

Exhibit 1

Terms for Forward Purchase Agreement (the "Agreement")

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- I. Issuer: City of Milwaukee, Wisconsin (the "City")
- II. Program: \$29,095,000 Sewerage System Revenue Bonds Series 2001 (AMBAC Insured)
- \$33,885,000 Sewerage System Revenue Bonds Series 2003 S4 (FGIC Insured)
- (collectively, the "Bonds", and AMBAC and FGIC collectively, the "Insurers")
- Both bond issues have closed, and the reserve fund is fully funded.
- III. Trustee: Bank One Trust Company, National Association, Milwaukee, Wisconsin (the "Trustee"). JP Morgan / Chase – Successor Trustee due to merger.
- IV. Fund Type: Bond Fund Reserve Account (with 2 subaccounts)
- V. Deposit Amount: 2001 Bonds: \$2,343,384 (approx.)  
2003 Bonds: \$2,524,600 (approx.)
- VI. Maturity: 2001 Bonds: June 1, 2021  
2003 Bonds: June 1, 2023
- VII. Withdrawals: 100% fully flexible for withdrawals pursuant to the Indenture
- VIII. Notification: A minimum of one business day's notice.
- IX. Interest Calculation: Interest shall be paid semi-annually one business day prior to each June 1 and December 1, commencing December 1, 2003 calculated on a 30/360 day count basis.
- X. Provider Requirements: A Forward Purchase Agreement, whereby in exchange for the City's Bond Fund Reserve Account deposit, the Provider will supply, on a semiannual basis, Reinvestment Securities having a maturity on or prior to the next succeeding Bond Payment Date on the Bonds with a maturity value equal to the Bond Fund Reserve Account deposit plus interest. The Provider will supply the reinvestment securities on a "delivery versus payment" basis with:
- Banks (foreign or domestic), Broker/Dealers, or other financial institutions (the "Provider") with a long-term rating on the day of bid no lower than "A-" by S&P or "A3" Moody's and approved

by the Insurers. Such ratings shall be for obligations on parity with, or subordinate to, the Agreement.

- XI. Reinvestment Securities: i) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America
- ii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
- a. Export-Import Bank
  - b. Rural Economic Community Development Administration
  - c. U.S. Maritime Administration
  - d. Small Business Administration
  - e. U.S. Department of Housing & Urban Development (PHAs)
  - f. Federal Housing Administration
  - g. Federal Financing Bank
- iii) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
- a. Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
  - b. Obligations of the Resolution Funding Corporation (REFCORP)
  - c. Senior debt obligations of the Federal Home Loan Bank System
  - d. Senior debt obligations of other Government Sponsored Agencies approved by the Insurers.

Securities other than US direct Treasury obligations, GNMA obligations and full faith and credit US government obligations, must be rated AAA by at least one rating agency at the time of delivery. Reinvestment Securities must mature on or before the next Interest Calculation Date that is more than 15 days after the purchase date. Purchase may be denied, in whole, or in part, if the Trustee requires cash for a withdrawal.

XIII. Security Delivery Date: Every six months, corresponding to the interest payment dates on the Bonds.

XIV. Additional Criteria: a) The Agreement may not be amended by any party without the prior written consent of the Insurers.

b) The Provider is required to immediately notify the Insurers, the Trustee, and the City of any event of default or any suspension, withdrawal or downgrading of the Provider's rating.

XV. Events of Default: Provider Events of Default under the Agreement should include the following:

- i) Failure of the Provider to deliver a Reinvestment Security to the Trustee on the semi-annual delivery date;
- ii) Failure of the Provider to observe any covenant under the Agreement;
- iii) Any representation of or warranty furnished to the Trustee or the City in connection with the Agreement (or guaranty, if applicable) is false or misleading;
- iv) The Provider admits its inability to pay its debts or a petition in bankruptcy is filed.

XVI. Remedies:

Remedies should be subject to the Insurers' approval and direction (i.e., the Trustee may act with Insurer's consent, and shall act at Insurers' direction) and should include the right of the Trustee to sell the Reinvestment Securities or hold such securities to maturity. The Agreement should provide that the Provider remain liable for any deficiency after application of such proceeds of sale, including costs and expenses incurred by the Trustee or the Insurers.

In the case of a late delivery of a Reinvestment Security to the Trustee on the semi-annual delivery date the Provider must make the City whole for any lost interest.

XXIII. Reporting:

Monthly reports to the Trustee, the Insurers, and the City specifying the outstanding balance, draws, accrued interest, and interest paid during the reporting period.

XIV. Fees:

All bids should be quoted net of 5bps broker's fee to be paid to the bidding agent and \$5,000 to be paid to Bond Counsel.