

Term Sheet

for Swap Agreement (the "Agreement")

- I. Obligor: City of Milwaukee, Wisconsin (the "City") on behalf of the Milwaukee Board of School Directors (the "MPS"), (the "Obligor")
- II. Program: Redevelopment Authority of the City of Milwaukee,
\$ _____ Taxable Pension Fund Bonds
2003 Series D (Auction Rate Securities)
(Milwaukee Public Schools)
(_____ Insured)

(the "Bonds", and _____, the "Insurer")
- III. Trustee: Deutsche Bank National Trust Company, Chicago, Illinois (the "Trustee").
- IV. Swap Terms: Notional Amount \$ _____
 Obligor pays Fixed Rate
 Obligor receives LIBOR + 20 basis points
 Start Date Date of Closing on the Bonds
 Term Maturity of the Bonds
- V. Interest Calculation: Obligor pays: Calculated on a 30/360 day count basis
Obligor receives: Calculated on an Actual/Actual basis
- VI. Payment Exchange: Net payments exchanged on bond interest payment dates.
- VII. Security: Exchange payments on parity with debt service
Termination payment subject to annual appropriations
- VII. Collateral: Obligor will not be required to post collateral.
Counter-party will be required to post collateral when rated below AA.
- IX. Termination: Obligor option to terminate at any time at market.
Counter-party does not have optional termination.
- X. Downgrade: In the event Counter-party is downgraded below investment grade,
Obligor has option to terminate at market.
- XI. Assignment: At the option of the Obligor, the Agreement, or any portion thereof, shall be assignable to the Obligor, or the City alone, where the Obligor, or the City, provides a General Obligation pledge for Exchange Payments. Such assignment shall be evidenced by a new agreement for the assigned amount, identical to the Agreement, except for the pledge for exchange payments, the amount/term assigned, reference bond series, trustee, insurer, and in the event the Obligor is the City, the Obligor. Termination payments for new agreement(s) shall be calculated as if it were a portion of the original Agreement.

- XII. Additional Criteria:
- a) The Agreement may not be amended by any party without the prior written consent of the Insurer.
 - b) The Counter-party is required to immediately notify the Insurers, the Trustee, and the Obligor of any event of default or any suspension, withdrawal or downgrading of the Counter-party's rating.
- XIII. Events of Default:
- Provider Events of Default under the Agreement should include the following:
- i) Failure of the Provider to make a required exchange payment;
 - ii) Failure of the Provider to observe any covenant under the Agreement;
 - iii) Any representation of or warranty furnished to the Trustee or the Obligor in connection with the Agreement is false or misleading;
 - iv) The Counter-party admits its inability to pay its debts or a petition in bankruptcy is filed.
- XVI. Remedies:
- Remedies should be subject to the Insurer's approval and direction (i.e., the Trustee may act with Insurer's consent, and shall act at Insurer's direction) and should include the right of the Trustee to sell collateral and enter into an Agreement with another Counter-party.