue price plus the amount of original issue discount accreted to the date of redemption; such price is referred to herein as "accreted value"). Because Bonds may have been valued at prices above or below par value or the then current accreted value at the time Units were purchased, Unitholders may realize gain or loss upon the redemption of portfolio Bonds. (See Sections 11 and 13 and the "Schedule of Investments.")

**CERTAIN TAX MATTERS; LITIGATION.** Certain of the Bonds in the Trust portfolio may be subject to continuing requirements such as the actual use of bond proceeds, manner of operation of the project financed from bond proceeds or rebate of excess earnings on bond proceeds that may affect the exemption of interest on such Bonds from Federal income taxation. Although at the time of issuance of each of the Bonds in the Trust an opinion of bond counsel was rendered as to the exemption of interest on such obligations from Federal income taxation, and the issuers covenanted to comply with all requirements necessary to retain the tax-exempt status of the Bonds, there can be no assurance that the

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respective issuers or other obligors on such obligations will fulfill the various continuing requirements established upon issuance of the Bonds. A failure to comply with such requirements may cause a determination that interest on such obligations is subject to Federal income taxation, perhaps even retroactively from the date of issuance of such Bonds, thereby reducing the value of the Bonds and subjecting Unitholders to unanticipated tax liabilities.

To the best knowledge of the Sponsor, there is no litigation pending as of the Date of Deposit in respect of any Bonds which might reasonably be expected to have a material adverse effect on the Trust. It is possible that after the Date of Deposit, litigation may be initiated with respect to Bonds in the Trust. Any such litigation may affect the validity of such Bonds or the tax-exempt nature of the interest thereon, but while the outcome of litigation of such nature can never be entirely predicted, the opinions of bond counsel to the issuer of each Bond on the date of issuance state that such Bonds were validly issued and that the interest thereon is, to the extent indicated, exempt from Federal income tax.

#### 5. WHY AND HOW ARE THE BONDS INSURED?

##### INSURANCE ON BONDS IN THE INSURED TRUST

Insurance guaranteeing the timely payment, when due, of all principal and interest on the Bonds in the Insured Trust has been obtained by the Sponsor or by the issuers or underwriters of Bonds from the Municipal Bond Investors Assurance Corporation (the "Insurer"). Some of the Bonds in the Insured Trust may be covered by a policy or policies of insurance obtained by the issuers or underwriters of the Bonds from Municipal Bond Insurance Association (the "Association") or Bond Investors Guaranty Insurance Company ("BIG"). The Insurer has issued a policy or policies of insurance covering each of the Bonds in the Insured Trust, each policy to remain in force until the payment in full of such Bonds and whether or not the Bonds continue to be held by the Insured Trust. By the terms of each policy the Insurer will unconditionally guarantee to the holders or owners of the Bonds the payment, when due, required of the issuer of the Bonds of an amount equal to the principal of and interest on the Bonds as such payments shall become due but not be paid (except that in the event of any acceleration of the due date of principal by reason of mandatory or optional redemption, default or otherwise, the payments guaranteed will be made in such amounts and at such times as would have been due had there not been an acceleration). The Insurer will be responsible for such payments, less any amounts received by the holders or owners of the Bonds from any trustee for the bond issuers or from any other sources other than the Insurer. The Insurer's policies relating to small industrial development bonds and pollution control revenue bonds also guarantee the full and complete payments required to be made by or on behalf of an issuer of Bonds pursuant to the terms of the Bonds if there occurs an event which results in the loss of the tax-exempt status of the interest on such Bonds, including principal, interest or premium payments, if any, as and when thereby required. The Insurer has indicated that its insurance policies do not insure the payment of principal or interest on bonds which are not required to be paid by the issuer thereof because the bonds were not validly issued; as indicated under "What is the Tax Status of Unitholders?" the respective issuing authorities have received opinions of bond counsel relating to the valid issuance of each of the Bonds in the Insured Trust. The Insurer's policy also does not insure against non-payment of principal of or interest on the Bonds resulting from the insolvency, negligence or any other act or omission of the trustee or other paying agent for the Bonds. The policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the

New York Insurance Law. The policies are non-cancellable and the insurance premiums have been fully paid on or prior to the Date of Deposit, either by the Sponsor or, if a policy has been obtained by a Bond issuer, by such issuer.

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Upon notification from the trustee for any bond issuer or any holder or owner of the Bonds or coupons that such trustee or paying agent has insufficient funds to pay any principal or interest in full when due, the Insurer will be obligated to deposit funds promptly with State Street Bank and Trust Company, N.A., New York, New York, as fiscal agent for the Insurer, sufficient to fully cover the deficit. If notice of nonpayment is received on or after the due date, the Insurer will provide for payment within one business day following receipt of the notice. Upon payment by the Insurer of any Bonds, coupons, or interest payments, the Insurer shall succeed to the rights of the owner of such Bonds, coupons or interest payments with respect thereto.

The Insurer is the principal operating subsidiary of MBIA, Inc., a New York Stock Exchange listed company. MBIA, Inc. is not obligated to pay the debts of or claims against the Insurer. The Insurer is a limited liability corporation rather than a several liability association. The Insurer is domiciled in the State of New York and licensed to do business in all 50 states, the District of Columbia and the Commonwealth of Puerto Rico.

As of December 31, 1992 the Insurer had admitted assets of \$2.6 billion (audited), total liabilities of \$1.7 billion (audited), and total capital and surplus of \$896 million (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of December 31, 1993, the Insurer had admitted assets of \$3.1 billion (audited), total liabilities of \$2.1 billion (audited), and total capital and surplus of \$978 million (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. Copies of the Insurer's year end financial statements prepared in accordance with statutory accounting practices are available from the Insurer. The address of the Insurer is 113 King Street, Armonk, New York 10504.

Effective December 31, 1989, MBIA Inc. acquired Bond Investors Group, Inc. On January 5, 1990, the Insurer acquired all of the outstanding stock of Bond Investors Group, Inc., the parent of BIG, now known as MBIA Insurance Corp. of Illinois. Through a reinsurance agreement, BIG has ceded all of its net insured risks, as well as its unearned premium and contingency reserves, to the Insurer and the Insurer has reinsured BIG's net outstanding exposure.

Each insurance company comprising the Association will be severally and not jointly obligated under the Association policy in the following respective percentages: The Aetna Casualty and Surety Company, 33%; Fireman's Fund Insurance Company, 30%; The Travelers Indemnity Company, 15%; Aetna Insurance Company (now known as CIGNA Property and Casualty Company), 12%; and The Continental Insurance Company, 10%. As a several obligor, each such insurance company will be obligated only to the extent of its percentage of any claim under the Association policy and will not be obligated to pay any unpaid obligation of any other member of the Association. Each insurance company's participation is backed by all of its assets. However, each insurance company is a multiline insurer involved in several lines of insurance other than municipal bond insurance, and the assets of each insurance company also secure all of its other insurance policy and surety bond obligations.

The following table sets forth certain unaudited financial information with respect to the five insurance companies comprising the Association. The statistics, which have been furnished by the Association, are as reported by the insurance companies to the New York State Insurance Department and are determined in accordance with statutory accounting principles. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date thereof. In addition, these numbers are subject to revision by the New

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York State Insurance Department which, if revised, could either increase or decrease the amounts.

MUNICIPAL BOND INSURANCE ASSOCIATION  
 FIVE MEMBER COMPANIES ASSETS AND POLICYHOLDERS' SURPLUS  
 AS OF JUNE 30, 1993.  
 (000's omitted)

<TABLE>  
 <CAPTION>

	New York Statutory Assets	New York Statutory Liabilities	New York Policyholders' Surplus
<S>	<C>	<C>	<C>
The Aetna Casualty & Surety Company.....	\$ 9,670,645	\$ 8,278,113	\$ 1,392,532
Fireman's Fund Insurance Company.....	6,571,313	4,880,776	1,690,537

The Travelers Indemnity Company.....	10,194,126	8,280,211	1,913,915
CIGNA Property and Casualty Company (formerly AETna Insurance Company).....	6,198,088	5,634,331	563,757
The Continental Insurance Company.....	2,574,504	2,223,194	351,310
Total.....	\$ 35,208,676	\$ 29,296,625	\$ 5,912,051

</TABLE>

Standard & Poor's Corporation rates all new issues insured by the Association "AAA" Prime Grade.

Moody's Investors Service rates all bond issues insured by the Association "Aaa" and short term loans "MIG 1", both designated to be of the highest quality.

Each such rating should be evaluated independently of any other rating. No application has been made to any other rating agency in order to obtain additional ratings on the Bonds. The ratings reflect the respective rating agency's current assessment of the creditworthiness of the Association and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

Moody's Investors Service rates all bond issues insured by the Insurer "Aaa" and short-term loans "MIG 1," both designated to be of the highest quality.

Standard & Poor's Ratings Group, a division of McGraw Hill ("Standard & Poor's") rates all new issues insured by the Insurer "AAA" Prime Grade."

The Moody's Investors Service rating of the Insurer should be evaluated independently of the Standard & Poor's Corporation rating of the Insurer. No application has been made to any other rating agency in order to obtain additional ratings on the Bonds. The ratings reflect the respective rating agency's current assessment of the creditworthiness of the Insurer and its ability to pay claims on its policies of insurance (See "Description of Ratings.") Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of either or both ratings may have an adverse effect on the market price of the Bonds.

Because the insurance on the Bonds will be effective so long as the Bonds are outstanding, such insurance will be taken into account in determining the market value of the Bonds and therefore some value attributable to such insurance will be included in the

value of the Units of the Insured Trust. The insurance does not, however, guarantee the market value of the Bonds or of the Units.

6. HOW IS THE PUBLIC OFFERING PRICE DETERMINED?

The Public Offering Price of the Units of the Trust is equal to the Trustee's determination of the aggregate OFFERING prices of the Bonds deposited therein (minus any advancement to the principal account of the Trust made by the Trustee) plus a sales charge of 5.152% of the aggregate offering prices in the case of National and State Trusts, 4.439% of the aggregate offering prices in the case of Long Intermediate Trusts, 4.058% of the aggregate offering prices in the case of Intermediate Trusts, 3.093% of the aggregate offering prices in the case of Short Intermediate Trusts and 2.564% of the aggregate offering prices in the case of Short Term Trusts, in each case adding to the total thereof cash held by the Trust, if any, and dividing the sum so obtained by the number of Units outstanding in the Trust. This computation produces a gross underwriting profit equal to 4.90% of the Public Offering Price in the case of National and State Trusts, 4.25% of the Public Offering Price in the case of Long Intermediate Trusts, 3.90% of the Public Offering Price in the case of Intermediate Trusts, 3.00% of the Public Offering Price in the case of Short Intermediate Trusts and 2.50% of the Public Offering Price in the case of Short Term Trusts.

The sales charge applicable to quantity purchases is reduced on a graduated scale for sales to any purchaser of at least \$50,000 or 500 Units and will be applied on whichever basis is more favorable to the purchaser. For purposes of calculating the applicable sales charge, purchasers who have indicated their intent to purchase a specified amount of Units of the Trust described herein in the primary offering period or units of any other series of Nuveen Tax-Exempt

Unit Trusts in the primary offering period by executing and delivering a letter of intent to the Sponsor, which letter of intent must be in a form acceptable to the Sponsor and shall have a maximum duration of thirteen months, will be eligible to receive a reduced sales charge according to the following table based on the amount of intended aggregate purchases as expressed in the letter of intent. By establishing a letter of intent, a Unitholder agrees that the first purchase of Units following the execution of such letter of intent will be at least 5% of the total amount of the intended aggregate purchases expressed in such Unitholder's letter of intent. Further, through the establishment of the letter of intent, such Unitholder agrees that Units representing 5% of the total amount of the intended purchases will be held in escrow by United States Trust Company of New York pending completion of these purchases. All distributions on Units held in escrow will be credited to such Unitholder's account. If total purchases, less redemptions, prior to the expiration of the letter of intent period equal or exceed the amount specified in a Unitholder's letter of intent, the Units held in escrow will be transferred to such Unitholder's account. If the total purchases, less redemptions, are less than the amount specified, the Unitholder involved must pay the Sponsor an amount equal to the difference between the amounts paid for these purchases and the amounts which would have been paid if the higher sales charge had been applied. If such Unitholder does not pay the additional amount within 20 days after written request by the Sponsor or the Unitholder's securities representative, the Sponsor will instruct the Trustee to redeem an appropriate number of the escrowed Units to meet the required payment. By establishing a letter of intent, a Unitholder irrevocably appoints the Sponsor as attorney to give instructions to redeem any or all of such Unitholder's escrowed Units, with full power of substitution in the premises. A Unitholder or his securities representative must notify the Sponsor

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whenever such Unitholder makes a purchase of Units that he wishes to be counted towards the intended amount. Sales charges during the primary offering period are as follows:

<TABLE>  
<CAPTION>

<S>	National and State Trusts		Long Intermediate Trusts		Intermediate Trusts	
	<C> Percent of Offering Price	<C> Percent of Net Amount Invested	<C> Percent of Offering Price	<C> Percent of Net Amount Invested	<C> Percent of Offering Price	<C> Percent of Net Amount Invested
Number of Units*						
Less than 500.....	4.90%	5.152%	4.25%	4.439%	3.90%	4.058%
500 but less than 1,000.....	4.75	4.987	4.15	4.330	3.70	3.842
1,000 but less than 2,500.....	4.50	4.712	3.85	4.004	3.50	3.627
2,500 but less than 5,000.....	4.25	4.439	3.60	3.734	3.25	3.359
5,000 but less than 10,000.....	3.50	3.627	3.35	3.466	3.00	3.093
10,000 but less than 25,000.....	3.00	3.093	3.00	3.093	2.75	2.828
25,000 but less than 50,000.....	2.50	2.564	2.50	2.564	2.50	2.564
50,000 or more.....	2.00	2.041	2.00	2.041	2.00	2.041

</TABLE>

<TABLE>  
<CAPTION>

<S>	Short Intermediate Trusts		Short Term Trusts		<C>	<C>
	<C> Percent of Offering Price	<C> Percent of Net Amount Invested	<C> Percent of Offering Price	<C> Percent of Net Amount Invested		
Number of Units*						
Less than 500.....	3.00%	3.093%	2.50%	2.564%		
500 but less than 1,000.....	2.80	2.881	2.30	2.354		
1,000 but less than 2,500.....	2.60	2.670	2.10	2.145		
2,500 but less than 5,000.....	2.35	2.407	1.85	1.885		
5,000 but less than 10,000.....	2.10	2.145	1.60	1.626		
10,000 but less than 25,000.....	1.85	1.885	1.35	1.368		
25,000 but less than 50,000.....	1.80	1.833	1.25	1.266		
50,000 or more.....	1.50	1.523	1.15	1.163		

</TABLE>

\*Breakpoint sales charges are computed both on a dollar basis and on the basis of the number of Units purchased, using the equivalent of 500 Units to \$50,000, 2,500 Units to \$250,000 etc., and will be applied on that basis which is more favorable to the purchaser.

For "secondary market" sales the Public Offering Price per Unit of the Trust is determined by adding to the Trustee's determination of the BID price of each Bond in the Trust a sales charge determined in accordance with the table set

forth below based upon the number of years remaining to the maturity of each such Bond, adjusting the total to reflect the amount of any cash held in or advanced to the principal account of the Trust and dividing the result by the number of Units then outstanding. For purposes of this calculation, Bonds will be deemed to mature on their stated maturity dates unless: (a) the Bonds have been called for redemption or funds or securities have been placed in escrow to redeem them on an earlier call date, in which case such call date shall be deemed to be the date upon which they mature; or (b) such Bonds are subject to a "mandatory put," in which case such mandatory put date shall be deemed to be the date upon which they mature.

Pursuant to the terms of the Indenture, the Trustee may terminate the Trust if the net asset value of such Trust, as shown by any evaluation, is less than 20% of the original principal amount of the Trust. In the course of regularly appraising the value of Bonds in the Trust, the Sponsor will attempt to estimate the date on which the Trust's value will fall below the 20% level based on anticipated bond events over a five year period, including maturities, escrow calls and current calls or refundings, assuming certain market rates. The Sponsor intends from time to time to recommend that certain Trusts whose values have fallen or are anticipated to fall below the 20% level be terminated based on certain criteria which could adversely affect the Trust's diversification. Once the Sponsor has determined that the Trust's value has or may fall below the 20% level within a five-year period, for purposes of computing the sales charge using the table set forth below, the maturity of each bond in such Trust will be deemed to be the earlier of the estimated termination date of the Trust, or the actual date used when pricing the bond under Municipal Securities Rulemaking Board rules and interpretations issued thereunder.

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The effect of this method of sales charge calculation will be that different sales charge rates will be applied to the various Bonds in the Trust portfolio based upon the maturities of such Bonds, in accordance with the following schedule. As shown, the sales charge on Bonds in each maturity range (and therefore the aggregate sales charge on the purchase) is reduced with respect to purchases of at least \$50,000 or 500 Units:

<TABLE>

<CAPTION>

<S>	Amount of Purchase*						
	<C> Under \$50,000	<C> \$50,000 to \$99,999	<C> \$100,000 to \$249,999	<C> \$250,000 to \$499,999	<C> \$500,000 to \$999,999	<C> \$1,000,000 to \$2,499,999	<C> \$2,500,000 to \$4,999,999
Years to Maturity							
Less than 1.....	0	0	0	0	0	0	0
1 but less than 2.....	1.523%	1.446%	1.369%	1.317%	1.215%	1.061%	.900%
2 but less than 3.....	2.041	1.937	1.833	1.729	1.626	1.420	1.225
3 but less than 4.....	2.564	2.433	2.302	2.175	2.041	1.781	1.546
4 but less than 5.....	3.093	2.961	2.828	2.617	2.459	2.175	1.883
5 but less than 7.....	3.627	3.433	3.239	3.093	2.881	2.460	2.165
7 but less than 10.....	4.167	3.951	3.734	3.520	3.239	2.828	2.489
10 but less than 13.....	4.712	4.467	4.221	4.004	3.788	3.253	2.842
13 but less than 16.....	5.263	4.988	4.712	4.439	4.167	3.627	3.169
16 or more.....	5.820	5.542	5.263	4.987	4.603	4.004	3.500

<CAPTION>

<S>	<C> \$5,000,000 or more
Years to Maturity	
Less than 1.....	0
1 but less than 2.....	.750%
2 but less than 3.....	1.030
3 but less than 4.....	1.310
4 but less than 5.....	1.590
5 but less than 7.....	1.870
7 but less than 10.....	2.150
10 but less than 13.....	2.430
13 but less than 16.....	2.710
16 or more.....	3.000

</TABLE>

\*Breakpoint sales charges are computed both on a dollar basis and on the basis of the number of Units purchased, using the equivalent of 500 Units to \$50,000, 2,500 Units to \$250,000, etc., and will be applied on that basis which is more favorable to the purchaser.

The secondary market sales charges above are expressed as a percent of the



net amount invested; expressed as a percent of the Public Offering Price, the maximum sales charge on any Trust, including one consisting entirely of Bonds with 16 years or more to maturity, would be 5.50% (5.820% of the net amount invested). For purposes of illustration, the sales charge on a Trust consisting entirely of Bonds maturing in 13 to 16 years would be 5% (5.263% of the net amount invested); that on a Trust consisting entirely of Bonds maturing in five to seven years would be 3.5% (3.627% of the net amount invested); and that on a Trust consisting entirely of Bonds maturing in three to four years would be 2.5% (2.564% of the net amount invested). The actual secondary market sales charge included in the Public Offering Price of any particular Trust will depend on the maturities of the Bonds in the portfolio of such Trust.

At all times while Units are being offered for sale, the Sponsor will appraise or cause to be appraised daily the value of the underlying Bonds in the Trust as of 4:00 p.m. eastern time on each day on which the New York Stock Exchange (the "Exchange") is normally open and will adjust the Public Offering Price of the Units commensurate with such appraisal. Such Public Offering Price will be effective for all orders received by a dealer or the Sponsor at or prior to 4:00 p.m. eastern time on each such day. Orders received after that time, or on a day when the Exchange is closed for a scheduled holiday or weekend, will be held until the next determination of price.

As more fully set forth in Section 8, accrued interest from the preceding Record Date to, but not including, the settlement date of the transaction (five business days after purchase) will be added to the Public Offering Price to determine the purchase price of Units.

The above graduated sales charges will apply on all purchases of Nuveen investment company securities on any one day by the same purchaser in the amounts stated, and for this purpose purchases of this Series will be aggregated with concurrent purchases of any other Series or of shares of any open-end management investment company of which the Sponsor is principal underwriter and with respect to the purchase of which a sales charge is imposed.

Purchases by or for the account of an individual and his or her spouse and children under 21 years of age will be aggregated to determine the applicable sales charge. The

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graduated sales charges are also applicable to a trustee or other fiduciary purchasing securities for a single trust estate or single fiduciary account.

Units may be purchased at the Public Offering Price without a sales charge by officers or directors and by bona fide, full-time employees of Nuveen, Nuveen Advisory Corp., Nuveen Institutional Advisory Corp. and The John Nuveen Company, including in each case these individuals and their immediate family members (as defined above).

The initial or primary Public Offering Price of the Units in the Trust is based upon a pro rata share of the OFFERING prices per Unit of the Bonds in the Trust plus the applicable sales charge. The secondary market Public Offering Price of the Trust is based upon a pro rata share of the BID prices per Unit of the Bonds in the Trust plus the applicable sales charge. The OFFERING prices of Bonds in a Trust may be expected to average approximately 1% to 2% more than the BID prices of such Bonds in the case of National, Long Intermediate and State Trusts, 3/4% to 1 1/2% in the case of Intermediate and Short Intermediate Trusts, and 1/2% to 3/4% in the case of Short Term Trusts. The difference between the bid side evaluation and the offering side evaluation of the Bonds in the Trust on the business day prior to the Date of Deposit is shown in the discussion of the Trust portfolio.

Whether or not Units are being offered for sale, the Sponsor will determine the aggregate value of the Trust as of 4:00 p.m. eastern time: (i) on each June 30 or December 31 (or, if such date is not a business day, the last business day prior thereto), (ii) on any day on which a Unit is tendered for redemption (or the next succeeding business day if the date of tender is a non-business day) and (iii) at such other times as may be necessary. For this purpose, a "business day" shall be any day on which the Exchange is normally open. (See Section 16.)

## 7. MARKET FOR UNITS

During the initial public offering period, the Sponsor intends to offer to purchase Units of the Trust at a price equivalent to the pro rata share per Unit of the OFFERING prices of the Bonds in the Trust (plus accrued interest). Afterward, although it is not obligated to do so, the Sponsor intends to maintain a secondary market for Units of the Trust at its own expense and continuously to offer to purchase Units of the Trust at prices, subject to change at any time, which are based upon the BID prices of Bonds in the

portfolio of the Trust. If the supply of Units of the Trust of this Series exceeds demand, or for some other business reason, the Sponsor may discontinue purchases of Units of the Trust at such prices. UNITHOLDERS WHO WISH TO DISPOSE OF THEIR UNITS SHOULD INQUIRE OF THE TRUSTEE OR THEIR BROKER AS TO THE CURRENT REDEMPTION PRICE (SEE SECTION 19). In connection with its secondary marketmaking activities, the Sponsor may from time to time enter into secondary market joint account agreements with other brokers and dealers. Pursuant to such an agreement the Sponsor will purchase Units from the broker or dealer at the bid price and will place the Units into a joint account managed by the Sponsor; sales from the account will be made in accordance with the then current prospectus and the Sponsor and the broker or dealer will share profits and losses in the joint account in accordance with the terms of their joint account agreement.

Certificates, if any, for Units are delivered to the purchaser as promptly after the date of settlement (five business days after purchase) as the Trustee can complete the mechanics of registration. Normally, Certificates, if any, are mailed by the Trustee within 48 hours after registration instructions are received. Purchasers of Units to whom Certificates are issued will be unable to exercise any right of redemption until they have received their Certificates as tender of the Certificate, properly endorsed for transfer. (See Section 19.)

Each Unit of the Trust initially offered by this Prospectus represents that fractional undivided interest in the Trust as is set forth under "Essential Information Regarding the

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Trust." To the extent that any Units of the Trust are redeemed by the Trustee, the aggregate value of the Trust's assets will decrease by the amount paid to the redeeming Unitholder, but the fractional undivided interest of each unredeemed Unit in the Trust will increase proportionately. The Sponsor will initially, and from time to time thereafter, hold Units in connection with their offering.

#### 8. WHAT IS ACCRUED INTEREST?

Accrued interest is the accumulation of unpaid interest on a bond from the last day on which interest thereon was paid. Interest on Bonds in the Trust is accounted for daily on an accrual basis. For this reason, the purchase price of Units of the Trust will include not only the Public Offering Price but also the proportionate share of accrued interest to the date of settlement. Interest accrues to the benefit of Unitholders commencing with the settlement date of their purchase transaction.

Accrued interest does not include accrual of original issue discount on zero coupon bonds, Stripped Obligations or other original issue discount bonds. (See "Summary of Portfolios--General Trust Information" and "What Is The Tax Status of Unitholders.")

In an effort to reduce the amount of accrued interest that investors would have to pay in addition to the Public Offering Price, the Trustee has agreed to advance to the Trust the amount of accrued interest due on the Bonds as of the Date of Deposit (which has been designated the first Record Date for all plans of distribution). This accrued interest will be paid to the Sponsor as the holder of record of all Units on the Date of Deposit. Consequently, when the Sponsor sells Units of the Trust, the amount of accrued interest to be added to the Public Offering Price to determine the purchase price of the Units of the Trust purchased by an investor will include only accrued interest from the Date of Deposit to, but not including, the date of settlement of the investor's purchase (five business days after purchase), less any distributions from the related Interest Account. The Trustee will recover its advancements (without interest or other cost to the Trust) from interest received on the Bonds deposited in the Trust.

The Trustee has no cash for distribution to Unitholders until it receives interest payments on the Bonds in the Trusts. Since municipal bond interest is accrued daily but paid only semi-annually, during the initial months of the Trusts, the Interest Accounts, consisting of accrued but uncollected interest and collected interest (cash), will be predominantly the uncollected accrued interest that is not available for distribution. However, due to advances by the Trustee, the Trustee will provide a first distribution between approximately 30 and 60 days after the Date of Deposit. Assuming the Trust retains its original size and composition and expenses and fees remain the same, annual interest collected and distributed will approximate the estimated Net Annual Interest Income stated herein. However, the amount of accrued interest at any point in time will be greater than the amount that the Trustee will have actually

received and distributed to the Unitholders. Therefore, there will always remain an item of accrued interest that is included in the Purchase Price and the redemption price of the Units.

Interest is accounted for daily and a proportionate share of accrued and undistributed interest computed from the preceding Record Date is added to the daily valuation of each Unit of the Trust. (See Sections 3 and 13.) As Bonds mature, or are redeemed or sold, the accrued interest applicable to such bonds is collected and subsequently distributed to Unitholders. Unitholders who sell or redeem all or a portion of their Units will be paid their proportionate share of the remaining accrued interest to, but not including, the fifth business day following the date of sale or tender.

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#### 9. WHAT ARE ESTIMATED LONG TERM RETURN AND ESTIMATED CURRENT RETURN?

The Estimated Long Term Return for the Trust is a measure of the return to the investor earned over the estimated life of the Trust. The Estimated Long Term Return represents an average of the yields to maturity (or call) of the Bonds in the Trust's portfolio calculated in accordance with accepted bond practice and adjusted to reflect expenses and sales charges. Under accepted bond practice, tax-exempt bonds are customarily offered to investors on a "yield price" basis, which involves computation of yield to maturity or to an earlier call date (whichever produces the lower yield), and which takes into account not only the interest payable on the bonds but also the amortization or accretion to a specified date of any premium over or discount from the par (maturity) value in the bond's purchase price. In calculating Estimated Long Term Return, the average yield for the Trust's portfolio is derived by weighting each Bond's yield by the market value of the Bond and by the amount of time remaining to the date to which the Bond is priced. Once the average portfolio yield is computed, this figure is then reduced to reflect estimated expenses and the effect of the maximum sales charge paid by investors. The Estimated Long Term Return calculation does not take into account the effect of a first distribution which may be less than a regular distribution or may be paid at some point after 30 days (or a second distribution which may be less than a normal distribution for Unitholders who choose quarterly or semi-annual plans of distribution), and it also does not take into account the difference in timing of payments to Unitholders who choose quarterly or semi-annual plans of distribution, each of which will reduce the return.

Estimated Current Return is computed by dividing the Net Annual Interest Income per Unit by the Public Offering Price. In contrast to Estimated Long Term Return, Estimated Current Return does not reflect the amortization of premium or accretion of discount, if any, on the Bonds in the Trust's portfolio. Net Annual Interest Income per Unit is calculated by dividing the annual interest income to the Trust, less estimated expenses, by the number of Units outstanding.

Net Annual Interest Income per Unit, used to calculate Estimated Current Return, will vary with changes in fees and expenses of the Trustee and the Evaluator and with the redemption, maturity, exchange or sale of Bonds. A Trust may experience expenses and portfolio changes different from those assumed in the calculation of Estimated Long Term Return. There thus can be no assurance that the Estimated Current Returns or Estimated Long Term Returns quoted herein will be realized in the future. Since both the Estimated Current Return and the Estimated Long Term Return quoted herein are based on the market value of the underlying Bonds on the business day prior to the Date of Deposit, subsequent calculations of these performance measures will reflect the then current market value of the underlying Bonds and may be higher or lower.

A portion of the monies received by the Trust may be treated, in the first year only, as a return of principal due to the inclusion in the Trust portfolio of "when-issued" or other Bonds having delivery dates after the date of settlement for purchases made on the Date of Deposit. A consequence of this treatment is that in the computation of Estimated Current Return for the first year, such monies are excluded from Net Annual Interest Income and treated as an adjustment to the Public Offering Price. (See "Essential Information Regarding the Trust" and Sections 4 and 11.)

For a statement of the Net Annual Interest Income per Unit under the monthly plan of distribution, and Estimated Long Term Yield and Estimated Current Returns based on the Public Offering Prices of the Trust in this Series, all as of the day prior to the Date of Deposit, see "Essential Information Regarding the Trust."

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10. HOW WAS THE PRICE OF THE BONDS DETERMINED AT THE DATE OF DEPOSIT?

The prices at which the Bonds deposited in the Trusts would have been offered to the public on the business day prior to the Date of Deposit were determined by the Trustee on the basis of an evaluation of such Bonds prepared by Kenny S&P Evaluation Services, a firm regularly engaged in the business of evaluating, quoting or appraising comparable bonds. With respect to Bonds in the Insured Trust, Kenny S&P Evaluation Services evaluated the Bonds as so insured. (See Section 5).

The amount by which the Trustee's determination of the OFFERING PRICES of the Bonds deposited in the Trust was greater or less than the cost of such Bonds to the Sponsor was PROFIT OR LOSS to the Sponsor exclusive of any underwriting profit. (See Section 3.) The Sponsor also may realize FURTHER PROFIT OR SUSTAIN FURTHER LOSS as a result of fluctuations in the Public Offering Price of the Units. Cash, if any, made available to the Sponsor prior to the settlement date for a purchase of Units, or prior to the acquisition of all Portfolio securities by the Trust, may be available for use in the Sponsor's business, and may be of benefit to the Sponsor.

11. WHAT IS THE TAX STATUS OF UNITHOLDERS?

At the respective times of issuance of the Bonds opinions relating to the validity thereof and to the exemption of interest thereon from Federal income tax were rendered by bond counsel to the respective issuing authorities. Neither the Sponsor nor its counsel have made any special review for the Trust of the proceedings relating to the issuance of the Bonds or of the basis for the opinions rendered in connection therewith.

Taxpayers must disclose on their Federal tax returns the amount of tax-exempt interest earned during the year. Federally tax-exempt income, including income on Units of the Trust, will be taken into consideration in computing the portion, if any, of social security benefits received that will be included in a taxpayer's gross income subject to the Federal income tax.

Gain realized on the sale or redemption of the Bonds by the Trustee or of a Unit by a Unitholder is includable in gross income for Federal income tax purposes, and may be includable in gross income for state tax purposes. (Such gain does not include any amounts received in respect of accrued interest or accrued original issue discount, if any.) It should be noted that under provisions of the Revenue Reconciliation Act of 1993 (the "Tax Act") described below that subject accretion of market discount on tax-exempt bonds to taxation as ordinary income, gain realized on the sale or redemption of Bonds by the Trustee or of Units by a Unitholder that would have been treated as capital gain under prior law is treated as ordinary income to the extent it is attributable to accretion of market discount. Market discount can arise based on the price the Trust pays for the Bonds or the price a Unitholder pays for his or her Units.

In the opinion of Chapman and Cutler, Counsel to the Sponsor, under existing law:

- (1) the Trust is not an association taxable as a corporation for Federal income tax purposes. Tax-exempt interest received by the Trust on Bonds deposited therein will retain its status as tax-exempt interest, for Federal income tax purposes, when received by the Trust and when distributed to the Unitholders, except that the alternative minimum tax and environmental tax (the "Superfund Tax") applicable to corporate Unitholders may, in certain circumstances, include in the amount on which such taxes are calculated a portion of the interest income received by the Trust. See "Certain Tax Matters Applicable to Corporate Unitholders", below;
- (2) each Unitholder of the Trust is considered to be the owner of a pro rata portion of the Trust under Subpart E, subchapter J of Chapter 1 of the Internal Revenue Code

of 1986 (the "Code") and will have a taxable event when the Trust disposes of a Bond or when the Unitholder redeems or sells Units. Unitholders must reduce the tax basis of their Units for their share of accrued interest received by the Trust, if any, on Bonds delivered after the date the Unitholders pay for their Units and, consequently, such

Unitholders may have an increase in taxable gain or reduction in capital loss upon the disposition of such Units. Gain or loss upon the sale or redemption of Units is measured by comparing the proceeds of such sale or redemption with the adjusted basis of the Units. If the Trustee disposes of Bonds (whether by sale, payment at maturity, redemption or otherwise), gain or loss is recognized to the Unitholder. The amount of any such gain or loss is measured by comparing the Unitholder's pro rata share of the total proceeds from such disposition with the Unitholder's basis for his or her fractional interest in the asset disposed of. In the case of a Unitholder who purchases Units, such basis (before adjustment for earned original issue discount and amortized bond premium, if any) is determined by apportioning the cost of the Units among each of the Trust assets ratably according to value as of the date of acquisition of the Units. The tax cost reduction requirements of said Code relating to amortization of bond premium may, under some circumstances, result in the Unitholder realizing a taxable gain when his or her Units are sold or redeemed for an amount equal to their original cost; and

- (3) any amounts paid on defaulted Bonds held by the Trustee under policies of insurance issued with respect to such Bonds will be excludable from Federal gross income if, and to the same extent as, such interest would have been so excludable if paid by the respective issuer. Paragraph (2) of this opinion is accordingly applicable to policy proceeds representing maturing interest.

In the opinion of Carter, Ledyard & Milburn, counsel to the Trustee, and, in the absence of a New York Trust from the Series, special counsel for the Series for New York tax matters, under existing law:

Under the income tax laws of the State and City of New York, the Trust is not an association taxable as a corporation and the income of the Trust will be treated as the income of the Unitholders.

ALL STATEMENTS IN THE PROSPECTUS CONCERNING EXEMPTION FROM FEDERAL, STATE OR OTHER TAXES ARE THE OPINION OF COUNSEL AND ARE TO BE SO CONSTRUED.

The redemption of Units in the Trust by a Unitholder would result in each of the remaining Unitholders of the Trust owning a greater proportionate interest in the remaining assets of the Trust. Although present law does not directly address this matter, it would appear reasonable that a remaining Unitholder's tax basis in his Units would include his proportionate share of any proceeds received by the Trust on the sale of bonds which were not distributed to him but were instead used by the Trust to redeem Units and that his tax basis in the remaining assets of the Trust would accordingly be increased by such share of proceeds, based on the relative fair market value of the remaining assets of the Trust as of the date of such redemption.

Sections 1288 and 1272 of the Code provide a complex set of rules governing the accrual of original issue discount. These rules provide that original issue discount accrues either on the basis of a constant compound interest rate or ratably over the term of the Bond, depending on the date the Bond was issued. In addition, special rules apply if the purchase price of a Bond exceeds the original issue price plus the amount of original issue discount which would have previously accrued based upon its issue price (its "adjusted issue price"). The application of these rules will also vary depending on the value of the Bond on the date a Unitholder acquires his Units, and the price the Unitholder pays for his Units. The accrual of tax-exempt original issue discount on zero coupon bonds and other original issue discount bonds will

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result in an increase in the Unitholder's basis in such obligations and, accordingly, in his basis in his Units.

The Tax Act subjects tax-exempt bonds to the market discount rules of the Code effective for bonds purchased after April 30, 1993. In general, market discount is the amount (if any) by which the stated redemption price at maturity exceeds an investor's purchase price (except to the extent that such difference, if any, is attributable to original issue discount not yet accrued). Under the Tax Act, accretion of market discount is taxable as ORDINARY INCOME; under prior law, the accretion had been treated as capital gain. Market discount that accretes while the Trust holds a Bond would be recognized as ordinary income by the Unitholders when principal payments are received on the Bond, upon sale or at redemption (including early redemption), or upon the sale or redemption of his or her Units, unless a Unitholder elects to include market discount in taxable income as it accrues. The market discount rules are complex and Unitholders should consult their tax advisors regarding these rules and their application.

The Internal Revenue Code provides that interest on indebtedness incurred or

continued to purchase or carry obligations, the interest on which is wholly exempt from Federal income taxes, is not deductible. Because each Unitholder is treated for Federal income tax purposes as the owner of a pro rata share of the Bonds owned by the Trust, interest on borrowed funds used to purchase or carry Units of the Trust will not be deductible for Federal income tax purposes. Under rules used by the Internal Revenue Service for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of Units may be considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of Units (however, these rules generally do not apply to interest paid on indebtedness incurred to purchase or improve a personal residence). Similar rules are generally applicable for state tax purposes. Special rules apply in the case of certain financial institutions that acquire Units. Investors with questions regarding these issues should consult with their tax advisers.

In general, each issue of bonds in the Trust is subject to certain post-issuance requirements which must be met in order for the interest on the Bonds to be and remain exempt from Federal income taxation. Bond counsel to each issuer generally has opined that, assuming continuing compliance by such issuers with certain covenants, interest on such Bonds will continue to be exempt from Federal income taxation (other than with respect to the application to corporate Unitholders of the alternative minimum tax or the Superfund Tax, as discussed below).

For purposes of computing the alternative minimum tax for individuals and corporations, interest on certain specified tax-exempt private activity bonds is included as a preference item. The Trust does not include any such bonds.

For taxpayers other than corporations, net capital gains are presently subject to a maximum tax rate of 28 percent. However, it should be noted that legislative proposals are introduced from time to time that affect tax rates and could affect relative differences at which ordinary income and capital gains are taxed.

CERTAIN TAX MATTERS APPLICABLE TO CORPORATE UNITHOLDERS. In the case of certain corporations, the alternative minimum tax and the Superfund Tax depend upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing AMTI and the Superfund Tax of a corporation (other than an S corporation, Regulated Investment Company, Real Estate Investment Trust, or REMIC) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operation loss deduction). Although tax-exempt

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interest received by the Trust on Bonds deposited therein will not be included in the gross income of corporations for Federal income tax purposes, "adjusted current earnings" includes all tax-exempt interest, including interest on all Bonds in the Trust and tax-exempt original issue discount.

Corporate Unitholders are urged to consult their own tax advisers with respect to the particular tax consequences to them resulting under the Federal tax law, including the corporate alternative minimum tax, the Superfund Tax and the branch profits tax imposed by Section 884 of the Code.

EXCEPT AS NOTED ABOVE AND IN SECTION 3, THE EXEMPTION OF INTEREST ON STATE AND LOCAL OBLIGATIONS FOR FEDERAL INCOME TAX PURPOSES DOES NOT NECESSARILY RESULT IN EXEMPTION UNDER THE INCOME OR OTHER TAX LAWS OF ANY STATE OR CITY. THE LAWS OF THE SEVERAL STATES VARY WITH RESPECT TO THE TAXATION OF SUCH OBLIGATIONS.

#### 12. WHAT ARE NORMAL TRUST OPERATING EXPENSES?

No annual advisory fee is charged the Trust by the Sponsor. The Sponsor does, however, receive a fee of \$0.17 per annum per \$1,000 principal amount of the underlying Bonds in the Trust for regularly evaluating the Bonds and for maintaining surveillance over the portfolio. (See Section 16.)

The Trustee receives for ordinary recurring services an annual fee for each plan of distribution for the Trust as set forth in "Essential Information Regarding the Trust." Each annual fee is per \$1,000 principal amount of the underlying Bonds in the Trust for that portion of the Trust that represents a particular plan of distribution. The Trustee's fee may be periodically adjusted in response to fluctuations in short-term interest rates (reflecting the cost to the Trustee of advancing funds to the Trust to meet scheduled distributions) and

may be further adjusted in accordance with the cumulative percentage increase of the United States Department of Labor's Consumer Price Index entitled "All Services Less Rent" since the establishment of the Trust. The Trustee has the use of funds, if any, being held in the Interest and Principal Accounts of the Trust for future distributions, payment of expenses and redemptions. These Accounts are non-interest bearing to Unitholders. Pursuant to normal banking procedures, the Trustee benefits from the use of funds held therein. Part of the Trustee's compensation for its services to the Fund is expected to result from such use of these funds.

Premiums for the policies of insurance obtained by the Sponsor or by the Bond issuers with respect to the Bonds in the Insured Trust have been paid in full prior to the deposit of the Bonds in the Trust, and the value of such insurance has been included in the evaluation of the Bonds in the Trust and accordingly in the Public Offering Price of Units of the Trust. There are no annual continuing premiums for such insurance.

The Sponsor has borne all costs of creating and establishing the Trust. The following are expenses of the Trust and, when paid by or are owed to the Trustee, are secured by a lien on the assets of the Trust to which such expenses are allocable: (1) the expenses and costs of any action undertaken by the Trustee to protect the Trust and the rights and interests of the Unitholders; (2) all taxes and other governmental charges upon the Bonds or any part of the Trust (no such taxes or charges are being levied or made or, to the knowledge of the Sponsor, contemplated); (3) amounts payable to the Trustee as fees for ordinary recurring services and for extraordinary non-recurring services rendered pursuant to the Indenture, all disbursements and expenses including counsel fees (including fees of bond counsel which the Trustee may retain) sustained or incurred by the Trustee in connection therewith; and (4) any losses or liabilities accruing to the Trustee without negligence, bad faith or willful misconduct on its part. The Trustee is empowered to sell Bonds in order to pay these

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amounts if funds are not otherwise available in the applicable Interest and Principal Accounts.

The Indenture requires the Trust to be audited on an annual basis at the expense of the Trust by independent public accountants selected by the Sponsor. The Trustee shall not be required, however, to cause such an audit to be performed if its cost to the Trust shall exceed \$.05 per Unit on an annual basis. Unitholders of a Trust covered by an audit may obtain a copy of the audited financial statements upon request.

### 13. WHEN ARE DISTRIBUTIONS MADE TO UNITHOLDERS?

Interest received by the Trustee on the Bonds in the Trust, including that part of the proceeds of any disposition of Bonds which represents accrued interest and including any insurance proceeds representing interest due on defaulted Bonds, shall be credited to the "Interest Account" of the Trust and all other moneys received by the Trustee shall be credited to the "Principal Account" of the Trust.

The pro rata share of cash in the Principal Account in the Trust will be computed as of each semi-annual Record Date and distributions to the Unitholders as of such Record Date will be made on or shortly after the fifteenth day of the month. Proceeds received from the disposition, including sale, call or maturity, of any of the Bonds and all amounts paid with respect to zero coupon bonds and Stripped Obligations will be held in the Principal Account and either used to pay for Units redeemed or distributed on the Distribution Date following the next semi-annual Record Date. The Trustee is not required to make a distribution from the Principal Account of the Trust unless the amount available for distribution in such account equals at least ten cents per Unit.

The pro rata share of the Interest Account in the Trust will be computed by the Trustee each month as of each Record Date and distributions will be made on or shortly after the fifteenth day of the month to Unitholders of the Trust as of the Record Date who are entitled to distributions at that time under the plan of distribution chosen. Persons who purchase Units between a Record Date and a Distribution Date will receive their first distribution on the Distribution Date following the next Record Date under the applicable plan of distribution.

Purchasers of Units who desire to receive interest distributions on a monthly or quarterly basis may elect to do so at the time of purchase during the initial public offering period. Those indicating no choice will be deemed to have chosen the semi-annual distribution plan. All Unitholders, however, who purchase Units during the initial public offering period and who hold them of record on the first Record Date will receive the first distribution of interest. Thereafter, Record Dates for monthly distributions will be the first day of each month; Record Dates for quarterly distributions will be the first day of February, May, August and November; and Record Dates for semi-annual distributions will be the first day of May and November.

Details of distributions per Unit of the Trust under the various plans based upon estimated Net Annual Interest Income at the Date of Deposit are shown in the tables appearing in Section 3. The amount of the regular distributions will remain the same so long as the Trust portfolio remains the same and fees and expenses remain the same, and will generally change when Bonds are redeemed, mature or are sold or when fees and expenses increase or decrease.

The plan of distribution selected by a Unitholder will remain in effect until changed. Unitholders purchasing Units in the secondary market will initially receive distributions in accordance with the election of the prior owner. Unitholders desiring to change their plan of distribution may do so by sending a written notice requesting the change, together with any Certificate(s), to the Trustee. The notice and any Certificate(s) must be received by the

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Trustee not later than the semi-annual Record Date to be effective as of the semi-annual distribution following the subsequent semi-annual Record Date. Unitholders are requested to make any such changes within 45 days prior to the applicable Record Date. Certificates should only be sent by registered or certified mail to minimize the possibility of their being lost or stolen. (See Section 18.) If no notice is received in proper form by the Trustee, the Unitholder will be deemed to have elected to continue the same plan.

As of the first day of each month the Trustee will deduct from the Interest Account of the Trust or, to the extent funds are not sufficient therein, from the Principal Account of the Trust, amounts needed for payment of expenses of the Trust. The Trustee also may withdraw from said accounts such amount, if any, as it deems necessary to establish a reserve for any governmental charges payable out of the Trust. Amounts so withdrawn shall not be considered a part of the Trust's assets until such time as the Trustee shall return all or any part of such amounts to the appropriate account.

For the purpose of minimizing fluctuations in the distributions from the Interest Account of the Trust, the Trustee is authorized to advance such amounts as may be necessary to provide for interest distributions of approximately equal amounts. The Trustee shall be reimbursed, without interest, for any such advances from funds in the Interest Account of the Trust. The Trustee's fee takes into account the costs attributable to the outlay of capital needed to make such advances.

The Trustee shall withdraw from the Interest Account and the Principal Account of the Trust such amounts as may be necessary to cover redemptions of Units of the Trust by the Trustee. (See Section 19.)

Funds which are available for future distributions, redemptions and payment of expenses are held in accounts which are non-interest bearing to Unitholders and are available for use by the Trustee pursuant to normal banking procedures.

#### 14. ACCUMULATION PLAN

The Sponsor, John Nuveen & Co. Incorporated, is also the principal underwriter of the Nuveen Municipal Bond Fund, Inc. (the "Bond Fund"), Nuveen Tax-Free Reserves, Inc. ("Tax-Free Reserves"), Nuveen California Tax-Free Fund, Inc. (the "California Fund"), Nuveen Tax-Free Bond Fund, Inc. ("Tax-Free Bond Fund"), Nuveen Insured Tax-Free Bond Fund, Inc. (the "Insured Bond Fund") and Nuveen Tax-Free Money Market Fund, Inc. (the "Money Market Fund") and the Nuveen Multistate Tax-Free Trust (the "Multistate Trust"). Each of these funds (together, the "Accumulation Funds") is an open-end, diversified management investment company into which Unitholders may choose to reinvest Trust distributions automatically, without any sales charge. (Reinvestment in the California Fund is available only to Unitholders who are California residents. Reinvestment in the State Portfolios of the Tax-Free Bond Fund, the Insured Bond Fund, the Money Market Fund and the Multistate Trust is available only to Unitholders who are residents of the states for which such portfolios are



named.) Unitholders may reinvest both interest and principal distributions or principal distributions only. Each Accumulation Fund has investment objectives which differ in certain respects from those of the Trust and may invest in securities which would not be eligible for deposit in the Trust. The investment adviser to each Accumulation Fund is Nuveen Advisory Corp., a wholly-owned subsidiary of the Sponsor. The following is a general description of the investment objectives and policies of each Accumulation Fund. For a more detailed description, Unitholders should read the prospectus of the Accumulation Fund in which they are interested.

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#### THE BOND FUND

The Bond Fund has the objective of providing, through investment in a professionally managed portfolio of long-term municipal bonds, as high a level of current interest income exempt from Federal income tax as is consistent with preservation of capital. The Bond Fund may include in its portfolio tax-exempt bonds rated Baa or BBB or better by Moody's or Standard & Poor's, unrated bonds which, in the opinion of the investment adviser, have credit characteristics equivalent to bonds rated Baa or BBB or better, and certain temporary investments, including securities the interest income from which may be subject to Federal income tax.

#### TAX-FREE RESERVES

Tax-Free Reserves is a "money market" fund that includes in its portfolio only obligations maturing within one year from the date of acquisition, maintains an average maturity of all investments of 120 days or less, values its portfolio at amortized cost and seeks to maintain a net asset value of \$1.00 per share. It provides checkwriting and expedited wire redemption privileges for its shareholders. Tax-Free Reserves has the objective of providing, through investment in a professionally managed portfolio of high quality short-term municipal obligations, as high a level of current interest income exempt from Federal income tax as is consistent with preservation of capital and the maintenance of liquidity. Tax-Free Reserves may include in its portfolio municipal obligations rated Aaa, Aa, MIG-1, VMIG-1 or Prime-1 by Moody's or AAA, AA, SP-1 or A-1 by Standard & Poor's, unrated municipal obligations that, in the opinion of the investment adviser, have credit characteristics equivalent to obligations rated as above, tax-exempt obligations backed by the U.S. Government, and temporary investments that may be subject to Federal income tax.

#### THE CALIFORNIA FUND

The California Fund has the objective of providing, through investment in professionally managed portfolios of California municipal obligations, as high a level of current interest income exempt from both Federal and California income taxes as is consistent with the investment policies of each of the portfolios of the California Fund and with preservation of capital. Each portfolio of the California Fund may include temporary investments that may be subject to tax. California Unitholders may reinvest in one of three portfolios of the California Fund: The Nuveen California Tax-Free Value Fund, the Nuveen California Insured Tax-Free Value Fund and the Nuveen California Tax-Free Money Market Fund.

The Nuveen California Tax-Free Value Fund invests primarily in long-term investment grade California tax-exempt bonds (I.E., bonds rated in the four highest categories by Moody's or Standard & Poor's or, if unrated, that have equivalent credit characteristics). The Nuveen California Insured Tax-Free Value Fund invests primarily in the same type of investments as the Special Bond Portfolio, each of which is covered by insurance guaranteeing the timely payment of principal and interest or is backed by a deposit of U.S. Government securities.

The Nuveen California Tax-Free Money Market Fund invests primarily in high-quality short term California tax-exempt money market instruments (I.E., obligations rated in the two highest categories by Moody's or Standard & Poor's or, if unrated, that have equivalent credit characteristics). This portfolio will include only obligations maturing within one year from the date of acquisition, will maintain an average maturity of all investments of 120 days or less, will value its portfolio at amortized cost and will seek to maintain a net asset value of \$1.00 per share. The Nuveen California Tax-Free Money Market Fund provides for an expedited wire redemption privilege.

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#### THE TAX-FREE BOND FUND

The Tax-Free Bond Fund consists of the Nuveen Massachusetts Tax-Free Value Fund, the Nuveen New York Tax-Free Value Fund, the Nuveen Ohio Tax-Free Value Fund, and the Nuveen New Jersey Tax-Free Value Fund, which are each available for reinvestment to Unitholders who are residents of the state for which such portfolio is named. The Tax-Free Bond Fund has the objective of providing, through investment in a professionally managed portfolio of municipal bonds, as high a level of current interest income exempt both from Federal income tax and from the income tax imposed by each portfolio's designated state as is

consistent with preservation of capital. The Tax-Free Bond Fund may include in each of its portfolios tax-exempt bonds rated Baa or BBB or better; unrated bonds which, in the opinion of the investment adviser, have credit characteristics equivalent to bonds rated Baa or BBB or better; and certain temporary investments, including securities the interest income from which may be subject to Federal and state income tax.

#### THE INSURED BOND FUND

The Insured Bond Fund consists of the Nuveen Insured Municipal Bond Fund, the Nuveen Massachusetts Insured Tax-Free Value Fund and the Nuveen New York Insured Tax-Free Value Fund, which are each available for reinvestment to Unitholders. (The Massachusetts and New York Portfolios are available only to those Unitholders who are residents of the state for which the portfolio is named.) The Insured Bond Fund has the objective of providing, through investment in professionally managed portfolios of municipal bonds, as high a level of current interest income exempt from both Federal income tax and, in the case of designated state portfolios, from the income tax imposed by each portfolio's designated state, as is consistent with preservation of capital. The Insured Bond Fund may include in each of its portfolios the same type of investments as the Tax-Free Bond Fund, each of which is covered by insurance guaranteeing the timely payment of principal and interest or is backed by a deposit of U.S. Government securities.

#### THE MONEY MARKET FUND

The Money Market Fund consists of the Nuveen Massachusetts Tax-Free Money Market Fund and the Nuveen New York Tax-Free Money Market Fund, which are each available for reinvestment to Unitholders who are residents of the state for which such portfolio is named. The Money Market Fund includes in its portfolios only obligations maturing within one year from the date of acquisition, maintains an average maturity of 120 days or less, values its portfolios at amortized cost and seeks to maintain a net asset value of \$1.00 per share. The Money Market Fund has the objective of providing, through investment in professionally managed portfolios of high quality short-term municipal obligations, as high a level of current interest income exempt both from Federal income tax and from the income tax imposed by each portfolio's designated state as is consistent with stability of principal and the maintenance of liquidity. The Money Market Fund may include in each of its portfolios municipal obligations rated Aaa, Aa, MIG-1, MIG-2, VMIG-1, VMIG-2, Prime 1 or Prime 2 by Moody's or AAA, AA, SP-1, SP-2, A-1 or A-2 by Standard & Poor's; unrated municipal obligations that, in the opinion of the investment adviser, have credit characteristics equivalent to obligations rated as above; and temporary investments that may be subject to Federal and state income tax.

#### THE MULTISTATE TRUST

The Multistate Trust consists of the Nuveen Arizona Tax-Free Value Fund, the Nuveen Florida Tax-Free Value Fund, the Nuveen Maryland Tax-Free Value Fund, the Nuveen Michigan Tax-Free Value Fund, the Nuveen New Jersey Tax-Free Value Fund, the Nuveen Pennsylvania Tax-Free Value Fund and the Nuveen Virginia Tax Free Value Fund, which are each

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available for reinvestment to Unitholders who are residents of the state for which such portfolio is named. The Multistate Trust has the objective of providing, through investment in a professionally managed portfolio of municipal bonds, as high a level of current interest income exempt from both regular Federal income tax and the applicable state personal income tax as is consistent with preservation of capital. The Multistate Trust may include in each of its portfolios tax-exempt bonds rated "Baa" or "BBB" or better, unrated bonds which, in the opinion of the investment advisor, have credit characteristics equivalent to bonds rated "baa" or "bbb" or better, limited to no more than 20% of the Multistate Trust's assets, and certain temporary investments that may be subject to Federal and state income tax.

Each person who purchases Units of a Trust may become a participant in the Accumulation Plan and elect to have his or her distributions on Units of the Trust invested directly in shares of one of the Accumulation Funds. Reinvesting Unitholders may select any interest distribution plan. Thereafter, each distribution of interest income or principal on the participant's Units (principal only in the case of a Unitholder who has chosen to reinvest only principal distributions) will, on the applicable distribution date, or the next day on which the New York Stock Exchange is normally open ("business day") if the distribution date is not a business day, automatically be received by Shareholder Services, Inc., transfer agent for each of the Accumulation Funds, on behalf of such participant and applied on that date to purchase shares (or fractions thereof) of the Accumulation Fund chosen at net asset value as computed as of 4:00 p.m. eastern time on each such date. All distributions will be reinvested in the Accumulation Fund chosen and no part thereof will be retained in a separate account. These purchases will be made without a sales charge.

Shareholder Services, Inc. will mail to each participant in the Accumulation Plan a quarterly statement containing a record of all transactions involving

purchases of Accumulation Fund shares (or fractions thereof) with Trust interest distributions or as a result of reinvestment of Accumulation Fund dividends. Any distribution of principal used to purchase shares of an Accumulation Fund will be separately confirmed by Shareholder Services, Inc. Unitholders will also receive distribution statements from the Trustee detailing the amounts transferred to their Accumulation Fund accounts.

Participants may at any time, by so notifying the Trustee in writing, elect to change the Accumulation Fund into which their distributions are being reinvested, to change from principal only reinvestment to reinvestment of both principal and interest or vice versa, or to terminate their participation in the Accumulation Plan altogether and receive future distributions on their Units in cash. There will be no charge or other penalty for such change of election or termination.

The character of Trust distributions for income tax purposes will remain unchanged even if they are reinvested in an Accumulation Fund.

#### 15. HOW DETAILED ARE REPORTS TO UNITHOLDERS?

The Trustee shall furnish Unitholders of the Trust in connection with each distribution, a statement of the amount of interest and, if any, the amount of other receipts (received since the preceding distribution) being distributed, expressed in each case as a dollar amount representing the pro rata share of each Unit of the Trust outstanding and a year to date summary of all distributions paid on said Units. Within a reasonable period of time after the end of each calendar year, the Trustee shall furnish to each person who at any time during the calendar year was a registered Unitholder of the Trust a statement with respect to the Trust (i) as to the Interest Account: interest received (including amounts representing interest received upon any disposition of Bonds), and the percentage of such interest by states in which the issuers of the Bonds are located, deductions for fees and expenses of the

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Trust, redemption of Units and the balance remaining after such distributions and deductions, expressed in each case both as a total dollar amount and as a dollar amount representing the pro rata share of each Unit outstanding on the last business day of such calendar year; (ii) as to the Principal Account: the dates of disposition of any Bonds and the net proceeds received therefrom (excluding any portion representing accrued interest), the amount paid for purchase of Replacement Bonds, the amount paid upon redemption of Units, deductions for payment of applicable taxes and fees and expenses of the Trustee, and the balance remaining after such distributions and deductions expressed both as a total dollar amount and as a dollar amount representing the pro rata share of each Unit outstanding on the last business day of such calendar year; (iii) a list of the Bonds held and the number of Units outstanding on the last business day of such calendar year; (iv) the Unit Value based upon the last computation thereof made during such calendar year; and (v) amounts actually distributed during such calendar year from the Interest Account and from the Principal Account, separately stated, expressed both as total dollar amounts and as dollar amounts representing the pro rata share of each Unit outstanding.

Each annual statement will reflect pertinent information in respect of all plans of distribution so that Unitholders may be informed regarding the results of other plans of distribution.

#### 16. UNIT VALUE AND EVALUATION

The value of the Trust is determined by the Sponsor on the basis of (1) the cash on hand in the Trust or moneys in the process of being collected, (2) the value of the Bonds in the Trust based on the BID prices of the Bonds and (3) interest accrued thereon not subject to collection, LESS (1) amounts representing taxes or governmental charges payable out of the Trust and (2) the accrued expenses of the Trust. The result of such computation is divided by the number of Units of the Trust outstanding as of the date thereof to determine the per Unit value ("Unit Value") of the Trust. The Sponsor may determine the value of the Bonds in the Trust (1) on the basis of current BID prices of the Bonds obtained from dealers or brokers who customarily deal in bonds comparable to those held by the Trust, (2) if bid prices are not available for any of the Bonds, on the basis of bid prices for comparable bonds, (3) by causing the value of the Bonds to be determined by others engaged in the practice of evaluating, quoting or appraising comparable bonds or (4) by any combination of the above. Although the Unit Value of the Trust is based on the BID prices of the Bonds, the Units are sold initially to the public at the Public Offering Price based on the OFFERING prices of the Bonds.

Because the insurance obtained by the Sponsor or by the issuers of Bonds with respect to the Bonds in the Insured Trust is effective so long as such Bonds are outstanding, such insurance will be taken into account in determining the bid and offering prices of such Bonds and therefore some value attributable

to such insurance will be included in the value of Units of the Trust.

17. HOW UNITS OF THE TRUSTS ARE DISTRIBUTED TO THE PUBLIC

John Nuveen & Co. Incorporated is the Sponsor and sole Underwriter of the Units. It is the intention of the Sponsor to qualify Units of National, Long Intermediate, Intermediate, Short Intermediate and Short Term Trusts for sale under the laws of substantially all of the states, and Units of State Trusts only in the state for which the Trust is named and selected other states.

Promptly following the deposit of Bonds in exchange for Units of the Trust, it is the practice of the Sponsor to place all of the Units as collateral for a letter or letters of credit from one or more commercial banks under an agreement to release such Units from time to time as needed for distribution. Under such an arrangement the Sponsor pays such banks

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compensation based on the then current interest rate. This is a normal warehousing arrangement during the period of distribution of the Units to public investors.

The Sponsor plans to allow a discount to brokers and dealers in connection with the primary distribution of Units and also in secondary market transactions. The primary market discounts are as follows:

<TABLE>

<CAPTION>

<S>	Discount per Unit				
	<C> National and State Trusts	<C> Long Inter- mediate Trusts	<C> Intermediate Trusts	<C> Short Inter- mediate Trusts	<C> Short Term Trusts
Number of Units*					
Less than 500.....	\$3.20	\$2.90	\$2.70	\$2.00	\$1.50
500 but less than 1,000.....	3.20	2.90	2.70	2.00	1.50
1,000 but less than 2,500.....	3.20	2.70	2.50	1.80	1.30
2,500 but less than 5,000.....	3.20	2.45	2.25	1.55	1.05
5,000 but less than 10,000....	2.50	2.45	2.25	1.55	1.05
10,000 but less than 25,000...	2.00	2.00	2.00	1.30	.80
25,000 but less than 50,000...	1.75	1.75	1.75	1.30	.60
50,000 or more.....	1.75	1.50	1.50	1.00	.60

</TABLE>

\*Breakpoint sales charges and related dealer concessions are computed both on a dollar basis and on the basis of the number of Units purchased, using the equivalent of 500 Units to \$50,000, 2,500 Units to \$250,000 etc. and will be applied on that basis which is more favorable to the purchaser.

The Sponsor currently intends to maintain a secondary market for Units of the Trust. See Section 7. The amount of the dealer concession on secondary market purchases of Trust Units through the Sponsor will be computed based upon the value of the Bonds in the Trust portfolio, including the sales charge computed as described in Section 6, and adjusted to reflect the cash position of the Trust principal account, and will vary with the size of the purchase as shown in the following table:

<TABLE>

<CAPTION>

<S>	Amount of Purchase*							
	<C> Under \$50,000	<C> \$50,000 to \$99,999	<C> \$100,000 to \$249,999	<C> \$250,000 to \$499,999	<C> \$500,000 to \$999,999	<C> \$1,000,000 to \$2,499,999	<C> \$2,500,000 to \$4,999,999	<C> \$5,000,000 or more
Years to Maturity								
Less than 1.....	0	0	0	0	0	0	0	0
1 but less than 2.....	1.00%	.90%	.85%	.80%	.70%	.55%	.467%	.389%
2 but less than 3.....	1.30%	1.20%	1.10%	1.00%	.90%	.73%	.634%	.538%
3 but less than 4.....	1.60%	1.45%	1.35%	1.25%	1.10%	.90%	.781%	.662%
4 but less than 5.....	2.00%	1.85%	1.75%	1.55%	1.40%	1.25%	1.082%	.914%
5 but less than 7.....	2.30%	2.15%	1.95%	1.80%	1.65%	1.50%	1.320%	1.140%
7 but less than 10.....	2.60%	2.45%	2.25%	2.10%	1.95%	1.70%	1.496%	1.292%
10 but less than 13.....	3.00%	2.80%	2.60%	2.45%	2.30%	2.00%	1.747%	1.494%
13 but less than 16.....	3.25%	3.15%	3.00%	2.75%	2.50%	2.15%	1.878%	1.606%
16 or more.....	3.50%	3.50%	3.40%	3.35%	3.00%	2.50%	2.185%	1.873%

</TABLE>

\*Breakpoint sales charges and related dealer concessions are computed both on a

dollar basis and on the basis of the number of Units purchased, using the equivalent of 500 Units to \$50,000, 2,500 Units to \$250,000, etc., and will be applied on that basis which is more favorable to the purchaser.

The Sponsor reserves the right to change the foregoing dealer concessions from time to time.

Certain commercial banks are making Units of the Trust available to their customers on an agency basis. A portion of the sales charge paid by these customers is retained by or remitted to the banks in the amounts shown in the above table. The Glass-Steagall Act prohibits banks from underwriting Trust Units; the Act does, however, permit certain agency transactions and banking regulators have not indicated that these particular agency transactions are not permitted under the Act. In Texas and in certain other states, any bank making Units available must be registered as a broker-dealer under state law.

To facilitate the handling of transactions, sales of Units shall be limited to transactions involving a minimum of either \$5,000 or 50 Units, whichever is less. The Sponsor reserves the right to reject, in whole or in part, any order for the purchase of Units.

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#### 18. OWNERSHIP AND TRANSFER OF UNITS

The ownership of Units is evidenced by book entry positions recorded on the books and records of the Trustee unless the Unitholder expressly requests that the purchased Units be evidenced in Certificate form. The Trustee is authorized to treat as the owner of Units that person who at the time is registered as such on the books of the Trustee. Any Unitholder who holds a Certificate may change to book entry ownership by submitting to the Trustee the Certificate along with a written request that the Units represented by such Certificate be held in book entry form. Likewise, a Unitholder who holds Units in book entry form may obtain a Certificate for such Units by written request to the Trustee. Units may be held in denominations of one Unit or any multiple or fraction thereof. Fractions of Units are computed to three decimal places. Any Certificates issued will be numbered serially for identification, and are issued in fully registered form, transferable only on the books of the Trustee. Book entry Unitholders will receive a Book Entry Position Confirmation reflecting their ownership.

Certificates for Units will bear an appropriate notation on their face indicating which plan of distribution has been selected. When a change is made, the existing Certificates must be surrendered to the Trustee and new Certificates issued to reflect the currently effective plan of distribution. There will be no charge for this service. Holders of book entry Units can change their plan of distribution by making a written request to the Trustee, which will issue a new Book Entry Position Confirmation to reflect such change.

Units are transferable by making a written request to the Trustee and, in the case of Units evidenced by Certificate(s), by presenting and surrendering such Certificate(s) to the Trustee, at its corporate trust office in New York City, properly endorsed or accompanied by a written instrument or instruments of transfer. The Certificate(s) should be sent registered or certified mail for the protection of the Unitholder. Each Unitholder must sign such written request, and such Certificate(s) or transfer instrument, exactly as his name appears on (a) the face of the Certificate(s) representing the Units to be transferred, or (b) the Book Entry Position Confirmation(s) relating to the Units to be transferred. Such signature(s) must be guaranteed by a guarantor acceptable to the Trustee. In certain instances the Trustee may require additional documents such as, but not limited to, trust instruments, certificates of death, appointments as executor or administrator or certificates of corporate authority. Mutilated Certificates must be surrendered to the Trustee in order for a replacement Certificate to be issued.

Although at the date hereof no charge is made and none is contemplated, a Unitholder may be required to pay \$2.00 to the Trustee for each Certificate reissued or transfer of Units requested and to pay any governmental charge which may be imposed in connection therewith.

#### REPLACEMENT OF LOST, STOLEN OR DESTROYED CERTIFICATES.

To obtain a new Certificate replacing one that has been lost, stolen, or destroyed, the Unitholder must furnish the Trustee with sufficient indemnification and pay such expenses as the Trustee may incur.

The indemnification protects the Trustee, Sponsor, and Trust from risk if the original Certificate is presented for transfer or redemption by a person who purchased it in good faith, for value and without notice of any fraud or irregularity.

This indemnification must be in the form of an Open Penalty Bond of Indemnification. The premium for such an indemnity bond may vary from time to time, but currently amounts to 1% of the market value of the Units represented by the Certificate. In the case however, of a Trust as to which notice of termination has been given, the premium currently amounts to 0.5% of the market value of the Units represented by such Certificate.

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#### 19. HOW UNITS MAY BE REDEEMED WITHOUT CHARGE

Unitholders may redeem all or a portion of their Units by (1) making a written request for such redemption (book entry Unitholders may use the redemption form on the reverse side of their Book Entry Position Confirmation) to the Trustee at its corporate trust office in New York City (redemptions of 1,000 Units or more will require a signature guarantee), (2) in the case of Units evidenced by a Certificate, by also tendering such Certificate to the Trustee, duly endorsed or accompanied by proper instruments of transfer with signatures guaranteed as explained in Section 18 above, and (3) payment of applicable governmental charges, if any. Certificates should be sent only by registered or certified mail to minimize the possibility of their being lost or stolen. In order to effect a redemption of Units evidenced by a Certificate, a Unitholder must tender the Certificate to the Trustee or provide satisfactory indemnity required in connection with lost, stolen or destroyed Certificates (See Section 18). No redemption fee will be charged. A Unitholder may authorize the Trustee to honor telephone instructions for the redemption of Units held in book entry form. Units represented by Certificates may not be redeemed by telephone. The proceeds of Units redeemed by telephone will be sent by check either to the Unitholder at the address specified on his account or to a financial institution specified by the Unitholder for credit to the account of the Unitholder. A Unitholder wishing to use this method of redemption must complete a Telephone Redemption Authorization Form and furnish the Form to the Trustee. Telephone Redemption Authorization Forms can be obtained from a Unitholder's registered representative or by calling the Trustee. Once the completed Form is on file, the Trustee will honor telephone redemption requests by any person. If the telephone redemption request is received prior to 4:00 p.m. eastern time, the Unitholder will be entitled to receive for each Unit tendered the Redemption Price as determined above. A telephone redemption request received after 4:00 p.m. eastern time will be treated as having been received the following business day. The redemption proceeds will be mailed within seven calendar days following the telephone redemption request. Telephone redemptions are limited to 1,000 Units or less. Only Units held in the name of individuals may be redeemed by telephone; accounts registered in broker name, or accounts of corporations or fiduciaries (including among others, trustees, guardians, executors and administrators) may not use the telephone redemption privilege.

On the seventh calendar day following the date of tender, or if the seventh calendar day is not a business day, on the first business day prior thereto, the Unitholder will be entitled to receive in cash for each Unit tendered an amount equal to the Unit Value of the Trust determined by the Trustee, as of 4:00 p.m. eastern time on the date of tender as defined hereafter, plus accrued interest to, but not including, the fifth business day after the date of tender ("Redemption Price"). The price received upon redemption may be more or less than the amount paid by the Unitholder depending on the value of the Bonds on the date of tender. Such value will vary with market and credit conditions, including changes in interest rate levels. Unitholders should check with the Trustee or their broker to determine the Redemption Price before tendering Units.

While the Trustee has the power to determine Redemption Price when Units are tendered, the authority has by practice been delegated by the Trustee to John Nuveen & Co. Incorporated, which determines the Redemption Price on a daily basis.

The "date of tender" is deemed to be the date on which the request for redemption of Units is received in proper form by the Trustee, except that as regards a redemption request received after 4:00 p.m. eastern time or on any day on which the New York Stock Exchange (the "Exchange") is normally closed, the date of tender is the next day on which such Exchange is normally open for trading and such request will be deemed to have been made on such day and the redemption will be effected at the Redemption Price computed on that day.

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Accrued interest paid on redemption shall be withdrawn from the Interest Account of the Trust or, if the balance therein is insufficient, from the Principal Account of the Trust. All other amounts paid on redemption shall be withdrawn from the Principal Account. The Trustee is empowered to sell underlying Bonds of the Trust in order to make funds available for redemption. (See Section 21.) Units so redeemed shall be cancelled.

To the extent that Bonds are sold from the Trust, the size and diversity of the Trust will be reduced. Such sales may be required at a time when Bonds would not otherwise be sold and might result in lower prices than might otherwise be realized.

The Redemption Price is determined on the basis of the BID prices of the Bonds in the Trust, while the initial Public Offering Price of Units will be determined on the basis of the OFFERING prices of the Bonds as of 4:00 p.m. eastern time on any day on which the Exchange is normally open for trading and such determination is made. As of any given time, the difference between the bid and offering prices of such Bonds may be expected to average 1% to 2% of principal amount in the case of Bonds in National, Long Intermediate and State Trusts, 3/4% to 1 1/2% in the case of Bonds in Intermediate, and Short Intermediate Trusts and 1/2% to 3/4% in the case of Bonds in Short Term Trusts. In the case of actively traded Bonds, the difference may be as little as 1/4 to 1/2 of 1%, and in the case of inactively traded Bonds such difference usually will not exceed 3%. The difference between the aggregate offering prices of the Bonds in the Trust and the aggregate bid prices thereof on the business day prior to the Date of Deposit is shown in the discussion of specific trust matters.

The right of redemption may be suspended and payment postponed for any period during which the Securities and Exchange Commission determines that trading in the municipal bond market is restricted or an emergency exists, as a result of which disposal or evaluation of the Bonds is not reasonably practicable, or for such other periods as the Securities and Exchange Commission may by order permit.

Under regulations issued by the Internal Revenue Service, the Trustee will be required to withhold 31% of the principal amount of a Unit redemption if the Trustee has not been furnished the redeeming Unitholder's tax identification number in the manner required by such regulations. Any amount so withheld is transmitted to the Internal Revenue Service and may be recovered by the Unitholder only when filing his or her tax return. Under normal circumstances the Trustee obtains the Unitholder's tax identification number from the selling broker at the time the Certificate or Book Entry Return Confirmation is issued, and this number is printed on the Certificate or Book Entry Return Confirmation and on distribution statements. If a Unitholder's tax identification number does not appear as described above, or if it is incorrect, the Unitholder should contact the Trustee before redeeming Units to determine what action, if any, is required to avoid this "back-up withholding."

#### 20. HOW UNITS MAY BE PURCHASED BY THE SPONSOR

The Trustee will notify the Sponsor of any tender of Units for redemption. If the Sponsor's bid in the secondary market at that time equals or exceeds the Redemption Price it may purchase such Units by notifying the Trustee before the close of business on the second succeeding business day and by making payment therefor to the Unitholder not later than the day on which payment would otherwise have been made by the Trustee. (See Section 19.) The Sponsor's current practice is to bid at the Redemption Price in the secondary market. Units held by the Sponsor may be tendered to the Trustee for redemption as any other Units.

The Public Offering Price upon resale of any Units thus acquired by the Sponsor will be calculated in accordance with the procedure described in the then currently effective prospectus relating to such Units. Any profit resulting from the resale of such Units will belong to the Sponsor which likewise will bear any loss resulting from a lower Public Offering Price or Redemption Price subsequent to its acquisition of such Units.

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#### 21. HOW BONDS MAY BE REMOVED FROM THE TRUST

Bonds will be removed from the Trust as they mature or are redeemed by the issuers thereof. See the "Schedule of Investments" and "General Trust Information" under Section 3 for a discussion of call provisions of portfolio Bonds.

The Indenture also empowers the Trustee to sell Bonds for the purpose of redeeming Units tendered by any Unitholder, and for the payment of expenses for which income may not be available. Under the Indenture the Sponsor is obligated to provide the Trustee with a current list of Bonds in the Trust to be sold in such circumstances. In deciding which Bonds should be sold the Sponsor intends to consider, among other things, such factors as: (1) market conditions; (2) market prices of the Bonds; (3) the effect on income distributions to Unitholders of the sale of various Bonds; (4) the effect on principal amount of

underlying Bonds per Unit of the sale of various Bonds; (5) the financial condition of the issuers; and (6) the effect of the sale of various Bonds on the investment character of the Trust. Such sales, if required, could result in the sale of Bonds by the Trustee at prices less than original cost to the Trust. To the extent Bonds are sold, the size and diversity of such Trust will be reduced.

In addition, the Sponsor is empowered to direct the Trustee to liquidate Bonds upon the happening of certain other events, such as default in the payment of principal and/or interest, an action of the issuer that will adversely affect its ability to continue payment of the principal of and interest on its Bonds, or an adverse change in market, revenue or credit factors affecting the investment character of the Bonds. If a default in the payment of the principal of and/or interest on any of the Bonds occurs, and if the Sponsor fails to instruct the Trustee whether to sell or continue to hold such Bonds within 30 days after notification by the Trustee to the Sponsor of such default, the Indenture provides that the Trustee shall liquidate said Bonds forthwith and shall not be liable for any loss so incurred.

In connection with its determination as to the sale or liquidation of any Bonds, the Sponsor will consider the Bond's then current rating, but because such ratings are the opinions of the rating agencies as to the quality of Bonds they undertake to rate and not absolute standards of quality, the Sponsor will exercise its independent judgment as to Bond creditworthiness.

The Sponsor may also direct the Trustee to liquidate Bonds in the Trust if the Bonds in the Trust are the subject of an advanced refunding, generally considered to be when refunding bonds are issued and the proceeds thereof are deposited in irrevocable trust to retire the refunded Bonds on their redemption date.

Except as stated in Section 4 regarding the limited right of substitution of Replacement Bonds for Failed Bonds, and except for refunding securities that may be exchanged for Bonds under certain conditions specified in the Indenture, the Indenture does not permit either the Sponsor or the Trustee to acquire or deposit bonds either in addition to, or in substitution for, any of the Bonds initially deposited in the Trust.

## 22. INFORMATION ABOUT THE TRUSTEE

The Trustee is United States Trust Company of New York, with its principal place of business at 114 West 47th Street, New York, New York 10036 and its corporate trust office at 770 Broadway, New York, New York 10003. United States Trust Company of New York, established in 1853, has, since its organization, engaged primarily in the management of trust and agency accounts for individuals and corporations. The Trustee is a member of the New York Clearing House Association and is subject to supervision and examination by the Superintendent of Banks of the State of New York, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System. In connection with the storage and handling of certain Bonds deposited in the Trust, the Trustee may use the services of The Depository Trust Company. These services would include safekeeping of the Bonds and

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coupon-clipping, computer book-entry transfer and institutional delivery services. The Depository Trust Company is a limited purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System and a clearing agency registered under the Securities Exchange Act of 1934.

## LIMITATIONS ON LIABILITIES OF SPONSOR AND TRUSTEE

The Sponsor and the Trustee shall be under no liability to Unitholders for taking any action or for refraining from any action in good faith pursuant to the Indenture, or for errors in judgment, but shall be liable only for their own negligence, lack of good faith or willful misconduct. The Trustee shall not be liable for depreciation or loss incurred by reason of the sale by the Trustee of any of the Bonds. In the event of the failure of the Sponsor to act under the Indenture, the Trustee may act thereunder and shall not be liable for any action taken by it in good faith under the Indenture.

The Trustee shall not be liable for any taxes or other governmental charges imposed upon or in respect of the Bonds or upon the interest thereon or upon it as Trustee under the Indenture or upon or in respect of the Trust which the Trustee may be required to pay under any present or future law of the United States of America or of any other taxing authority having jurisdiction. In addition, the Indenture contains other customary provisions limiting the liability of the Trustee.



The Trustee or any successor trustee may resign by executing an instrument of resignation in writing and filing same with the Sponsor and mailing a copy of a notice of resignation to all Unitholders then of record. Upon receiving such notice, the Sponsor is required to promptly appoint a successor trustee. If the Trustee becomes incapable of acting or is adjudged a bankrupt or insolvent, or a receiver or other public officer shall take charge of its property or affairs, the Sponsor may remove the Trustee and appoint a successor by written instrument. The resignation or removal of a trustee and the appointment of a successor trustee shall become effective only when the successor trustee accepts its appointment as such. Any successor trustee shall be a corporation authorized to exercise corporate trust powers, having capital, surplus and undivided profits of not less than \$5,000,000. Any corporation into which a trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which a trustee shall be a party, shall be the successor trustee.

If upon resignation of a trustee no successor has been appointed and has accepted the appointment within 30 days after notification, the retiring trustee may apply to a court of competent jurisdiction for the appointment of a successor.

If the Sponsor fails to undertake any of its duties under the Indenture, and no express provision is made for action by the Trustee in such event, the Trustee may, in addition to its other powers under the Indenture (1) appoint a successor sponsor or (2) terminate the Indenture and liquidate the Trust.

### 23. INFORMATION ABOUT THE SPONSOR

John Nuveen & Co. Incorporated, the Sponsor and Underwriter, was founded in 1898 and is the oldest and largest investment banking firm specializing in the underwriting and distribution of tax-exempt securities and maintains the largest research department in the investment banking community devoted exclusively to the analysis of municipal securities. In 1961 the Sponsor began sponsoring the Nuveen Tax-Exempt Unit Trust and, since this time, it has issued more than \$30 billion in tax-exempt unit trusts, including over \$8 billion in insured trusts. The Sponsor is also principal underwriter of the Nuveen Municipal Bond Fund, Inc., the Nuveen Tax-Exempt Money Market Fund, Inc., Nuveen Tax-Free Reserves, Inc., Nuveen California Tax-Free Fund, Inc., Nuveen Tax-Free Bond Fund, Inc., Nuveen

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Insured Tax-Free Bond Fund, Inc. and Nuveen Tax-Free Money Market Fund, Inc., all registered open-end management investment companies, and acted as co-managing underwriter of Nuveen Municipal Value Fund, Inc., Nuveen California Municipal Value Fund, Inc., Nuveen New York Municipal Value Fund, Inc., Nuveen Municipal Income Fund, Inc., Nuveen California Municipal Income Fund, Inc., Nuveen New York Municipal Income Fund, Inc., Nuveen Premium Income Municipal Fund, Inc., Nuveen Performance Plus Municipal Fund, Inc., Nuveen California Performance Plus Municipal Fund, Inc., Nuveen New York Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen California Municipal Market Opportunity Fund, Inc., Nuveen New York Municipal Market Opportunity Fund, Inc., Nuveen Investment Quality Municipal Fund, Inc., Nuveen California Investment Quality Municipal Fund, Inc., Nuveen New York Investment Quality Municipal Fund, Inc., Nuveen Insured Quality Municipal Fund, Inc., Nuveen Florida Investment Quality Municipal Fund, Nuveen Pennsylvania Investment Quality Municipal Fund, Nuveen New Jersey Investment Quality Municipal Fund, Inc., and the Nuveen Select Quality Municipal Fund, Inc., Nuveen California Quality Municipal Fund, Inc., Nuveen New York Select Quality Municipal Fund, Inc., Nuveen Quality Income Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Florida Quality Income Municipal Fund, Nuveen Michigan Quality Income Municipal Fund, Inc., Nuveen New Jersey Quality Income Municipal Fund, Inc., Nuveen Ohio Quality Income Municipal Fund, Inc., Nuveen Pennsylvania Quality Income Municipal Fund, Nuveen Texas Quality Income Municipal Fund, Nuveen California Quality Income Municipal Fund, Inc., Nuveen New York Quality Income Municipal Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Select Tax Free Income Portfolio, Nuveen Select Tax Free Income Portfolio 2, Nuveen Insured California Select Tax-Free Income Portfolio, Nuveen Insured New York Select Tax-Free Income Portfolio, Nuveen Premium Income Municipal Fund 2, Inc., Nuveen Select Tax Free Income Portfolio 3, Nuveen Select Maturities Municipal Fund, Nuveen Select Tax Free Income Portfolio 4, Nuveen Premium Income Municipal Fund 3, Inc., Nuveen Insured California Premium Income Municipal Fund, Inc., Nuveen Arizona Premium Income Municipal Fund, Inc., Nuveen Insured Premium Income Municipal Fund, Inc., Nuveen Insured Florida Premium Income Municipal Fund, Nuveen Michigan Premium Income Municipal Fund, Inc., Nuveen New Jersey Premium Income Municipal Fund, Inc., Nuveen Insured New York Premium Income Municipal Fund, Inc., Nuveen Ohio Premium Income Municipal Fund, Inc., Nuveen Pennsylvania Premium Income Municipal Fund, Nuveen Texas Premium Income Municipal Fund, Nuveen Premium Income Municipal Fund 4, Inc., Nuveen

Pennsylvania Premium Income Municipal Fund 2, Nuveen Insured Florida Premium Income Municipal Fund 2, Nuveen Maryland Premium Income Municipal Fund, Nuveen Virginia Premium Income Municipal Fund, Nuveen Massachusetts Premium Income Municipal Fund, Nuveen Insured California Premium Income Municipal Fund 2, Inc., Nuveen Insured New York Premium Income Municipal Fund 2, Nuveen New Jersey Premium Income Municipal Fund 2, Nuveen Washington Premium Income Municipal Fund, Nuveen Michigan Premium Income Municipal Fund 2, Nuveen Premium Income Municipal Fund 5, Nuveen Georgia Premium Income Municipal Fund, Nuveen Missouri Premium Income Municipal Fund, Nuveen Connecticut Premium Income Municipal Fund, Nuveen North Carolina Premium Income Municipal Fund, Nuveen New Jersey Premium Income Municipal Fund 3, Nuveen Florida Premium Income Municipal Fund, Nuveen New York Premium Income Municipal Fund, Nuveen California Premium Income Municipal Fund, Nuveen Pennsylvania Premium Income Municipal Fund 3, Nuveen Maryland Income Municipal Fund 2, Nuveen Virginia Premium Income Municipal Fund 2, Nuveen Ohio Premium Income Municipal Fund 2, Nuveen Insured Premium Income Municipal Fund 2, Nuveen California Premium Income Municipal Fund 2, Nuveen Premium Income Municipal Fund 6, registered closed-end management investment companies. These registered open-end and closed-end investment companies currently have approximately \$32.8 billion in tax-exempt securities under management. Nationwide, more than 1,000,000 individual investors have purchased Nuveen's tax exempt trusts and funds. The present corporation was organized in 1967 as a wholly-owned subsidiary of Nuveen

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Corporation, successor to the original John Nuveen & Co. founded in 1898 as a sole proprietorship and incorporated in 1953. In 1974, John Nuveen & Co. Incorporated became a wholly-owned subsidiary of The St. Paul Companies, Inc., a financial services management company located in St. Paul, Minnesota. On May 19, 1992, common shares comprising a minority interest in The John Nuveen Company ("JNC"), a newly organized corporation which holds all of the shares of Nuveen, were sold to the general public in an initial public offering. St. Paul retains a controlling interest in JNC with over 70% of JNC's shares. The Sponsor is a member of the National Association of Securities Dealers, Inc. and the Securities Industry Association and has its principal offices located in Chicago (333 W. Wacker Drive) and New York (Swiss Bank Tower, 10 East 50th Street). It maintains 14 regional offices.

#### 24. OTHER INFORMATION AMENDMENT OF INDENTURE

The Indenture may be amended by the Trustee and the Sponsor without the consent of any of the Unitholders (1) to cure any ambiguity or to correct or supplement any provision thereof which may be defective or inconsistent, or (2) to make such other provisions as shall not adversely affect the Unitholders, provided, however, that the Indenture may not be amended to increase the number of Units in the Trust or to permit the deposit or acquisition of bonds either in addition to, or in substitution for any of the Bonds initially deposited in the Trust except as stated in Section 4 regarding the limited right of substitution of Replacement Bonds and except for the substitution of refunding bonds under certain circumstances. The Trustee shall advise the Unitholders of any amendment promptly after execution thereof.

#### TERMINATION OF INDENTURE

The Trust may be liquidated at any time by written consent of 100% of the Unitholders or by the Trustee when the value of the Trust, as shown by any evaluation, is less than 20% of the original principal amount of the Trust and will be liquidated by the Trustee in the event that Units not yet sold aggregating more than 60% of the Units originally created are tendered for redemption by the Sponsor thereby reducing the net worth of the Trust to less than 40% of the principal amount of the Bonds originally deposited in the portfolio. (See "Essential Information Regarding the Trust.") The sale of Bonds from the Trust upon termination may result in realization of a lesser amount than might otherwise be realized if such sale were not required at such time. For this reason, among others, the amount realized by a Unitholder upon termination may be less than the principal amount of Bonds originally represented by the Units held by such Unitholder. The Indenture will terminate upon the redemption, sale or other disposition of the last Bond held thereunder, but in no event shall it continue beyond the end of the calendar year preceding the fiftieth anniversary of its execution for National Trusts, beyond the end of the calendar year preceding the twentieth anniversary of its execution for Long Intermediate, and Intermediate Trusts or beyond the end of the calendar year preceding the tenth anniversary of its execution for Short Intermediate and Short Term Trusts.

Written notice of any termination specifying the time or times at which Unitholders may surrender their Certificates, if any, for cancellation shall be given by the Trustee to each Unitholder at the address appearing on the registration books of the Trust maintained by the Trustee. Within a reasonable

time thereafter the Trustee shall liquidate any Bonds in the Trust then held and shall deduct from the assets of the Trust any accrued costs, expenses or indemnities provided by the Indenture which are allocable to such Trust, including estimated compensation of the Trustee and costs of liquidation and any amounts required as a reserve to provide for payment of any applicable taxes or other governmental charges. The Trustee shall then distribute to Unitholders of such Trust their pro rata share of the balance of the Interest and Principal Accounts. With such distribution the Unitholders shall be

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furnished a final distribution statement, in substantially the same form as the annual distribution statement, of the amount distributable. At such time as the Trustee in its sole discretion shall determine that any amounts held in reserve are no longer necessary, it shall make distribution thereof to Unitholders in the same manner.

#### LEGAL OPINION

The legality of the Units offered hereby has been passed upon by Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603. Carter, Ledyard & Milburn, 2 Wall Street, New York, New York 10005, has acted as counsel for the Trustee with respect to the Series, and, in the absence of a New York Trust from the Series, as special New York tax counsel for the Series.

#### AUDITORS

The Statement of Condition and Schedule of Investments at Date of Deposit included in this Prospectus have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their report in this Prospectus, and are included herein in reliance upon the authority of said firm as experts in giving said report.

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#### DESCRIPTION OF RATINGS\*

STANDARD & POOR'S CORPORATION. A description of the applicable Standard & Poor's Corporation rating symbols and their meanings follows:

A Standard & Poor's rating is a current assessment of the creditworthiness of an obligor with respect to a specific debt obligation. This assessment may take into consideration obligors such as guarantors, insurers or lessees.

The rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment as to market price or suitability for a particular investor.

The ratings are based on current information furnished by the issuer or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating and may, on occasion, rely on unaudited financial information. The ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, such information, or for other circumstances.

The ratings are based, in varying degrees, on the following considerations:

- I. Likelihood of default--capacity and willingness of the obligor as to the timely payment of interest and repayment of principal in accordance with the terms of the obligation;
- II. Nature of and provisions of the obligation;
- III. Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization or other arrangements under the laws of bankruptcy and other laws affecting creditors' rights.

AAA--This is the highest rating assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA--Bonds rated AA have a very strong capacity to pay interest and repay principal, and differ from the highest rated issues only in small degree.

A--Bonds rated A have a strong capacity to pay interest and repay principal, although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories.

BBB--Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than for bonds in the higher rated categories.

Plus (+) or Minus (-): The ratings from "AA" to "BB" may be modified by the

addition of a plus or minus sign to show relative standing within the major rating categories.

Provisional Ratings: The letter "p" indicates that the rating is provisional. A provisional rating assumes the successful completion of the project being financed by the issuance of the bonds being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of, such completion. Accordingly, the investor should exercise his own judgment with respect to such likelihood and risk.

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\*As published by the rating companies.

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Note Ratings: A Standard & Poor's note rating reflects the liquidity concerns and market access risks unique to notes. Notes due in 3 years or less will likely receive a note rating. Notes maturing beyond 3 years will most likely receive a long-term debt rating.

Note rating symbols are as follows:

SP-1 Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.

SP-2 Satisfactory capacity to pay principal and interest.

RATINGS OF INSURED TRUST UNITS.

A Standard & Poor's Corporation's rating on the units of an insured investment trust (hereinafter referred to collectively as "units" and "trusts") is a current assessment of creditworthiness with respect to the investment held by such trust. This assessment takes into consideration the financial capacity of the issuers and of any guarantors, insurers, lessees or mortgagors with respect to such investments. The assessment, however, does not take into account the extent to which trust expenses or portfolio asset sales for less than the trust purchase price will reduce payment to the unitholder of the interest and principal required to be paid on the portfolio assets. In addition, the rating is not a recommendation to purchase, sell or hold units, inasmuch as the rating does not comment as to market price of the units or suitability for a particular investor.

Units rated "AAA" are composed exclusively of assets that are rated "AAA" by Standard & Poor's and/or certain short-term investments. Standard & Poor's defines its AAA rating for such assets as the highest rating assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and repay principal is very strong. However, unit ratings may be subject to revision or withdrawal at any time by Standard & Poor's and each rating should be evaluated independently of any other rating.

MOODY'S INVESTORS SERVICE, INC. A brief description of the applicable Moody's Investors Service, Inc. rating symbols and their meanings follows:

Aaa--Bonds which are rated Aaa are judged to be the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. Their safety is so absolute that, with the occasional exception of oversupply in a few specific instances, characteristically, their market value is affected solely by money market fluctuations.

Aa--Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuations of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities. Their market value is virtually immune to all but money market influences, with the occasional exception of oversupply in a few specific instances.

A--Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future. The market value of A-rated bonds may be

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influenced to some degree by economic performance during a sustained period of depressed business conditions, but, during periods of normalcy, A-rated bonds frequently move in parallel with Aaa and Aa obligations, with the occasional exception of oversupply in a few specific instances.

Moody's bond rating symbols may contain numerical modifiers of a generic rating classification. The modifier 1 indicates that the bond ranks at the high end of its category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Baa--Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well. The market value of Baa-rated bonds is more sensitive to changes in economic circumstances, and aside from occasional speculative factors applying to some bonds of this class, Baa market valuations move in parallel with Aaa, Aa and A obligations during periods of economic normalcy, except in instances of oversupply.

Con. (--)--Bonds for which the security depends upon the completion of some act or the fulfillment of some condition are rated conditionally. These are bonds secured by (a) earnings of projects under construction, (b) earnings of projects unseasoned in operation experience, (c) rentals which begin when facilities are completed, or (d) payments to which some other limiting condition attaches. Parenthetical rating denotes probable credit stature upon completion of construction or elimination of basis of condition.

Note Ratings:

MIG 1--This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG 2--This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

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	NUVEEN	Tax-Exempt Unit Trusts
		PROSPECTUS
		100,000 Units
		National Insured Trust 267
</TABLE>		

<TABLE>		
<C>	<S>	<C>
	NUVEEN	Tax-Exempt Unit Trusts
	Sponsor	John Nuveen & Co. Incorporated
		333 West Wacker Drive
		Chicago, IL 60606-1286
		Telephone: 312.917.7700
		Swiss Bank Tower
		10 East 50th Street
		New York, NY 10022
		212.207.2000
	Trustee	United States Trust Company
		of New York
		770 Broadway
		New York, NY 10003
		800.257.8787
	Legal Counsel	Chapman and Cutler
	to Sponsor	111 West Monroe Street
		Chicago, IL 60603
	Independent	Arthur Andersen & Co.
	Public	33 West Monroe Street
	Accountants	Chicago, IL 60603

for the Trust  
</TABLE>

Except as to statements made herein furnished by the Trustee, the Trustee has assumed no responsibility for the accuracy, adequacy and completeness of the information contained in this Prospectus.

This Prospectus does not contain all of the information set forth in the registration statement and exhibits relating thereto, filed with the Securities and Exchange Commission, Washington, D.C., under the Securities Act of 1933, and to which reference is made.

No person is authorized to give any information or to make representations not contained in this Prospectus or in supplementary sales literature prepared by the Sponsor, and any information or representation not contained therein must not be relied upon as having been authorized by either the Trust, the Trustee or the Sponsor. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any State to any person to whom it is not lawful to make such offer in such state. The Trust is registered as a Unit Investment Trust under the Investment Company Act of 1940. Such registration does not imply that the Trust or any of its Units has been guaranteed, sponsored, recommended or approved by the United States or any State or agency or officer thereof.

\*\*\*\*\*  
\* PRELIMINARY PROSPECTUS DATED 04/11/94 \*  
\*\*\*\*\*  
NUVEEN TAX-EXEMPT UNIT TRUST

-----  
100,000 UNITS

SERIES 726  
(A Unit Investment Trust)  
-----

The attached final Prospectus for a prior Series is hereby used as a preliminary Prospectus for the above-stated Series. The narrative information and structure of the attached final Prospectus will be substantially the same as that of the final Prospectus for this Series. Although the attached Prospectus includes trusts as indicated therein, the specific trusts included in this Series when deposited may differ from such trusts. Information with respect to the actual trusts to be included, pricing, the number of Units, dates and summary information regarding the characteristics of securities to be deposited in this Series is not now available and will be different since each Series has a unique Portfolio. Accordingly the information contained herein with regard to the previous Series should be considered as being included for informational purposes only. Ratings of the securities in this Series are expected to be comparable to those of the securities deposited in the previous Series. However, the Estimated Current Return for this Series will depend on the interest rates and offering prices of the securities in this Series and may vary materially from that of the previous Series.

\*\*\*\*\*  
\* A registration statement relating to the units of this Series has been \*  
\* filed with the Securities and Exchange Commission but has not yet \*  
\* become effective. Information contained herein is subject to comple- \*  
\* tion or amendment. Such Units may not be sold nor may offers to buy \*  
\* be accepted prior to the time the registration statement becomes \*  
\* effective. This Prospectus shall not constitute an offer to sell \*  
\* or the solicitation of an offer to buy nor shall there be any sale \*  
\* of the Units in any state in which such offer, solicitation or sale \*  
\* would be unlawful prior to registration or qualification under the \*  
\* securities laws of any such state. \*  
\*\*\*\*\*

Statement of differences between electronic filing and printed document.  
Pursuant to Rule 499(c) (7) under the Securities Act of 1933 and Rule 0-11 under the Investment Company Act of 1940, Registrant hereby identifies those differences in the foregoing document between the electronic format in

which it is filed and the printed form in which it will be circulated:

(1) The printed and distributed prospectus may be paged differently because the printed document may contain a different amount of information on each page from that contained in the electronic transmission.

(2) On the cover page, in the index and on the last page of the printed document, solid vertical bars will appear.

(3) In the printed document, footnote symbols may include a "dagger" or multiple "dagger". The "dagger" symbol is represented as # in the electronic document.

(4) The printed and distributed prospectus will not contain the preliminary prospectus legend included at the beginning of the first prospectus page.

NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 726

Cross-Reference Sheet

Pursuant to Rule 404(c) of Regulation C  
under the Securities Act of 1933

(Form N-8B-2 Items Required by Instruction 1 as  
to Prospectus on Form S-6)

FORM N-8B-2  
ITEM NUMBER

FORM S-6  
HEADING IN PROSPECTUS

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#### CONTENTS OF REGISTRATION STATEMENT

##### A. BONDING ARRANGEMENTS OF DEPOSITOR:

The Depositor has obtained the following Stockbrokers Blanket Bonds for its officers, directors and employees:

INSURER/POLICY NO.	AMOUNT
United Pacific Insurance Co. Reliance Insurance Company B 74 92 20	\$10,000,000
Aetna Casualty and Surety 08 F10618BCA	\$10,000,000
St. Paul Insurance Co. 400 HC 1051	\$ 6,000,000

##### B. This Registration Statement comprises the following papers and documents:

The facing sheet

The Prospectus

The signatures

Consents of Counsel

Exhibits

#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant, Nuveen Tax-Exempt Unit Trust, Series 726, has duly caused this Registration Statement to be signed on its behalf by the undersigned

thereunto duly authorized in the City of Chicago and State of Illinois on 04/11/94.

NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 726  
(Registrant)

By JOHN NUVEEN & CO. INCORPORATED  
(Depositor)

By: James J. Wesolowski

\_\_\_\_\_  
Vice President

Attest: Larry Woods Martin

\_\_\_\_\_  
Assistant Secretary

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated:

SIGNATURE	*TITLE	DATE
Richard J. Franke	Chairman, Board of Directors, Chief Executive Officer and Director	) ) ) )
Donald E. Sveen	President, Chief Operating Officer and Director	) ) )
Anthony T. Dean	Executive Vice President and Director	) James J. Wesolowski ) Attorney-in-Fact** )
Timothy T. Schwertfeger	Executive Vice President and Director	) ) )
O. Walter Renfftlen	Vice President and Controller (Principal Accounting Officer)	) ) )
		) 04/11/94

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\*The titles of the persons named herein represent their capacity in and



relationship to John Nuveen & Co. Incorporated, the Depositor.

\*\*The powers of attorney were filed on Form SE for Messrs. Franke, Sveen, Renfftlen, Dean and Schwerfeger with the Amendment to the Registration Statement on Form S-6 of Nuveen Tax-Exempt Unit Trust, Series 671 (File No. 33-49175).

#### CONSENT OF CHAPMAN AND CUTLER

The consent of Chapman and Cutler to the use of its name in the Prospectus included in the Registration Statement will be filed by Amendment.

#### CONSENT OF STATE COUNSEL

The consents of special counsel to the Fund for state tax matters to the use of their names in the Prospectus included in the Registration Statement will be filed by Amendment.

#### CONSENT OF STANDARD + POOR'S CORPORATION

The consent of Standard + Poor's Corporation to the use of its name in the Prospectus included in the Registration Statement will be filed by Amendment.

#### CONSENT OF KENNY S+P EVALUATION SERVICES

The consent of Kenny S+P Evaluation Services to the use of its name in the Prospectus included in the Registration Statement will be filed by Amendment.

#### CONSENT OF CARTER, LEDYARD & MILBURN

The consent of Carter, Ledyard & Milburn to the use of its name in the Prospectus included in the Registration Statement will be filed by Amendment.

#### CONSENT OF ARTHUR ANDERSEN & CO.

The consent of Arthur Andersen & Co. to the use of its report and to the reference to such firm in the Prospectus included in the Registration Statement will be filed by Amendment.

LIST OF EXHIBITS:

- 1.1(a) Copy of Trust Indenture and Agreement between John Nuveen & Co. Incorporated, Depositor, and United States Trust Company of New York, Trustee. Filed as Exhibit 1.1(A) to the Sponsor's Registration Statement filed with respect to Series 723 (File No. 33-52527) and is incorporated herein by reference.
- 1.1(b) Schedules to Trust Indenture and Agreement (to be supplied by amendment).
- 1.2\* Copy of Certificate of Incorporation, as amended, of John Nuveen & Co. Incorporated, Depositor.
- 1.3\*\* Copy of amendment of Certificate of Incorporation changing name of Depositor to John Nuveen & Co. Incorporated.
- 2.1 Copy of Certificate of Ownership (included in Exhibit 1.1(A) and Incorporated herein by reference).
- 3.1 Opinion of counsel as to legality of securities being registered (to be supplied by amendment).
- 3.2 Opinion of counsel as to Federal income tax status of securities being registered (to be supplied by amendment).
- 3.3 Consents of special state counsel to the Fund for state tax matters to use of their names in the Prospectus (to be supplied by amendment).
- 4.1 Consent of Standard + Poor's Corporation (to be supplied by amendment).
- 4.2 Consent of Kenny S+P Evaluation Services (to be supplied by amendment).
- 4.3 Consent of Carter, Ledyard & Milburn (to be supplied by amendment).
- 6.1 List of Directors and Officers of Depositor and other related information.

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\*Incorporated by reference to Form N-8B-2 (File No. 811-1547) filed on behalf of Nuveen Tax-Exempt Unit Trust, Series 16.

\*\*Incorporated by reference to Form N-8B-2 (File No. 811-2198) filed on behalf of Nuveen Tax-Exempt Unit Trust, Series 37.

JOHN NUVEEN & CO. INCORPORATED  
OFFICERS AND DIRECTORS

## A.

## OFFICERS

Richard J. Franke	Chairman, Board of Directors, Chief Executive Officer and Director
Donald E. Sveen	President, Chief Operating Officer and Director
Anthony T. Dean	Executive Vice President and Director
Timothy R. Schwertfeger	Executive Vice President and Director
O. Walter Renfftlen	Vice President and Controller
Paul E. Greenawalt	Vice President
Anna R. Kucinskis	Vice President
George P. Thermos	Vice President
H. William Stabenow	Vice President and Treasurer
Thomas C. Muntz	Vice President
Robert B. Kuppenheimer	Vice President
Paul C. Williams	Vice President
Michael G. Gaffney	Vice President
Robert D. Freeland	Vice President
Bradford W. Shaw, Jr.	Vice President
Stuart W. Rogers	Vice President
James J. Wesolowski	Vice President, General Counsel and Secretary
Stephen D. Foy	Vice President, Assistant Controller and Assistant Secretary
Larry W. Martin	Vice President, Assistant General Counsel and Assistant Secretary
Gifford R. Zimmerman	Vice President, Assistant General Counsel and Assistant Secretary

## DIRECTORS

Richard J. Franke	Chairman, Board of Directors, Chief Executive Officer and Director
Donald E. Sveen	President, Chief Operating Officer and Director
Anthony T. Dean	Executive Vice President and Director
Timothy R. Schwertfeger	Executive Vice President and Director

The principal business address of Messrs. Franke, Sveen, Dean and Schwertfeger is 333 West Wacker Drive, Chicago, Illinois.

## B.

Each officer and director of John Nuveen & Co. Incorporated has been an officer, director or employee of the firm, or its corporate predecessor, for more than five years.

04/11/94

Chicago, Illinois