

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-6EL24

Registration statements of unit investment trusts

Filing Date: **1995-05-10**  
SEC Accession No. **0000883053-95-000090**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **NUVEEN TAX EXEMPT UNIT TRUST SERIES 807**

CIK: **941235** | IRS No.: **362639476** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-6EL24** | Act: **33** | File No.: **033-59205** | Film No.: **95536074**

Mailing Address  
333 WEST WACKER DRIVE  
CHICAGO IL 60606

Business Address  
JOHN NUVEEN & CO INC  
333 WEST WACKER DRIVE  
CHICAGO IL 60606  
3129177786

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 807

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: Eric F. Fess  
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.

MAY 9, 1995  
SUBJECT TO COMPLETION

INTEREST INCOME TO THE TRUSTS 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. IN ADDITION, INTEREST INCOME OF STATE TRUSTS IS, IN THE OPINION OF COUNSEL, EXEMPT, TO THE EXTENT INDICATED, FROM STATE AND LOCAL TAXES. INTEREST INCOME OF ANY TRUST OTHER THAN A STATE 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 801 consists of four underlying separate unit investment trusts designated as Connecticut Traditional Trust 273, Short Intermediate Insured Trust 41, Arizona Insured Trust 39 and New York Insured Trust 235. Each 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 SCHEDULES OF INVESTMENTS), the interest on which is, in the opinion of bond counsel to the issuers, exempt from Federal income tax under existing law. In addition, the interest on Bonds in each State Trust is, in the opinion of bond counsel to the issuers of the obligations, exempt from such State's income taxes, if any. All obligations in each Traditional Trust are rated in the category "A" or better by Standard & Poor's Corporation or Moody's Investors Service, Inc. on the Date of Deposit. All obligations in each Insured Trust are covered by policies of insurance obtained from the MBIA Insurance 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 each portfolio of the Insured Trusts have received a rating of "Aaa" by Moody's Investors Service, Inc. and the Bonds in the Insured Trusts and the Units of each such Trust have received a rating of "AAA" by Standard & Poor's Corporation. INSURANCE RELATES ONLY TO THE BONDS IN THE INSURED TRUSTS AND NOT TO THE UNITS OFFERED HEREBY OR TO THEIR MARKET VALUE. (See Section 5.)

THE OBJECTIVES of the Trusts 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 Trusts' objectives will be achieved. (SEE PAGE A-1.)

DISTRIBUTIONS of interest received by each 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 each Trust on the business day prior to the Date of Deposit. (SEE PAGE 3 AND SECTION 9.) For Estimated Cash Flow Tables for Short Intermediate Insured Trust 41, see page 17.

THE PUBLIC OFFERING PRICE per Unit of each Trust during the initial offering period is equal to a pro rata share of the OFFERING prices of the Bonds in such 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 on Trusts with lesser average maturities. (SEE SECTION 6.) The Secondary Market Public Offering Price per Unit for each Trust will be equal to a pro rata share of the sum of BID prices of the Bonds in such 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 Trusts at prices based upon the BID prices of the Bonds in the respective Trusts. (SEE SECTION 7.) RETAIN THIS PROSPECTUS FOR FUTURE REFERENCE.

UNITS OF THE TRUST ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK AND ARE NOT FEDERALLY INSURED OR OTHERWISE PROTECTED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER AGENCY AND

INVOLVE INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

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

<TABLE>

<CAPTION>

| INDEX   | SECTION | PAGE       |
|---|---------|------------|
| <C> <S>   | <C>     | <C>        |
| SPECIFIC TRUST MATTERS                                  |         |            |
| Connecticut Traditional Trust 273                       | 3       | 8-15       |
| Short Intermediate Insured Trust 41                     | 3       | 16-21      |
| Arizona Insured Trust 39                                | 3       | 22-28      |
| New York Insured Trust 235                              | 3       | 29-42      |
| GENERAL MATTERS   |         |            |
| Accrued Interest  | 8       | A-17       |
| Accumulation Plan                                       | 14      | A-25       |
| Bonds, How Selected                                     | 3       | 7          |
| Bonds, Initial Determination of Offering Price          | 10      | A-19       |
| Bonds, Limited Right of Substitution                    | 4       | A-7        |
| Bond Ratings  | 3       | 8-42       |
| Bonds, Removal from Trust                               | 21      | A-34       |
| Call Provisions of Portfolio Bonds                      | 3, 4    | 8-42, A-8  |
| Capital Gains Taxability                                | 11      | A-20       |
| Dealer Discount   | 17      | A-29       |
| Description of Units of Trust                           | 1       | 5          |
| Distributions to Unitholders                            | 13      | A-24       |
| Distribution Payment Dates                              | 3, 13   | 8-42, A-24 |
| Distribution of Units to the Public                     | 17      | A-29       |
| Essential Information Regarding the Trusts              | --      | 4          |
| Estimated Long Term Return and Estimated Current Return | 9       | 3, A-18    |
| Evaluation  | 16      | A-29       |
| Expenses to Fund  | 12      | A-23       |
| Insurance on Bonds in the Insured Trusts                | 5       | A-10       |
| Insurance on Certain Bonds in the Traditional Trusts    | 5       | A-12       |
| Interest Income to Trust                                | 3       | 8-42       |
| Investments, Schedules of                               | 3       | 8-42       |
| Legality of Units                                       | 24      | A-38       |
| Limitations on Liabilities of Sponsor and Trustee       | 22      | A-35       |
| Market for Units  | 7       | A-17       |
| Minimum Transaction                                     | 17      | A-31       |
| Objectives of the Trusts                                | 2       | 6          |
| Optional Distribution Plan                              | 13      | A-24       |
| Other Information                                       | 24      | A-37       |
| Ownership and Transfer of Units                         | 18      | A-31       |
| Public Offering Price of Units                          | 6       | A-13       |
| Quantity Purchases                                      | 6       | A-13       |
| Record Dates  | 13      | A-24       |
| Ratings, Description of                                 | 24      | A-39       |
| Redemption of Units by Trustee                          | 19      | A-32, A-34 |
| Reports to Unitholders                                  | 15      | A-28       |
| Repurchase of Units by Sponsor                          | 20      | A-33       |
| Risk Factors  | 3       | A-1        |
| Sales Charge  | 6       | A-13       |
| Sponsor, Information About                              | 23      | A-36       |
| State Tax Status  | 3       | 8-42       |
| Successor Trustees and Sponsors                         | 22      | A-35       |
| Tax Status of Unitholders                               | 11      | A-19       |
| Trustee, Information About                              | 22      | A-35       |
| Trust Indenture, Amendment and Termination              | 24      | A-37       |
| Unit Value  | 16      | A-29       |

</TABLE>

2

ESTIMATED LONG TERM RETURNS  
AND  
ESTIMATED CURRENT RETURNS FOR THE TRUSTS

Following are the Estimated Long Term and Estimated Current Returns for each 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                                    | PLAN OF DISTRIBUTION |                  |                    |
|-----|--|----------------------|------------------|--------------------|
|     |  | MONTHLY<br><C>       | QUARTERLY<br><C> | SEMI-ANNUAL<br><C> |
|     | Connecticut Traditional Trust 273.....   | 5.38%                | 5.41%            | 5.43%              |
|     | Short Intermediate Insured Trust 41..... | 4.72%                | 4.76%            | 4.77%              |
|     | Arizona Insured Trust 39.....            | 5.37%                | 5.41%            | 5.43%              |
|     | New York Insured Trust 235.....          | 5.50%                | 5.53%            | 5.54%              |

</TABLE>

ESTIMATED CURRENT RETURNS

<TABLE>  
<CAPTION>

PLAN OF DISTRIBUTION

| <S> | TRUST                                    | PLAN OF DISTRIBUTION |                  |                    |
|-----|--|----------------------|------------------|--------------------|
|     |  | MONTHLY<br><C>       | QUARTERLY<br><C> | SEMI-ANNUAL<br><C> |
|     | Connecticut Traditional Trust 273.....   | 5.31%                | 5.34%            | 5.36%              |
|     | Short Intermediate Insured Trust 41..... | 4.45%                | 4.49%            | 4.50%              |
|     | Arizona Insured Trust 39.....            | 5.26%                | 5.30%            | 5.31%              |
|     | New York Insured Trust 235.....          | 5.39%                | 5.42%            | 5.44%              |

</TABLE>

The Estimated Long Term Return for each 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 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 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.

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 returns because of the lower Trustee's fees and expenses under such plans. (SEE SECTION 3 FOR DATA RELATING TO THESE PLANS.)

<TABLE>  
<CAPTION>

| <S>  | CONNECTICUT              | SHORT                               | ARIZONA             | NEW YORK             |
|--|--------------------------|-------------------------------------|---------------------|----------------------|
|  | TRADITIONAL<br>TRUST 273 | INTERMEDIATE<br>INSURED<br>TRUST 41 | INSURED<br>TRUST 39 | INSURED<br>TRUST 235 |
|  | <C>                      | <C>                                 | <C>                 | <C>                  |
| Principal Amount of Bonds in Trust.....  | \$ 3,500,000             | \$ 9,000,000                        | \$ 3,500,000        | \$ 4,000,000         |
| Number of Units.....   | 35,000                   | 90,000                              | 35,000              | 40,000               |
| Fractional Undivided Interest in Trust Per Unit.....                                   | 1/35,000                 | 1/90,000                            | 1/35,000            | 1/40,000             |
| Public Offering Price--Less than 500 Units   |                          |                                     |                     |                      |
| Aggregate Offering Price of Bonds in Trust.....  | \$ 3,388,643             | \$ 8,862,023                        | \$ 3,303,717        | \$ 3,800,261         |
| Divided by Number of Units.....  | \$ 96.82                 | \$ 98.47                            | \$ 94.39            | \$ 95.01             |
| Plus Sales Charge*.....  | \$ 4.99                  | \$ 3.05                             | \$ 4.86             | \$ 4.89              |
| Public Offering Price Per Unit(1).....   | \$ 101.81                | \$ 101.52                           | \$ 99.25            | \$ 99.90             |
| Redemption Price Per Unit (exclusive of accrued interest).....                         | \$ 96.35                 | \$ 98.22                            | \$ 93.94            | \$ 94.55             |
| Sponsor's Initial Repurchase Price Per Unit (exclusive of accrued interest).....       | \$ 96.82                 | \$ 98.47                            | \$ 94.39            | \$ 95.01             |
| Excess of Public Offering Price Per Unit over Redemption Price Per Unit.....           | \$ 5.46                  | \$ 3.30                             | \$ 5.31             | \$ 5.35              |
| Excess of Public Offering Price Per Unit over Sponsor's Repurchase Price Per Unit..... | \$ 4.99                  | \$ 3.05                             | \$ 4.86             | \$ 4.89              |
| Calculation of Estimated Net Annual Interest Income Per Unit                           |                          |                                     |                     |                      |
| Annual Interest Income(2).....   | \$ 5.6233                | \$ 4.7178                           | \$ 5.4401           | \$ 5.6028            |
| Less Estimated Annual Expense.....   | \$ .2140                 | \$ .1961                            | \$ .2165            | \$ .2172             |
| Estimated Net Annual Interest Income(3).....   | \$ 5.4093                | \$ 4.5217                           | \$ 5.2236           | \$ 5.3856            |
| Daily Rate of Accrual Per Unit.....  | \$ .01502                | \$ .01256                           | \$ .01450           | \$ .01495            |
| Estimated Current Return(4).....   | 5.31%                    | 4.45%                               | 5.26%               | 5.39%                |
| Estimated Long Term Return(4).....   | 5.38%                    | 4.72%                               | 5.37%               | 5.50%                |

<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 Trusts and, accordingly, for Units purchased on the Date of Deposit, the following amounts of accrued interest to the Settlement Date will be added to the Public Offering Prices: Connecticut Traditional Trust--\$.11, Short Intermediate Insured Trust--\$.09, Arizona Insured Trust--\$.10 and New York Insured Trust--\$.10. (See Section 8.)
- (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 each Trust under the various plans of distribution are shown in Section 3.
- (4) Estimated Long Term Return for each 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 TRUSTS  
(CONTINUED)

<TABLE>

| <S>                                 | <C>            |
|-------------------------------------|----------------|
| Record Dates.....                   | See Section 13 |
| Distribution Dates.....             | See Section 13 |
| Minimum Principal Distribution..... | \$.10 Per Unit |
| Date Trusts Established.....        | May 9, 1995    |
| Settlement Date.....                | May 16, 1995   |
| Mandatory Termination Date.....     | See Section 24 |
| Minimum Value of Each Trust.....    | See Section 24 |

Sponsor's Annual Evaluation Fee.....\$0.17 per \$1,000 principal amount of Bonds  
 Trustee's Annual Fees:  
 </TABLE>

<TABLE>  
 <CAPTION>

PLAN OF DISTRIBUTION

| TRUST                                    | MONTHLY  | QUARTERLY | SEMI-ANNUAL |
|--|----------|-----------|-------------|
| <S>                                      | <C>      | <C>       | <C>         |
| Connecticut Traditional Trust 273.....   | \$1.5657 | \$1.2457  | \$1.0557    |
| Short Intermediate Insured Trust 41..... | 1.5266   | 1.2066    | 1.0166      |
| Arizona Insured Trust 39.....            | 1.5909   | 1.2709    | 1.0809      |
| New York Insured Trust 235.....          | 1.6260   | 1.3060    | 1.1160      |

\* 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>

CUSIP Numbers:

<TABLE>  
 <CAPTION>

| TRUST                                    | MONTHLY    | QUARTERLY  | SEMI-ANNUAL |
|--|------------|------------|-------------|
| <S>                                      | <C>        | <C>        | <C>         |
| Connecticut Traditional Trust 273.....   | 67094E 675 | 67094E 683 | 67094E 691  |
| Short Intermediate Insured Trust 41..... | 6710A0 528 | 6710A0 536 | 6710A0 544  |
| Arizona Insured Trust 39.....            | 67101J 469 | 67101J 477 | 67101J 485  |
| New York Insured Trust 235.....          | 67101K 342 | 67101K 359 | 67101K 367  |

</TABLE>

THE NUVEEN TAX-EXEMPT UNIT TRUST

SERIES 801

1. WHAT IS THE NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 801?

Series 801 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 four underlying separate unit investment trusts, combined under one trust indenture and agreement, designated Connecticut Traditional Trust 273, Short Intermediate Insured Trust 41, Arizona Insured Trust 39 and New York Insured Trust 235. The various trusts are collectively referred to herein as the "Trusts"; the trusts in which few or none of the Bonds are insured are sometimes referred to as the "Traditional Trusts", the trusts in which all of the Bonds are insured as described herein are sometimes referred to as the "Insured Trusts", and the state trusts (both Traditional and Insured) are sometimes referred to as the "State Trusts." This Series was created under the laws of the State of New York pursuant to a Trust Indenture and Agreement dated May 9, 1995 (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 \$20,000,000 (the "Bonds"), which initially constitute the underlying securities of the Trusts. 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" and "GENERAL TRUST INFORMATION" for a discussion of zero coupon bonds and Stripped Obligations. The following principal amounts were deposited in each Trust: \$3,500,000 in the Connecticut Traditional Trust, \$9,000,000 in the Short Intermediate Insured Trust, \$3,500,000 in the Arizona Insured Trust and \$4,000,000 in the New York Insured Trust. Some of 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 "Schedules 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 each 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.) AS A GENERAL MATTER, NEITHER THE ISSUER NOR THE SPONSOR HAS OBTAINED INSURANCE WITH RESPECT TO THE BONDS IN ANY TRADITIONAL TRUST.

The Trustee has delivered to the Sponsor registered Units for 35,000 Units of the Connecticut Traditional Trust, 90,000 Units of the Short Intermediate Insured Trust, 35,000 Units of the Arizona Insured Trust and 40,000 Units of the New York Insured Trust, which together represent ownership of the entire Series, and which are offered for sale by this Prospectus. Each Unit of a Trust represents a fractional undivided interest in the principal and net income of such Trust in the ratio of 10 Units for each \$1,000 principal value of Bonds initially deposited in such Trust. Only Units of the Short Intermediate Insured Trust are offered for sale to Illinois, Indiana, Virginia and Washington residents by this Prospectus.

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

The objectives of the Trusts are income exempt from Federal income tax and, in the case of State Trusts, where applicable, state income and intangibles taxes, 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. Bonds in any State Trust have been issued primarily by or on behalf of the State for which such Trust is named and counties, municipalities, authorities and political subdivisions thereof, the interest on which Bonds is, in the opinion of bond counsel, exempt from Federal and certain state income tax and intangibles taxes, if any, for purchasers who qualify as residents of that State. Insurance guaranteeing the timely payment, when due, of all principal and interest on the Bonds in each Insured Trust has been obtained by the Sponsor or by the issuers of such Bonds from MBIA Insurance Corporation, and as a result of such insurance the obligations in the Insured Trusts are rated "Aaa" by Moody's Investors Service, Inc. and "AAA" by Standard & Poor's Corporation. (SEE SECTION 5) All obligations in each Traditional Trust are rated in the category "A" or better (SP-1 or MIG 2 or better in the case of short term obligations included in a Short Term

6

Traditional Trust) by Standard & Poor's Corporation or Moody's Investors Service, Inc. (including provisional or conditional ratings). In addition, certain Bonds in certain Traditional Trusts may be covered by insurance guaranteeing the timely payment, when due, of all principal and interest. (SEE SECTION 3.) 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 Trusts' objectives will be achieved. For a comparison of net after-tax return for various tax brackets see the "Taxable Equivalent Estimated Current Return Tables" included in this Prospectus.

Each Trust consists of fixed-rate municipal debt obligations. Because of this an investment in a 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 respective Trusts, 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 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) in the case of the Insured Trusts only, the availability of MBIA Insurance Corporation insurance on such Bonds.

In order for Bonds in the Insured Trusts to be eligible for MBIA Insurance 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 respective Trusts and for purposes of calculating the average maturity of the Bonds in any Trust.

CONNECTICUT TRADITIONAL TRUST 273

The Portfolio of Connecticut Traditional Trust 273 consists of 7 obligations issued by entities located in Connecticut and one obligation issued by an entity located in the Territory of Puerto Rico. Three Bonds in the Trust are general obligations of the governmental entities issuing them and are backed by the taxing powers thereof. Five 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; Health Care Facility Revenue, 2; Industrial Revenue, 1; Water and/or Sewer Revenue, 1. Seven issues in the Trust were rated by Standard & Poor's Corporation as follows: 7--AAA. Eight issues were rated by Moody's Investors Service, Inc. as follows: 8--Aaa.

At the Date of Deposit, the average maturity of the Bonds in the Connecticut Traditional Trust is 24.8 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 15.0% of the aggregate principal amount of the Bonds in the Trust (accounting for approximately 14.4% of the aggregate offering price of the Bonds) are original issue discount bonds. See "GENERAL TRUST INFORMATION--ORIGINAL ISSUE DISCOUNT BONDS AND STRIPPED OBLIGATIONS" for a discussion of the characteristics of such bonds and of the risks associated therewith.

Approximately 29% of the aggregate principal amount of the Bonds in the Trust are obligations of issuers whose revenues are primarily derived from hospitals or other health care services, all of which is covered by insurance. The source of payment for these Bonds is insured by a commercial insurer. Consequently, the credit ratings of such Bonds essentially reflect the strength of the insurance or guarantee and, depending upon the actual structure of the bond issue, are typically rated "Aaa" or "Aa" by Moody's or "AAA" or "AA" by Standard & Poor's.

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 May 5, 1995 and May 8, 1995. The following summarizes certain information about the Bonds as of the business day prior to the Date of Deposit:

<TABLE>  
<CAPTION>

DIFFERENCE BETWEEN TRUSTEE'S  
DETERMINATION OF OFFERING PRICE AND  
THE BID PRICE  
(AS % OF PRINCIPAL AMOUNT)

| 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>             | <C>                         | <C>                             | <C>                | <C>   |

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 Connecticut Traditional Trust, less estimated expenses, is estimated to accrue at the rate of \$.01516 per Unit per day under the semi-annual plan of distribution, \$.01511 per Unit per day under the

quarterly plan of distribution and \$.01502 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 Connecticut Traditional Trust under the various plans appear in the following table based upon estimated Net Annual Interest Income at the Date of Deposit:

<TABLE>  
 <CAPTION>

| CONNECTICUT TRADITIONAL TRUST<br><S> | 1995        |             | 1996                             |           |           | NORMAL<br>DISTRIBUTIONS<br>PER YEAR<br><C> |
|--------------------------------------|-------------|-------------|----------------------------------|-----------|-----------|--|
|                                      | <C>         | <C>         | <C>                              | <C>       | <C>       |  |
| Record Date*.....                    | 6/1         | 8/1         | 11/1                             | 2/1       | 5/1       |  |
| Distribution Date.....               | 6/15        | 8/15        | 11/15                            | 2/15      | 5/15      |  |
| Monthly Distribution Plan.....       | \$ .3304(1) |             | ----- \$ .4506 every month ----- |           |           | \$ 5.4093                                  |
| Quarterly Distribution Plan.....     | \$ .3304(1) | \$ .9066(2) | \$ 1.3599                        | \$ 1.3599 | \$ 1.3599 | \$ 5.4413                                  |
| Semi-Annual Distribution Plan.....   | \$ .3304(1) |             | \$ 2.2740(3)                     |           | \$ 2.7288 | \$ 5.4603                                  |

<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) The second distribution under the quarterly distribution plan represents a 2-month distribution; subsequent quarterly distributions will be regular 3-month distributions.  
 (3) The second distribution under the semi-annual distribution plan represents a 5-month distribution; subsequent semi-annual distributions will be regular 6-month distributions.  
 </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--CONNECTICUT TRADITIONAL TRUST

For a discussion of the Federal tax status of income earned on Connecticut Traditional Trust Units, see Section 11.

The assets of the Connecticut Traditional Trust will consist of obligations issued by or on behalf of the State of Connecticut or its political subdivisions or public instrumentalities, state or local authorities, districts, or similar public entities created under the laws of the State of Connecticut or by or on behalf of a United States territory or possession the interest on the obligations of which Federal law would prohibit Connecticut from taxing if received directly by a Unitholder (the "Bonds"). Certain Bonds in the Connecticut Traditional Trust that were issued by the State of Connecticut or governmental authorities located in Connecticut may have been issued prior to the enactment of a Connecticut tax on the interest income of individuals; therefore, bond counsel to the issuers of such Connecticut Bonds did not opine as to the exemption of the interest on such Connecticut Bonds from such tax.

However, the Sponsor and special counsel to the Trusts for Connecticut tax matters believe that such interest will be so exempt. Interest on Connecticut Bonds in the Connecticut Traditional Trust issued by other issuers, if any, is, in the opinion of bond counsel to such issuers, exempt from state taxation.

9

In the opinion of Day, Berry & Howard, special counsel to the Series for Connecticut tax matters, which relies explicitly on the opinion of Chapman and Cutler regarding Federal income tax matters, under existing Connecticut law:

The Connecticut Traditional Trust is not liable for any tax on or measured by net income imposed by the State of Connecticut.

Interest income from a Bond held by the Connecticut Traditional Trust is not taxable under the Connecticut tax on the Connecticut taxable income of individuals, trusts, and estates (the "Connecticut Income Tax"), when such interest is received by the Connecticut Traditional Trust or distributed by it to a Unitholder.

Gains and losses recognized by a Unitholder for Federal income tax purposes upon the maturity, redemption, sale, or other disposition by the Connecticut Traditional Trust of a Bond held by the Connecticut Traditional Trust or upon the redemption, sale, or other disposition of a Unit of the Connecticut Traditional Trust held by a Unitholder are taken into account as gains or losses, respectively, for purposes of the Connecticut Income Tax, except that, in the case of a Unitholder holding a Unit of the Connecticut Traditional Trust as a capital asset, such gains and losses recognized upon the maturity, redemption, sale or exchange of a Bond issued by or on behalf of the State of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district, or similar public entity created under the laws of the State of Connecticut (a "Connecticut Bond") held by the Connecticut Traditional Trust are excluded from gains and losses taken into account for purposes of such tax and no opinion is expressed as to the treatment for purposes of such tax of gains and losses recognized, to the extent attributable to Connecticut Bonds, upon the redemption, sale, or other disposition by a Unitholder of a Unit of the Connecticut Traditional Trust held by him.

The portion of any interest income or capital gain of the Connecticut Traditional Trust that is allocable to a Unitholder that is subject to the Connecticut corporation business tax is includable in the gross income of such Unitholder for purposes of such tax.

An interest in a Unit of the Connecticut Traditional Trust that is owned by or attributable to a Connecticut resident at the time of his death is includable in his gross estate for purposes of the Connecticut succession tax and the Connecticut estate tax.

#### TAX DISCLOSURE--CONNECTICUT

The Connecticut Income Tax was enacted in August, 1991. Generally, a Unitholder recognizes gain or loss for purposes of this tax to the same extent he recognizes gain or loss for Federal income tax purposes. Ordinarily this would mean that gain or loss would be recognized by a Unitholder upon the maturity, redemption, sale, or other disposition by the Connecticut Traditional Trust of a Bond held by it, or upon the redemption, sale, or other disposition of a Unit of the Connecticut Traditional Trust held by the Unitholder.

However, on June 19, 1992, Connecticut legislation was adopted that provides that gains and losses from the sale or exchange of Connecticut Bonds held as capital assets will not be taken into account for purposes of the Connecticut Income Tax for taxable years starting on or after January 1, 1992. Regulations effective for taxable years starting on or after January 1, 1994 clarify that this provision also applies to gain or loss recognized by a Unitholder upon the maturity or redemption of a Connecticut Bond held by the Connecticut Traditional Trust. However, it is not clear whether this provision would apply, to the extent attributable

10

to Connecticut Bonds held by the Connecticut Traditional Trust, to gain or loss recognized by a Unitholder upon the redemption, sale, or other disposition of a Unit of the Connecticut Traditional Trust held by the Unitholder. Unitholders are urged to consult their own tax advisors concerning these matters.

#### ECONOMIC FACTORS--CONNECTICUT

Investors should be aware that manufacturing was historically the most important economic activity within the State of Connecticut but, in terms of number of persons employed, manufacturing has declined in the last ten years

while both trade and service-related industries have become more important, and in 1993 manufacturing accounted for only 19.2% of total non-agricultural employment in Connecticut. Defense-related business represents a relatively high proportion of the manufacturing sector; reductions in defense spending have already had a substantial adverse effect on Connecticut's economy, and the State's largest defense contractors have announced substantial planned labor force reductions scheduled to occur over the next four years. Connecticut is now in a recession, the depth and duration of which are uncertain. Moreover, while unemployment in the State as a whole had generally remained below the national level, as of May 1993, the estimated rate of unemployment in Connecticut on a seasonally adjusted basis was 7.4%, compared to 6.9% for the United States as a whole, and certain geographic areas in the State have been affected by high unemployment and poverty. The State derives approximately 70% of its revenues from taxes imposed by it, the most important of which have been the sales and use taxes and the corporation business tax, each of which is sensitive to changes in the level of economic activity in the State, but the Connecticut Income Tax, enacted in 1991, has superseded each of them in importance. There can be no assurance that general economic difficulties or the financial circumstances of the State or its towns and cities will not adversely affect the market value of the Connecticut Bonds in the Connecticut Traditional Trust or the ability of the obligors to pay debt service on such Connecticut Bonds.

The General Fund budget adopted by Connecticut for the 1986-87 fiscal year contemplated both revenues and expenditures of \$4,300,000,000. The General Fund ended the 1986-87 fiscal year with a surplus of \$365,200,000. The General Fund budget for the 1987-88 fiscal year contemplated General Fund revenues and expenditures of \$4,915,800,000. However, the General Fund ended the 1987-88 fiscal year with a deficit of \$115,600,000. The General Fund budget adopted for the 1988-89 fiscal year anticipated that General Fund expenditures of \$5,551,000,000 and certain educational expenses of \$206,700,000 not previously paid through the General Fund would be funded in part from surpluses of prior years and in part from higher tax revenues projected to result from tax laws in effect for the 1987-88 fiscal year and stricter enforcement thereof; a substantial deficit was projected during the third quarter of the 1988-89 fiscal year, but largely because of tax law changes that took effect before the end of the fiscal year, the deficit was kept to \$28,000,000. The General Fund budget adopted for the 1989-90 fiscal year anticipated expenditures of approximately \$6,224,500,000 and, by virtue of tax increase legislation enacted to take effect generally at the beginning of the fiscal year, revenues slightly exceeding such amount. However, largely because of tax revenue shortfalls, the General Fund ended the 1989-90 fiscal year with a deficit for the year of \$259,500,000, wiping out reserves for such events

11

built up in prior years. The General Fund budget adopted for the 1990-91 fiscal year anticipated expenditures of \$6,433,000,000, but no significant new or increased taxes were enacted. Primarily because of significant declines in tax revenues and unanticipated expenditures reflective of economic adversity, the General Fund ended the 1990-91 fiscal year alone with a further deficit of \$809,000,000.

A General Fund budget for the 1991-92 fiscal year was not enacted until August 22, 1991. This budget anticipated General Fund expenditures of \$7,007,861,328 and revenues of \$7,426,390,000. Projected decreases in revenues resulting from a 25% reduction in the sales tax rate projected effective October 1, 1991, the repeal of the taxes on the capital gains and interest and dividend income of resident individuals for years starting after 1991, and the phase-out of the corporation business tax surcharge over two years commencing with taxable years starting after 1991 were expected to be more than offset by a new general income tax imposed at effective rates not to exceed 4.5% on the Connecticut taxable income of resident and non-resident individuals, trusts, and estates. The General Fund ended the 1991-92 fiscal year with an operating surplus of \$110,000,000. The General Fund budget for the 1992-93 fiscal year anticipated General Fund expenditures of \$7,372,062,859 and revenues of \$7,372,210,000, and the General Fund ended the 1992-93 fiscal year with an operating surplus of \$113,500,000. Balanced General Fund budgets for the biennium ending June 30, 1995, were adopted in 1993 appropriating expenditures of \$7,828,900,000 for the 1993-94 fiscal year and \$8,266,000,000 for the 1994-95 fiscal year. The General Fund ended the 1993-94 fiscal year with a surplus of \$19,700,000. In 1994 the budgeted General Fund appropriations for the 1994-95 fiscal year were increased to \$8,567,200,000. In addition, expenditures of federal, State, and local funds in the twelve years started July 1, 1984, for repair of the State's roads and bridges now projected at \$9,400,000,000 are anticipated, a portion of the State's \$4,100,000,000 share of which would be financed by bonds expected to total \$3,700,000,000 and by direct payments, both of which would be supported by a Special Transportation Fund first created by the General Assembly for the 1984-85 fiscal year.

To fund operating cash requirements, prior to the 1991-92 fiscal year the State borrowed up to \$750,000,000 pursuant to authorization to issue commercial

paper and on July 29, 1991, it issued \$200,000,000 of General Obligation Temporary Notes, none of which temporary borrowings are currently outstanding. To fund the cumulative General Fund deficit for the 1989-90 and 1990-91 fiscal years, the legislation enacted August 22, 1991, authorized the State Treasurer to issue Economic Recovery Notes up to the aggregate amount of such deficit, which must be payable no later than June 30, 1996; at least \$50,000,000 of such Economic Recovery Notes, but not more than a cap amount, is to be retired each fiscal year commencing with the 1991-92 fiscal year, and any unappropriated surplus up to \$205,000,000 in the General Fund at the end of each of the three fiscal years commencing with the 1991-92 fiscal year must be applied to retire such Economic Recovery Notes as may remain outstanding at those times. On September 25, 1991, and October 24, 1991, the State issued \$640,710,000 and \$325,002,000, respectively, of such Economic Recovery Notes, of which \$455,610,000 was outstanding as of March 1, 1995.

As a result of the State's budget problems, the ratings of its general obligation bonds were reduced by Standard & Poor's from AA+ to AA on March 29, 1990, and by Moody's from Aa1 to Aa on April 9, 1990. Moreover, because of these problems, on September 13, 1991, Standard & Poor's reduced its rating of the State's general obligation bonds and certain other obligations that depend in part on the creditworthiness of the State to AA-. On March 7, 1991, Moody's downgraded its ratings of the revenue bonds of four Connecticut hospitals

because of the effects of the State's restrictive controlled reimbursement environment under which they have been operating.

General obligation bonds issued by Connecticut municipalities are payable primarily only from ad valorem taxes on property subject to taxation by the municipality. Certain Connecticut municipalities have experienced severe fiscal difficulties and have reported operating and accumulated deficits in recent years. The most notable of these is the City of Bridgeport, which filed a bankruptcy petition on June 7, 1991. The State opposed the petition. The United States Bankruptcy Court for the District of Connecticut has held that Bridgeport has authority to file such a petition but that its petition should be dismissed on the grounds that Bridgeport was not insolvent when the petition was filed. Regional economic difficulties, reductions in revenues, and increased expenses could lead to further fiscal problems for the State and its political subdivisions, authorities, and agencies. Difficulty in payment of debt service on borrowings could result in declines, possibly severe, in the value of their outstanding obligations and increases in their future borrowing costs.

CONNECTICUT TAXABLE ESTIMATED CURRENT RETURN TABLE

The following tables show the approximate taxable estimated current returns for individuals that are equivalent to tax-exempt estimated current returns under combined Federal and state taxes, using published 1995 marginal Federal tax rates and marginal state tax rates currently available and scheduled to be in effect under the Connecticut Income Tax. The tables incorporate increased tax rates for higher-income taxpayers that were included in the Revenue Reconciliation Act of 1993. For cases in which more than one state bracket falls within a Federal bracket, the highest state bracket is combined with the Federal bracket. The combined state and Federal tax brackets shown reflect the fact that state tax payments are currently deductible for Federal tax purposes. 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 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.

COMBINED MARGINAL TAX RATES FOR JOINT TAXPAYERS WITH FOUR PERSONAL EXEMPTIONS<sup>6</sup>

<TABLE>  
<CAPTION>

| FEDERAL TAXABLE INCOME<br>(1,000'S)1 | FEDERAL ADJUSTED GROSS INCOME | COMBINED STATE AND FEDERAL TAX RATE3 | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |     |
|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-----|
|                                      | (1,000'S)2                    |                                      | 4.75%                               | 5.00% | 5.25% | 5.50% | 5.75% | 6.00% | 6.25% | 6.50% |     |
| <S>                                  | <C>                           | <C>                                  | <C>                                 | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C> |
| \$ 0- 39.0                           | \$ 0- 39.0                    | 17.5 %                               | 5.76                                | 6.06  | 6.36  | 6.67  | 6.97  | 7.27  | 7.58  | 7.88  |     |
| 39.0- 94.3                           | 39.0- 48.0                    | 31.0                                 | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |     |
|                                      | 48.0- 71.0                    | 34.0                                 | 7.20                                | 7.58  | 7.95  | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  |     |
|                                      | 71.0- 96.0                    | 31.0                                 | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |     |
|                                      | 96.0-114.7                    | 31.0                                 | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |     |
|                                      | 114.7-172.1                   | 32.0                                 | 6.99                                | 7.35  | 7.72  | 8.09  | 8.46  | 8.82  | 9.19  | 9.56  |     |

|             |             |      |      |      |      |       |       |       |       |       |
|-------------|-------------|------|------|------|------|-------|-------|-------|-------|-------|
| 94.3-143.6  | 94.3- 96.0  | 34.0 | 7.20 | 7.58 | 7.95 | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  |
|             | 96.0-114.7  | 34.0 | 7.20 | 7.58 | 7.95 | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  |
|             | 114.7-172.1 | 35.0 | 7.31 | 7.69 | 8.08 | 8.46  | 8.85  | 9.23  | 9.62  | 10.00 |
|             | 172.1-294.6 | 37.5 | 7.60 | 8.00 | 8.40 | 8.80  | 9.20  | 9.60  | 10.00 | 10.40 |
| 143.6-256.5 | 143.6-172.1 | 40.0 | 7.92 | 8.33 | 8.75 | 9.17  | 9.58  | 10.00 | 10.42 | 10.83 |
|             | 172.1-294.6 | 42.5 | 8.26 | 8.70 | 9.13 | 9.57  | 10.00 | 10.43 | 10.87 | 11.30 |
|             | Over 294.6  | 40.0 | 4    | 7.92 | 8.33 | 8.75  | 9.17  | 9.58  | 10.00 | 10.42 |
| Over 256.5  | 256.5-294.6 | 46.5 | 8.88 | 9.35 | 9.81 | 10.28 | 10.75 | 11.21 | 11.68 | 12.15 |
|             | Over 294.6  | 43.5 | 5    | 8.41 | 8.85 | 9.29  | 9.73  | 10.18 | 10.62 | 11.06 |

13

COMBINED MARGINAL TAX RATES FOR SINGLE TAXPAYERS WITH ONE PERSONAL EXEMPTION<sup>7</sup>

| FEDERAL TAXABLE INCOME (1,000'S) <sup>1</sup> |             | FEDERAL ADJUSTED GROSS INCOME (1,000'S) <sup>2</sup> | COMBINED STATE AND FEDERAL TAX RATE <sup>3</sup> | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |
|---|-------------|--|--|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| <S>   | <C>         | <C>  |  | 4.75%                               | 5.00% | 5.25% | 5.50% | 5.75% | 6.00% | 6.25% | 6.50% |
| \$ 0- 23.4                                    | \$ 0- 23.4  | 18.5   | %  | 5.83                                | 6.13  | 6.44  | 6.75  | 7.06  | 7.36  | 7.67  | 7.98  |
| 23.4- 56.6                                    | 23.4- 24.0  | 31.0   |  | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |
|   | 24.0- 25.0  | 33.5   |  | 7.14                                | 7.52  | 7.89  | 8.27  | 8.65  | 9.02  | 9.40  | 9.77  |
|   | 25.0- 35.0  | 34.0   |  | 7.20                                | 7.58  | 7.95  | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  |
|   | 35.0- 52.5  | 31.0   |  | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |
|   | 52.5-114.7  | 31.0   |  | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |
| 56.6-118.0                                    | 56.6-114.7  | 34.0   |  | 7.20                                | 7.58  | 7.95  | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  |
|   | 114.7-237.2 | 35.5   |  | 7.36                                | 7.75  | 8.14  | 8.53  | 8.91  | 9.30  | 9.69  | 10.08 |
| 118.0-256.5                                   | 118.0-237.2 | 40.5   |  | 7.98                                | 8.40  | 8.82  | 9.24  | 9.66  | 10.08 | 10.50 | 10.92 |
|   | Over 237.2  | 40.0   | 4  | 7.92                                | 8.33  | 8.75  | 9.17  | 9.58  | 10.00 | 10.42 | 10.83 |
| Over 256.5                                    | Over 256.5  | 43.5   | 5  | 8.41                                | 8.85  | 9.29  | 9.73  | 10.18 | 10.62 | 11.06 | 11.50 |

1 The Connecticut Income Tax is based on Connecticut taxable income, which is not tied to Federal taxable income. Connecticut taxable income is equal to Connecticut adjusted gross income ("CAGI") (which is Federal adjusted gross income with certain modifications) minus the allowable personal exemption (\$12,000 in the case of single individuals; \$24,000 for married persons filing jointly). The Connecticut Income Tax provides for a personal exemption phase-out, which essentially doubles the effective marginal Connecticut Income Tax rate for single taxpayers whose CAGI is between \$24,000 and \$35,001 at which point the personal exemption is completely phased out. For married taxpayers filing a joint return, the effective marginal Connecticut Income Tax rate is doubled where CAGI is between \$48,000 and \$71,001, at which point the personal exemption is completely phased out. It should be noted that for purposes of the personal exemption phase-out the Tax Act merely references "adjusted gross income," which the tables assume is identical to CAGI. In addition, as reflected in the rates shown, the Connecticut Income Tax provides for a tax credit (at varying percentages depending on the taxpayer's CAGI) against the income tax which is based on CAGI and, in effect, varies the income tax rate for taxpayers. Investors should consult their own tax advisors regarding the effect of the credit on marginal tax rates at specific CAGI levels.

2 It is assumed that CAGI is equal to Federal adjusted gross income. See note 1 regarding the impact of CAGI on the determination of the Connecticut Income Tax.

3 The tables reflect the effect of limitations on itemized deductions and the deduction for personal exemptions. These limitations were designed to phase out certain benefits of such 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.

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

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

6 Includes taxpayers filing as surviving spouses.

7 The Connecticut Income Tax has different marginal effective tax rates

that are not reflected in these tables for persons filing as heads of households.

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.

14

NUVEEN TAX-EXEMPT UNIT TRUST  
 SCHEDULE OF INVESTMENTS AT DATE OF DEPOSIT  
 MAY 9, 1995  
 CONNECTICUT TRADITIONAL TRUST 273  
 (SERIES 801)

<TABLE>  
 <CAPTION>

| Aggregate<br>Principal<br><C> | Name of Issuer and Title of Issue Represented<br>by Sponsor's Contracts to Purchase Bonds(1)<br><C> <S>  | Optional<br>Redemption<br>Provisions(2)<br><C> | Ratings(3)                  |                | Trustee's<br>Determination<br>of Offering<br>Price(4)<br><C> |
|-------------------------------|--|--|-----------------------------|----------------|--|
|                               |  |  | Standard<br>& Poor's<br><C> | Moody's<br><C> |  |
| \$ 215,000                    | State of Connecticut, Special Tax Obligation Bonds, Transportation Infrastructure Purposes, 1994 Series A, 5.65% Due 4/1/12. (FGIC Insured.)   | 2004 at 101 1/2                                | AAA                         | Aaa            | \$ 212,850   |
| 500,000                       | Connecticut Development Authority, Water Facilities Refunding Revenue Bonds (Bridgeport Hydraulic Company Project-1994A Series), 6.05% Due 3/1/29. (MBIA Insured.)   | 2004 at 102                                    | AAA                         | Aaa            | 503,995  |
| 500,000                       | State of Connecticut Health and Educational Facilities Authority, Revenue Bonds, New Britain General Hospital Issue, Series B, 6.00% Due 7/1/24. (AMBAC Insured.)  | 2004 at 102                                    | AAA                         | Aaa            | 497,500  |
| 500,000                       | State of Connecticut, Health and Educational Facilities Authority, Revenue Bonds, Saint Francis Hospital and Medical Center Issue, Series C, 5.00% Due 7/1/23. (FGIC Insured.)   | 2003 at 102                                    | AAA                         | Aaa            | 432,410  |
| 500,000                       | South Central Connecticut Regional Water Authority, Water System Revenue Bonds, Eleventh Series, 5.75% Due 8/1/12. (FGIC Insured.)   | 2003 at 102                                    | AAA                         | Aaa            | 501,250  |
| 500,000                       | City of Stamford, Connecticut, General Obligation Bonds, Issue of 1995, 5.50% Due 3/15/15.   | 2004 at 102                                    | AAA                         | Aaa            | 491,075  |
| 260,000                       | Town of Westport, Connecticut, General Obligation Bonds Issue of 1994, 5.75% Due 6/15/14.  | 2003 at 102                                    | --                          | Aaa            | 260,000  |
| 525,000                       | Commonwealth of Puerto Rico, Public Improvement Bonds of 1995 (General Obligation Bonds.), 5.375% Due 7/1/22. (Original issue discount bonds delivered on or about May 4, 1995 at a price of 93.916% of principal amount.) (MBIA Insured.) | 2005 at 101 1/2                                | AAA                         | Aaa            | 489,563  |
| \$ 3,500,000                  |  |  |                             |                | \$ 3,388,643   |

</TABLE>

See Notes to Schedules of Investments, page 43.

15

SHORT INTERMEDIATE INSURED TRUST 41

The Portfolio of Short Intermediate Insured Trust 41 consists of 13 short to intermediate term (approximately 3 to 7 year maturities) obligations issued by entities located in 9 states. Two Bonds in the Trust are general obligations of the governmental entities issuing them and are backed by the taxing powers thereof. Eleven 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; College and University Revenue, 3; Electrical System Revenue, 4; Transportation Facility Revenue, 1; Municipal Lease Revenue, 2. 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 New York; 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 Short Intermediate Insured Trust is 5.0 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 26% of the aggregate principal amount of the Bonds in the Trust consists of obligations of issuers whose revenues are primarily derived from payments to colleges and universities, including tuition, dormitory revenues, grants and endorsements.

Approximately 32% 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.

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 May 4, 1995 and May 8, 1995. 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>             | <C>                         | <C>                             | <C>                | <C>   | <C>  |
| \$8,833,892     | \$28,131                    | \$424,600                       | \$8,839,523        |   | .25% |

</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 Short Intermediate Insured Trust, less estimated expenses, is estimated to accrue at the rate of \$.01270 per Unit per day under the semi-annual plan of distribution, \$.01264 per Unit per day under the quarterly plan of distribution and \$.01256 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 Short Intermediate 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>

| SHORT INTERMEDIATE INSURED TRUST<br><S> | 1995        |                                  |              | 1996      |           | NORMAL<br>DISTRIBUTIONS<br>PER YEAR<br><C> |
|---|-------------|----------------------------------|--------------|-----------|-----------|--|
|   | <C>         | <C>                              | <C>          | <C>       | <C>       |  |
| Record Date*.....                       | 6/1         | 8/1                              | 11/1         | 2/1       | 5/1       |  |
| Distribution Date.....                  | 6/15        | 8/15                             | 11/15        | 2/15      | 5/15      |  |
| Monthly Distribution Plan.....          | \$ .2763(1) | ----- \$ .3768 every month ----- |              |           |           | \$ 4.5217                                  |
| Quarterly Distribution Plan.....        | \$ .2763(1) | \$ .7584(2)                      | \$ 1.1376    | \$ 1.1376 | \$ 1.1376 | \$ 4.5537                                  |
| Semi-Annual Distribution Plan.....      | \$ .2763(1) |                                  | \$ 1.9050(3) |           | \$ 2.2860 | \$ 4.5727                                  |

<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) The second distribution under the quarterly distribution plan represents a 2-month distribution; subsequent quarterly distributions will be regular 3-month distributions.  
 (3) The second distribution under the semi-annual distribution plan represents a 5-month distribution; subsequent semi-annual distributions will be regular 6-month distributions.

</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--SHORT INTERMEDIATE INSURED TRUST

For a discussion of the tax status of income earned on Short Intermediate Insured Trust Units, See Section 11.

ESTIMATED MONTHLY CASH FLOW TABLE FOR SHORT INTERMEDIATE INSURED TRUST 41

Following is an Estimated Monthly Cash Flow Table for the above-captioned Trust. As discussed below, the Table assumes that the Bonds will remain in the Trust until the date to which each bond is priced under accepted bond practice. The Table is based on data and assumptions as to maturity and redemption dates, bond pricing dates and call dates, if any, as of the date of deposit, and is thus subject to change. Accordingly, Unitholders should not assume that they will in fact receive cash in the amounts and on the dates specified in the Table and the Table cannot be used to predict the exact amount of distributions by the Trust.

The Table shows the amount of each month's interest and principal distributions on one Unit of the Trust if every bond in the Trust were to be redeemed on the date to which it is priced (the "priced to" date). Under accepted bond pricing practice, tax-exempt bonds are customarily offered to investors on a "yield price" basis, which involves computation of yield either to maturity or to an earlier call date, whichever produces the lower yield. A bond whose market value exceeds its par value (a "premium bond") will generally be priced to its call date, if any; in other words, its "priced to" date is its call date. In contrast, the "priced to" date for discount bonds will generally be the maturity date. Because none of the Bonds in the Trust have optional call dates, each Bond in the Trust is priced to its maturity date regardless of whether the Bond is a discount or a premium bond, i.e. the Table assumes that each Bond will remain in the Trust until maturity. There can be no assurance that every Bond will in fact remain in the Trust until maturity. Some Bonds may be sold by the Trustee before maturity, either to pay Unitholders who have redeemed their Units or pursuant to the Sponsor's continuing program of credit surveillance. Certain Bonds may be subject to to

sinking fund redemptions or extraordinary redemptions, as more fully described below at "Composition of Trusts--Sale, maturity and redemption of bonds"

The Trust's actual cash flow will depend on (1) the extent to which Bonds are sold as a result of the Sponsor's continuing program of credit surveillance, and (2) the extent to which Bonds are sold to pay for units redeemed. For the reasons above, it is unlikely that interest and principal will be distributed in the amounts and on the dates indicated in the Table.

ESTIMATED PRINCIPAL AND INTEREST DISTRIBUTIONS PER UNIT

<TABLE>  
<CAPTION>

| Month<br>/Year | Monthly<br>Option |
|----------------|-------------------|
|----------------|-------------------|

| <S>    | <C> | <C>    |
|--------|-----|--------|
|        |     | \$     |
| Jun 95 |     | 0.2763 |
| Jul 95 |     | 0.3768 |
| Aug 95 |     | 0.3768 |
| Sep 95 |     | 0.3768 |
| Oct 95 |     | 0.3768 |
| Nov 95 |     | 0.3768 |
| Dec 95 |     | 0.3768 |
| Jan 96 |     | 0.3768 |
| Feb 96 |     | 0.3768 |
| Mar 96 |     | 0.3768 |
| Apr 96 |     | 0.3768 |
| May 96 |     | 0.3768 |
| Jun 96 |     | 0.3768 |
| Jul 96 |     | 0.3768 |
| Aug 96 |     | 0.3768 |
| Sep 96 |     | 0.3768 |
| Oct 96 |     | 0.3768 |
| Nov 96 |     | 0.3768 |
| Dec 96 |     | 0.3768 |
| Jan 97 |     | 0.3768 |
| Feb 97 |     | 0.3768 |
| Mar 97 |     | 0.3768 |
| Apr 97 |     | 0.3768 |
| May 97 |     | 0.3768 |
| Jun 97 |     | 0.3768 |
| Jul 97 |     | 0.3768 |
| Aug 97 |     | 0.3768 |
| Sep 97 |     | 0.3768 |
| Oct 97 |     | 0.3768 |
| Nov 97 |     | 0.3768 |
| Dec 97 |     | 0.3768 |
| Jan 98 |     | 0.3768 |
| Feb 98 |     | 0.3768 |
| Mar 98 |     | 0.3768 |

<CAPTION>  
 Month Monthly  
 /Year Option

| <S>    | <C> | <C>     |
|--------|-----|---------|
|        |     | \$      |
| Apr 98 |     | 0.3768  |
| May 98 |     | 0.3768  |
| Jun 98 |     | 0.3768  |
| Jul 98 |     | 0.3768  |
| Aug 98 |     | 0.3768  |
| Sep 98 |     | 0.3768  |
| Oct 98 |     | 0.3768  |
| Nov 98 |     | 0.3768  |
| Dec 98 |     | 0.3768  |
| Jan 99 |     | 0.3768  |
| Feb 99 |     | 0.3768  |
| Mar 99 |     | 0.3768  |
| Apr 99 |     | 0.3768  |
| May 99 |     | 0.3768  |
| Jun 99 |     | 0.3768  |
| Jul 99 |     | 0.3768  |
| Aug 99 |     | 0.3768  |
| Sep 99 |     | 0.3768  |
| Oct 99 |     | 0.3768  |
| Nov 99 |     | 0.3768  |
| Dec 99 |     | 0.3768  |
| Jan 00 |     | 35.9323 |
| Feb 00 |     | 5.7986  |
| Mar 00 |     | 0.2215  |
| Apr 00 |     | 0.2215  |
| May 00 |     | 20.2215 |
| Jun 00 |     | 0.1448  |
| Jul 00 |     | 11.2559 |
| Aug 00 |     | 0.1040  |
| Sep 00 |     | 11.2151 |
| Oct 00 |     | 5.6188  |
| Nov 00 |     | 0.0456  |
| Dec 00 |     | 0.0456  |
| Jan 01 |     | 11.1567 |

</TABLE>

The following tables show the approximate taxable estimated current returns for individuals that are equivalent to tax-exempt estimated current returns under published 1995 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 TAXABLE INCOME (1,000'S) | FEDERAL ADJUSTED GROSS INCOME (1,000'S) | FEDERAL TAX RATE <sup>1</sup> | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |     |
|----------------------------------|---|-------------------------------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-----|
|                                  |   |                               | 3.75%                               | 4.00% | 4.25% | 4.50% | 4.75% | 5.00% | 5.25% | 5.50% |     |
| <S>                              | <C>                                     | <C>                           | <C>                                 | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C> |
| \$ 0- 39.0                       | \$ 0-114.7                              | 15.0 %                        | 4.41                                | 4.71  | 5.00  | 5.29  | 5.59  | 5.88  | 6.18  | 6.47  |     |
| 39.0- 94.3                       | 0-114.7                                 | 28.0                          | 5.21                                | 5.56  | 5.90  | 6.25  | 6.60  | 6.94  | 7.29  | 7.64  |     |
|                                  | 114.7-172.1                             | 29.0                          | 5.28                                | 5.63  | 5.99  | 6.34  | 6.69  | 7.04  | 7.39  | 7.75  |     |
| 94.3-143.6                       | 0-114.7                                 | 31.0                          | 5.43                                | 5.80  | 6.16  | 6.52  | 6.88  | 7.25  | 7.61  | 7.97  |     |
|                                  | 114.7-172.1                             | 32.0                          | 5.51                                | 5.88  | 6.25  | 6.62  | 6.99  | 7.35  | 7.72  | 8.09  |     |
|                                  | 172.1-294.6                             | 34.5                          | 5.73                                | 6.11  | 6.49  | 6.87  | 7.25  | 7.63  | 8.02  | 8.40  |     |
| 143.6-256.5                      | 114.7-172.1                             | 37.0                          | 5.95                                | 6.35  | 6.75  | 7.14  | 7.54  | 7.94  | 8.33  | 8.73  |     |
|                                  | 172.1-294.6                             | 40.0                          | 6.25                                | 6.67  | 7.08  | 7.50  | 7.92  | 8.33  | 8.75  | 9.17  |     |
|                                  | Over 294.6                              | 37.0 <sup>2</sup>             | 5.95                                | 6.35  | 6.75  | 7.14  | 7.54  | 7.94  | 8.33  | 8.73  |     |
| Over 256.5                       | 172.1-294.6                             | 44.0                          | 6.70                                | 7.14  | 7.59  | 8.04  | 8.48  | 8.93  | 9.38  | 9.82  |     |
|                                  | Over 294.6                              | 41.0 <sup>3</sup>             | 6.36                                | 6.78  | 7.20  | 7.63  | 8.05  | 8.47  | 8.90  | 9.32  |     |

</TABLE>

MARGINAL FEDERAL TAX RATES FOR SINGLE TAXPAYERS WITH ONE PERSONAL EXEMPTION

<TABLE>  
<CAPTION>

| FEDERAL TAXABLE INCOME (1,000'S) | FEDERAL ADJUSTED GROSS INCOME (1,000'S) | FEDERAL TAX RATE <sup>1</sup> | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |     |
|----------------------------------|---|-------------------------------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-----|
|                                  |   |                               | 3.75%                               | 4.00% | 4.25% | 4.50% | 4.75% | 5.00% | 5.25% | 5.50% |     |
| <S>                              | <C>                                     | <C>                           | <C>                                 | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C> |
| \$ 0- 23.4                       | \$ 0-114.7                              | 15.0 %                        | 4.41                                | 4.71  | 5.00  | 5.29  | 5.59  | 5.88  | 6.18  | 6.47  |     |
| 23.4- 56.6                       | 0-114.7                                 | 28.0                          | 5.21                                | 5.56  | 5.90  | 6.25  | 6.60  | 6.94  | 7.29  | 7.64  |     |
| 56.6-118.0                       | 0-114.7                                 | 31.0                          | 5.43                                | 5.80  | 6.16  | 6.52  | 6.88  | 7.25  | 7.61  | 7.97  |     |
|                                  | 114.7-237.2                             | 32.5                          | 5.56                                | 5.93  | 6.30  | 6.67  | 7.04  | 7.41  | 7.78  | 8.15  |     |
| 118.0-256.5                      | 114.7-237.2                             | 38.0                          | 6.05                                | 6.45  | 6.85  | 7.26  | 7.66  | 8.06  | 8.47  | 8.87  |     |
|                                  | Over 237.2                              | 37.0 <sup>2</sup>             | 5.95                                | 6.35  | 6.75  | 7.14  | 7.54  | 7.94  | 8.33  | 8.73  |     |
| Over 256.5                       | Over 237.2                              | 41.0 <sup>3</sup>             | 6.36                                | 6.78  | 7.20  | 7.63  | 8.05  | 8.47  | 8.90  | 9.32  |     |

<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  
 MAY 9, 1995  
 SHORT INTERMEDIATE INSURED TRUST 41  
 (SERIES 801)

<TABLE>  
 <CAPTION>

| Aggregate<br>Principal<br><C>  | Name of Issuer and Title of Issue Represented<br>by Sponsor's Contracts to Purchase Bonds(1)<br><C> <S>                                   | Optional<br>Redemption<br>Provisions(2)<br><C> | Ratings(3)                  |                | Trustee's<br>Determination<br>of Offering<br>Price(4)<br><C> |
|--------------------------------|---|--|-----------------------------|----------------|--|
|                                |   |  | Standard<br>& Poor's<br><C> | Moody's<br><C> |  |
| \$ 500,000                     | The Regents of the University of California, Refunding Revenue Bonds (Multiple Purpose Projects), Series B, 4.10% Due 9/1/00.             | No Optional Call                               | AAA                         | Aaa            | \$ 474,725   |
| 500,000                        | State of Connecticut, Special Tax Obligation Refunding Bonds, Transportation Infrastructure Purposes, 1993 Series B, 4.00% Due 10/1/00.   | No Optional Call                               | AAA                         | Aaa            | 470,945  |
| 500,000                        | City of Chicago (Illinois), General Obligation Bonds, Refunding Series 1993B, 4.40% Due 1/1/00.   | No Optional Call                               | AAA                         | Aaa            | 482,650  |
| 1,000,000                      | Indiana Municipal Power Agency, Power Supply System Refunding Revenue Bonds, 1993 Series B, 5.125% Due 1/1/01.                            | No Optional Call                               | AAA                         | Aaa            | 1,003,570  |
| 500,000                        | Commonwealth of Kentucky, State Property and Buildings Commission, Revenue and Revenue Refunding Bonds, Project No. 54, 5.10% Due 9/1/00. | No Optional Call                               | AAA                         | Aaa            | 502,270  |
| 900,000                        | University of Kentucky, Community Colleges Educational Buildings, Refunding Revenue Bonds, Second Series, 4.50% Due 5/1/00.               | No Optional Call                               | AAA                         | Aaa            | 876,510  |
| 900,000                        | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 1995, 5.00% Due 1/1/00. (When issued.) | No Optional Call                               | AAA                         | Aaa            | 903,636  |
| 900,000                        | Nebraska Public Power District, Electric System Revenue Bonds, 1993 Series A, 4.50% Due 1/1/00.   | No Optional Call                               | AAA                         | Aaa            | 877,860  |
| 500,000                        | Omaha Public Power District (Nebraska), Electric System Revenue Bonds, 1993, Series A, 4.85% Due 2/1/00.                                  | No Optional Call                               | AAA                         | Aaa            | 498,915  |
| 900,000                        | Dormitory Authority of the State of New York, State University Educational Facilities Revenue Bonds, Series 1993C, 5.10% Due 5/15/00.     | No Optional Call                               | AAA                         | Aaa            | 905,922  |
| 900,000                        | New York State Urban Development Corporation, Correctional Facilities Revenue Bonds, 1993A Refunding Series, 4.80% Due 1/1/00.            | No Optional Call                               | AAA                         | Aaa            | 890,730  |
| 500,000                        | Port of Seattle, Washington, Revenue Refunding Bonds, Series 1994C, 4.20% Due 7/1/00.   | No Optional Call                               | AAA                         | Aaa            | 476,565  |
| 500,000                        | Washington Public Power Supply System, Nuclear Project No. 2 Refunding Revenue Bonds, Series 1993B, 5.00% Due 7/1/00.                     | No Optional Call                               | AAA                         | Aaa            | 497,725  |
| -----<br>\$ 9,000,000<br>----- |   |  |                             |                | -----<br>\$ 8,862,023<br>-----                               |

</TABLE>

See Notes to Schedules of Investments, page 43.

ARIZONA INSURED TRUST 39

The Portfolio of Arizona Insured Trust 39 consists of 6 obligations issued by entities located in Arizona and one obligation issued by an entity located in the Territory of Puerto Rico. Two Bonds in the Trust are general obligations of the governmental entities issuing them and are backed by the taxing powers thereof. Five 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; Health Care Facility Revenue, 2; Municipal Lease Revenue, 1; 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.

At the Date of Deposit, the average maturity of the Bonds in the Arizona Insured Trust is 21.8 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 14.3% of the aggregate principal amount of the Bonds in the Trust (accounting for approximately 13.2% of the aggregate offering price of the Bonds) are original issue discount bonds. See "GENERAL TRUST INFORMATION--ORIGINAL ISSUE DISCOUNT BONDS AND STRIPPED OBLIGATIONS" for a discussion of the characteristics of such bonds and of the risks associated therewith.

Approximately 29% 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 May 5, 1995 and May 8, 1995. 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><br>\$3,283,578 | <C><br>\$20,139             | <C><br>\$190,403                | <C><br>\$3,288,092 | <C>   | .45% |

</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 participated as either the sole underwriter or manager or as a member of the syndicates which were the original underwriters of 14.3% of the aggregate principal amount 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 Arizona Insured Trust, less estimated expenses, is estimated to accrue at the rate of \$.01465 per Unit per day under the semi-annual plan of distribution, \$.01459 per Unit per day under the quarterly plan of distribution and \$.01450 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 Arizona 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>

| ARIZONA INSURED TRUST              | 1995        |             |              | 1996      |           | PER YEAR  |
|------------------------------------|-------------|-------------|--------------|-----------|-----------|-----------|
| <S>                                | <C>         | <C>         | <C>          | <C>       | <C>       | <C>       |
| Record Date*.....                  | 6/1         | 8/1         | 11/1         | 2/1       | 5/1       |           |
| Distribution Date.....             | 6/15        | 8/15        | 11/15        | 2/15      | 5/15      |           |
| Monthly Distribution Plan.....     | \$ .3190(1) |             |              |           |           | \$ 5.2236 |
| Quarterly Distribution Plan.....   | \$ .3190(1) | \$ .8754(2) | \$ 1.3131    | \$ 1.3131 | \$ 1.3131 | \$ 5.2556 |
| Semi-Annual Distribution Plan..... | \$ .3190(1) |             | \$ 2.1975(3) |           | \$ 2.6370 | \$ 5.2746 |

<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) The second distribution under the quarterly distribution plan represents a 2-month distribution; subsequent quarterly distributions will be regular 3-month distributions.
- (3) The second distribution under the semi-annual distribution plan represents a 5-month distribution; subsequent semi-annual distributions will be regular 6-month distributions.

</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--ARIZONA INSURED TRUST

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

The assets of the Trust will consist of interest-bearing obligations issued by or on behalf of the State of Arizona (the "State"), its political subdivisions and authorities (the "Arizona Bonds"), and by or on behalf of the government of Puerto Rico, the government of Guam, or the government of the Virgin Islands (collectively the "Possession Bonds") (collectively the Arizona Bonds and Possession Bonds shall be referred to herein as the "Bonds"), provided the interest on such Bonds is exempt from State income taxes.

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

For Arizona income tax purposes, each Unitholder will be treated as the owner of a pro rata portion of the Arizona Insured Trust, and the income of the Trust therefore will be treated as the income of the Unitholder under State law.

For Arizona income tax purposes, interest on the Bonds which is excludable from Federal gross income and which is exempt from Arizona income taxes when received by the Arizona Insured Trust, and which would be excludable from Federal gross income and exempt from Arizona income taxes if received directly by a Unitholder, will retain its status as tax-exempt interest when received by the Arizona Insured Trust and distributed to the Unitholders.

To the extent that interest derived from the Arizona Insured Trust by a Unitholder with respect to the Bonds is excludable from Federal gross income, such interest will not be subject to Arizona income taxes.

Each Unitholder will receive taxable gain or loss for Arizona income tax purposes when Bonds held in the Arizona Insured Trust are sold, exchanged, redeemed or paid at maturity, or when the Unitholder redeems or sells Units, at a price that differs from original cost as adjusted for amortization of Bond discount or premium and other basis adjustments, including any basis reduction that may be required to reflect a Unitholder's share of interest, if any, accruing on Bonds during the interval between the

Unitholder's settlement date and the date such Bonds are delivered to the Arizona Insured Trust, if later.

Amounts paid by the Insurer under an insurance policy or policies issued to the Trust, if any, with respect to the Bonds in the Trust which represent maturing interest on defaulted obligations held by the Trustee will be exempt from State income taxes if, and to the same extent as, such interest would have been so exempt if paid by the issuer of the defaulted obligations provided that, at the time such policies are purchased, the amounts paid for such policies are reasonable, customary and consistent with the reasonable expectation that the issuer of the Bonds, rather than the insurer, will pay debt service on the Bonds.

Arizona law does not permit a deduction for interest paid or incurred on indebtedness incurred or continued to purchase or carry Units in the Arizona

Insured Trust, the interest on which is exempt from Arizona income taxes.

Neither the Bonds nor the Units will be subject to Arizona property taxes, sales tax or use tax.

#### ECONOMIC FACTORS--ARIZONA

GENERAL ECONOMIC CONDITIONS. The following brief summary regarding the economy of Arizona is based upon information drawn from publicly available sources and is included for the purpose of providing the information about general economic conditions that may or may not affect issuers of the Arizona Bonds. The Sponsor has not independently verified any of the information contained in such publicly available documents.

Arizona is the nation's sixth largest state in terms of area. Arizona's main economic/ employment sectors include services, tourism and manufacturing. Mining and agriculture are also significant, although they tend to be more capital than labor intensive. Services is the single largest economic sector. Many of these jobs are directly related to tourism.

The unemployment rate in Arizona for 1993 was 6.2% and for 1992 was 7.4% compared to a national rate of 6.8% in 1993 and 7.4% in 1992. Job growth may be adversely affected by the closing of a major air force base near Phoenix and the bankruptcy of several major employers, including America West Airlines.

In 1986, the value of Arizona real estate began a steady decline, reflecting a market which had been overbuilt in the previous decade with a resulting surplus of completed inventory. This decline adversely affected both the construction industry and those Arizona financial institutions which had aggressively pursued many facets of real estate lending. In the near future, Arizona's financial institutions are likely to continue to experience problems until the excess inventories of commercial and residential properties are absorbed. The problems of the financial institutions have adversely affected employment and economic activity. Longer-term prospects are brighter. Arizona has been, and is projected to continue to be, one of the fastest growing areas in the United States. Over the last several decades the State has outpaced most other regions of the country in virtually every major category of growth, including population, personal income, gross state product and job creation.

BUDGETARY PROCESS. Arizona operates on a fiscal year beginning July 1 and ending June 30. Fiscal year 1995 refers to the year ending June 30, 1995.

Total General Fund revenues of \$4.3 billion are expected during fiscal year 1995. Approximately 44.5% of this budgeted revenue comes from sales and use taxes, 44.4% from income taxes (both individual and corporate) and 4.4% from property taxes. All taxes total approximately \$4.0 billion, or 93% of General Fund revenues. Non-tax revenue includes items such as income from the state lottery, licenses, fees and permits, and interest.

24

For fiscal year 1994, the budget called for expenditures of approximately \$4.1 billion. These expenditures fell into the following major categories: education (47.4%), health and welfare (26.3%), protection and safety (4.0%), general government (15.5%) and inspection and regulation, natural resources, transportation and other (6.8%). The State's general fund expenditures for fiscal year 1995 are budgeted at approximately \$4.7 billion.

Most or all of the Bonds of the Arizona Trust are not obligations of the State of Arizona, and are not supported by the State's taxing powers. The particular source of payment and security for each of the Bonds is detailed in the instruments themselves and in related offering materials. There can be no assurances, however, with respect to whether the market value or marketability of any of the Bonds issued by an entity other than the State of Arizona will be affected by the financial or other condition of the State or of any entity located within the State. In addition, it should be noted that the State of Arizona, as well as counties, municipalities, political subdivisions and other public authorities of the state, are subject to limitations imposed by Arizona's constitution with respect to ad valorem taxation, bonded indebtedness and other matters. For example, the state legislature cannot appropriate revenues in excess of 7% of the total personal income of the state in any fiscal year. These limitations may affect the ability of the issuers to generate revenues to satisfy their debt obligations.

Although most of the Bonds in the Arizona Trust are revenue obligations of local governments or authorities in the State, there can be no assurance that the fiscal and economic conditions referred to above will not affect the market value or marketability of the Bonds or the ability of the respective obligors to pay principal of and interest on the Bonds when due.

On July 21, 1994, the Arizona Supreme Court rendered its opinion in ROOSEVELT ELEMENTARY SCHOOL DISTRICT NUMBER 66, ET AL V.C. DIANNE BISHOP, ET AL (the "ROOSEVELT OPINION"). In this opinion, the Arizona Supreme Court held that the present statutory financing scheme for public education in the State of Arizona does not comply with the Arizona constitution. Subsequently, the Arizona

School Boards Association, with the approval of the appellants and the appellees to the Roosevelt Opinion, and certain Arizona school districts, filed with the Arizona Supreme Court motions for clarification of the Roosevelt Opinion, specifically with respect to seeking prospective application of the Roosevelt Opinion. On July 29, 1994, the Arizona Supreme Court clarified the Roosevelt Opinion to hold that such opinion will have prospective effect only.

Certain other circumstances are relevant to the market value, marketability and payment of any hospital and health care revenue bonds in the Arizona Trust. The Arizona Legislature has in the past sought to enact health care cost control legislation. Certain other health care regulatory laws have expired. It is expected that the Arizona legislature will at future sessions continue to attempt to adopt legislation concerning health care cost control and related regulatory matters. The effect of any such legislation or of the continued absence of any legislation restricting hospital bed increases and limiting new hospital construction on the ability of Arizona hospitals and other health care providers to pay debt service on their revenue bonds cannot be determined at this time.

Arizona does not participate in the federally administered Medicaid program. Instead, the State administers an alternative program, AHCCCS, which provides health care to indigent persons meeting certain financial eligibility requirements, through managed care programs. In fiscal year 1994, AHCCCS was financed approximately 60% by federal funds, 29% by state funds, and 11% by county funds.

Under state law, hospitals retain the authority to raise rates with notification and review by, but not approval from, the Department of Health Services. Hospitals in Arizona have experienced profitability problems along with those in other states. At least two Phoenix

25

based hospitals have defaulted on or reported difficulties in meeting their bond obligations during the past three years.

Insofar as tax-exempt Arizona public utility pollution control revenue bonds are concerned, the issuance of such bonds and the periodic rate increases needed to cover operating costs and debt service are subject to regulation by the Arizona Corporation Commission, the only significant exception being the Salt River Project Agricultural Improvement and Power District which, as a Federal instrumentality, is exempt from rate regulation. On July 15, 1991, several creditors of Tucson Electric Power Company ("Tucson Electric") filed involuntary petitions under Chapter 11 of the U.S. Bankruptcy Code to force Tucson Power to reorganize under the supervision of the bankruptcy court. On December 31, 1991, the Bankruptcy Court approved the utility's motion to dismiss the July petition after five months of negotiations between Tucson Electric and its creditors to restructure the utility's debts and other obligations. In December 1992, Tucson Electric announced that it had completed its financial restructuring. In January 1993, Tucson Electric asked the Arizona Corporation Commission for a 9.3% average rate increase. Tucson Electric serves approximately 270,000 customers, primarily in the Tucson area. Inability of any regulated public utility to secure necessary rate increases could adversely affect, to an indeterminable extent, its ability to pay debt service on its pollution control revenue bonds.

Based on a recent U.S. Supreme Court ruling, the State has determined to refund \$197 million, including statutory interest, in State income taxes previously collected from Federal retirees on their pensions. This payment will be made over a four-year period beginning with approximately \$14.6 million in tax refunds in fiscal year 1993-94. A combination of tax refunds and tax credits will be used to satisfy this liability.

#### ARIZONA TAXABLE ESTIMATED CURRENT RETURN TABLE

The following tables show the approximate taxable estimated current returns for individuals that are equivalent to tax-exempt estimated current returns under combined Federal and state taxes, using published 1995 marginal Federal tax rates and marginal state tax rates currently available and scheduled to be in effect. The tables incorporate increased tax rates for higher-income taxpayers that were included in the Revenue Reconciliation Act of 1993. For cases in which more than one state bracket falls within a Federal bracket, the highest state bracket is combined with the Federal bracket. The combined state and Federal tax brackets shown reflect the fact that state tax payments are currently deductible for Federal tax purposes. 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 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.

26



COMBINED MARGINAL TAX RATES FOR JOINT TAXPAYERS WITH FOUR PERSONAL EXEMPTIONS

<TABLE>

<CAPTION>

| FEDERAL TAXABLE INCOME (1,000'S) | FEDERAL ADJUSTED GROSS INCOME (1,000'S) | COMBINED STATE AND FEDERAL TAX RATE1 | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |     |
|----------------------------------|---|--------------------------------------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-----|
|                                  |   |                                      | 4.75%                               | 5.00% | 5.25% | 5.50% | 5.75% | 6.00% | 6.25% | 6.50% |     |
| <S>                              | <C>                                     | <C>                                  | <C>                                 | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C> |
| \$ 0- 39.0                       | \$ 0-114.7                              | 18.0 %                               | 5.79                                | 6.10  | 6.40  | 6.71  | 7.01  | 7.32  | 7.62  | 7.93  |     |
| 39.0- 94.3                       | 0-114.7                                 | 31.0                                 | 6.88                                | 7.25  | 7.61  | 7.97  | 8.33  | 8.70  | 9.06  | 9.42  |     |
|                                  | 114.7-172.1                             | 32.0                                 | 6.99                                | 7.35  | 7.72  | 8.09  | 8.46  | 8.82  | 9.19  | 9.56  |     |
| 94.3-143.6                       | 0-114.7                                 | 34.5                                 | 7.25                                | 7.63  | 8.02  | 8.40  | 8.78  | 9.16  | 9.54  | 9.92  |     |
|                                  | 114.7-172.1                             | 35.5                                 | 7.36                                | 7.75  | 8.14  | 8.53  | 8.91  | 9.30  | 9.69  | 10.08 |     |
|                                  | 172.1-294.6                             | 38.0                                 | 7.66                                | 8.06  | 8.47  | 8.87  | 9.27  | 9.68  | 10.08 | 10.48 |     |
| 143.6-256.5                      | 114.7-172.1                             | 40.5                                 | 7.98                                | 8.40  | 8.82  | 9.24  | 9.66  | 10.08 | 10.50 | 10.92 |     |
|                                  | 172.1-294.6                             | 43.0                                 | 8.33                                | 8.77  | 9.21  | 9.65  | 10.09 | 10.53 | 10.96 | 11.40 |     |
|                                  | Over 294.6                              | 40.5 2                               | 7.98                                | 8.40  | 8.82  | 9.24  | 9.66  | 10.08 | 10.50 | 10.92 |     |
| Over 256.5                       | 172.1-294.6                             | 47.0                                 | 8.96                                | 9.43  | 9.91  | 10.38 | 10.85 | 11.32 | 11.79 | 12.26 |     |
|                                  | Over 294.6                              | 44.0 3                               | 8.48                                | 8.93  | 9.38  | 9.82  | 10.27 | 10.71 | 11.16 | 11.61 |     |

</TABLE>

COMBINED MARGINAL TAX RATES FOR SINGLE TAXPAYERS WITH ONE PERSONAL EXEMPTION

<TABLE>

<CAPTION>

| FEDERAL TAXABLE INCOME (1,000'S) | FEDERAL ADJUSTED GROSS INCOME (1,000'S) | COMBINED STATE AND FEDERAL TAX RATE1 | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |     |
|----------------------------------|---|--------------------------------------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-----|
|                                  |   |                                      | 4.75%                               | 5.00% | 5.25% | 5.50% | 5.75% | 6.00% | 6.25% | 6.50% |     |
| <S>                              | <C>                                     | <C>                                  | <C>                                 | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C>   | <C> |
| \$ 0- 23.4                       | \$ 0-114.7                              | 18.0 %                               | 5.79                                | 6.10  | 6.40  | 6.71  | 7.01  | 7.32  | 7.62  | 7.93  |     |
| 23.4- 56.6                       | 0-114.7                                 | 31.5                                 | 6.93                                | 7.30  | 7.66  | 8.03  | 8.39  | 8.76  | 9.12  | 9.49  |     |
| 56.6-118.0                       | 0-114.7                                 | 34.5                                 | 7.25                                | 7.63  | 8.02  | 8.40  | 8.78  | 9.16  | 9.54  | 9.92  |     |
|                                  | 114.7-237.2                             | 36.0                                 | 7.42                                | 7.81  | 8.20  | 8.59  | 8.98  | 9.38  | 9.77  | 10.16 |     |
| 118.0-256.5                      | 114.7-237.2                             | 41.5                                 | 8.12                                | 8.55  | 8.97  | 9.40  | 9.83  | 10.26 | 10.68 | 11.11 |     |
|                                  | Over 237.2                              | 40.5 2                               | 7.98                                | 8.40  | 8.82  | 9.24  | 9.66  | 10.08 | 10.50 | 10.92 |     |
| Over 256.5                       | Over 237.2                              | 44.0 3                               | 8.48                                | 8.93  | 9.38  | 9.82  | 10.27 | 10.71 | 11.16 | 11.61 |     |

<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  
 MAY 9, 1995  
 ARIZONA INSURED TRUST 39  
 (SERIES 801)

<TABLE>

<CAPTION>

| Aggregate<br>Principal<br><C> | Name of Issuer and Title of Issue Represented<br>by Sponsor's Contracts to Purchase Bonds(1)<br><C> <S>  |  | Optional<br>Redemption<br>Provisions(2)<br><C> | Ratings(3)                  |                | Trustee's<br>Determination<br>of Offering<br>Price(4)<br><C> |
|-------------------------------|--|--|--|-----------------------------|----------------|--|
|                               |  |  |  | Standard<br>& Poor's<br><C> | Moody's<br><C> |  |
| \$ 500,000                    | Arizona Municipal Financing Program of 1992,<br>Refunding Certificates of Participation,<br>Series 4, 5.50% Due 8/1/19.  |  | 2003 at 102                                    | AAA                         | Aaa            | \$ 471,270   |
| 500,000                       | City of Phoenix Civic Improvement Corporation<br>(Arizona), Wastewater System Lease Revenue<br>Refunding Bonds, Series 1993, 5.00% Due<br>7/1/18.  |  | 2004 at 102                                    | AAA                         | Aaa            | 443,545  |
| 500,000                       | The Industrial Development Authority of the<br>County of Pima, Arizona, Health Care System<br>Revenue Bonds, Carondelet Health Care<br>Corporation of Arizona Issue, Series 1993,<br>5.25% Due 7/1/12.   |  | No Optional Call                               | AAA                         | Aaa            | 472,930  |
| 500,000                       | City of Tucson, Arizona, General Obligation<br>Refunding Bonds, Series 1995, 5.50% Due<br>7/1/12.  |  | 2005 at 101                                    | AAA                         | Aaa            | 483,800  |
| 500,000                       | City of Tucson, Arizona, Senior Lien Street and<br>Highway User Revenue Bonds, Series 1994-A<br>(1995), 5.35% Due 7/1/14.  |  | 2005 at 101                                    | AAA                         | Aaa            | 471,395  |
| 500,000                       | University Medical Center Corporation (Tucson,<br>Arizona), Hospital Revenue Refunding Bonds,<br>Series 1993, 5.00% Due 7/1/21. (Original<br>issue discount bonds delivered on or about<br>June 8, 1993 at a price of 90.122% of<br>principal amount.) |  | 2003 at 102                                    | AAA                         | Aaa            | 437,365  |
| 500,000                       | Commonwealth of Puerto Rico, Public Improvement<br>Bonds of 1994 (General Obligation Bonds),<br>195M-6.45% Due 7/1/17,<br>305M-6.50% Due 7/1/23.   |  | 2004 at 101 1/2                                | AAA                         | Aaa            | 203,650<br>319,762   |
| -----                         |  |  |  |                             |                |  |
| \$ 3,500,000                  |  |  |  |                             |                | \$ 3,303,717   |
| -----                         |  |  |  |                             |                |  |

See Notes to Schedules of Investments, page 43.

NEW YORK INSURED TRUST 235

The Portfolio of New York Insured Trust 235 consists of 8 obligations issued by entities located in New York. Two Bonds in the Trust are general obligations of the governmental entities issuing them and are backed by the taxing powers thereof. Six 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; Bridge and Toll Road Revenue, 2; College and University Revenue, 1; Transportation Facility Revenue, 1; Municipal Lease 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.

At the Date of Deposit, the average maturity of the Bonds in the New York Insured Trust is 25.3 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 32.8% of the aggregate principal amount of the Bonds in the Trust (accounting for approximately 30.9% of the aggregate offering price of the Bonds) are original issue discount obligations. Certain of these original issue discount obligations, amounting to 2.8% of the aggregate principal amount and .7% of the aggregate offering price of the Bonds in the Trust, are "zero coupon" bonds. See "GENERAL TRUST INFORMATION--ORIGINAL ISSUE DISCOUNT BONDS AND STRIPPED OBLIGATIONS" for a discussion of the characteristics of such obligations and of the risks associated therewith.

Approximately 30% of the aggregate principal amount of the Bonds in the Trust consists of obligations of issuers whose revenues are primarily derived

from bridge, road or tunnel toll revenues.

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 on May 8, 1995. 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) |      |
|-----------------|-----------------------------|---------------------------------|--------------------|---|------|
|                 |                             |                                 |                    | <C>   | <C>  |
| <S>             | <C>                         | <C>                             | <C>                | <C>   | <C>  |
| \$3,782,598     | \$17,663                    | \$224,110                       | \$3,782,036        |   | .46% |

</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 New York Insured Trust, less estimated expenses, is estimated to accrue at the rate of \$.01510 per Unit per day under the semi-annual plan of distribution, \$.01504 per Unit per day under the quarterly plan of distribution and \$.01495 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 New York 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>

| NEW YORK INSURED TRUST             | 1995        |             |                      | 1996      |           |     | NORMAL DISTRIBUTIONS PER YEAR |
|------------------------------------|-------------|-------------|----------------------|-----------|-----------|-----|-------------------------------|
|                                    | <C>         | <C>         | <C>                  | <C>       | <C>       | <C> |                               |
| Record Date*.....                  | 6/1         | 8/1         | 11/1                 | 2/1       | 5/1       |     |                               |
| Distribution Date.....             | 6/15        | 8/15        | 11/15                | 2/15      | 5/15      |     |                               |
| Monthly Distribution Plan.....     | \$ .3289(1) |             | \$ .4485 every month |           |           |     | \$ 5.3856                     |
| Quarterly Distribution Plan.....   | \$ .3289(1) | \$ .9024(2) | \$ 1.3536            | \$ 1.3536 | \$ 1.3536 |     | \$ 5.4176                     |
| Semi-Annual Distribution Plan..... | \$ .3289(1) |             | \$ 2.2650(3)         |           | \$ 2.7180 |     | \$ 5.4366                     |

<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) The second distribution under the quarterly distribution plan represents a 2-month distribution; subsequent quarterly distributions will be regular 3-month distributions.  
(3) The second distribution under the semi-annual distribution plan represents a 5-month distribution; subsequent semi-annual distributions will be regular 6-month distributions.

</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--NEW YORK INSURED TRUST

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

In the opinion of Edwards & Angell, special counsel for the Series for New York tax matters, under existing law:

Interest on obligations issued by New York State, a political subdivision thereof, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or other possessions of the United States within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended ("New York Obligations"), which would be exempt from New York State or New York City personal income tax if directly received by a Unitholder, will retain its status as tax-exempt interest when received by the New York Insured Trust (the "Trust") and distributed to such Unitholder.

Interest (less amortizable premium, if any) derived from the Trust by a resident of New York State (or New York City) in respect of obligations issued by states other than New York (or their political subdivisions) will be subject to New York State (or New York City) personal income tax.

A Unitholder who is a resident of New York State (or New York City) will be subject to New York State (or New York City) personal income tax with respect to gains realized when New York Obligations held in the New York Insured Trust are sold, redeemed or paid at maturity or when the Unitholder's Units are sold or redeemed; such gain will equal the proceeds of sale, redemption or payment less the tax basis of the New York Obligation or Unit (adjusted to reflect (a) the amortization of premium or discount, if any, on New York Obligations held by the Trust, (b) accrued original issue discount, with respect to each New York Obligation which, at the time the New York Obligation was issued, had original issue discount, and (c) the deposit of New York Obligations with accrued interest in the Trust after the Unitholder's settlement date).

30

Interest or gain from the Trust derived by a Unitholder who is not a resident of New York State (or New York City) will not be subject to New York State (or New York City) personal income tax, unless the Units are property employed in a business, trade, profession or occupation carried on in New York State (or New York City).

In the case of the Trust, amounts paid under the insurance policies representing maturing interest on defaulted New York Obligations held by the Trustee in the Trust will be excludable from New York State and New York City income if, and to the same extent as, such interest would have been excludable if paid by the respective issuer.

For purposes of the New York State and New York City franchise tax on corporations, Unitholders which are subject to such tax will be required to include in their entire net income any interest or gains distributed to them even though distributed in respect of obligations of any state or subdivision thereof including New York.

If borrowed funds are used to purchase Units in the Trust, all (or part) of the interest on such indebtedness will not be deductible for New York State and New York City tax purposes. The purchase of Units may be considered to have been made with borrowed funds even though such funds are not directly traceable to the purchase of Units in any New York Trust.

#### ECONOMIC FACTORS--NEW YORK

The Portfolio of the New York Insured Trust includes obligations issued by New York State (the "State"), by its various public bodies (the "Agencies"), and/or by other entities located within the State, including the City of New York (the "City").

Some of the more significant events and conditions relating to the financial situation in New York are summarized below. This section provides only a brief summary of the complex factors affecting the financial situation in New York and is derived from sources that are generally available to investors and is believed to be accurate. It is based in part on Official Statements and prospectuses issued by, and on other information reported by the State, the City and the Agencies in connection with the issuance of their respective securities.

There can be no assurance that current or future statewide or regional economic difficulties, and the resulting impact on State or local government finances generally, will not adversely affect the market value of New York Municipal Obligations held in the portfolio of the Trust or the ability of particular obligors to make timely payments of debt service on (or relating to) those obligations.

(1) THE STATE: The State has historically been one of the wealthiest states in the nation. For decades, however, the State economy has grown more slowly than that of the nation as a whole, gradually eroding the State's relative

economic affluence. Statewide, urban centers have experienced significant changes involving migration of the more affluent to the suburbs and an influx of generally less affluent residents. Regionally, the older Northeast cities have suffered because of the relative success that the South and the West have had in attracting people and business. The City has also had to face greater competition as other major cities have developed financial and business capabilities which make them less dependent on the specialized services traditionally available almost exclusively in the City.

The State has for many years had a very high state and local tax burden relative to other states. The burden of State and local taxation, in combination with the many other causes of regional economic dislocation, has contributed to the decisions of some businesses and individuals to relocate outside, or not locate within, the State.

**SLOWDOWN OF REGIONAL ECONOMY.** A national recession commenced in mid-1990. The downturn continued throughout the State's 1990-91 fiscal year and was followed by a period

31

of weak economic growth during the 1991 calendar year. For calendar year 1992, the national economy continued to recover, although at a rate below all post-war recoveries. For calendar year 1993, the economy grew faster than in 1992, but still at a very moderate rate, as compared to other recoveries. Moderate economic growth is expected to continue in calendar year 1994 at a slightly faster rate than in 1993. Economic recovery started considerably later in the State than in the nation as a whole due in part to the significant retrenchment in the banking and financial services industries, downsizing by several major corporations, cutbacks in defense spending, and an oversupply of office buildings. Many uncertainties exist in forecasts of both the national and State economies and there can be no assurance that the State economy will perform at a level sufficient to meet the State's projections of receipts and disbursements.

**1994-95 FISCAL YEAR.** The Governor presented the recommended Executive Budget for the 1994-95 fiscal year on January 18, 1994 and amended it on February 17, 1994. The Recommended 1994-95 State Financial Plan projects a balanced General Fund, receipts and transfers from other funds at \$33.422 billion (including a projected \$339 million surplus anticipated for the State's 1993-94 fiscal year) and disbursements and transfers to other funds at \$33.399 billion.

The recommended 1994-95 Executive Budget includes tax and fee reductions (\$210 million), retention of revenues currently received, primarily by deferral of a scheduled personal income tax rate reduction (\$1.244 billion), and additional increases to miscellaneous revenue sources (\$237 million). No major additional programs are recommended other than a \$198 million increase in school aid, \$185 million in Medicaid cost-containment initiatives and \$110 million in local government Medicaid costs to be assumed by the State.

There can be no assurance that the State Legislature will enact the Executive Budget as proposed, nor can there be any assurance that the Legislature will enact a budget for the State's 1994-95 fiscal year prior to its commencement. A delay in its enactment may negatively affect certain proposed actions and reduce projected savings.

**1993-94 FISCAL YEAR.** The 1993-94 State Financial Plan issued on April 16, 1993 projected General Fund receipts and transfers from other funds at \$32.367 billion and disbursements and transfers to other funds at \$32.300 billion. In comparison to the Governor's recommended Executive Budget for the 1993-94 fiscal year, as revised on February 18, 1993, the 1993-94 State Financial Plan reflected increases in both receipts and disbursements in the General Fund of \$811 million.

The 1993-94 State Financial Plan was last revised on January 18, 1994. The State projects a surplus of \$299 million, as the result of developments which positively impacted upon receipts and disbursements. In the revised Plan, the State announced its intention to pay a 53rd weekly Medicaid payment, estimated at \$120 million, and to add \$82 million to a reserve fund for contingencies.

On January 21, 1994, the State entered into a settlement with Delaware with respect to STATE OF DELAWARE V. STATE OF NEW YORK, which is discussed below at STATE LITIGATION. The State made an immediate \$35 million payment and agreed to make a \$33 million annual payment in each of the next five fiscal years. The State has not settled with other parties to the litigation and will continue to incur litigation expenses as to those claims.

On November 16, 1993, the Court of Appeals, the State's highest court, affirmed the decision of a lower court in three actions, which declared unconstitutional State actuarial funding methods for determining State and local contributions to the State employee retirement system. Following the decision, the State Comptroller developed a plan to phase in a constitutional funding method and to restore prior funding levels of the retirement systems over a four year period. The plan is not expected to require the State to make additional

32

contributions with respect to the 1993-94 fiscal year nor to materially and adversely affect the State's financial condition thereafter. Through fiscal year 1998-99, the State expects to contribute \$643 million more to the retirement plans than would have been required under the prior funding method.

FUTURE FISCAL YEARS. There can be no assurance that the State will not face substantial potential budget gaps in the future resulting from a significant disparity between tax revenues projected from a lower recurring receipts base and the spending required to maintain State programs at current levels. To address any potential budgetary imbalance, the State may need to take significant actions to align recurring receipts and disbursements.

INDEBTEDNESS. As of December 31, 1993, the total amount of long-term State general obligation debt authorized but unissued stood at \$2.3 billion. As of the same date, the State had approximately \$5.0 billion in general obligation bonds and \$2.94 billion of Bond Anticipation Notes ("BANS"). The State issued \$850 million in tax and revenue anticipation notes ("TRANS") on May 4, all of which matured on December 31, 1993. The State does not project the need to issue TRANS during the State's 1994-95 fiscal year.

The State anticipates that its borrowings for capital purposes during the State's 1994-95 fiscal year will consist of \$413 million in general obligation bonds and BANS. The projection of the State regarding its borrowings for the 1994-95 fiscal year may change if actual receipts fall short of State projections or if other circumstances require.

In June 1990, legislation was enacted creating the "New York Local Government Assistance Corporation" ("LGAC"), a public benefit corporation empowered to issue long-term obligations to fund certain payments to local governments traditionally funded through the State's annual seasonal borrowing. As of February 28, 1994, LGAC has issued its bonds to provide net proceeds of \$3.7 billion. The Governor has recommended the issuance of additional bonds to provide net proceeds of \$315 million during the State's 1994-95 fiscal year.

The Legislature passed a proposed constitutional amendment which would permit the State subject to certain restrictions to issue revenue bonds without voter referendum. Among the restrictions proposed is that such bonds would not be backed by the full faith and credit of the State. The Governor intends to submit changes to the proposed amendment, which before becoming effective must be passed again by the next separately-elected Legislature and approved by voter referendum at a general election. The earliest such an amendment could take effect would be in November 1995.

RATINGS. The \$850 million in TRANS issued by the State in April 1993 were rated SP-1-Plus by S&P on April 26, 1993, and MIG-1 by Moody's on April 23, 1993, which represents the highest ratings given by such agencies and the first time the State's TRANS have received these ratings since its May 1989 TRANS issuance. Both agencies cited the State's improved fiscal position as a significant factor in the upgrading of the April 1993 TRANS.

Moody's rating of the State's general obligation bonds stood at A on April 23, 1993, and S&P's rating stood at A- with a stable outlook on April 26, 1993, an improvement from S&P's negative outlook prior to April 1993. Previously, Moody's lowered its rating to A on June 6, 1990, its rating having been A1 since May 27, 1986. S&P lowered its rating from A to A- on January 13, 1992. S&P's previous ratings were A from March 1990 to January 1992, AA- from August 1987 to March 1990 and A+ from November 1982 to August 1987.

Moody's maintained its A rating and S&P continued its A- rating in connection with the State's issuance of \$224.1 million of its general obligation bonds in March 1994.

(2) THE CITY AND THE MUNICIPAL ASSISTANCE CORPORATION ("MAC"): The City accounts for approximately 41% of the State's population and personal income, and the City's financial health affects the State in numerous ways.

33

In response to the City's fiscal crisis in 1975, the State took a number of steps to assist the City in returning to fiscal stability. Among other actions, the State Legislature (i) created MAC to assist with long-term financing for the City's short-term debt and other cash requirements and (ii) created the State Financial Control Board (the "Control Board") to review and approve the City's budgets and City four-year financial plans (the financial plans also apply to certain City-related public agencies (the "Covered Organizations")).

Over the past three years, the rate of economic growth in the City has slowed substantially, and the City's economy is currently in recession. The Mayor is responsible for preparing the City's four-year financial plan, including the City's current financial plan. The City Comptroller has issued reports concluding that the recession of the City's economy will be more severe and last longer than is assumed in the financial plan.

FISCAL YEAR 1993 AND 1994-1997 FINANCIAL PLAN. The City's 1993 fiscal year results are projected to be balanced in accordance with generally accepted

accounting principles ("GAAP"). The City was required to close substantial budget gaps in its 1990, 1991 and 1992 fiscal years in order to maintain balanced operating results.

On August 10, 1993, the City adopted and submitted to the Control Board its Financial Plan for fiscal years 1994-1997, which was subsequently modified on November 23, 1993. As modified in November 1993, the Plan projects a balanced budget for fiscal year 1994 based upon revenues of \$31.585 billion, and projects budget gaps of \$1.7 billion, \$2.5 billion and \$2.7 billion in fiscal years 1995 through 1997, respectively.

During December 1993, a three-member panel appointed by the Mayor, the Office of the State Deputy Comptroller and the Control Board, each issued reports that were critical of the City's 1994-1996 Financial Plan. While each report noted improvement in the outlook for fiscal year 1994, the reports indicated that the budget gap for fiscal year 1995 could be as much as \$450 million higher than projected and that the budget gap might continue to increase in later years to as much as \$1.5 billion above current projections by fiscal year 1997. Recommendations included addressing the City's tax and cost structure to maximize revenues on a recurring basis and minimize expenditures, a review of capital spending plans, service cuts, productivity gains and economic development measures.

On February 2, 1994, the Mayor proposed further modifications to the 1994-1997 Financial Plan. The Mayor's proposed Plan projects a balanced budget for fiscal year 1994, assuming revenues of \$31.735 billion, and includes a reserve of \$198 million. The proposed modification projects budget gaps for fiscal years 1995, 1996 and 1997 of \$2.3 billion, \$3.2 billion and \$3.3 billion, respectively. The Mayor identified \$2.2 billion in gap closing measures for fiscal year 1995. Implementation of these measures will require the cooperation of municipal labor unions, the City Council and the State and Federal governments. The Mayor's proposal includes a tax reduction program which will have a financial impact on later years.

Given the foregoing factors, there can be no assurance that the City will continue to maintain a balanced budget, or that it can maintain a balanced budget without additional tax or other revenue increases or reductions in City services, which could adversely affect the City's economic base.

Pursuant to State law, the City prepares a four-year annual financial plan, which is reviewed and revised on a quarterly basis and which includes the City's capital, revenue and expense projections. The City is required to submit its financial plans to review bodies, including the Control Board. If the City were to experience certain adverse financial circumstances, including the occurrence or the substantial likelihood and imminence of the occurrence of an annual operating deficit of more than \$100 million or the loss of access to the public credit markets to satisfy the City's capital and seasonal financial requirements, the

34

Control Board would be required by State law to exercise certain powers, including prior approval of City financial plans, proposed borrowings and certain contracts.

The City depends on the State for State aid both to enable the City to balance its budget and to meet its cash requirements. If the State experiences revenue shortfalls or spending increases beyond its projections during its 1993 fiscal year or subsequent years, such developments could result in reductions in projected State aid to the City. In addition, there can be no assurance that State budgets in future fiscal years will be adopted by the April 1 statutory deadline and that there will not be adverse effects on the City's cash flow and additional City expenditures as a result of such delays.

The City projections set forth in its financial plan are based on various assumptions and contingencies which are uncertain and which may not materialize. Changes in major assumptions could significantly affect the City's ability to balance its budget as required by State law and to meet its annual cash flow and financing requirements. Such assumptions and contingencies include the timing of any regional and local economic recovery, the absence of wage increases in excess of the increases assumed in its financial plan, employment growth, provision of State and Federal aid and mandate relief, State legislative approval of future State budgets, levels of education expenditures as may be required by State law, adoption of future City budgets by the New York City Council, and approval by the Governor or the State Legislature and the cooperation of MAC with respect to various other actions proposed in such financial plan.

The City's ability to maintain a balanced operating budget is dependant on whether it can implement necessary service and personnel reduction programs successfully. As discussed above, the City must identify additional expenditure reductions and revenue sources to achieve balanced operating budgets for fiscal years 1994 and thereafter. Any such proposed expenditure reductions will be difficult to implement because of their size and the substantial expenditure reductions already imposed on City operations in the past two years.

Attaining a balanced budget is also dependent upon the City's ability to market its securities successfully in the public credit markets. The City's financing program for fiscal years 1994 through 1997 contemplates capital spending of \$16.2 billion, which will be financed through issuance of \$10.5 billion of general obligation bonds, \$4.3 billion of Water Authority Revenue Bonds and the balance by Covered Organization obligations, and will be utilized primarily to reconstruct and rehabilitate the City's infrastructure and physical assets and to make capital investments. A significant portion of such bond financing is used to reimburse the City's general fund for capital expenditures already incurred. In addition, the City issues revenue and tax anticipation notes to finance its seasonal working capital requirements. The terms and success of projected public sales of City general obligation bonds and notes will be subject to prevailing market conditions at the time of the sale, and no assurance can be given that the credit markets will absorb the projected amounts of public bond and note sales. In addition, future developments concerning the City and public discussion of such developments, the City's future financial needs and other issues may affect the market for outstanding City general obligation bonds and notes. If the City were unable to sell its general obligation bonds and notes, it would be prevented from meeting its planned operating and capital expenditures.

FISCAL YEARS 1990, 1991 AND 1992. The City achieved balanced operating results as reported in accordance with GAAP for the 1992 fiscal year. During the 1990 and 1991 fiscal years, the City implemented various actions to offset a projected budget deficit of \$3.2 billion for the 1991 fiscal year, which resulted from declines in City revenue sources and increased public assistance needs due to the recession. Such actions included \$822 million of tax increases and substantial expenditure reductions.

35

The City is a defendant in a significant number of lawsuits. Such litigation includes, but is not limited to, actions commenced and claims asserted against the City arising out of alleged constitutional violations, torts, breaches of contracts, and other violations of law and condemnation proceedings. While the ultimate outcome and fiscal impact, if any, on the proceedings and claims are not currently predictable, adverse determinations in certain of them might have a material adverse effect upon the City's ability to carry out its financial plan. As of June 30, 1992, legal claims in excess of \$341 billion were outstanding against the City for which the City estimated its potential future liability to be \$2.3 billion.

RATINGS. As of the date of this prospectus, Moody's rating of the City's general obligation bonds stood at Baal and S&P's rating stood at A-. On February 11, 1991, Moody's had lowered its rating from A.

On December 6, 1993, in confirming its Baal rating, Moody's noted that:

The fiscal 1994 budget is nominally balanced, in part through reliance on one-shot revenues, but contains a number of risks . . . (T)he financial plan . . . shows increased gaps in succeeding years.

The financial plan for fiscal 1995 and beyond shows an ongoing imbalance between the City's expenditures and revenues . . . A key risk is that the replacement of one-shot revenues is likely to become increasingly difficult over time. Moody's continues to expect that the City's progress toward achieving long-term balance will be slow and uneven, but that the City will be diligent and prudent in closing gaps as they arise.

As discussed above under FISCAL YEAR 1993 AND 1993-1996 FINANCIAL PLAN, on July 2, 1993 after a review of the City's budget for fiscal year 1994, its proposed budget for fiscal year 1995 and certain additional cuts in both proposed by the Mayor and the City Comptroller, S&P confirmed its A- rating with a negative outlook of the City's general obligation bonds but indicated a continuing concern about budgets for fiscal year 1995 and thereafter. S&P's rating of the City's general obligation bonds remains unchanged.

On October 12, 1993, Moody's increased its rating of the City's issuance of \$650 million of Tax Anticipation Notes ("TANs") to MIG-1 from MIG-2. Prior to that date, on May 9, 1990, Moody's revised downward its rating on outstanding City revenue anticipation notes from MIG-1 to MIG-2 and rated the \$900 million Notes then being sold MIG-2. S&P's rating of the October 1993 TANs issue increased to SP-1 from SP-2. Prior to that date, on April 29, 1991, S&P revised downward its rating on City revenue anticipation notes from SP-1 to SP-2.

As of June 30, 1993, the City and MAC had, respectively, \$19.6 billion and \$4.5 billion of outstanding net long-term indebtedness.

(3) THE STATE AGENCIES: Certain Agencies of the State have faced substantial financial difficulties which could adversely affect the ability of such Agencies to make payments of interest on, and principal amounts of, their respective bonds. The difficulties have in certain instances caused the State (under so-called "moral obligation" provisions which are non-binding statutory provisions for State appropriations to maintain various debt service reserve



funds) to appropriate funds on behalf of the Agencies. Moreover, it is expected that the problems faced by these Agencies will continue and will require increasing amounts of State assistance in future years. Failure of the State to appropriate necessary amounts or to take other action to permit those Agencies having financial difficulties to meet their obligations could result in a default by one or more of the Agencies. Such default, if it were to occur, would be likely to have a significant adverse effect on investor confidence in, and therefore the market price of, obligations of the defaulting Agencies. In addition, any default in payment on any general obligation of any Agency whose bonds contain a moral obligation provision could constitute a failure of certain conditions that must be satisfied in connection

36

with Federal guarantees of City and MAC obligations and could thus jeopardize the City's long-term financing plans.

As of September 30, 1993, the State reported that there were eighteen Agencies that each had outstanding debt of \$100 million or more. These eighteen Agencies had an aggregate of \$63.5 billion of outstanding debt, including refunding bonds, of which \$7.7 billion was moral obligation debt of the State and \$19.3 billion was financed under lease-purchase or contractual obligation financing arrangements.

(4) STATE LITIGATION: The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings and other alleged violations of State and Federal laws. Included in the State's outstanding litigation are a number of cases challenging the constitutionality or the adequacy and effectiveness of a variety of significant social welfare programs primarily involving the State's mental hygiene programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care which could require substantial increased financing of the litigated programs in the future.

The State is also engaged in a variety of claims wherein significant monetary damages are sought. Actions commenced by several Indian nations claim that significant amounts of land were unconstitutionally taken from the Indians in violation of various treaties and agreements during the eighteenth and nineteenth centuries. The claimants seek recovery of approximately six million acres of land as well as compensatory and punitive damages.

The U.S. Supreme Court on March 30, 1993, referred to a Special Master for determination of damages an action by the State of Delaware to recover certain unclaimed dividends, interest and other distributions made by issuers of securities held by New York based-brokers incorporated in Delaware. (STATE OF DELAWARE V. STATE OF NEW YORK.) The State had taken such unclaimed property under its ABANDONED PROPERTY LAW. New York and Delaware have entered into a settlement agreement which provides for a payment of \$35 million in fiscal year 1993-94 and thereafter five \$33 million annual payments. Claims of other states and the District of Columbia have not been settled and the State expects that additional payments, which may be significant, may be required with respect thereto during fiscal year 1994 and thereafter.

In SCHULZ V. STATE OF NEW YORK, commenced May 24, 1993 ("SCHULZ 1993"), petitioners have challenged the constitutionality of mass transportation bonding programs of the New York State Thruway Authority and the Metropolitan Transportation Authority. On May 24, 1993, the Supreme Court, Albany County, temporarily enjoined the State from implementing those bonding programs. In previous actions Mr. Schulz and others have challenged on similar grounds bonding programs for the New York State Urban Development Corporation and the New York Local Government Assistance Corporation. While there have been no decisions on the merits in such previous actions, by an opinion dated May 11, 1993, the New York Court of Appeals held in a proceeding commenced on April 29, 1991 in the Supreme Court, Albany County (SCHULZ V. STATE OF NEW YORK), that petitioners had standing as voters under the State Constitution to bring such action.

Petitioners in SCHULZ 1993 have asserted that issuance of bonds by the two Authorities is subject to approval by statewide referendum. By decision dated October 21, 1993, the Appellate Division, Third Department, affirmed the order of the Supreme Court, Albany County, granting the State's motion for summary judgment, dismissing the complaint and vacating the temporary restraining order. In December 1993, the New York Court of Appeals indicated that it would hear the plaintiffs' appeal of the Appellate Division's decision in

37

SCHULZ 1993. At this time there can be no forecast of the likelihood of success on the merits by the petitioners, but a decision upholding this constitutional challenge could restrict and limit the ability of the State and its instrumentalities to borrow funds in the future.

Adverse developments in the foregoing proceedings or new proceedings could

adversely affect the financial condition of the State in the future.

(5) OTHER MUNICIPALITIES: Certain localities in addition to New York City could have financial problems leading to requests for additional State assistance. The potential impact on the State of such actions by localities is not included in projections of State receipts and expenditures in the State's 1993-94 and 1994-95 fiscal years.

Fiscal difficulties experienced by the City of Yonkers ("Yonkers") resulted in the creation of the Financial Control Board for the City of Yonkers (the "Yonkers Board") by the State in 1984. The Yonkers Board is charged with oversight of the fiscal affairs of Yonkers. Future actions taken by the Governor or the State Legislature to assist Yonkers could result in allocation of State resources in amounts that cannot yet be determined.

Municipalities and school districts have engaged in substantial short-term and long-term borrowings. In 1991, the total indebtedness of all localities in the State was approximately \$31.6 billion, of which \$16.8 billion was debt of New York City (excluding \$6.7 billion in MAC debt). State law requires the Comptroller to review and make recommendations concerning the budgets of those local government units other than New York City authorized by State law to issue debt to finance deficits during the period that such deficit financing is outstanding. Fifteen localities had outstanding indebtedness for state financing at the close of their fiscal year ending in 1991. In 1992, an unusually large number of local government units requested authorization for deficit financings. According to the Comptroller, ten local government units have been authorized to issue deficit financing in the aggregate amount of \$131.1 million.

Certain proposed Federal expenditure reductions could reduce, or in some cases eliminate, Federal funding of some local programs and accordingly might impose substantial increased expenditure requirements on affected localities. If the State, New York City or any of the Agencies were to suffer serious financial difficulties jeopardizing their respective access to the public credit markets, the marketability of notes and bonds issued by localities within the State, including notes or bonds in the New York Insured Trust, could be adversely affected. Localities also face anticipated and potential problems resulting from certain pending litigation, judicial decisions, and long-range economic trends. The longer-range potential problems of declining urban population, increasing expenditures, and other economic trends could adversely affect localities and require increasing State assistance in the future.

(6) OTHER ISSUERS OF NEW YORK MUNICIPAL OBLIGATIONS. There are a number of other agencies, instrumentalities and political subdivisions of the State that issue Municipal Obligations, some of which may be conduit revenue obligations payable from payments from private borrowers. These entities are subject to various economic risks and uncertainties, and the credit quality of the securities issued by them may vary considerably from the credit quality of obligations backed by the full faith and credit of the State.

NEW YORK TAXABLE ESTIMATED CURRENT RETURN TABLE

The following tables show the approximate taxable estimated current returns for individuals that are equivalent to tax-exempt estimated current returns under combined Federal, state and local taxes, using published 1995 marginal Federal tax rates and marginal state and local tax rates currently available and scheduled to be in effect. The tables incorporate increased tax rates for higher-income taxpayers that were included in the Revenue Reconciliation Act of 1993. For cases in which two state or local brackets fall within a federal bracket, the higher state or local bracket is combined with the federal bracket. The combined local, state and Federal tax brackets shown reflect the fact that state and local tax payments are currently deductible for Federal tax purposes. 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 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.

I. COMBINED FEDERAL AND NEW YORK STATE INCOME TAXES

COMBINED MARGINAL TAX RATES FOR JOINT TAXPAYERS WITH FOUR PERSONAL EXEMPTIONS

<TABLE>

<CAPTION>

| FEDERAL TAXABLE INCOME (1,000'S) | FEDERAL ADJUSTED GROSS INCOME (1,000'S) | COMBINED STATE AND FEDERAL TAX RATE1 | 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>   | <C>   |
|-----|-------------|-------------|------|-----|------|-------|-------|-------|-------|-------|-------|-------|
| \$  | 0- 39.0     | \$ 0-100.0  | 21.5 | %   | 6.37 | 6.69  | 7.01  | 7.32  | 7.64  | 7.96  | 8.28  | 8.60  |
|     |             | 100.0-114.7 | 22.5 |     | 6.45 | 6.77  | 7.10  | 7.42  | 7.74  | 8.06  | 8.39  | 8.71  |
|     | 39.0- 94.3  | 0-100.0     | 33.5 |     | 7.52 | 7.89  | 8.27  | 8.65  | 9.02  | 9.40  | 9.77  | 10.15 |
|     |             | 100.0-114.7 | 34.5 |     | 7.63 | 8.02  | 8.40  | 8.78  | 9.16  | 9.54  | 9.92  | 10.31 |
|     |             | 114.7-150.0 | 35.0 |     | 7.69 | 8.08  | 8.46  | 8.85  | 9.23  | 9.62  | 10.00 | 10.38 |
|     |             | 150.0-172.1 | 34.0 |     | 7.58 | 7.95  | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  | 10.23 |
|     | 94.3-143.6  | 0-100.0     | 36.0 |     | 7.81 | 8.20  | 8.59  | 8.98  | 9.38  | 9.77  | 10.16 | 10.55 |
|     |             | 100.0-114.7 | 37.0 |     | 7.94 | 8.33  | 8.73  | 9.13  | 9.52  | 9.92  | 10.32 | 10.71 |
|     |             | 114.7-150.0 | 38.0 |     | 8.06 | 8.47  | 8.87  | 9.27  | 9.68  | 10.08 | 10.48 | 10.89 |
|     |             | 150.0-172.1 | 37.0 |     | 7.94 | 8.33  | 8.73  | 9.13  | 9.52  | 9.92  | 10.32 | 10.71 |
|     |             | 172.1-294.6 | 39.5 |     | 8.26 | 8.68  | 9.09  | 9.50  | 9.92  | 10.33 | 10.74 | 11.16 |
|     | 143.6-256.5 | 114.7-150.0 | 42.5 |     | 8.70 | 9.13  | 9.57  | 10.00 | 10.43 | 10.87 | 11.30 | 11.74 |
|     |             | 150.0-172.1 | 42.0 |     | 8.62 | 9.05  | 9.48  | 9.91  | 10.34 | 10.78 | 11.21 | 11.64 |
|     |             | 172.1-294.6 | 44.5 |     | 9.01 | 9.46  | 9.91  | 10.36 | 10.81 | 11.26 | 11.71 | 12.16 |
|     |             | Over 294.6  | 42.0 | 2   | 8.62 | 9.05  | 9.48  | 9.91  | 10.34 | 10.78 | 11.21 | 11.64 |
|     | Over 256.5  | 172.1-294.6 | 48.0 |     | 9.62 | 10.10 | 10.58 | 11.06 | 11.54 | 12.02 | 12.50 | 12.98 |
|     |             | Over 294.6  | 45.5 | 3   | 9.17 | 9.63  | 10.09 | 10.55 | 11.01 | 11.47 | 11.93 | 12.39 |

</TABLE>

COMBINED MARGINAL TAX RATES FOR SINGLE TAXPAYERS WITH ONE PERSONAL EXEMPTION

<TABLE>  
<CAPTION>

| <S> | <C>         | <C>         | <C>  | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |       |
|-----|-------------|-------------|------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|     |             |             |      | 5.00%                               | 5.25% | 5.50% | 5.75% | 6.00% | 6.25% | 6.50% | 6.75% |       |
| \$  | 0- 23.4     | \$ 0-100.0  | 21.5 | %                                   | 6.37  | 6.69  | 7.01  | 7.32  | 7.64  | 7.96  | 8.28  | 8.60  |
|     |             | 100.0-114.7 | 22.0 |                                     | 6.41  | 6.73  | 7.05  | 7.37  | 7.69  | 8.01  | 8.33  | 8.65  |
|     | 23.4- 56.6  | 0-100.0     | 33.5 |                                     | 7.52  | 7.89  | 8.27  | 8.65  | 9.02  | 9.40  | 9.77  | 10.15 |
|     |             | 100.0-114.7 | 34.0 |                                     | 7.58  | 7.95  | 8.33  | 8.71  | 9.09  | 9.47  | 9.85  | 10.23 |
|     | 56.6-118.0  | 0-100.0     | 36.0 |                                     | 7.81  | 8.20  | 8.59  | 8.98  | 9.38  | 9.77  | 10.16 | 10.55 |
|     |             | 100.0-114.7 | 36.5 |                                     | 7.87  | 8.27  | 8.66  | 9.06  | 9.45  | 9.84  | 10.24 | 10.63 |
|     |             | 114.7-150.0 | 38.0 |                                     | 8.06  | 8.47  | 8.87  | 9.27  | 9.68  | 10.08 | 10.48 | 10.89 |
|     |             | 150.0-237.2 | 37.5 |                                     | 8.00  | 8.40  | 8.80  | 9.20  | 9.60  | 10.00 | 10.40 | 10.80 |
|     | 118.0-256.5 | 114.7-150.0 | 43.0 |                                     | 8.77  | 9.21  | 9.65  | 10.09 | 10.53 | 10.96 | 11.40 | 11.84 |
|     |             | 150.0-237.2 | 42.5 |                                     | 8.70  | 9.13  | 9.57  | 10.00 | 10.43 | 10.87 | 11.30 | 11.74 |
|     |             | Over 237.2  | 42.0 | 2                                   | 8.62  | 9.05  | 9.48  | 9.91  | 10.34 | 10.78 | 11.21 | 11.64 |
|     | Over 256.5  | Over 237.2  | 45.5 | 3                                   | 9.17  | 9.63  | 10.09 | 10.55 | 11.01 | 11.47 | 11.93 | 12.39 |

</TABLE>

II. COMBINED FEDERAL, NEW YORK STATE AND NEW YORK CITY INCOME TAXES

COMBINED MARGINAL TAX RATES FOR JOINT TAXPAYERS WITH FOUR PERSONAL EXEMPTIONS

<TABLE>  
<CAPTION>

| <S> | <C>         | <C>         | <C>  | TAX-EXEMPT ESTIMATED CURRENT RETURN |       |       |       |       |       |       |       |       |
|-----|-------------|-------------|------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|     |             |             |      | 5.00%                               | 5.25% | 5.50% | 5.75% | 6.00% | 6.25% | 6.50% | 6.75% |       |
| \$  | 0- 39.0     | \$ 0-100.0  | 25.0 | %                                   | 6.67  | 7.00  | 7.33  | 7.67  | 8.00  | 8.33  | 8.67  | 9.00  |
|     |             | 100.0-114.7 | 26.0 |                                     | 6.76  | 7.09  | 7.43  | 7.77  | 8.11  | 8.45  | 8.78  | 9.12  |
|     | 39.0- 94.3  | 0-100.0     | 36.5 |                                     | 7.87  | 8.27  | 8.66  | 9.06  | 9.45  | 9.84  | 10.24 | 10.63 |
|     |             | 100.0-114.7 | 37.5 |                                     | 8.00  | 8.40  | 8.80  | 9.20  | 9.60  | 10.00 | 10.40 | 10.80 |
|     |             | 114.7-150.0 | 38.0 |                                     | 8.06  | 8.47  | 8.87  | 9.27  | 9.68  | 10.08 | 10.48 | 10.89 |
|     |             | 150.0-172.1 | 37.5 |                                     | 8.00  | 8.40  | 8.80  | 9.20  | 9.60  | 10.00 | 10.40 | 10.80 |
|     | 94.3-143.6  | 0-100.0     | 39.5 |                                     | 8.26  | 8.68  | 9.09  | 9.50  | 9.92  | 10.33 | 10.74 | 11.16 |
|     |             | 100.0-114.7 | 40.0 |                                     | 8.33  | 8.75  | 9.17  | 9.58  | 10.00 | 10.42 | 10.83 | 11.25 |
|     |             | 114.7-150.0 | 41.0 |                                     | 8.47  | 8.90  | 9.32  | 9.75  | 10.17 | 10.59 | 11.02 | 11.44 |
|     |             | 150.0-172.1 | 40.0 |                                     | 8.33  | 8.75  | 9.17  | 9.58  | 10.00 | 10.42 | 10.83 | 11.25 |
|     |             | 172.1-294.6 | 42.5 |                                     | 8.70  | 9.13  | 9.57  | 10.00 | 10.43 | 10.87 | 11.30 | 11.74 |
|     | 143.6-256.5 | 114.7-150.0 | 45.5 |                                     | 9.17  | 9.63  | 10.09 | 10.55 | 11.01 | 11.47 | 11.93 | 12.39 |
|     |             | 150.0-172.1 | 44.5 |                                     | 9.01  | 9.46  | 9.91  | 10.36 | 10.81 | 11.26 | 11.71 | 12.16 |
|     |             | 172.1-294.6 | 47.0 |                                     | 9.43  | 9.91  | 10.38 | 10.85 | 11.32 | 11.79 | 12.26 | 12.74 |
|     |             | Over 294.6  | 44.5 | 2                                   | 9.01  | 9.46  | 9.91  | 10.36 | 10.81 | 11.26 | 11.71 | 12.16 |
|     | Over 256.5  | 172.1-294.6 | 50.5 |                                     | 10.10 | 10.61 | 11.11 | 11.62 | 12.12 | 12.63 | 13.13 | 13.64 |
|     |             | Over 294.6  | 48.0 | 3                                   | 9.62  | 10.10 | 10.58 | 11.06 | 11.54 | 12.02 | 12.50 | 12.98 |

</TABLE>

COMBINED MARGINAL TAX RATES FOR SINGLE TAXPAYERS WITH ONE PERSONAL EXEMPTION

<TABLE>

<CAPTION>

| FEDERAL TAXABLE INCOME (1,000'S) | FEDERAL ADJUSTED GROSS INCOME (1,000'S) | COMBINED STATE, LOCAL AND FEDERAL TAX RATE1 | 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- 23.4                       | \$ 0-100.0                              | 25.0  | 6.67                                | 7.00  | 7.33  | 7.67  | 8.00  | 8.33  | 8.67  | 9.00  |     |
|                                  | 100.0-114.7                             | 25.5  | 6.71                                | 7.05  | 7.38  | 7.72  | 8.05  | 8.39  | 8.72  | 9.06  |     |
| 23.4- 56.6                       | 0-100.0                                 | 36.5  | 7.87                                | 8.27  | 8.66  | 9.06  | 9.45  | 9.84  | 10.24 | 10.63 |     |
|                                  | 100.0-114.7                             | 37.0  | 7.94                                | 8.33  | 8.73  | 9.13  | 9.52  | 9.92  | 10.32 | 10.71 |     |
| 56.6-118.0                       | 0-100.0                                 | 39.5  | 8.26                                | 8.68  | 9.09  | 9.50  | 9.92  | 10.33 | 10.74 | 11.16 |     |
|                                  | 100.0-114.7                             | 39.5  | 8.26                                | 8.68  | 9.09  | 9.50  | 9.92  | 10.33 | 10.74 | 11.16 |     |
|                                  | 114.7-150.0                             | 41.0  | 8.47                                | 8.90  | 9.32  | 9.75  | 10.17 | 10.59 | 11.02 | 11.44 |     |
|                                  | 150.0-237.2                             | 40.5  | 8.40                                | 8.82  | 9.24  | 9.66  | 10.08 | 10.50 | 10.92 | 11.34 |     |
| 118.0-256.5                      | 114.7-150.0                             | 45.5  | 9.17                                | 9.63  | 10.09 | 10.55 | 11.01 | 11.47 | 11.93 | 12.39 |     |
|                                  | 150.0-237.2                             | 45.5  | 9.17                                | 9.63  | 10.09 | 10.55 | 11.01 | 11.47 | 11.93 | 12.39 |     |
|                                  | Over 237.2                              | 44.5  | 9.01                                | 9.46  | 9.91  | 10.36 | 10.81 | 11.26 | 11.71 | 12.16 |     |
| Over 256.5                       | Over 237.2                              | 48.0  | 9.62                                | 10.10 | 10.58 | 11.06 | 11.54 | 12.02 | 12.50 | 12.98 |     |

</TABLE>

<TABLE>

<S> <C>

<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 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. The table also reflects the New York State supplemental income tax based upon a taxpayer's New York State taxable income and New York State adjusted gross income. This supplemental tax results in an increased marginal state income tax rate to the extent a taxpayer's New York State adjusted gross income ranges between \$100,000 and \$150,000. The table does not, however, reflect the amendments to the New York State income tax law that imposes limitations on the deductibility of itemized deductions. The application of the New York State limitation on itemized deductions may result in a higher combined Federal, State and local tax rate than indicated in the table. The table assumes for this purpose that a taxpayer's New York State adjusted income equals his Federal adjusted gross income.

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>

40

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.

41

NUVEEN TAX-EXEMPT UNIT TRUST  
 SCHEDULE OF INVESTMENTS AT DATE OF DEPOSIT  
 MAY 9, 1995  
 NEW YORK INSURED TRUST 235  
 (SERIES 801)

<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>  |
| \$ 290,000          | Dormitory Authority of the State of New York, University of Rochester, Strong Memorial Hospital Revenue Bonds, Series 1994, 5.90% Due 7/1/17. | 2004 at 102                       | AAA               | Aaa     | \$ 287,100                                   |
| 600,000             | New York Local Government Assistance Corporation, Series 1995A Bonds, 6.00% Due   | 2005 at 102                       | AAA               | Aaa     | 598,500                                      |

|         |   |                  |     |     |         |
|---------|---|------------------|-----|-----|---------|
| 600,000 | 4/1/24.<br>New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds, 1994 Series E, 6.375% Due 8/15/14. (General Obligation Bonds.)   | 2004 at 102      | AAA | Aaa | 618,162 |
| 600,000 | New York State Thruway Authority, General Revenue Bonds, Series C, 6.00% Due 1/1/25.  | 2005 at 102      | AAA | Aaa | 597,000 |
| 600,000 | New York State Urban Development Corporation, Correctional Capital Facilities Revenue Bonds, Series 4, 5.375% Due 1/1/23. (Original issue discount bonds delivered on or about December 29, 1993 at a price of 94.25% of principal amount.) | 2004 at 102      | AAA | Aaa | 549,642 |
| 110,000 | The City of New York (New York), General Obligation Bonds, Fiscal 1993 Series E, 0.00% Due 5/15/19. (Original issue discount bonds delivered on or about May 27, 1993 at a price of 19.479% of principal amount.)                           | No Optional Call | AAA | Aaa | 27,221  |
| 600,000 | Metropolitan Transportation Authority (New York), Transit Facilities Revenue Bonds, Series O, 6.00% Due 7/1/24. (Original issue discount bonds delivered on or about July 12, 1994 at a price of 94.875% of principal amount.)              | 2004 at 101 1/2  | AAA | Aaa | 597,000 |
| 600,000 | Triborough Bridge and Tunnel Authority (New York), General Purpose Revenue Bonds, Series 1994A, 4.75% Due 1/1/14.   | No Optional Call | AAA | Aaa | 525,636 |

|              |  |              |
|--------------|--|--------------|
| -----        |  | -----        |
| \$ 4,000,000 |  | \$ 3,800,261 |
| -----        |  | -----        |
| </TABLE>     |  |              |

See Notes to Schedules of Investments, page 43.

NOTES TO SCHEDULES 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 4.)

(3) See "Description of Ratings" herein. All the Bonds in the Insured Trusts, 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, a division of J. J. Kenny Co., Inc., 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, a division of J. J. Kenny Co., Inc., 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 801:

We have audited the accompanying statements of condition and the related schedules of investments at date of deposit (included in the prospectus herein) of Nuveen Tax-Exempt Unit Trust, Series 801 (comprising Connecticut Traditional Trust 273, Short Intermediate Insured Trust 41, Arizona Insured Trust 39 and New York Insured Trust 235), as of May 9, 1995. These financial statements are the responsibility of the Sponsor. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 statements. Our procedures included confirmation of the irrevocable letter of credit arrangement for the purchase of securities, described in Note (1) to the statements 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 audits provide a reasonable basis for our opinion.

In our opinion, the statements of condition and the related schedules of investments at date of deposit referred to above present fairly, in all material respects, the financial position of each of the trusts constituting the Nuveen Tax-Exempt Unit Trust, Series 801 as of May 9, 1995, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Chicago, Illinois,  
May 9, 1995.

Statements of Condition

NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 801

(Connecticut Traditional Trust 273, Short Intermediate Insured Trust 41, Arizona Insured Trust 39 and New York Insured Trust 235)

AS OF MAY 9, 1995

<TABLE>  
<CAPTION>

| TRUST PROPERTY   | CONNECTICUT<br>TRADITIONAL<br>TRUST 273 | SHORT<br>INTERMEDIATE<br>INSURED<br>TRUST 41 | ARIZONA<br>INSURED<br>TRUST 39 | NEW YORK<br>INSURED<br>TRUST 235 |
|--|---|--|--------------------------------|----------------------------------|
| <S>  | <C>                                     | <C>  | <C>                            | <C>                              |
| Sponsor's contracts to purchase Tax-Exempt Bonds, backed by an irrevocable letter of credit(1)(2)..... | \$ 3,388,643                            | \$ 8,862,023                                 | \$ 3,303,717                   | \$ 3,800,261                     |
| Accrued interest to May 9, 1995 on underlying Bonds(1).....  | 46,364                                  | 113,646                                      | 54,136                         | 66,009                           |
| Total.....   | \$ 3,435,007                            | \$ 8,975,669                                 | \$ 3,357,853                   | \$ 3,866,270                     |

LIABILITY AND INTEREST OF UNITHOLDERS

LIABILITY:

|   |    |        |    |         |    |        |    |        |
|---|----|--------|----|---------|----|--------|----|--------|
| Accrued interest to May 9, 1995 on underlying Bonds(3)..... | \$ | 46,364 | \$ | 113,646 | \$ | 54,136 | \$ | 66,009 |
|   |    | -----  |    | -----   |    | -----  |    | -----  |

INTEREST OF UNITHOLDERS:

|  |    |           |    |           |    |           |    |           |
|--|----|-----------|----|-----------|----|-----------|----|-----------|
| Units of fractional undivided interest outstanding (Connecticut Traditional Trust 273--35,000; Short Intermediate Insured Trust 41 --90,000; Arizona Insured Trust 39--35,000; New York Insured Trust 235--40,000) |    |           |    |           |    |           |    |           |
| Cost to investors(4).....  | \$ | 3,563,226 | \$ | 9,136,125 | \$ | 3,473,924 | \$ | 3,996,050 |
| Less: Gross underwriting commission(5).....  |    | (174,583) |    | (274,102) |    | (170,207) |    | (195,789) |
|  |    | -----     |    | -----     |    | -----     |    | -----     |
| Net amount applicable to investors.....  | \$ | 3,388,643 | \$ | 8,862,023 | \$ | 3,303,717 | \$ | 3,800,261 |
|  |    | -----     |    | -----     |    | -----     |    | -----     |
| Total.....   | \$ | 3,435,007 | \$ | 8,975,669 | \$ | 3,357,853 | \$ | 3,866,270 |
|  |    | -----     |    | -----     |    | -----     |    | -----     |

<FN>

- (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 "Schedules of Investments" herein, and their aggregate cost to the Trusts are the same. Such offering prices were determined by Kenny S&P Evaluation Services 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 Trusts 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

RISK FACTORS.

An investment in Units of any Trust should be made with an understanding of the risks that such an investment may entail. These include the ability of the issuer, or, if applicable, an insurer, to make payments of interest and principal when due, the effects of changes in interest rates generally, early call provisions and the potential for changes in the tax status of the Bonds. As set forth in the portfolio summaries above, the Trusts 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 a Trust to make payment of principal and interest thereon or which may adversely affect the ratings of such Bonds; with respect to Insured Trusts, however, because of the insurance obtained by the Sponsor or by the issuers of the Bonds, such changes should not adversely affect an 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 each such Insured Trust. For economic risks specific to the individual Trusts, see "Economic Factors" for each Trust.

HEALTH FACILITY OBLIGATIONS. Some of the Bonds in a 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 a 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

A-1

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 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 a 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 a 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

A-2



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 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 a 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 a 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

A-3

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 a 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 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 a 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 a 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

A-4

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 a 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 a 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 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 a 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 a 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

A-5

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

Certain of the Bonds in a 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

A-6

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

Each Trust initially consists of delivery statements relating to contracts to purchase Bonds (or of such Bonds) as are listed under "Schedules 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 Trusts. 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 a 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 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 Trusts." Those Bonds in each Trust purchased with delivery dates after the date of settlement for purchases made on the Date of Deposit are so noted in the Schedules 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 a 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 and, with respect to Bonds purchased for a State Trust, shall have the benefit of an exemption from state taxation of interest to an extent equal to or greater than that of the Bonds they replace, (ii) must have a fixed maturity date after the date of purchase of not less than approximately 15 years in the case of National or State 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

A-7

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 a 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 a Trust could not be replaced, the Net Annual Interest Income per Unit for such 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 a Trust will retain for any length of time its present size and composition.

All of the Bonds in each 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 "Schedules 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 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;

A-8

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 "Schedules of Investments.")

**CERTAIN TAX MATTERS; LITIGATION.** Certain of the Bonds in each 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 each 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 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 any of the Trusts. It is possible that after the Date of Deposit, litigation may be initiated with respect to Bonds in any 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 INSURED TRUSTS

Insurance guaranteeing the timely payment, when due, of all principal and interest on the Bonds in each Insured Trust has been obtained by the Sponsor or by the issuers or underwriters of Bonds from the MBIA Insurance Corporation (the "Insurer"). Some of the Bonds in each 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 Trusts, 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 an 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 Trusts. The Insurer's policy also does not insure against non-payment of principal 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.

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, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. The Insurer has one European branch in the Republic of France.

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. As of December 31, 1994, the Insurer had admitted assets of \$3.4 billion (audited), total liabilities of \$2.3 billion (audited), and total capital and surplus of \$1.1 billion (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.

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 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 (UNAUDITED)  
 AS OF SEPTEMBER 30, 1994.  
 (000'S OMITTED)

<TABLE>  
 <CAPTION>

|  | NEW YORK<br>STATUTORY<br>ASSETS | NEW YORK<br>STATUTORY<br>LIABILITIES | NEW YORK<br>POLICYHOLDERS<br>SURPLUS |
|--|---------------------------------|--------------------------------------|--------------------------------------|
|  |                                 |                                      |                                      |
| <S>  | <C>                             | <C>                                  | <C>                                  |
| The Aetna Casualty & Surety Company.....                                       | \$ 10,030,200                   | \$ 8,275,300                         | \$ 1,754,900                         |
| Fireman's Fund Insurance Company.....  | 6,815,775                       | 4,904,534                            | 1,911,241                            |
| The Travelers Indemnity Company.....   | 10,295,359                      | 8,515,392                            | 1,779,967                            |
| CIGNA Property and Casualty Company (formerly Aetna<br>Insurance Company)..... | 5,112,251                       | 4,842,235                            | 270,016                              |
| The Continental Insurance Company.....   | 2,794,536                       | 2,449,805                            | 344,731                              |
| Total.....   | \$ 35,048,121                   | \$ 28,987,266                        | \$ 6,060,855                         |
|  |                                 |                                      |                                      |

</TABLE>

A-11

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

#### INSURANCE ON CERTAIN BONDS IN TRADITIONAL TRUSTS

Insurance guaranteeing the timely payment, when due, of all principal and interest on certain Bonds in a Traditional Trust may have been obtained by the Sponsor, issuer or underwriter of the particular Bonds involved or by another party. Such insurance, which provides coverage substantially the same as that obtained with respect to Bonds in Insured Trusts as described above, is effective so long as the insured Bond is outstanding and the insurer remains in business. Insurance relates only to the particular Bond and not to the Units offered hereby or to their market value. Insured Bonds have received a rating of "Aaa" by Moody's Investors Service, Inc. and/or "AAA" by Standard & Poor's Corporation in recognition of such insurance.

If a Bond in a Traditional Trust is insured, the Schedule of Investments will identify the insurer. Such insurance will be provided by Financial Guaranty Insurance Company ("FGIC"), AMBAC Indemnity Corporation ("AMBAC"), Bond Investors Guaranty Insurance Company, now known as MBIA Corp. of Illinois ("BIG"), Capital Guaranty Insurance

A-12

Company ("CGIC"), Financial Security Assurance, Inc. ("FSA"), Municipal Bond Insurance Association (the "Association"), MBIA Insurance Corporation ("MBIA") or Connie Lee Insurance Company ("ConnieLee"). The Sponsor to date has purchased and presently intends to purchase insurance for Bonds in Traditional Trusts exclusively from MBIA (see the preceding disclosure regarding MBIA). There can be no assurance that any insurer listed therein will be able to satisfy its commitments in the event claims are made in the future. However, Standard & Poor's Corporation has rated the claims-paying ability of each insurer "AAA," and Moody's Investors Service has rated all bonds insured by each such insurer, except ConnieLee, "Aaa." Moody's Investor's Service gives no ratings for bonds insured by ConnieLee.

Because any such insurance will be effective so long as the insured Bonds are outstanding, such insurance will be taken into account in determining the market value of such Bonds and therefore some value attributable to such insurance will be included in the value of the Units of the Trust that includes such Bonds. 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 each 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 any Trust described herein in the primary or secondary offering period or units of any other series of Nuveen Tax-Exempt Unit Trusts in the primary or secondary 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 tables based on the amount of intended aggregate purchases as expressed in the letter of intent. Due to administrative limitations and in order to permit adequate tracking, the only secondary market purchases that will be permitted to be applied toward the intended specified amount and that will receive the corresponding reduced sales charge are those Units that are acquired through or from the Sponsor. 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

A-13

credited to such Unitholder's account. If total purchases 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 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 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>                       | <C>                            | <C>                       | <C>                            | <C>                       | <C>                            |
|                                  | PERCENT OF OFFERING PRICE | PERCENT OF NET AMOUNT INVESTED | PERCENT OF OFFERING PRICE | PERCENT OF NET AMOUNT INVESTED | PERCENT OF OFFERING PRICE | 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>                       | <C>                            | <C>                       | <C>                            |     |     |
|                                  | PERCENT OF OFFERING PRICE | PERCENT OF NET AMOUNT INVESTED | PERCENT OF OFFERING PRICE | 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 each 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. Any assumptions regarding maturity made for purposes of determining the appropriate sales charge in no way predict or guarantee the actual remaining life of a given Trust.

Pursuant to the terms of the Indenture, the Trustee may terminate a 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 each Trust, the Sponsor will attempt to estimate the date on which a 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 a 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.

The effect of this method of sales charge calculation will be that different sales charge rates will be applied to the various Bonds in a 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>                 | <C>                        | <C>                          | <C>                          | <C>                          | <C>                              | <C>                              |
|                          | UNDER<br>\$50,000   | \$50,000<br>TO<br>\$99,999 | \$100,000<br>TO<br>\$249,999 | \$250,000<br>TO<br>\$499,999 | \$500,000<br>TO<br>\$999,999 | \$1,000,000<br>TO<br>\$2,499,999 | \$2,500,000<br>TO<br>\$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>

| YEARS TO MATURITY        | <C>                    |
|--------------------------|------------------------|
|                          | \$5,000,000<br>OR MORE |
| 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 each Trust as of 4:00 p.m. eastern time on each day on which the New York Stock Exchange (the "Exchange") is normally

A-15

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 applicable 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 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).

Units may be purchased in the primary or secondary market at the Public Offering Price for non-breakpoint purchases minus the concession the Sponsor typically allows to brokers and dealers for non-breakpoint purchases (see Section 17) by (1) investors who purchase Units through registered investment advisers, certified financial planners and registered broker-dealers who in each case either charge periodic fees for financial planning, investment advisory or asset management services, or provide such services in connection with the establishment of an investment account for which a comprehensive "wrap fee" charge is imposed, (2) bank trust departments investing funds over which they exercise exclusive discretionary investment authority and that are held in a fiduciary, agency, custodial or similar capacity, (3) any person who for at least 90 days, has been an officer, director or bona fide employee of any firm offering Units for sale to investors or their immediate family members (as defined above) and (4) officers and directors of bank holding companies that make Units available directly or through subsidiaries or bank affiliates. Notwithstanding anything to the contrary in this Prospectus, such investors, bank trust departments, firm employees and bank holding company officers and directors who purchase Units through this program will not receive sales charge reductions for quantity purchases.

The initial or primary Public Offering Price of the Units in each Trust is based upon a pro rata share of the OFFERING prices per Unit of the Bonds in such Trust plus the applicable sales charge. The secondary market Public Offering Price of each Trust is based upon a pro rata share of the BID prices per Unit of the Bonds in such 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 each Trust on the business day prior to the Date of Deposit is shown in the discussion of each Trust portfolio.

A-16

Whether or not Units are being offered for sale, the Sponsor will determine the aggregate value of each 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 each Trust at a price equivalent to the pro rata share per Unit of the OFFERING prices of the Bonds in such Trust (plus accrued interest). Afterward, although it is not obligated to do so, the Sponsor intends to maintain a secondary market for Units of each Trust at its own expense and continuously to offer to purchase Units of each Trust at prices, subject to change at any time, which are based upon the BID prices of Bonds in the respective portfolios of the Trusts. If the supply of Units of any of the Trusts of this Series exceeds demand, or for some other business reason, the Sponsor may discontinue purchases of Units of such 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 each respective Trust initially offered by this Prospectus represents that fractional undivided interest in such Trust as is set forth under "Essential Information Regarding the Trusts." To the extent that any Units of any 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 such 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 each Trust is accounted for daily on an accrual basis. For this reason, the purchase price of Units of a 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.")

A-17

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 each 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 a Trust, the amount of accrued interest to be added to the Public Offering Price to determine the purchase price of the Units of such 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 Trusts) from interest received on the Bonds deposited in each 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 each 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 each 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.

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

The Estimated Long Term Return for each 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

A-18

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. A Unitholder's actual return may vary significantly from the Estimated Long-Term Return, based on their holding period, market interest rate changes, other factors affecting the prices of individual bonds in the portfolio, and differences between the expected remaining life of portfolio bonds and the actual length of time that they remain in the Trust; such actual holding periods may be reduced by termination of the Trust, as described in "AMENDMENT AND TERMINATION OF INDENTURE." 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 a 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 Trusts" 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 Trusts in this Series, all as of the day prior to the Date of Deposit, see "Essential Information Regarding the Trusts."

#### 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 division of J. J. Kenny Co., Inc., a firm regularly engaged in the business of evaluating, quoting or appraising comparable bonds. With respect to Bonds in Insured Trusts and insured Bonds in Traditional Trusts, Kenny S&P Evaluation Services, a division of J. J. Kenny Co., Inc., 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 Trusts 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

A-19

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 a 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. In addition, with respect to State Trusts, where applicable, bond counsel to the issuing authorities rendered opinions as to the exemption of interest on such Bonds, when held by residents of the state in which the issuers of such Bonds are located, from state income taxes and certain state or local intangibles and local income taxes. For a discussion of the tax status of State Trusts see "Summary of Portfolios-- Tax Status" for the respective State Trust. (See Sections 2 and 3.) Neither the Sponsor nor its counsel have made any special review for the Trusts 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 Trusts, 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.) A portion of a Unitholder's gain, to the extent of accreted market discount, may be treated as ordinary income rather than capital gain if the Bonds were purchased by a Trust at a market discount or if the Unitholder purchased his or her Units at a market discount on or after April 30, 1993. 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 Trusts are not associations taxable as corporations for Federal income tax purposes. Tax-exempt interest received by each of the Trusts on Bonds deposited therein will retain its status as tax-exempt interest, for Federal income tax purposes, when received by the Trusts 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 a Trust is considered to be the owner of a pro rata portion of such 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

A-20

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 provided that, at the time such policies are purchased, the amounts paid for such policies are reasonable, customary and consistent with the reasonable expectation that the issuer of the bonds, rather than the insurer, will pay debt service on the bonds. 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, each Trust is not an association taxable as a corporation and the income of each Trust will be treated as the income of the Unitholders.

For a summary of each opinion of special counsel to the respective State Trusts for state tax matters, see Section 3.

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 a Trust by a Unitholder would result in each of the remaining Unitholders of said Trust owning a greater proportionate interest in the remaining assets of said 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 result in an increase in the Unitholder's basis in such obligations and, accordingly, in his basis in his Units.

A-21

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 applicable Trust, interest on borrowed funds used to purchase or carry Units of such 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 Trusts 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 Trusts do 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 interest received by each of the Trusts on Bonds deposited therein will not be included in the gross income of corporations for Federal income tax purposes, "adjusted current earnings"

A-22

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 Trusts 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 each 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 each Trust as set forth in "Essential Information Regarding the Trusts." Each 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. 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 a 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 Trusts. The Trustee has the use of funds, if any, being held in the Interest and Principal Accounts of each 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 Trusts and with respect to insured Bonds in Traditional Trusts have been paid in full prior to the deposit of the Bonds in the Trusts, and the value of such insurance has been included in the evaluation of the Bonds in each Trust and accordingly in the Public Offering



Price of Units of each Trust. There are no annual continuing premiums for such insurance.

The Sponsor has borne all costs of creating and establishing the Trusts. The following are expenses of the Trusts and, when paid by or are owed to the Trustee, are secured by a lien on the assets of the Trust or Trusts to which such expenses are allocable: (1) the expenses and costs of any action undertaken by the Trustee to protect the Trusts and the rights and interests of the Unitholders; (2) all taxes and other governmental charges upon the Bonds or any part of the Trusts (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 amounts if funds are not otherwise available in the applicable Interest and Principal Accounts.

A-23

The Indenture requires each 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 a 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 each 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 such Trust and all other moneys received by the Trustee shall be credited to the "Principal Account" of such Trust.

The pro rata share of cash in the Principal Account in each 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 any 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 each 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 such 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 each 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 each 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 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 a Trust or, to the extent funds are not sufficient therein, from the Principal Account of a Trust, amounts needed for payment of expenses of such 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 such 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 a 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 such 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 a Trust such amounts as may be necessary to cover redemptions of Units of such 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 Trusts and may invest in securities which would not be eligible for deposit in the Trusts. 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.

#### 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.

#### 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

A-26

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 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

A-27

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 a 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 a 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 a Trust a statement with respect to such Trust (i) as to the Interest Account: interest received (including amounts representing interest received upon any disposition of Bonds), and, except for any State Trust, the percentage of such interest by states in which the issuers of the Bonds are located, deductions for fees and

expenses of such 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

A-28

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 each 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 such Trust outstanding as of the date thereof to determine the per Unit value ("Unit Value") of such Trust. The Sponsor may determine the value of the Bonds in each 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 each 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 Trusts and with respect to insured Bonds in Traditional Trusts 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 Trusts that include such Bonds.

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 Trusts, 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 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:

A-29

<TABLE>  
<CAPTION>

| <S>              | DISCOUNT PER UNIT                      |   |                               |  |                             |
|------------------|--|---|-------------------------------|--|-----------------------------|
|                  | <C><br>NATIONAL<br>AND STATE<br>TRUSTS | <C><br>LONG INTER-<br>MEDIATE<br>TRUSTS | <C><br>INTERMEDIATE<br>TRUSTS | <C><br>SHORT INTER-<br>MEDIATE<br>TRUSTS | <C><br>SHORT TERM<br>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    |

\*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 each 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>

AMOUNT OF PURCHASE\*

| <S>                      | <C>            |                      |                        |                        |                        |                            |                            |                     |
|--------------------------|----------------|----------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|---------------------|
|                          | UNDER \$50,000 | \$50,000 TO \$99,999 | \$100,000 TO \$249,999 | \$250,000 TO \$499,999 | \$500,000 TO \$999,999 | \$1,000,000 TO \$2,499,999 | \$2,500,000 TO \$4,999,999 | \$5,000,000 OR MORE |
| 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.

Registered investment advisers, certified financial planners and registered broker-dealers who in each case either charge periodic fees for financial planning, investment advisory or asset management services, or provide such services in connection with the establishment of an investment account for which a comprehensive "wrap fee" charge is imposed, and bank trust departments investing funds over which they exercise exclusive discretionary investment authority and that are held in a fiduciary, agency, custodial or similar capacity, are not entitled to receive any dealer concession for primary or secondary market purchases in which an investor purchases any number of Units at the Public Offering Price for non-breakpoint purchases minus the concession the sponsor typically allows to brokers and dealers for non-breakpoint purchases (see Section 6).

Certain commercial banks are making Units of the Trusts 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

A-30

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.

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.

A-31

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.

#### 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 such 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.

A-32

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.

Accrued interest paid on redemption shall be withdrawn from the Interest Account of the appropriate Trust or, if the balance therein is insufficient, from the Principal Account of such Trust. All other amounts paid on redemption shall be withdrawn from the Principal Account. The Trustee is empowered to sell underlying Bonds of a 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 a Trust, the size and diversity of such 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 each 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 each 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

A-33

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.

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

Bonds will be removed from a Trust as they mature or are redeemed by the issuers thereof. See the "Schedules 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 each 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 a 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

A-34

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 a 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 Trusts, the Trustee may use the services of The Depository Trust Company. These services would include safekeeping of the Bonds and 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 any 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.

#### SUCCESSOR TRUSTEES AND SPONSORS

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.

A-35

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 Trusts.

#### 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 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 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

A-36

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 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, all 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 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.

To help advisers and investors better understand and more efficiently use an investment in the Trust to reach their investment goals, the Trust's sponsor, John Nuveen & Co. Incorporated, may advertise and create specific investment programs and systems. For example, such activities may include presenting information on how to use an investment in the Trust, alone or in combination with an investment in other mutual funds or unit investment trusts sponsored by Nuveen, to accumulate assets for future education needs or periodic payments such as insurance premiums. The Trust's sponsor may produce software or additional sales literature to promote the advantages of using the Trust to meet these and other specific investor needs.

#### 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 any 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 any 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.

A-37

#### TERMINATION OF INDENTURE

Each Trust may be liquidated at any time by written consent of 100% of the Unitholders or by the Trustee when the value of such Trust, as shown by any evaluation, is less than 20% of the original principal amount of such 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 such Trust to less than 40% of the principal amount of the Bonds originally deposited in the portfolio. (See "Essential Information Regarding the Trusts.") The sale of Bonds from the Trusts 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 and State 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 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. Special counsel for the Trusts for respective state tax matters are named in "Tax Status" for each Trust under Section 3. 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 Statements of Condition and Schedules of Investments at Date of Deposit included in this Prospectus have been audited by Arthur Andersen LLP, 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.

A-38

#### 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.

- - - - -

\*As published by the rating companies.

A-39

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 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

A-40

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.

A-41

(THIS PAGE INTENTIONALLY LEFT BLANK)

A-42

(THIS PAGE INTENTIONALLY LEFT BLANK)

A-43

|          |        |                            |
|----------|--------|----------------------------|
| <TABLE>  |        |                            |
| <C>      | <S>    | <C>                        |
|          | NUVEEN | Tax-Exempt Unit Trusts     |
|          |        | PROSPECTUS                 |
|          |        | 200,000 Units              |
|          |        | Connecticut Traditional    |
|          |        | Trust 273                  |
|          |        | Short Intermediate Insured |
|          |        | Trust 41                   |
|          |        | Arizona Insured Trust 39   |
|          |        | New York Insured Trust 235 |
| </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<br>TO SPONSOR                            | Chapman and Cutler             |
|          |  | 111 West Monroe Street         |
|          |  | Chicago, IL 60603              |
|          | INDEPENDENT<br>PUBLIC<br>ACCOUNTANTS<br>FOR THE TRUSTS | Arthur Andersen LLP            |
|          |  | 33 West Monroe Street          |
|          |  | Chicago, IL 60603              |
| </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 Trusts, 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 Trusts are registered as a Unit Investment Trust under the Investment Company Act of 1940. Such registration does not imply that the Trusts or any of their Units has been guaranteed, sponsored, recommended or approved by the United States or any State or agency or officer thereof.

\*\*\*\*\*  
\* PRELIMINARY PROSPECTUS DATED 5/10/95 \*  
\*\*\*\*\*  
NUVEEN TAX-EXEMPT UNIT TRUST

-----  
100,000 UNITS

SERIES 807  
(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





8. Fiscal Year

9. Litigation

II. GENERAL DESCRIPTION OF THE TRUST AND SECURITIES OF THE TRUST

10. General Information regarding trust's securities
- ) 3 Summary of Portfolios
  - ) 5 Why and How are the Bonds Insured?
  - 13 When Are Distributions Made to Unitholders?
  - )18 Ownership and Transfer of Units
  - )19 How Units May Be Redeemed Without Charge
  - )21 How Bonds May Be Removed From The Trusts
  - )22 Information About the Trustee
  - )23 Information About the Sponsor
  - )24 Other Information
- )11 What Is The Tax Status of Unitholders?
11. Type of securities comprising units
- ) 1 What Is The Nuveen Tax-Exempt Unit Trust?
  - ) 3 Summary of Portfolios
  - ) 4 Composition of Trusts
  - ) 2 What Are The Objectives Of The Trusts?
  - 5 Why and How are the Bonds Insured?
12. Certain information regarding periodic payment certificates
- ) \*
  - )
13. (a)Load, fees, expenses, etc.
- )ii Essential Information Regarding the Trusts on Date of Deposit of Bonds
  - ) 6 How Is The Public Offering Price Determined?
  - ) 7 Market For Units
  - ) 8 What Is Accrued Interest?
  - ) 9 What Is The Estimated Current Return?
  - )10 How Was The Price Of The Bonds Determined At Date of Deposit?
  - )12 What Are Normal Trust Operating Expenses?
  - ) 3 Summary of Portfolios
  - )13 When Are Distributions Made to Certificateholders?

|   |  |
|---|--|
|   | ) 15 How Detailed Are Reports To Certificateholders?   |
| (b) Certain information regarding periodic payment certificates                                   | ) *  |
| (c) Certain percentages   | ) 6 How Is the Public Offering Price Determined?<br>) 7 Market For Units<br>) 9 What Is The Estimated Current Return?<br>) 10 How Was The Price of the Bonds Determined At Date of Deposit?<br>) 8 What is Accrued Interest? |
| (d) Certain other fees, etc. payable by holders   | ) 10 How Was The Price Of The Bonds Determined At Date of Deposit?<br>) 12 What Are Normal Trust Operating Expenses?<br>) 18 Ownership and Transfer of Units   |
| (e) Certain profits receivable by depositor, principal underwriter, trustee or affiliated persons | ) 4 Composition of Trusts<br>) 20 How Units May Be Purchased By The Sponsor  |
| (f) Ratio of annual charges to income   | *)   |
| 14. Issuance of trust's securities  | ) 3 Summary of Portfolios<br>) 13 When Are Distributions Made To Unitholders?<br>) 18 Ownership and Transfer of Units<br>) 19 How Units May Be Redeemed Without Charge   |
| 15. Receipt and handling of payments from purchasers  | ) *  |
| 16. Acquisition and Disposition of Underlying Securities  | ) 1 What Is The Nuveen Tax-Exempt Unit Trust?<br>) 3 Summary of Portfolios<br>) 4 Composition of Trusts<br>) 5 Why and How are the Bonds Insured?<br>) 19 How Units May Be Redeemed  |

|  |  |
|--|--|
|  | Without Charge   |
|  | )21 How Bonds May Be Removed From<br>The Trusts  |
|  | )24 Other Information  |
| 17. Withdrawal or redemption                               | ) 7 Market For Units<br>)19 How Units May Be Redeemed<br>Without Charge<br>)20 How Units May Be Purchased By<br>The Sponsor        |
| 18. (a)Receipt and disposition of income                   | ) 3 Summary of Portfolios<br>)13 When Are Distributions<br>Made To Unitholders?<br>)15 How Detailed Are Reports To<br>Unitholders? |
| (b)Reinvestment of distributions                           | )14 Accumulation Plan  |
| (c)Reserves or special funds                               | ) 3 Summary of Portfolios<br>)13 When Are Distributions<br>Made To Certificateholders?   |
| (d)Schedule of distributions                               | ) *  |
| 19. Records, accounts and reports                          | )13 When Are Distributions Made<br>To Certificateholders?<br>)15 How Detailed Are Reports To<br>Certificateholders?                |
| 20. Certain miscellaneous provisions of<br>Trust Agreement | )22 Information About the Trustee<br>)23 Information About the Sponsor<br>)24 Other Information                                    |
| 21. Loans to security holders                              | ) *  |
| 22. Limitations on liability                               | ) 3 Summary of Portfolios<br>) 4 Composition of Trusts<br>)22 Information About The Trustee  |
| 23. Bond arrangements                                      | ) *  |
| 24. Other material provisions of Trust<br>Agreement.       | ) *<br>)   |

### III. ORGANIZATION, PERSONNEL AND AFFILIATED PERSONS OF DEPOSITOR

|  |   |                                  |
|--|---|----------------------------------|
| 25. Organization of Depositor  | ) | 23 Information About the Sponsor |
| 26. Fees received by Depositor   | ) | *                                |
| 27. Business of Depositor  | ) | 23 Information About the Sponsor |
| 28. Certain information as to officials<br>and affiliated persons of Depositor       | ) | *                                |
| 29. Voting Securities of Depositor   | ) | 23 Information About the Sponsor |
| 30. Persons controlling Depositor  | ) |                                  |
| 31. Payments by Depositor for certain<br>services rendered to trust                  | ) | *                                |
| 32. Payments by Depositor for certain<br>other services rendered to trust            | ) |                                  |
| 33. Remuneration of employees of Depositor<br>for certain services rendered to trust | ) |                                  |
| 34. Remuneration of other persons for<br>certain services rendered to trust          | ) |                                  |

#### IV. DISTRIBUTION AND REDEMPTION OF SECURITIES

|   |   |   |
|---|---|---|
| 35. Distribution of trust's securities by<br>states | ) | *   |
| 36. Suspension of sales of trust's<br>securities    | ) |   |
| 37. Revocation of authority to distribute           | ) |   |
| 38. (a) Method of distribution                      | ) |   |
| (b) Underwriting agreements                         | ) | 17 How Units of The Trusts Are<br>Distributed To The Public |
| (c) Selling agreements                              | ) |   |
| 39. (a) Organization of principal<br>underwriter    | ) |   |
| (b) NASD membership of principal<br>underwriter     | ) | 23 Information About The Sponsor                            |
| 40. Certain fees received by principal              | ) | *   |

underwriter

41. (a) Business of principal underwriter )  
)  
(b) Branch offices of principal under- ) \*  
writer )  
)  
(c) Salesmen of principal underwriter )
42. Ownership of trust's securities by ) \*  
certain persons )  
)
43. Certain brokerage commissions received ) \*  
by principal underwriter )
44. (a) Method of valuation ) ii Essential Information Regarding  
) The Trusts On Date Of Deposit Of  
) Bonds  
) 6 How Is The Public Offering Price  
) Determined?  
) 10 How Was The Price Of The Bonds  
) Determined At Date of Deposit?  
) 12 What Are Normal Trust Operating  
) Expenses?
- (b) Schedule as to offering price ) \*
- (c) Variation in offering price to ) 6 How Is the Public Offering Price  
certain persons ) Determined?  
) 8 What Is Accrued Interest?  
) 10 How Was The Price Of The Bonds  
) Determined At Date of Deposit?
45. Suspension of redemption rights ) \*
46. (a) Redemption valuation ) 16 Unit Value and Evaluation  
) 19 How Units May Be Redeemed  
) Without Charge  
) 20 How Units May Be Purchased By  
) The Sponsor
- (b) Schedule as to redemption price ) \*
47. Maintenance of position in underlying ) 5 How Is the Public Offering Price  
securities ) Determined?  
) 20 How Units May Be Purchased By

) The Sponsor

V. INFORMATION CONCERNING THE TRUSTEE OR CUSTODIAN

48. Organization and regulation of Trustee)21 Information About The Trustee
49. Fees and expenses of Trustee )ii Essential Information Regarding  
) The Trusts On Date of Deposit Of  
) Bonds  
)12 What Are Normal Trust Operating  
) Expenses?
50. Trustee's lien )12 What Are Normal Trust Operating  
) Expenses?  
)13 When Are Distributions Made  
) To Unitholders?

VI. INFORMATION CONCERNING INSURANCE OF HOLDERS OF SECURITIES

51. Insurance of holders of trust's ) \*  
securities )

VII. POLICY OF REGISTRANT

52. (a)Provisions of trust agreement with )12 What Are Normal Trust Operating  
respect to selection or elimination) Expenses?  
of underlying securities )19 How Units May Be Redeemed With-  
) out Charge  
)21 How Bonds May Be Removed From  
) The Trusts
- (b)Transactions involving elimination ) \*  
of underlying securities )
- (c)Policy regarding substitution or ) 3 Summary of Portfolio  
elimination of underlying ) 4 Composition of Trusts  
securities )21 How Bonds May Be Removed From  
) The Trusts
- (d)Fundamental policy not otherwise ) \*  
covered )
53. Tax status of trust )11 What Is The Tax Status Of  
) Unitholders?

VIII. FINANCIAL AND STATISTICAL INFORMATION

54. Trust's securities during last ten years) \*
- 55.) ) \*
- 56.)Certain information regarding )

57.)periodic payment certificates )  
58.) )

\_\_\_\_\_

\*Inapplicable, omitted, answer negative or not required.

#### 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.<br>Reliance Insurance Company<br>B 74 92 20 | \$10,000,000 |
| Aetna Casualty and Surety<br>08 F10618BCA                                | \$10,000,000 |
| St. Paul Insurance Co.<br>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 807, 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 5/10/95.

NUVEEN TAX-EXEMPT UNIT TRUST, SERIES 807  
(Registrant)

By JOHN NUVEEN & CO. INCORPORATED  
(Depositor)

By: Larry Woods Martin

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

Attest: Morrison C. Warren

\_\_\_\_\_  
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, )<br>Chief Executive Officer and )<br>Director )<br>) |  |
| Donald E. Sveen         | President, Chief Operating )<br>Officer and Director )<br>)                         |  |
| Anthony T. Dean         | Executive Vice President and )<br>Director )  | Larry Woods Martin<br>Attorney-in-Fact** |
| Timothy T. Schwertfeger | Executive Vice President and )<br>Director )<br>)                                   |  |
| O. Walter Renfftlen     | Vice President and Controller )<br>(Principal Accounting Officer))<br>)             | 5/10/95                                  |

-----  
\*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 LLP

The consent of Arthur Andersen LLP 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 (incorporated by reference to Form S-6 [File No. 33-58059] filed on March 13, 1995 on behalf of Nuveen Tax-Exempt Unit Trust, Series 795).

---

\*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.