

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of

January 1, 2008

between

CITY OF MILWAUKEE, WISCONSIN

and

STATE STREET BANK AND TRUST COMPANY

---

with respect to:

City of Milwaukee  
General Obligation Commercial Paper Promissory Notes  
2008 Program  
Series C2, R3, and T4 (Taxable)

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## **LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT**

THIS LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT is dated as of January 1, 2008 (this "Agreement"), between the **CITY OF MILWAUKEE, WISCONSIN** (the "Issuer"), and **STATE STREET BANK AND TRUST COMPANY**, a state-chartered trust company organized under the laws of the Commonwealth of Massachusetts (the "Bank").

WHEREAS, the Issuer has undertaken a commercial paper program and shall execute and deliver the City of Milwaukee General Obligation Commercial Paper Promissory Notes, 2008 Program, Series C2, R3, and T4 (the "Notes") from time to time in the aggregate principal amount not to exceed \$150,000,000 at any one time, pursuant to a Trust Indenture dated as of January 1, 2008 (as amended from time to time, the "Trust Indenture"), by and between the Issuer and Deutsche Bank National Trust Company, as trustee (the "Trustee");

WHEREAS, the Issuer will use the proceeds of the sale of Notes to pay for certain Issuer purposes, including expenses of issuing the Notes;

WHEREAS, in order to provide a source for payment when due of the principal and interest with respect to the Notes, the Bank will (i) provide its commitment to issue a letter of credit in the form of Exhibit A hereto and (ii) pursuant to such commitment, issue on the Closing Date (as defined herein) such letter of credit (as further described herein, the "Letter of Credit") in the initial stated amount of \$\_\_\_\_\_ which consists of \$\_\_\_\_\_ with respect to principal of the Certificates and \$\_\_\_\_\_ with respect to interest thereon, which stated amount may be increased or decreased from time to time pursuant to such commitment on the terms and conditions set forth in Section 2;

WHEREAS, the Bank is willing to provide its Letter of Credit upon the terms and conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to enter into this Agreement and honor draws under the Letter of Credit, the Issuer and the Bank hereby agree as follows:

### Section 1. Definitions; Accounting Terms and Determinations.

The following terms, as used herein, have the following respective meanings:

"Advance" has the meaning set forth in Section 3(a) hereof.

"Agreement" means this Letter of Credit and Reimbursement Agreement, as amended, modified or supplemented from time to time, in accordance with the provisions hereof.

"Annual Filing" means the annual financial information, if any, to be provided by the Issuer pursuant to the continuing disclosure undertaking of the Issuer with respect to the Notes pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended.

"Bank" means State Street Bank and Trust Company, and its successors and assigns.

"Bank Rate" means, with respect to each date of determination: (a) with respect to any Advance or portion thereof which shall have been Outstanding for a period not longer than 30 days, the Base Rate, (b) with respect to any Advance or portion thereof which shall have been Outstanding for a period of more than 30 days but less than 61 days, the Base Rate plus 1.00%, (c) and which does not constitute a Term Loan, the Default Rate, and (c) with respect to a Term Loan, the Base Rate plus 2.00%; provided that from and after the occurrence of an Event of Default, the Bank Rate shall equal the Default Rate.

"Bank Information" means information describing the Bank and furnished in writing by the Bank expressly for inclusion in the Commercial Paper Memorandum.

"Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the greater of (i) the rate of interest most recently designated by the Bank in the United States as its "base rate" or "prime rate" (or equivalent) or (ii) the Federal Funds Rate plus 0.5% per annum.

"Business Day" means a day (a) on which banks located in Milwaukee, Wisconsin, in New York, New York, in Boston, Massachusetts and in each of the cities in which the principal offices of the Bank, the Trustee, the Issuing and Paying Agent and the Dealer are located are not required or authorized by law or executive order to close for business, and (b) on which the New York Stock Exchange is not closed, or (c) other than Saturday or Sunday.

"Closing Date" means the date on which all of the conditions precedent set forth in Section 5 of this Agreement have been satisfied after this Agreement has been executed by the Issuer and the Bank.

"Commercial Paper Memorandum" means the commercial paper memorandum (including any supplements thereto) with respect to the offer or sale of the Notes.

"Commitment Period" means the period from the Closing Date to and including the earlier of (i) the Termination Date and (ii) the Letter of Credit Commitment Expiration Date.

"Dealer" means each of Citigroup Global Markets Inc. and Loop Capital Markets, LLC, or any successor Dealer or Dealers appointed pursuant to the Trust Indenture.

"Dealer Agreement" means (i) the Dealer Agreement dated as of January 1, 2008, by and between the Issuer and Citigroup Global Markets Inc., together with any and all amendments and supplements thereto, (ii) the Dealer Agreement dated as of January 1, 2008, by and between the Issuer and Loop Capital Markets, LLC, together with any and all amendments and supplements thereto and (iii) the Dealer Agreement entered into

between the Issuer and any other Dealer, as the same may be amended or supplemented from time to time pursuant to the terms thereof and hereof.

"Default" means any event or condition that constitutes an Event of Default or that with the giving of notice or the lapse of time of both would, unless cured or waived, become an Event of Default.

"Default Rate" means an interest rate per annum equal to the Base Rate in effect from time to time plus 3.00%. The Default Rate shall change as and when the Base Rate changes.

"Drawing" means a drawing under the Letter of Credit, accompanied by a certificate in the form of Annex A to the Letter of Credit.

"Drawing Date" means the date on which the Bank pays a Drawing on the Letter of Credit in accordance with the terms thereof.

"Event of Default" shall have the meaning assigned to such term in Section 14 hereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

"Federal Funds Rate" means for any day the rate of interest per annum as determined by State Street at which overnight Federal Funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Issuer absent manifest error.

"Fee Letter" shall have the meaning assigned to such term in Section 3(j) hereof.

"Fitch" means Fitch, Inc., its successors and assigns.

"Governmental Agency" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

"Investment Grade" means a rating of not less than "Baa3" (or its equivalent) by Moody's, "BBB-" (or its equivalent) by Fitch or "BBB-" (or its equivalent) by S&P.

"Issuer" has the meaning specified therefor in the preamble hereto.

"Issuing and Paying Agent" means Deutsche Bank National Trust Company, as Issuing and Paying Agent for the Notes under the Issuing and Paying Agent Agreement,

or any successor issuing and paying agent for the Notes appointed in accordance with the Issuing and Paying Agent Agreement.

"Issuing and Paying Agent Agreement" means (i) the Issuing and Paying Agent Agreement, dated as of January 1, 2008, by and between the Issuer and the Issuing and Paying Agent, as it may be amended or supplemented from time to time, and (ii) the Issuing and Paying Agent Agreement, by and between the Issuer and any successor Issuing and Paying Agent, as it may be amended or supplemented from time to time.

"Letter of Credit" means the irrevocable letter of credit to be issued by the Bank pursuant hereto for the account of the Issuer in favor of the Issuing and Paying Agent, as beneficiary, which shall be in substantially the form of Exhibit A to this Agreement.

"Letter of Credit Commitment" means the commitment of the Bank to increase or decrease the Stated Amount of the Letter of Credit pursuant to Sections 2(d) and 2(e) hereof.

"Letter of Credit Commitment Amount" means \$136,095,891, which consists of \$125,000,000 with respect to principal of the Notes and \$11,095,891 with respect to interest thereon, as each such amount may be reduced pursuant to and as described in Sections 2(f) and 2(h) hereof.

"Letter of Credit Commitment Expiration Date" means December 1, 2012, unless extended as provided in Section 4(b) hereof, in which case the Letter of Credit Commitment Expiration Date means the date to which the Letter of Credit Commitment Expiration Date has been so extended.

"Letter of Credit Fees" shall have the meaning assigned to such term in Section 3(j) hereof.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Maximum Interest Rate" means the lesser of 12% per annum or any other maximum rate allowed by law on Notes, Parity Debt or other obligations of the Issuer.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"No-Issuance Notice" shall have the meaning assigned to such term in Section 14 hereof.

"Notes" means the City of Milwaukee General Obligation Commercial Paper Promissory Notes, 2008 Program, Series C2, R3, and T4, executed and delivered under and entitled to the benefits of the Indenture.

"Obligations" means all obligations and all liabilities of the Issuer under this Agreement and the Letter of Credit, including, but not limited to, its obligations to make all payments required by Section 3 hereof.

"Outstanding" (i) with respect to the Notes, shall have the meaning assigned to such term in the Resolution; and (ii) with respect to Drawings, Advances or Term Loans, means all Drawings, Advances and/or Term Loans made by the Bank pursuant hereto and not repaid by the Issuer.

"Parity Debt" means any bonds, notes or other evidence of indebtedness issued by, or on behalf of, the Issuer which are on a parity with the Notes.

"Participant" has the meaning assigned to that term in Section 12 hereof.

"Participation" has the meaning assigned to that term in Section 12 hereof.

"Payment Office" means the account of State Street Bank and Trust Company, ABA Number: 011-000-028 Account Number: 4867-932-8, Account Name: Municipal Finance Fee Receivable, Acct. Reference: City of Milwaukee/Commercial Paper Notes, or such other office or account as the Bank may designate from time to time.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Rating Agency" means Moody's, Fitch or S&P.

"Related Documents" means and includes (without limitation) this Agreement, the Letter of Credit, the Notes, the Dealer Agreement, the Resolution, the Trust Indenture, the Issuing and Paying Agent Agreement and any and all other documents which the Issuer has executed and delivered, or may hereafter execute and deliver, to evidence or further assure the Issuer's obligations hereunder or thereunder.

"Resolution" means a Resolution of the Issuer, adopted on January \_\_\_\_, 2008, together with any and all amendments or supplements thereto.

"S&P" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, and its successors and assigns.

"Scheduled Termination Date" means December 1, 2012, unless extended in accordance with Section 4(a) hereof, in which case the Scheduled Termination Date means the date to which the Letter of Credit has been extended.

"Stated Amount" means, as of any date, with respect to the Letter of Credit, the maximum amount which, by the terms of the Letter of Credit, is available to be drawn under the Letter of Credit as of such date.

"Taxes" has the meaning assigned to such term in Section 3(h) hereof.



"Termination Date" shall have the meaning assigned to such term in the Letter of Credit.

"Term Loan" means the term financing provided or to be provided by the Bank in accordance with the agreement of the Bank under Section 3(k) hereof.

"Term Loan Closing Date" means, with respect to each Advance, the earlier of (i) the date which is the 61st day following the date of such Advance or (ii) the Scheduled Termination Date.

"Term Loan Maturity Date" means the earliest to occur of (i) the third anniversary of the Term Loan Closing Date, (ii) the occurrence or existence of any Event of Default on or after the Term Loan Closing Date, and (iii) the effective date of any Alternate Letter of Credit obtained on or after the Term Loan Closing Date.

"Trustee" means Deutsche Bank National Trust Company as trustee for the Notes under the Trust Indenture, or any successor trustee for the Notes appointed in accordance with the Trust Indenture.

"Trust Indenture" means the Trust Indenture, dated as of January 1, 2008, by and between the Issuer and the Trustee, as it may be amended or supplemented from time to time.

"Unutilized Commitment" means, as of any date, the amount (if any) by which the Letter of Credit Commitment Amount as in effect at the opening of business on such date exceeds the Stated Amount then in effect (determined without regard to reductions in such Stated Amount subject to automatic reinstatement as provided in the Letter of Credit) as in effect at the opening of business on such date.

(a) Gender; Plural. All references made herein (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

(b) Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the most recent audited financial statement of the Issuer delivered to the Bank.

(c) Certain Capitalized Terms. Capitalized terms used herein and not defined herein shall have the definitions ascribed thereto in the Trust Indenture.

Section 2. Issuance of Letter of Credit; Drawings under the Letter of Credit; Increase of Stated Amount of Letter of Credit.

(a) The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Issuing and Paying Agent its Letter of Credit (substantially in the form of Exhibit A hereto), dated the Closing Date and completed in accordance with such form and the terms of this Section 2(a). The stated amount of the Letter of Credit (the "Stated Amount") on the Date of Issuance shall be \$\_\_\_\_\_, which amount is equal to \$\_\_\_\_\_ aggregate principal amount of the Notes plus an interest component of \$\_\_\_\_\_. The Stated Amount may be from time to time increased, reduced and/or reinstated in accordance with the terms of the Letter of Credit and this Agreement, but shall in no event be less than the aggregate principal amount of the Notes Outstanding plus interest on the Notes for 270 days at an assumed rate equal to the Maximum Interest Rate based on a year of 365 days. The Bank will use only its own funds in honoring a Drawing on the Letter of Credit. Unless otherwise terminated in accordance with its terms, the Letter of Credit shall expire on the Scheduled Termination Date.

(b) Promptly following the appointment and qualification of any successor Issuing and Paying Agent and receipt by the Bank of a notice in the form of Annex C to the Letter of Credit, the Bank shall deliver to such successor Issuing and Paying Agent, against receipt of the Letter of Credit (and any amendments thereto) held by the predecessor Issuing and Paying Agent, and upon payment of the fee set forth in the Fee Letter, either (i) the Letter of Credit endorsed by the Bank in accordance with Annex C or (ii) a substitute Letter of Credit substantially in the form of Exhibit A hereto, dated the date of issuance thereof and in favor of such successor Issuing and Paying Agent, but otherwise having terms substantially identical to the Letter of Credit theretofore outstanding.

(c) All Drawings to be made under the Letter of Credit shall be made by facsimile transmission, in the form of Annex A to the Letter of Credit, addressed to the Bank and submitted by the Issuing and Paying Agent at the time and place specified in the Letter of Credit, and no further presentation of documentation, including the original Letter of Credit, need be made; it being understood that the facsimile transmission shall, in all events, be considered to be the sole operative instrument of drawing. The Bank may rely upon any such facsimile transmission drawing which it, in good faith, believes to have been dispatched by the Issuing and Paying Agent or its authorized agent.

(d) Subject to the terms and conditions of this Agreement (including, without limitation, Section 6 hereof), the Bank agrees from time to time during the Commitment Period (but no more frequently than once during each calendar month), to increase the Stated Amount of the Letter of Credit or to decrease the Stated Amount of the Letter of Credit from time to time; provided, however, that in the case of each increase in the Stated Amount of the Letter of Credit, (i) the Stated Amount of the Letter of Credit after giving effect to such increase, together with the aggregate amount of Advances, shall not exceed the Letter of Credit Commitment Amount, and (ii) the amount of such increase shall not exceed the Unutilized Commitment as in effect at the time of such increase; and provided, further, however, that in the case of each decrease of the Stated Amount of the Letter of Credit, the Stated Amount of the Letter of Credit after giving effect to such decrease shall not be less than the sum of the aggregate principal amount of and

interest to stated maturity on the Outstanding Notes, plus the aggregate amount of Advances outstanding at the time of such decrease.

(e) The Issuer may, from time to time during the Commitment Period (but no more frequently than once during each calendar month), request that the Stated Amount of the Letter of Credit be increased or decreased by delivery to the Bank of a request for adjustment of the Stated Amount of the Letter of Credit in the form of Exhibit C hereto (a "Request for Adjustment"); provided, however, that the minimum amount of any requested adjustment shall be \$1,000,000 in principal amount of the Letter of Credit or, if less, the full, remaining amount of the Unutilized Commitment. Each Request for Adjustment shall be irrevocable. Upon satisfaction of the conditions precedent set forth in Section 6 with respect to such request, the Bank shall, at its discretion, either execute and deliver a replacement letter of credit evidencing such increase (and the Issuing and Paying Agent shall return to the Bank the then existing letter of credit) or the Bank shall deliver to the Issuing and Paying Agent a Notice of Adjustment of the Stated Amount in the form of Annex E to the Letter of Credit (which notice shall be attached to the Letter of Credit and made a part thereof), and, upon such delivery, the Stated Amount shall be adjusted to the amount set forth in such Request for Adjustment.

(f) On and after the earlier of (i) the Termination Date and (ii) the Letter of Credit Commitment Expiration Date, the Unutilized Commitment shall be reduced to zero and the Bank shall no longer be obligated to increase the Stated Amount pursuant to this Section 2.

(g) The Letter of Credit Commitment is a revolving facility and decreases in the Stated Amount of the Letter of Credit may be requested and made and, thereafter, further decreases and/or increases of the Stated Amount of the Letter of Credit may be requested and made, all subject to the terms, conditions and limitations of this Section 2 and of Section 6 hereof.

(h) The Unutilized Commitment may be permanently reduced from time to time or terminated by the Issuer upon ten (10) Business Days' prior written notice of such reduction or termination given by the Issuer to the Bank; provided that each such reduction shall be in a principal amount equal to \$1,000,000 or any integral multiple of \$100,000 in excess of \$1,000,000. In connection with any such reduction or termination of the principal amount of the Unutilized Commitment, the Letter of Credit Commitment Amount shall be automatically and permanently reduced by the amount of such reduction or termination.

### Section 3. Repayment of Drawings.

(a) Repayment of Drawings. Each Drawing under the Letter of Credit shall be reimbursed to the Bank on the Drawing Date, provided that any such amount not reimbursed on the day so paid shall constitute an advance (individually an "Advance," and collectively "Advances") to the Issuer by the Bank on the date so paid, which the Issuer shall be obligated to repay as provided herein. Each Advance shall be due and payable on the 60th day following the date of the Drawing giving rise to such Advance; provided, however, that if the conditions precedent to the Term Loan as set forth in Section 7 shall be satisfied or waived on a Term Loan Closing Date, then the Bank shall make the Term Loan as provided in Section 3(k) below and the Advances Outstanding as of such Term Loan Closing Date (after giving effect to any Advances

made on such date) shall constitute a Term Loan and shall be due and payable as provided in Section 3(k) hereof.

(b) Recordation of Advances. The Bank shall record on its books and records, the date, amount, and maturity of each Advance made by the Bank to the Issuer hereunder, and the date and amount of each payment of principal thereof and interest thereon. The record thereof, as shown on the books and records of the Bank shall be prima facie evidence as to all such amounts; provided, however, that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the obligation of the Issuer to repay all Advances made to it hereunder together with accrued interest thereon.

(c) Payment of Interest.

(i) Each Advance and Term Loan shall bear interest from the date of such Advance or Term Loan at the Bank Rate applicable thereto from time to time in effect.

(ii) Interest shall be payable monthly in arrears on the first Business Day of each month, and upon prepayment or maturity of the relevant Advance or Term Loan. Each Advance shall bear interest from and including the date of payment upon the Drawing giving rise to such Advance until, but not including, the date on which such Advance is paid in full. Each Term Loan shall bear interest from and including the Term Loan Closing Date until, but not including, the date on which such Term Loan is paid in full. Interest shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day); provided that the principal amount of any Advance or Term Loan not paid when due shall bear interest at the Default Rate.

(iii) Upon the occurrence of an Event of Default, the Issuer shall pay interest on all Obligations, including all Outstanding Advances and Term Loans, payable on demand, at the Default Rate.

(iv) If the Issuer shall fail to pay when due (whether at maturity, on demand, by reason of acceleration or otherwise) any amount due and unpaid hereunder, each such unpaid amount shall (to the extent permitted by applicable law) bear interest for each day from and including the date it was so due until paid in full at a rate per annum equal to the Default Rate, payable on demand.

(d) Increased Costs.

(i) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in the interpretation or administration thereof by any court, central bank or other administrative or governmental authority (in each case, whether or not having the force of law), or compliance by the Bank with any request or directive of any such court, central bank or other administrative or governmental authority (whether or not having the force of law), shall (A) change the basis of taxation of payments to the Bank of any amounts payable hereunder (except for taxes on the overall net income of the Bank), (B) impose, modify or deem applicable any reserve, special deposit or similar requirement against making or maintaining its obligations

under this Agreement or assets held by, or deposit with or for the account of, the Bank or (C) impose on the Bank any other condition regarding this Agreement, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to the Bank of making or maintaining its obligations hereunder, or to reduce the amount of any sum received or receivable by the Bank hereunder, then, upon request in writing by the Bank, the Issuer shall pay to the Bank, at such time and in such amount as is set forth in paragraph (iii) of this Section 3(d), such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount.

(ii) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule or regulation, or any policy, guideline or directive of, or any change in the interpretation or administration thereof, by, any court, central bank or other administrative or governmental authority, or compliance by the Bank with any directive of or guidance from any central bank or other authority (in each case, whether or not having the force of law), shall impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank allocates capital resources to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital to be maintained by the Bank or (B) reduces or would reduce the rate of return on the Bank's capital to a level below that which the Bank could have achieved but for such circumstances (taking into consideration the Bank's policies with respect to capital adequacy) then, upon request in writing by the Bank, the Issuer shall pay to the Bank, at such time and in such amount as is set forth in paragraph (iii) of this Section, such additional amount or amounts as will compensate the Bank for such cost of maintaining such increased capital or such reduction the rate of return on the Bank's capital.

(iii) All payments of amounts referred to in paragraphs (i) and (ii) of this Section shall be due thirty (30) days following the Issuer's receipt of notice thereof in writing from the Bank and shall be payable, in full, on the next succeeding quarterly payment date that the Letter of Credit Fee described in the Fee Letter is due and payable. Interest on the sums due as described in paragraphs (i) and (ii) of this Section, and in the preceding sentence, shall begin to accrue from the date when the payments were first due and shall otherwise be payable in accordance with Section 3(f) hereof; provided, that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraphs (i) or (ii) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Issuer and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(e) Prepayment.

(i) The Issuer may prepay any Advance or Term Loan from time to time Outstanding pursuant to clauses (a) and (k), respectively, of Section 3 hereof, together with accrued interest to the date of such prepayment, in whole or in part, at any time upon written notice delivered to the Bank not later than 11:00 a.m. (New York time) at least one Business Day

prior to the date of such prepayment, provided that each partial prepayment shall be in a principal amount equal to \$100,000 or an integral multiple thereof. Each such prepayment notice shall (A) specify the prepayment date, the amount of such prepayment and the specific Advance or Term Loan to which such prepayment shall be applied and (B) be irrevocable.

(ii) The Issuer shall prepay any Advance and Term Loan from time to time Outstanding pursuant to clause (a) and (k), respectively, of Section 3 hereof, together with accrued interest to the date of such prepayment, immediately upon receiving proceeds of the sale of Notes, through the Issuing and Paying Agent on behalf of the Issuer, or by the Issuer, with written notice delivered to the Bank not later than 11:00 a.m. (New York time) on the date of such prepayment, stating the amount to be prepaid.

(iii) Upon payment to the Bank of the principal amount to be prepaid as stated in clause (i) or (ii) above together with accrued interest to the date of such prepayment including, without limitation, interest owing to the Bank hereunder as a result of each such Advance or Term Loan, together with accrued interest thereon, (A) the outstanding Obligations of the Issuer under clauses (a) and (k), respectively, of Section 3 hereof shall be reduced by the principal amount of such payment, and (B) interest shall cease to accrue on the amount paid.

(f) Payments and Computations.

(i) The Issuer will make each payment hereunder and under the other Related Documents not later than 3:30 p.m. (New York City time) on the day when due, in lawful money of the United States of America and in immediately available funds, to the Bank at the Payment Office. All such payments shall be made by the Issuer without defense, set-off or counterclaim. Whenever any payment to be made under this Agreement or any such Related Document shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall in such case be included in the computation of interest or fees, as the case may be. Except as otherwise provided herein or in the Fee Letter, all computations of interest and fees hereunder shall be made by the Bank on the basis of a year of 365 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Bank of interest, fees or any other amounts due hereunder shall be conclusive and binding for all purposes in the absence of manifest error.

(ii) Unless the Bank shall have received notice from the Issuer prior to the date on which any payment is due to the Bank hereunder that the Issuer will not make such payment in full and except as otherwise provided in Section 3(a), the Bank may assume that the Issuer has made such payment in full to the Bank on such date.

(g) Determination of Interest Rate. The Bank shall give prompt notice to the Issuer of any change in the applicable interest rate determined by the Bank for purposes of Section 3(c) hereof; provided that the failure of the Bank to so provide such notice shall not affect the interest rate otherwise determined by the Bank.

(h) Net of Taxes, Etc.

(i) *Taxes.* Any and all payments to the Bank by the Issuer hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Issuer shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (A) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3(h)), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (B) the Issuer shall make such deductions and (C) the Issuer shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Issuer shall make any payment under this Section 3(h) to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Issuer an amount equal to the amount by which such other taxes are actually reduced; provided that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Issuer with respect to such Taxes. In addition, the Issuer agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the States of New York, Wisconsin and Massachusetts from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "Other Taxes"). The Bank shall provide to the Issuer within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the Issuer to the Bank hereunder provided that the Bank's failure to send such notice shall not relieve the Issuer of its obligation to pay such amounts hereunder.

(ii) *Payment.* The Issuer shall, to the fullest extent permitted by law, pay in behalf of, reimburse or otherwise hold harmless the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3(h) paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. The Bank agrees to give notice to the Issuer of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided that the Bank's failure to notify the Issuer promptly of such assertion shall not relieve the Issuer of its obligation under this Section 3(h). Subject to prior appropriation by the Common Council of the Issuer, if necessary, payments by the Issuer pursuant to this Section shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Issuer any refund (including that portion of any interest that was included as part of such refund) with respect to

Taxes or Other Taxes paid by the Issuer pursuant to this Section 3(h) received by the Bank for Taxes or Other Taxes that were paid by the Issuer pursuant to this Section 3(h) and to contest, with the cooperation and at the expense of the Issuer, any such Taxes or Other Taxes which the Bank or the Issuer reasonably believes not to have been properly assessed.

(iii) *Notice.* Within thirty (30) days after the date of any payment of Taxes or Other Taxes by the Issuer, the Issuer shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof.

(iv) *Survival of Obligations.* The obligations of the Issuer under this Section 3(h) shall survive the termination of this Agreement.

(i) Maximum Rate. In the event that the rate of interest required to be paid under this Agreement with respect to any Obligation shall exceed a maximum rate established by law and to the extent not prohibited by law, any subsequent reduction in the rate of interest required to be paid hereunder will not reduce the rate of interest below the maximum rate established by law until the total amount of interest accrued equals the amount of interest which would have accrued if the rate of interest required hereunder (without giving effect to this Section 3(i)) had at all times been in effect. Upon termination of this Agreement, the Issuer shall, to the fullest extent permitted by law, pay to the bank a fee equal to the amount of interest which would have accrued if the rate of interest required hereunder (without giving effect to this Section 3(i)) had at all times been in effect and which has not been paid.

(j) Fees, Commissions, Etc. Reference is hereby made to that certain letter dated January \_\_\_\_, 2008 (the "Fee Letter"), from the Bank to the Issuer (as amended or supplemented from time to time) regarding the agreement as to certain fees payable by the Issuer to the Bank (the "Letter of Credit Fees"), the provisions of which letter are incorporated herein by reference. Any reference herein or in any other document to fees and/or other amounts or Obligations payable under this Agreement shall include, without limitation, all fees and other amounts payable pursuant to the aforementioned Fee Letter and any reference to this Agreement shall be deemed to include a reference to said Fee Letter.

(k) Term Loan. Subject to the terms and conditions hereof, the Bank agrees to provide term financing by permitting the principal amount of the Advances which remain Outstanding on a Term Loan Closing Date to be repaid, with interest, on the terms set forth in this Section 3(k) (each a "Term Loan"). Unless there shall have occurred a Term Loan Maturity Date with respect to the Term Loan, the principal amount of a Term Loan shall be payable in equal quarterly installments on the dates corresponding numerically to the Term Loan Closing Date in the third month of each of the City's fiscal quarters, with the first installment due on the first of such dates occurring after the twelfth (12th) month following the date of commencement of such Term Loan (provided that if such third month does not contain a corresponding numerical date then such payment shall be made on the last Business Day of such month) with the final payment of all then unpaid principal to be paid on the earlier of (i) the third anniversary of the Term Loan Closing Date and (ii) any other day which constitutes a Term Loan Maturity Date. Interest accrued thereon, at the rates set forth in Section 3(c)(i) and calculated in the manner set forth in Section 3(c)(ii), shall be payable on the first Business Day of each month and on the Term Loan Maturity Date. The Bank's obligation to provide the Term Loan shall



automatically terminate on the earlier of (i) the Bank's making of the Term Loan in accordance with this Section, and (ii) the day which would have been the Term Loan Closing Date but on which the Bank was not obligated to make the Term Loan because of failure to meet the conditions precedent in Section 6.

Section 4. Extension of Letter of Credit; Extension of Letter of Credit Commitment Expiration Date.

(a) Extension of Scheduled Termination Date of the Letter of Credit. Not more than 120 days, nor less than 90 days, prior to the Scheduled Termination Date of the Letter of Credit, the Issuer may request the Bank, upon written notice, to extend the Scheduled Termination Date of the Letter of Credit for an additional period of one year or such other period acceptable to the Bank. In the event the initial Scheduled Termination Date is so extended, the Issuer may request successive extensions of the Scheduled Termination Date thereafter by providing written notice to the Bank of such request not more than 120 days, nor less than 90 days, prior to the then Scheduled Termination Date of the Letter of Credit. No later than 45 days from the date on which the Bank shall have received any such notice from the Issuer pursuant to either of the preceding two sentences, the Bank shall notify the Issuer of the Bank's initial consent or nonconsent to such extension request, which consent shall be given at the Bank's sole and absolute discretion. If the Bank shall have consented to such extension request, the Bank shall deliver to the Issuing and Paying Agent (with a copy to the Issuer) an amendment of the Letter of Credit in the form of Annex D to the Letter of Credit which extends the Scheduled Termination Date thereof. The Bank's final consent shall be subject to the preparation, execution and delivery of legal documentation in form and substance satisfactory to the Bank and its counsel incorporating substantially the terms and conditions contained in the extension request. Failure of the Bank to respond to a request for extension of the Letter of Credit shall constitute denial of such extension.

(b) Extension of the Letter of Credit Commitment Expiration Date. Not more than 120 days, nor less than 90 days, prior to the then current Letter of Credit Commitment Expiration Date, the Issuer may request in writing that the Bank extend such Letter of Credit Commitment Expiration Date. If the Bank, in its sole discretion, elects to extend the Letter of Credit Commitment Expiration Date then in effect, it shall deliver to the Issuer written notice of such extension; provided, that failure of the Bank to deliver such written notice of such extension shall constitute an election by the Bank not to extend such Letter of Credit Commitment Expiration Date. Any extension of the Letter of Credit Commitment Expiration Date shall be effective, after receipt of the related written notice of such extension, on the Business Day immediately following the date of delivery of such written notice of such extension. Any date to which the Letter of Credit Commitment Expiration Date has been extended in accordance with this Section may be extended in like manner. The Bank's final consent shall be subject to the preparation, execution and delivery of legal documentation in form and substance satisfactory to the Bank and its counsel incorporating substantially the terms and conditions contained in the extension request.

Section 5. Conditions Precedent to Effectiveness of this Agreement. This Agreement shall become effective, and the Letter of Credit shall be issued, when each of the following conditions precedent have been fulfilled in a manner satisfactory to the Bank and its counsel:

(a) Delivery of Documents. The Bank shall have received on or before the Closing Date the following, each in form and substance satisfactory to the Bank and its counsel and, unless indicated otherwise, dated the Closing Date:

(i) executed or certified copies of the Related Documents, and any amendments and supplements thereto, and in the case of the Notes, a specimen copy thereof, certified by an officer of the Issuer to the effect that such documents are in full force and effect;

(ii) a certificate of a duly authorized officer of the Issuer, certifying as to the incumbency and signature of each of the officers of the Issuer authorized to sign this Agreement and the Related Documents to which the Issuer is a party;

(iii) a certified copy of the Resolution approving the execution, delivery and performance of this Agreement and the Related Documents to which the Issuer is a party, certified by a duly authorized officer of the Issuer on the Closing Date, which certificate shall state that the Resolution has not been amended or annulled, is the only resolution relating to the subject matter thereof and is in full force and effect on the Closing Date;

(iv) the audited financial statements of the Issuer for the Fiscal Year ended December 31, 2006, and a copy of the current operating budget of the Issuer;

(v) a favorable opinion of Katten Muchin Rosenman LLP, Note Counsel for the Issuer, as to such matters as the Bank may reasonably request and in the form attached as Exhibit C (provided that such opinion may be delivered not later than the date of initial issuance of the Notes and failure to deliver such opinion shall constitute an Event of Default for all purposes of this Agreement);

(vi) a favorable opinion of the City Attorney to the Issuer, as to such matters as the Bank may reasonably request;

(vii) a certificate of a duly authorized officer of the Issuer, certifying that all conditions precedent set forth in the Resolution with respect to the execution of this Agreement shall have been satisfied and that, except as previously disclosed to the Bank, there has been no adverse change in the financial condition, business, assets, liabilities or prospects of the Issuer since December 31, 2006;

(viii) written confirmation that the Notes are rated not less than A-1 by S&P and F-1 by Fitch;

(ix) a certificate of the Issuing and Paying Agent, as to such matters as the Bank may reasonably request;

(x) an opinion of counsel to the Bank, as to such matters as the Issuer may reasonably request; and

(xi) such other documents, instruments, approvals or opinions as the Bank or its counsel may reasonably request.

(b) Representations; Defaults. The following statements shall be true and correct on and as of the Closing Date, and the Bank shall have received a certificate signed by the appropriate officer of the Issuer, dated the Closing Date, stating that:

(i) the representations and warranties of the Issuer contained in Section 11 hereof are true and correct in all material respects on and as of the Closing Date as though made on and as of such date; and

(ii) no Default shall have occurred and be continuing or would result from the execution and delivery of this Agreement or the making of any Drawing.

(c) Fees, Etc. The Bank shall have received payment of all fees due and owing on the Closing Date pursuant to Section 3(j) hereof, and the fees, costs and expenses referred to in Section 19 hereof.

(d) Legality; Material Adverse Change. As of the Closing Date, the Bank shall have determined (in its sole and absolute discretion) that (i) neither the making or honoring of any Drawing nor the consummation of any of the transactions contemplated by any of the Related Documents will violate any law, rule, guideline or regulation (or interpretation or administration thereof) applicable to the Issuer, the Bank or this Agreement and (ii) no material adverse change in the financial condition, business, assets, liabilities or prospects of the Issuer shall have occurred.

Section 6. Conditions Precedent to Adjustment of Stated Amount of the Letter of Credit. As conditions precedent to any adjustment in the Stated Amount of the Letter of Credit, each of the following conditions shall be satisfied as determined by the Bank and its counsel:

(i) The Bank shall have received an executed original Request for Adjustment not less than ten (10) Business Days prior to the date of the proposed adjustment.

(ii) If such adjustment is an increase of the Stated Amount of the Letter of Credit: (i) a No-Issuance Notice shall not be in effect; (ii) the Termination Date shall not have occurred; (iii) the Letter of Credit Commitment Expiration Date shall not have occurred; and (iv) the Letter of Credit Commitment shall not have otherwise terminated pursuant to this Agreement.

(iii) If such adjustment is an increase of the Stated Amount of the Letter of Credit, no Default or Event of Default shall have occurred and be continuing and no Default or Event of Default shall occur as a result of the requested increase in the Stated Amount.

(iv) The Bank shall have determined (relying in the case of the aggregate amount of and interest to stated maturity on the Outstanding Notes, on a certificate of the Issuing and Paying Agent) that (i) if such adjustment is an increase of the Stated Amount of the Letter of Credit, the conditions stated in the first proviso to Sections 2(d) and 2(e) of this Agreement will be satisfied on and as of, and after giving effect to, such increase, or (ii) if such adjustment is a decrease of the Stated Amount of the Letter of Credit, the conditions stated in the second proviso

to Section 2(d) of this Agreement and in the first proviso to Section 2(e) of this Agreement will be satisfied on and as of, and after giving effect to, such decrease.

(v) If such adjustment is an increase of the Stated Amount of the Letter of Credit, all representations and warranties of the Issuer contained in Section 11 shall be true and correct on the date of the proposed increase.

Section 7. Conditions Precedent to the Term Loan. The obligation of the Bank to provide the Term Loan on any Term Loan Closing Date shall be subject to satisfaction of all of the following conditions precedent, any or all of which may be waived by the Bank in its sole discretion:

(a) No Event of Default shall have occurred and be continuing on such Term Loan Closing Date; and

(b) The Termination Date shall not have occurred.

Section 8. Conditions Precedent to Each Drawing. The obligation of the Bank to honor any Drawing is subject to the fulfillment of each of the following conditions precedent:

(i) The Bank shall have received a Drawing certificate in strict conformity with Annex A to the Letter of Credit; and

(ii) The Termination Date shall not have occurred.

Section 9. General Obligation; Obligations Absolute. The Notes and the Bank Note shall be a general obligation of the Issuer for which the full faith and credit of the Issuer is pledged. The Obligations of the Issuer under this Agreement shall be absolute, unconditional and irrevocable, subject, in certain cases, to appropriation, and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever.

Section 10. Use of Proceeds. The Issuer shall use the proceeds of (a) the Notes solely in accordance with the purposes set forth in the Resolution and in the Request and Authorization delivered pursuant to the Issuing and Paying Agent Agreement, and (b) the Drawings solely to pay principal of and interest with respect to Notes.

Section 11. Representations and Warranties. The Issuer represents and warrants to the Bank as follows:

(a) *Status.* The Issuer is a municipal corporation of the State and operates under a home rule charter pursuant to the laws of the State, is organized and existing under the laws of the State, with all requisite power and authority to execute and deliver, and to perform its obligations under this Agreement and the Related Documents to which it is a party and to issue, execute and deliver the Notes.

(b) *Power and Authority.* The Issuer has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other Related Documents to which it is or will be a party and has taken all necessary action to authorize the

execution, delivery and performance of this Agreement and the other Related Documents to which it is or will be a party.

(c) *Enforceability.* Assuming due authorization, execution and delivery by each of the other parties thereto, each of this Agreement and the Related Documents to which the Issuer is a party constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar laws affecting the rights of creditors generally and to certain principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Each of the Related Documents is or will be on the Closing Date in full force and effect.

(d) *No Conflict.* The execution and delivery of this Agreement and the Related Documents and the performance by the Issuer of its obligations thereunder do not and will not violate any constitutional provision or any law or any regulation, order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to the Issuer, or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien (other than the lien of the Trust Indenture) upon any of the assets of the Issuer pursuant to the terms of, any ordinance, resolution, mortgage, indenture, agreement or instrument to which the Issuer is a party or by which it or any of its properties is bound.

(e) *Consents.* All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any Governmental Agency, bureau or agency required to be obtained in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the other Related Documents (including the Notes) have been obtained and are in full force and effect.

(f) *Litigation.* Except as disclosed in the Commercial Paper Memorandum, there is no litigation, action, suit, arbitration, proceeding or administrative proceeding, or, to its knowledge, any inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to its knowledge, threatened against or affecting it (x) wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of this Agreement, any of the Related Documents or any agreement or instrument to which it is a party and which is contemplated by this Agreement or the Related Documents, or (ii) its Property, assets, operations or condition, financial or otherwise, or its ability to perform its obligations hereunder or under the Related Documents to which it is a party; or (y) which in any way contests its existence, organization or powers or the titles of its officers to their respective offices.

(g) *Default.* No Event of Default or Default has occurred and is continuing.

(h) *Commercial Paper Memorandum.* The Commercial Paper Memorandum prepared with respect to the Notes and the transactions herein contemplated, true copies of which have heretofore been delivered to the Bank, does not contain, and such Commercial Paper Memorandum (including any amendments or supplements prepared subsequent to its date) (a true copy of which, in each case, shall be furnished to the Bank prior to the distribution thereof) will not contain, any untrue statement of a material fact and such Commercial Paper

Memorandum does not omit, and will not omit, to state a material fact necessary to make the statements therein, in the light of the circumstances under which made, not misleading, except no representation is made as to information furnished in writing by the Bank expressly for inclusion therein.

(i) *Notes.* Each Note will be duly issued under the Trust Indenture, and each such Note shall be entitled to the benefits thereof.

(j) *Incorporation of Representations and Warranties.* The Issuer hereby makes to the Bank the same representations and warranties as were made by it in the Trust Indenture and the Issuing and Paying Agent Agreement, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety.

(k) *Financial Statements.* The financial statements of the Issuer as of December 31, 2006, and the auditors' report with respect thereto, copies of which have heretofore been furnished to the Bank, are complete and correct and fairly present the financial condition of the Issuer, at such date and for such period, and were prepared in accordance with generally accepted accounting principles, consistently applied. Since December 31, 2006, there has been no material adverse change in the condition (financial or otherwise) or operations of the Issuer, except as disclosed in the Commercial Paper Memorandum, and other documents provided by the Issuer to the Bank. Since the date of such Commercial Paper Memorandum no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Issuer which materially adversely affects the issuance of any of the Notes, the security for any of the Notes, or the Issuer's ability to repay when due its obligations under this Agreement, any of the Notes and the Related Documents.

(l) *Complete and Correct Information.* All information, reports and other papers and data with respect to the Issuer furnished to the Bank were, at the time the same were so furnished, complete and correct in all material respects. Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent, the Issuer's best estimate of the Issuer's future financial performance. No fact is known to the Issuer that materially and adversely affects or in the future may (so far as it can reasonably foresee) materially and adversely affect the security for any of the Notes, or the Issuer's ability to repay when due its obligations under this Agreement, any of the Notes and the Related Documents that has not been set forth in the Commercial Paper Memorandum referenced in Section 11(h) hereof or in the financial information and other documents referred to in this Section 11(i) or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. Taken as a whole, the documents furnished and statements made by the Issuer in connection with the negotiation, preparation or execution of this Agreement and the Related Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein in light of the circumstances under which they were made, not misleading.

(m) *No Proposed Legal Changes.* There is no amendment, or to the knowledge of the Issuer, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the issuance of any of the Notes, the security for any of the Notes, or the Issuer's ability to repay when due its obligations under this Agreement, any of the Notes, and the other Related Documents.

(n) *The Trustee and the Dealer.* Deutsche Bank National Trust Company (or a successor or assign approved in writing by the Bank) is the duly appointed and acting Trustee, and each of Citigroup Global Markets Inc. and Loop Capital Markets, LLC (or, in either case, a successor or assign approved in writing by the Bank) is the duly appointed and acting Dealer as to the Notes.

(o) *Sovereign Immunity.* The defense of sovereign immunity is not available to the Issuer in any proceedings by the Bank to enforce any of the obligations of the Issuer under this Agreement, any Related Document or the Notes, and, to the extent permitted by applicable law, the Issuer consents to the initiation of any such proceedings in any court of competent jurisdiction and agrees not to assert the defense of sovereign immunity in any such proceedings.

(p) *Pledge of Taxes.* (i) The Notes when issued and delivered by the Issuer will constitute a general obligation of the Issuer (A) to which the full faith and credit of the Issuer is pledged, and (B) for the payment of principal of and interest on which taxes will be levied, and proceeds of taxes levied will be applied as provided in, and to the extent required in, the Trust Indenture.

(ii) The proceeds of any taxes levied or required to be levied pursuant to Section 3.01 of the Trust Indenture for payment of the Notes, have not been, and will not be, pledged by the Issuer to the payment of any other obligation other than Parity Debt, and upon payment to the Trustee for deposit in the Debt Service Account under the Trust Indenture will not be subject to any prior claim or prior lien.

Section 12. Survival of Representations and Warranties; Successors and Assigns. All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of the Issuer pursuant to or in connection with this Agreement (including, but not limited to, any such statement made in or in connection with any amendment hereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made and shall be true at and as of (a) the date of any authentication and delivery of any Notes under the Trust Indenture and (b) the time of each Drawing under the Letter of Credit and the making of each Advance and each Term Loan, except to the extent such representations and warranties relate solely to an earlier date.

Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section 12, be deemed to include the successors and assignees of such party, and all covenants, promises and agreements by or on behalf of the Issuer which be contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank.

The Issuer may not transfer its rights or obligations under this Agreement without the prior written consent of the Bank. Any assignment or transfer by the Bank of its obligations under this Agreement shall require, prior to the effectiveness of any such assignment or transfer, that the Issuer shall have received written evidence from each Rating Agency then rating the Notes that the ratings on the Notes following the assignment or transfer by the Bank of its obligations hereunder will not be reduced or withdrawn from the ratings on the Notes immediately prior to such assignment or transfer. This Agreement is made solely for the benefit of the Issuer and the Bank, and no other person or entity (including, without limitation, the Issuing and Paying Agent, the Dealer or holder of any Note) shall have any right, benefit or interest under or because of the existence of this Agreement.

Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "Participant"), a participation or participations in all or any part of the Bank's rights and benefits under this Agreement or any Related Document on a participating basis but not as a party to this Agreement (a "Participation"), without the consent of the Issuer, provided the Bank agrees to give the Issuer notice of the grant of any Participation upon the effectiveness thereof (provided, however, that the failure to give such notice shall not in any way effect or limit the enforceability of the Participation). In the event of any such grant by the Bank of a Participation to a Participant, whether or not upon notice to the Issuer, the Bank shall remain responsible for the performance of its obligations hereunder, and the Issuer shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. The Issuer agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Bank; provided, that no Participant shall have the right to declare an Event of Default under Section 14 hereof.

Section 13. Covenants. The Issuer covenants and agrees, from the date hereof and until the Termination Date and the payment in full of all Obligations, unless the Bank shall otherwise consent in writing:

(a) *Payment Obligations*. The Issuer shall promptly pay or cause to be paid all amounts payable by it hereunder and under the Related Documents according to the terms hereof or thereof and shall duly perform each of its obligations under this Agreement and the other Related Documents to which it is a party. The Comptroller shall take such action as shall be necessary to include in its budget submission to the Mayor all payments hereunder which are subject to appropriation. All payments of principal, interest and any other sums due hereunder shall be made in the amounts required hereunder without any reduction or setoff, notwithstanding the assertion of any right of recoupment or setoff or of any counterclaim by the Issuer.

(b) *Related Documents*.

(i) The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each Related Document to which it is a party and in each case such provisions, together with the related definitions of terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.



(ii) The Issuer shall not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or (except as otherwise permitted under the Related Documents) release or permit the release of any collateral held under any of the Related Documents which is not otherwise contemplated by, or permitted pursuant to the terms of, any of the Related Documents, without the prior written consent of the Bank; provided, however, that (i) with respect to amendments, supplements and modifications to the Related Documents which do not require consent of the Noteholders pursuant to Section 11.02 of the Trust Indenture, such consent of the Bank shall not be unreasonably withheld, conditioned or delayed; and (ii) the consent of the Bank shall not be required with respect to supplements entered into solely for the purpose of providing for the issuance of a series of notes pursuant to the Trust Indenture.

(c) *Reporting Requirements.* The Issuer shall keep proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Issuer in accordance with generally accepted accounting principles applicable to governmental entities, consistently applied, and will furnish to the Bank a copy of each of the following:

(i) As soon as available, and in any event within 15 days after the Issuer has released its financial statements, but in no event later than 270 days after the close of each fiscal year of the Issuer, the most recent Annual Filing and the complete audited financial statements of the Issuer including the statement of net assets as of the end of such fiscal year and the related statement of revenues, expenses and changes in net assets for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all in reasonable detail, together with an audit opinion letter signed by the Issuer's independent public accountants confirming that the financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, and that such audit has been conducted in accordance with generally accepted auditing standards; and

(ii) Forthwith, and in any event within five (5) Business Days, after any officer of the Issuer obtains knowledge thereof, a certificate of the Chief Financial Officer or Treasurer of the Issuer setting forth the occurrence of any Default or Event of Default, the details thereof and the action which the Issuer is taking or proposes to take with respect thereto;

(iii) Simultaneously with the delivery of each set of the financial statements and the Annual Filing referred to in clause (a) above and otherwise at the request of the Bank, a certificate of the Chief Financial Officer or Treasurer of the Issuer stating whether there exists on the date of such certificate any Default or Event of Default, and if so, the details thereof and the action which the Issuer is taking or proposes to take with respect thereto;

(iv) At the request of the Bank, copies of any information or request for information concerning this Agreement or any of the Related Documents as and when provided to the Trustee.

(v) At the request of the Bank, within 30 days of the issuance of any public issuance of Parity Debt of the Issuer, copies of any disclosure documents distributed in connection therewith;

(vi) Simultaneously with the delivery of each set of the financial statements and the Annual Filing referred to in clause (a) above and otherwise at the request of the Bank, (i) a copy of the most recent rating letter received with respect to a new issue of Parity Debt of the Issuer confirming the then current unenhanced long-term rating on notes of the Issuer issued under the Trust Indenture, and (ii) a copy of the most recent rating letter received confirming the unenhanced, long-term credit rating of the Issuer, if any; and

(vii) Such other information respecting the affairs, condition and/or operations, financial or otherwise, of the Issuer as the Bank may from time to time reasonably request.

(d) *Compliance With Law.* The Issuer shall comply with all laws, ordinances, orders, rules and regulations that may be applicable to it if the failure to comply could have a material adverse effect on the security for any of the Notes, or the Issuer's ability to repay when due its obligations under this Agreement, any of the Notes, and the Related Documents.

(e) *Notices.* The Issuer will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any default under the Trust Indenture or this Agreement, (ii) notice of the failure by the Dealer, the Issuing and Paying Agent or the Trustee to perform any of its obligations under the Dealer Agreement, the Issuing and Paying Agent Agreement or the Trust Indenture, (iii) notice of any proposed substitution of this Agreement, (iv) each notice required to be given to the Bank pursuant to the Trust Indenture or the Issuing and Paying Agent Agreement, and (v) notice of any litigation, administrative proceeding or business development which may materially adversely affect its business, properties or affairs or the ability of the Issuer to perform its obligations as set forth hereunder or under any of the Related Documents to which it is a party.

(f) *Certain Information.* The Issuer shall not include in an offering document for the Notes any information concerning the Bank that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein.

(g) *Appointment of Successors and Replacements.* So long as this Agreement is in effect and the Bank has not wrongfully failed to purchase Notes pursuant to a properly presented drawing under the Letter of Credit, the Issuer will not appoint a successor Trustee, Dealer or Issuing and Paying Agent unless the Issuer has obtained the prior written consent of the Bank, which consent shall not be unreasonably withheld. If any of the Trustee, Dealer or Issuing and Paying Agent fail to perform the obligations of the Trustee, Dealer or Issuing and Paying Agent, as applicable, the Issuer shall use its best efforts to replace any such entity at the request of the Bank (and with respect to such successor, the prior written consent of the Bank). The Issuer will cause a Issuing and Paying Agent to be in place at all times while this Agreement is in effect.

(h) *Maintenance of Approvals: Filings, Etc.* The Issuer shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, filings, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for its execution, delivery and performance of this Agreement and the other Related Documents to which it is a party.

(i) *Inspection Rights.* To the extent permitted by law, the Issuer shall, at any reasonable time and from time to time, upon reasonable notice, permit the Bank or any agents or representatives thereof, at the Issuer's expense following the occurrence of an Event of Default, to examine and make copies of the records and books of account related to the transactions contemplated by this Agreement, to visit its properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants. The Issuer will not unreasonably withhold its authorization for its independent accountants to discuss its affairs, finances and accounts with the Bank.

(j) *Permitted Liens.* The Issuer shall not create or incur or suffer to be incurred or to exist any Lien on any other funds, accounts or other property held under the Trust Indenture, except as permitted by the Trust Indenture.

(k) *Unenhanced Rating.* The Issuer shall use its best efforts to maintain an unenhanced long-term rating on Parity Debt of the Issuer issued by at least one of the Rating Agencies.

(l) *Litigation, Etc.* The Issuer shall give prompt notice in writing to the Bank of any litigation, administrative proceeding or business development which, if adversely determined, may materially adversely affect its business, properties or affairs and reasonably would impair the ability of the Issuer to perform its obligations as set forth hereunder or under any of the Related Documents to which it is a party.

(m) *Deposit of Taxes.* The Issuer will deliver to the Trustee, and instruct the Trustee to deposit promptly into the Debt Service Account, proceeds of taxes required to be levied in accordance with the terms of the Trust Indenture. Nothing contained in this Section 13(m) shall prevent the Issuer from making payments into the Debt Service Account sooner than required by the Trust Indenture, nor shall the provisions hereof be construed as requiring or permitting the Issuer to pay into the Debt Service Account greater or lesser amounts than the amounts required by the Trust Indenture.

(n) *Maintenance of Existence.* The Issuer shall use its best efforts to preserve and maintain its existence as a municipal corporation of the State organized and existing under the laws of the State, and to perform its obligations under this Agreement and the Related Documents.

(o) *Use of Proceeds.* The Issuer shall use the proceeds of the Notes for the purposes set forth in the Trust Indenture.

(p) *Repayment of Drawings.* On and after the date of any Drawing in the form of Annex A to the Letter of Credit, the Issuer will use its best efforts to cause the Dealer to sell Notes as soon as possible and to use the proceeds of the sale of such Notes to repay such Drawing.

Section 14. Events of Default. If one or more of the following events (each an "Event of Default") shall have occurred and be continuing:

(a) The Issuer shall fail to pay when due any amount payable under this Agreement;  
or

(b) Any representation, warranty, certification or statement made by the Issuer in this Agreement or in any Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any Related Document shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made; or

(c) The Issuer shall default in the due performance or observance of any term, covenant or agreement contained in this Agreement (other than those covered by clause (a) and (b) of this Section 14) and such failure shall remain unremedied for a period of 30 days after the Bank shall have given the Issuer written notice of such default; provided that so long as the Issuer shall be proceeding with due diligence to remedy any default in the due performance or observance of such covenants which, if begun and prosecuted with due diligence, can not be completed within a period of 30 days, then such 30-day period shall be extended to the extent as shall be necessary to enable the Issuer to begin and complete the remedying of such default through the exercise of due diligence; and provided, further, however, that there shall be no such right to cure if the Issuer shall default in the due performance or observance of Section 13(a), Section 13(b)(i), Section 13(e)(i), Section 13(f), Section 13(g) or Section 13(i); or

(d) The Issuer shall default in the due performance or observance of any term, covenant or agreement contained in any of the Related Documents and same shall not have been cured within any applicable cure period; or

(e) The Issuer shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) principal or interest with respect to Notes or Parity Debt of the Issuer, with an outstanding principal amount of \$5,000,000 or more, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Notes or Parity Debt; or any other default under any indenture, contract or instrument providing for the creation of or concerning such Notes or Parity Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Notes or Parity Debt; or pursuant to the provisions of any such indenture, contract or instrument the maturity of any Notes or Parity Debt of the Issuer in a principal amount in excess of \$5,000,000 shall have been or may be accelerated or shall have been or may be required to be prepaid prior to the stated maturity thereof; or

(f) One or more judgments or court orders for the payment of money exceeding any applicable insurance coverage by more than \$10,000,000 shall be rendered against the Issuer, and such judgment or court order shall continue unsatisfied and in effect for a period of up to fifteen (15) consecutive months without being vacated, discharged, satisfied, or stayed or bonded pending appeal; or

(g) The Issuer shall have repudiated its debts or become insolvent or admit in writing its inability to pay its debts as they mature or shall decree a moratorium on the payment of its

debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of 60 days; or the State or any other governmental authority having jurisdiction over the Issuer imposes a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of or interest on any Notes or Parity Debt by the Issuer; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the Issuer (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of 60 days; or

(h) This Agreement, the Resolution or any material provision hereof or thereof at any time after its execution and delivery, shall, for any reason, cease to be valid and binding on the Issuer or in full force and effect or shall be declared, in a final, non-appealable judgment, to be null and void, or the validity or enforceability of this Agreement, the Resolution, the Trust Indenture or any provision thereof shall be contested (i) by the Issuer or (ii) by any governmental agency or authority having jurisdiction over the Issuer, unless with respect to clause (ii) above, the same is being contested by the Issuer in good faith and by appropriate proceedings; or the Issuer shall deny that it has any or further liability or obligation under this Agreement, the Letter of Credit, the Trust Indenture or the Resolution; or

(i) Any Rating Agency shall have downgraded the long-term unenhanced rating on any Notes or Parity Debt of the Issuer to below Investment Grade or withdrawn or suspended their long-term unenhanced rating on any such Notes or Parity Debt, but not as a result of the payment of debt at maturity, defeasance, non-application for a rating or non-provision of information;

then, and in any such event, the Bank may, at the same or different times, so long as such Event of Default shall not have been remedied to the sole satisfaction of the Bank, take one or more of the following actions: (i) declare the principal of and interest on all amounts payable hereunder to be immediately due and payable, (ii) by written notice to the Issuing and Paying Agent of an Event of Default (a "No-Issuance Notice"), permanently reduce the Stated Amount to the principal amount of Notes Outstanding plus interest thereon and further permanently reduce the Stated Amount following each maturity of such Notes by the amount of the Drawing related thereto and instruct the Issuing and Paying Agent to refrain from issuing any additional Notes and/or (iii) proceed to enforce all other remedies available under the Related Documents and under applicable law and in equity; provided that if any event specified in clause (g) of this Section 14 occurs, the consequences of the Bank's notice described in clauses (i) and (ii) immediately above shall result automatically upon the occurrence of such event without notice from the Bank. No reduction in the Stated Amount pursuant to clause (ii) above shall be effective until notice thereof is received by the Issuing and Paying Agent. Except as expressly provided above in this Section 14, presentment, demand, protest and all other notices of any kind are expressly waived. The Bank shall promptly give telephonic notice, followed by written confirmation, of any declaration or reduction pursuant to clause (i) or (ii) above to the Issuer, the Dealer, the Issuing and Paying Agent and the Trustee. Except as expressly provided above in

this Section 14, failure to give any such notice shall not impair the effect of such declaration or reduction.

Section 15. Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any Related Document nor consent to any departure by the Issuer therefrom shall in any event be effective unless the same shall be in writing and signed by the Bank and, with respect to any amendment, the Issuer.

Section 16. Indemnification.

(a) To the extent permitted by law, the Issuer agrees, subject to prior appropriation, to reimburse the Bank in respect of all reasonable out-of-pocket costs, charges and expenses (including reasonable attorneys' fees) arising in connection with the preparation, execution, delivery, administration and enforcement of, preservation of rights in connection with a workout, restructuring or default under an amendment or waiver with respect to, this Agreement, the Notes and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the extent permitted by law, the Issuer agrees, subject to prior appropriation by the Common Council of the Issuer, if necessary, to indemnify and hold harmless the Bank, its officers, directors, employees and agents (each an "Indemnified Party") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever which an Indemnified Party may incur (or which may be claimed against an Indemnified Party by any Person) by reason of or in connection with the execution and delivery of and consummation of the transactions contemplated under this Agreement and the Related Document, including, without limitation, (i) the offering, sale, remarketing or resale of Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement contained or incorporated by reference in any preliminary offering memorandum or offering memorandum, or in any supplement or amendment thereof, prepared with respect to the Notes, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver an offering memorandum to any offeree or purchaser of Notes) and (ii) the execution and delivery of, or payment or failure to pay by any Person (other than the Bank as and when required by the terms and provisions hereof) under, this Agreement; provided, however, that the Issuer shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (a) the willful misconduct or gross negligence of the Bank (including without limitation, with respect to the Bank, failure of the Bank to honor its obligations to purchase Notes upon the satisfaction of the applicable conditions precedent set forth herein and in accordance with the terms of this Agreement) or (b) the material inaccuracy of any information included or incorporated by reference in any offering memorandum referred to in Section 11(h) hereof concerning the Bank which was furnished in writing by the Bank expressly for inclusion or incorporated by reference therein. Nothing in this Section 16 is intended to limit the obligations of the Issuer under the Notes or of the Issuer to pay its obligations hereunder and under the Related Documents.

(c) The provisions of this Section 16 shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the Issuer hereunder. The Bank shall notify the Issuer of any amounts which are owed to such party pursuant to this Section 16.

Section 17. Continuing Obligation. The obligations of the Issuer under this Agreement and the Letter of Credit shall continue until the later of the Termination Date and the date upon which all amounts owing to the Bank hereunder and under the Letter of Credit shall have been paid in full, provided that the obligations of the Issuer pursuant to Sections 3(a), 3(c), 3(d), 3(h), 3(i) and 16 hereof shall survive the termination of this Agreement and the Letter of Credit. This Agreement shall be binding upon the Issuer and its successors and assigns and shall inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns, provided that the Issuer may not assign all or any part of this Agreement without the prior written consent of the Bank.

Section 18. Limitation on Liability. As between the Issuer and the Bank, the Issuer assumes all risks of any act or omission of the Issuing and Paying Agent. Neither the Bank nor any of its officers or directors shall be liable or responsible to any person for: (a) the use that may be made of the proceeds of any Drawing or of any Note, or for any acts or omissions of the Issuing and Paying Agent in connection with this Agreement, the Resolution or any of the Related Documents; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentment of documents that do not comply with the terms of this Agreement or the Letter of Credit, including failure of any documents to bear any reference or adequate reference to this Agreement or the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment hereunder, except only that the Issuer shall have a claim against the Bank, and the Bank shall be liable to the Issuer, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Issuer that the Issuer proves were caused by the Bank's willful misconduct or gross negligence in determining whether documents presented under this Agreement or the Letter of Credit strictly comply with the terms hereof or thereof. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 19. Costs, Expenses and Taxes. The Issuer shall pay on demand all reasonable fees, costs and expenses incurred by the Bank and its counsel in connection (A) with the preparation, execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith and (b) with advising the Bank as to its rights and responsibilities under this Agreement, the extension or termination of this Agreement, any waiver or amendment of any provision of, or the enforcement of, this Agreement or any other documents or instruments that may be delivered in connection herewith, or any action or proceeding relating to a court order, injunction or other process or decree restraining or seeking to restrain the Bank from paying a Drawing, including in each case the reasonable fees and disbursements of counsel to the Bank with respect thereto. In addition, the Issuer shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and any other documents or instruments that may be delivered in connection herewith, and agrees to save the

Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees, provided that the Bank agrees promptly to notify the Issuer of any such taxes and fees that are incurred by the Bank.

Section 20. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire or similar writing) or by telephone or facsimile transmission (promptly confirmed in writing) and shall be given to such party, addressed to it, at its address or telephone number set forth below or such other address or telephone number as such party may hereafter specify for the purpose by notice to each other party. Each such notice, request or communication shall be effective (i) if given by mail, 10 days after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, (ii) if given by telephone or facsimile transmission, when given by telephone or facsimile transmission to the party at its telephone number (if any) specified below or (iii) if given by any other means, when delivered at the address specified below:

<u>Party</u>	<u>Address</u>
Bank:  (regarding credit matters):	State Street Global Markets, LLC State Street Financial Center SFC/5 One Lincoln St. Boston, Massachusetts 02111-2900 Attention: Michael Murray Telephone: (617) 664-4921 Facsimile transmission: (617) 946-0538
  (regarding operational matters):	  State Street Global Markets, LLC State Street Financial Center SFC/5 One Lincoln St. Boston, Massachusetts 02111-2900 Attention: Jenna Giannelli Telephone: (617) 664-4190 Facsimile transmission: (617) 310-5757
  Issuer:	  City of Milwaukee, Wisconsin City Hall, Room 404 200 E. Wells Street Milwaukee, Wisconsin 53202 Attention: Comptroller Telephone: (414) 286-3321 Facsimile transmission: (414) 286-0653
  Issuing and Paying Agent:	  Deutsche Bank National Trust Company Corporate Trust & Agency Services 222 South Riverside Plaza, 24 <sup>th</sup> Floor



Chicago, Illinois 60606  
Attention: George Kubin  
Telephone: (312) 537-1159  
Facsimile transmission: (312) 537-1009

With a copy to:

Deutsche Bank Trust Company Americas  
Corporate Trust & Agency Services  
60 Wall Street, 27<sup>th</sup> Floor  
Mail Stop: NYC60-2715  
New York, New York 10005  
Attention: Seth Dembowitz  
Telephone: (212) 250-2221  
Facsimile transmission: (212) 797-8618

Section 21. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 22. Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 23. Consent by the Bank. Except as otherwise expressly set forth herein to the contrary, if the consent, approval, satisfaction, determination, judgment, acceptance or similar action of the Bank shall be permitted or required pursuant to any provision hereof or any provision of any other agreement to which the Issuer is a party and to which the Bank has succeeded hereto, such action shall be required to be in writing and may be withheld or denied by the Bank in its sole discretion.

Section 24. Governing Law; Waiver of Jury Trial; Jurisdiction.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; PROVIDED THAT THE DUTIES AND OBLIGATIONS OF THE ISSUER UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

(b) TO THE FULLEST EXTENT PERMITTED BY LAW, THE ISSUER AND THE BANK WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH,

OR THE TRANSACTIONS CONTEMPLATED HEREBY OR IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY INDEMNIFIED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE ISSUER AND THE BANK AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH. TO THE FULL EXTENT PERMITTED BY LAW, EACH OF THE ISSUER AND THE BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE RELATED DOCUMENTS.

(c) THE ISSUER AND THE BANK HEREBY IRREVOCABLY (i) AGREE THAT ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, NEW YORK AND CONSENT TO THE JURISDICTION OF SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING AND (ii) WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT OR THEY MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 25. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof duly executed by the other party hereto.

Section 26. Priority. In the event of a conflict between this Agreement and the Letter of Credit or any commitment letter or term sheet between the Issuer and the Bank, this Agreement shall be controlling.

Section 27. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CITY OF MILWAUKEE, WISCONSIN,

By \_\_\_\_\_  
Name:  
Title:

STATE STREET BANK AND TRUST  
COMPANY

By: \_\_\_\_\_  
Name: Timothy Batler  
Title: Senior Vice President

**IRREVOCABLE TRANSFERABLE LETTER OF CREDIT  
NO. ILC-\_\_\_\_\_**

January \_\_, 2008

**BENEFICIARY:**

Deutsche Bank National Trust Company,  
as Issuing and Paying Agent  
222 South Riverside Plaza, 24<sup>th</sup> Floor  
Chicago, Illinois 60606  
Attention: Corporate Trust & Agency Services

**FOR THE ACCOUNT OF:**

City of Milwaukee, Wisconsin  
City Hall, Room 404  
200 E. Wells Street  
Milwaukee, Wisconsin 53202

Ladies and Gentlemen:

1. At the request of the City of Milwaukee, Wisconsin (the "Issuer"), State Street Bank and Trust Company (the "Bank"), hereby establishes in favor of Deutsche Bank National Trust Company, as issuing and paying agent (together with its successors and assigns, the "Issuing and Paying Agent") under the Issuing and Paying Agent Agreement, dated as of January 1, 2008 (together with any amendments or supplements thereto, the "Issuing and Paying Agent Agreement"), between the Issuer and the Issuing and Paying Agent, its Irrevocable Transferable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") issued pursuant to the Letter of Credit and Reimbursement Agreement dated as of January 1, 2008 (the "Agreement"), between the Issuer and the Bank, in the initial stated amount of \$\_\_\_\_\_ (said initial stated amount, as increased, reduced or reinstated from time to time as herein provided, herein referred to as the "Stated Amount"), which may be drawn upon by the Issuing and Paying Agent to pay the principal of the City of Milwaukee General Obligation Commercial Paper Promissory Notes 2008 Program Series C2, R3, and T4 (Taxable) (the "Notes") on the stated maturities thereof, together with interest thereon. On the date hereof, the Stated Amount consists of \$\_\_\_\_\_, which represents the amount available for the payment of the principal amount of the Notes, and \$\_\_\_\_\_, which represents the amount available for the payment of the interest thereon for a period of 270 days at the rate of 12% per annum based upon a year of 365 days.

2. This Letter of Credit shall expire at 5:00 p.m., New York City time, on the date (the "Termination Date") which is the earliest of: (i) December 1, 2012 (the "Scheduled Termination Date"), as such date may be extended in a Notice of Extension from the Bank to the Issuing and Paying Agent (with a copy to the Issuer) in the form attached hereto as Annex D, (ii) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored hereunder which were not subject to reinstatement as provided herein, in the aggregate equals the Stated Amount on the date of issuance hereof as adjusted pursuant to the terms and conditions of this Letter of Credit, (iii) the Bank's receipt of a certificate signed by your duly authorized officer in the form of Annex B attached hereto appropriately completed, or

(iv) the date when you surrender this Letter of Credit (and any amendments thereto) to the Bank for cancellation. You agree to surrender this Letter of Credit (and any amendments thereto) to the Bank and not to make any Drawings, after the Scheduled Termination Date, as such date may be extended pursuant to a Notice of Extension as provided herein.

3. Funds under this Letter of Credit are available to you against your presentation of a drawing certificate in the form of Annex A attached hereto (a "Drawing") to the Bank, at State Street Bank and Trust Company, for U.S, Mail: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Box 5302, Boston, Massachusetts 02206 and for Courier Mail to: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Mailstop: CPH0426, 200 Clarendon Street, Boston, Massachusetts 02116, Facsimile Transmission No. (617) 937-8866 (with transmission confirmed by call to Telephone No. (617) 937-8798), or at such other address and/or number which may be designated by the Bank by written notice delivered to the Issuing and Paying Agent. Each Drawing so presented shall have all blanks appropriately filled in and shall be signed by a person who purports to be an authorized officer of the Issuing and Paying Agent and shall be in the form of a letter on the letterhead of the Issuing and Paying Agent and telecopied to the Bank.

4. The Bank hereby agrees that all demands for payment made under and in strict compliance with the terms of this Letter of Credit will be duly honored upon receipt of each Drawing request as specified in paragraph 3 hereof and if presented at the aforesaid office on or before the Termination Date. If a Drawing is received by the Bank at or prior to 10:00 a.m., New York City time, on a business day, and provided that the documents presented in connection therewith strictly conform to the terms and conditions hereof, payment shall be made of the amount specified in immediately available funds, no later than 3:30 p.m., New York City time, on the same business day. If a Drawing is received by the Bank hereunder after 10:00 a.m., New York City time, on a Business Day, and provided that the documents presented in connection therewith strictly conform to the terms and conditions hereof, payment shall be made of the amount specified in immediately available funds, by 3:00 p.m., New York City time, on the next succeeding Business Day in accordance with your instructions. The Bank will pay all Drawings under this Letter of Credit with its own funds. Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the drawing certificate relating to a particular drawing hereunder. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent. As used in this Letter of Credit, "business day" shall mean a day (a) on which banks located in Milwaukee, Wisconsin, in New York, New York, in Boston, Massachusetts and in each of the cities in which the principal offices of the Bank, the Issuing and Paying Agent and the Dealer are located are not required or authorized by law or executive order to close for business, (b) on which the New York Stock Exchange is not closed, or (c) other than Saturday or Sunday.

5. Multiple drawings may be made hereunder, provided that subject to paragraph 6 hereof, each Drawing honored by the Bank hereunder shall pro tanto reduce the Stated Amount of this Letter of Credit and the Bank's liability in respect thereof. Such reduction shall be effective whether or not the Drawing complied with the terms of this Letter of Credit and

notwithstanding any acts or omissions, whether authorized or unauthorized, of the Issuing and Paying Agent or any officer, director, employee or agent of the Issuing and Paying Agent in connection with any drawing hereunder or the proceeds thereof or otherwise in connection with this Letter of Credit.

6. Upon receipt by the Bank of reimbursement of all or any portion of the amount of any drawing, pursuant to the terms of the Agreement, the Stated Amount shall be automatically reinstated by the amount reimbursed; provided, however, that no reinstatement of the Stated Amount of the Letter of Credit shall occur if the Issuing and Paying Agent shall have received notice from the Bank stating that an Event of Default under the Agreement has occurred and is continuing.

7. The Stated Amount available to be drawn under this Letter of Credit (and the portions thereof constituting the principal component and the interest component of the Letter of Credit) may be increased or decreased from time to time by (i) your receipt of a written notice from us setting forth the amount of such increase or decrease in substantially the form of Annex E attached hereto (any such notice being a "Notice of Adjustment of Stated Amount") and (ii) your written acknowledgment of such notice. In the event of any increase or decrease in the Stated Amount available to be drawn under this Letter of Credit (and the portions thereof constituting the principal component and the interest component) pursuant to this paragraph 7, (i) the Stated Amount available to be drawn under this Letter of Credit (and the portions thereof constituting the principal component and the interest component) shall be equal to (a) the Stated Amount (and the portions thereof constituting the principal component and the interest component) set forth in paragraph (1) of the related Notice of Adjustment of Stated Amount, minus (b) the amount of any previous and/or concurrent reductions of the Stated Amount (and the portions thereof constituting the principal component and the interest component) pursuant to paragraph 5 of this Letter of Credit that have not been reinstated pursuant to paragraph 6 of this Letter of Credit, and (ii) upon our request, you shall surrender this Letter of Credit to us on or after the effective date of such increase or decrease in exchange for a substitute letter of credit, dated such date, in the amount of the Stated Amount as set forth in paragraph (1) of the related Notice of Adjustment of Stated Amount, but otherwise having terms identical to this Letter of Credit.

8. Only the Issuing and Paying Agent may make drawings under this Letter of Credit. Upon payment as provided in paragraph 4 of the amount specified in a Drawing drawn hereunder, the Bank shall be fully discharged of their obligation under this Letter of Credit with respect to such Drawing.

9. This Letter of Credit is intended to apply only to the payment of the principal amount of the Notes upon maturity thereof and/or interest thereon.

10. To the extent not inconsistent with the express terms hereof, this Letter of Credit shall be governed by, and construed in accordance with, the provisions of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590, and any subsequent revisions thereof ("ISP 98"). As to matters not covered by the ISP 98, this Letter of Credit shall be governed by, and construed in accordance with, the internal laws of the State of

New York, including, without limitation, Article 5 of the Uniform Commercial Code as in effect of the State of New York.

11. Communications with respect to this Letter of Credit shall be in writing and shall, unless otherwise indicated herein, be addressed to us at State Street Bank and Trust Company, For U.S, Mail: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Box 5302, Boston, Massachusetts 02206 and for Courier Mail to: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Mailstop: CPH0426, 200 Clarendon Street, Boston, Massachusetts 02116, with a copy to State Street Bank and Trust Company, State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111, Attention: Michael Murray (or to such other address or addresses as we may specify to you in writing), specifically referring to the number of this Letter of Credit.

12. You may transfer your rights under this Letter of Credit in their entirety (but not in part) to any transferee who has succeeded to you as Issuing and Paying Agent under the Issuing and Paying Agent Agreement and such transferred rights may be successively transferred. Transfer of your rights under this Letter of Credit to any such transferee shall be effected upon the presentation to the Bank of this Letter of Credit accompanied by a transfer letter in the form attached hereto as Annex C.

13. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes), except only the certificates and letters referred to herein; and no such reference shall be deemed to incorporate herein by reference any document, instrument or agreement.

Very truly yours,

**STATE STREET BANK AND TRUST  
COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[FORM OF CERTIFICATE FOR DRAWING]**

**ANNEX A TO  
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT  
NO. ILC-\_\_\_\_\_**

State Street Bank and Trust Company

For U.S, Mail: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Box 5302, Boston, Massachusetts 02206 and for Courier Mail to: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Mailstop: CPH0426, 200 Clarendon Street, Boston, Massachusetts 02116

Re: Drawing Certificate for Irrevocable Transferable  
Letter of Credit No. ILC-\_\_\_\_\_

Ladies and Gentlemen:

\_\_\_\_\_, (together with its successors and assigns, the "Issuing and Paying Agent") hereby certifies to State Street Bank and Trust Company (the "Bank"), with reference to Irrevocable Transferable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") issued by the Bank on January \_\_\_, 2008 (capitalized terms contained herein are used as defined in the Letter of Credit), that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement, and is acting as the agent for the owners of the Notes.
2. The Issuing and Paying Agent hereby makes a demand on the Bank for payment under the Letter of Credit in the amount of \$\_\_\_\_\_ of which \$\_\_\_\_\_ is to be used for the payment of principal of, and \$\_\_\_\_\_ is to be used for the payment of interest on, the Notes upon \_\_\_\_\_, \_\_\_\_\_ (the stated maturity thereof).
3. The amount hereby demanded does not exceed the amount available to be drawn under the Letter of Credit for this drawing.
4. The amount hereby demanded will not be applied to any payment in respect of Notes registered in the name of the Issuer or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Notes for the sole benefit of the Issuer.
5. Upon receipt by the Issuing and Paying Agent of the amount demanded hereby, (a) the Issuing and Paying Agent will apply the same directly to the payment when due of the appropriate amount owing on account of principal of and interest on the Notes pursuant to the Issuing and Paying Agent Agreement and Notes, (b) no portion of said amount shall be applied by the Issuing and Paying Agent for any other purpose, and (c) no portion of said amount shall be commingled with other funds held by the Issuing and Paying Agent, except amounts received pursuant to any contemporaneous Demand hereunder.



6. Payment by the Bank pursuant to this drawing shall be made to \_\_\_\_\_, ABA Number \_\_\_\_\_, Account Number \_\_\_\_\_, Attention: \_\_\_\_\_, Re:\_\_\_\_\_.

7. The Issuing and Paying Agent acknowledges that pursuant to the terms of the Letter of Credit, upon the Bank honoring the drawing made by this certificate, the Stated Amount of the Letter of Credit which is available for subsequent drawings is \$\_\_\_\_\_ which amount shall be reinstated in accordance with the terms of this Letter of Credit.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Very truly yours,

\_\_\_\_\_, as  
Issuing and Paying Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[FORM OF NOTICE OF CANCELLATION]

ANNEX B TO  
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT  
NO. ILC-\_\_\_\_\_

State Street Bank and Trust Company

For U.S, Mail: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Box 5302, Boston, Massachusetts 02206 and for Courier Mail to: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Mailstop: CPH0426, 200 Clarendon Street, Boston, Massachusetts 02116

Re: Irrevocable Letter of Credit No. \_\_\_\_\_

Ladies and Gentlemen:

The undersigned a duly authorized officer of \_\_\_\_\_, as Issuing and Paying Agent (together with its successors and assigns, the "Issuing and Paying Agent") under the Issuing and Paying Agent Agreement dated as of January 1, 2008 (together with any amendments or supplements thereto, the "Issuing and Paying Agent Agreement"), between the City of Milwaukee, Wisconsin (the "Issuer") and the Issuing and Paying Agent, hereby certifies to State Street Bank and Trust Company (the "Bank") with respect to the above-referenced Irrevocable Transferable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") issued by the Bank in favor of the Issuing and Paying Agent that prior to the date hereof, all of the outstanding Notes, as defined in the Letter of Credit, were paid in accordance with their terms.

Pursuant to said Issuing and Paying Agent Agreement, we are delivering herewith to the Bank the Letter of Credit for cancellation.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Very truly yours,

\_\_\_\_\_, as  
Issuing and Paying Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[FORM OF NOTICE OF TRANSFER CERTIFICATE]**

**ANNEX C TO  
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT  
NO. ILC-\_\_\_\_\_**

[Letterhead of Issuing and Paying Agent]

[Date]

State Street Bank and Trust Company

For U.S. Mail: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Box 5302, Boston, Massachusetts 02206 and for Courier Mail to: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Mailstop: CPH0426, 200 Clarendon Street, Boston, Massachusetts 02116

Re: Irrevocable Transferable Letter of Credit  
Credit No. ILC-\_\_\_\_\_

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

\_\_\_\_\_  
(Name of Transferee)

\_\_\_\_\_  
(Address)

as successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement dated as of January 1, 2008, between \_\_\_\_\_ and the City of Milwaukee, Wisconsin (the "Issuer") all rights of the undersigned beneficiary to draw under the above-referenced Letter of Credit in its entirety.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions, or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The original Letter of Credit (and any amendments thereto) is returned herewith, and we ask you to endorse the transfer on the reverse thereof, and forward it directly to the transferee with customary notice of transfer.

SIGNATURE AUTHENTICATED

Very truly yours,

\_\_\_\_\_

(Bank)

\_\_\_\_\_

(Signature of Beneficiary)

\_\_\_\_\_

(Authorized Signature)

**[FORM OF NOTICE OF EXTENSION OF STATED TERMINATION DATE]**

**ANNEX D TO  
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT  
NO. \_\_\_\_\_**

[Date]

\_\_\_\_\_, as  
Issuing and Paying Agent

\_\_\_\_\_  
\_\_\_\_\_

Attention:

City of Milwaukee, Wisconsin  
City Hall, Room 404  
200 E. Wells Street  
Milwaukee, Wisconsin 53202  
Attention: Comptroller

Re: Notice of Extension

Ladies and Gentlemen:

1. Pursuant to Section 4(a) of the Letter of Credit and Reimbursement Agreement dated as of January 1, 2008 (the "Agreement"), between the City of Milwaukee, Wisconsin (the "Issuer") and State Street Bank and Trust Company (the "Bank"), the Bank has approved an extension of the Scheduled Termination Date for Irrevocable Transferable Letter of Credit No. ILC-\_\_\_\_\_ (the "Letter of Credit"), dated January \_\_\_, 2008. The new Scheduled Termination Date is \_\_\_\_\_, \_\_\_.

The Issuing and Paying Agent will attach a copy of this Notice of Extension to the Letter of Credit and treat this Notice of Extension as extending the Scheduled Termination Date of the Letter of Credit.

The Issuer's acknowledgment hereof shall be deemed to be the Issuer's certification that all its representations and warranties contained in Section 11 of the Agreement are true and correct and will be true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

Very truly yours,

STATE STREET BANK AND TRUST  
COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged as of \_\_\_\_\_, \_\_\_\_\_  
by the City of Milwaukee, Wisconsin

By \_\_\_\_\_  
Title \_\_\_\_\_

Acknowledged as of \_\_\_\_\_, \_\_\_\_\_  
by \_\_\_\_\_  
as Issuing and Paying Agent

By \_\_\_\_\_  
Title \_\_\_\_\_

**[FORM OF CERTIFICATE RE: ADJUSTMENT IN STATED AMOUNT]**

**ANNEX E TO  
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT  
NO. \_\_\_\_\_**

[Date]

\_\_\_\_\_, as  
Issuing and Paying Agent

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention:

Re: Notice of Adjustment of Stated Amount

Ladies and Gentlemen:

(1) Effective on the date hereof, the Stated Amount of the Letter of Credit determined without reference to reductions and reinstatements pursuant to paragraphs 5 and 6 of the Letter of Credit, shall be [increased/decreased]\* to \$\_\_\_\_\_ of which \$ \_\_\_\_\_ shall constitute the principal component and shall be available in respect of the payment of the principal of the Notes, and \$ \_\_\_\_\_ (being equal to 270 days of accrued interest on the amount of the principal component computed at the rate of 12% per annum) shall constitute the interest component and shall be available in respect of the payment of interest on the Notes.

(2) By acknowledging this Notice of Adjustment of Stated Amount, you will be deemed to have confirmed that, immediately following such [increase/decrease]\*, the Stated Amount of the Letter of Credit (determined on the basis of the Stated Amount of the Letter of Credit set forth in paragraph (1) above and giving effect to previous and concurrent reductions (if any) of the Stated Amount pursuant to paragraph 5 of the Letter of Credit that have not been reinstated pursuant to paragraph 6 of the Letter of Credit) will not be less than the aggregate principal amount of and interest to maturity on all Notes issued under the Resolution.

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\* Select one alternative

Please acknowledge receipt of this Notice of Adjustment of Stated Amount by signing in the space provided below (returning a copy of such acknowledgement to us by facsimile transmission) and attaching this Notice of Adjustment of Stated Amount to the Letter of Credit.

Very truly yours,

STATE STREET BANK AND TRUST  
COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACKNOWLEDGMENT OF THE ISSUING AND PAYING AGENT

The undersigned, acting in its capacity as Issuing and Paying Agent by its duly authorized officer (the "Issuing and Paying Agent"), hereby acknowledges to State Street Bank and Trust Company (the "Bank"), with reference to Irrevocable Transferable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit"; terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank and in favor of the Issuing and Paying Agent, that: (1) the Issuing and Paying Agent has received the foregoing Notice of Adjustment of Stated Amount; (2) the statement contained in paragraph (2) of the foregoing Notice of Adjustment of Stated Amount is true and correct; and (3) the Issuing and Paying Agent will attach a copy of the foregoing Notice of Adjustment of Stated Amount to the Letter of Credit.

IN WITNESS WHEREOF, the Issuing and Paying Agent has signed this Acknowledgement of the Issuing and Paying Agent as of this \_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_, as Issuing  
and Paying Agent

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**FORM OF REQUEST FOR ADJUSTMENT**

State Street Bank and Trust Company

For U.S. Mail: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Box 5302, Boston, Massachusetts 02206 and for Courier Mail to: State Street Bank and Trust Company, Loan Operations Department, Attention: Standby Letter of Credit Unit, Mailstop: CPH0426, 200 Clarendon Street, Boston, Massachusetts 02116

**CITY OF MILWAUKEE  
GENERAL OBLIGATION COMMERCIAL PAPER PROMISSORY NOTES  
2008 PROGRAM  
SERIES C2, R3, AND T4 (TAXABLE)**

Ladies and Gentlemen:

This is a Request for Adjustment under and pursuant to Section 2(e) of the Letter of Credit and Reimbursement Agreement, dated as of January 1, 2008 (the "Agreement") between the City of Milwaukee, Wisconsin (the "Issuer") and State Street Bank and Trust Company (the "Bank"). Capitalized terms used herein but not defined herein shall have the meanings given to them in the Agreement.

The Issuer hereby requests [an increase] [a decrease]<sup>1</sup> (the "Adjustment") of the Stated Amount of the Letter of Credit (as in effect without regard to reductions and reinstatements pursuant to paragraphs 5 and 6 thereof), dated January \_\_\_\_, 2008, issued in support of the above-captioned Notes, effective \_\_\_\_\_, \_\_\_\_ (a date which is at least ten Business Days from the date hereof).

With respect to the requested Adjustment, please be advised as follows:

(1) the aggregate amount of the Adjustment is \$\_\_\_\_\_. Such amount shall include a principal component in the amount of \$\_\_\_\_\_ and an interest component in the amount of \$\_\_\_\_\_; and

(2) after giving effect to the Adjustment, the Stated Amount of the Letter of Credit (as in effect without regard to reductions and reinstatements pursuant to paragraphs 5 and 6 thereof) will be \$\_\_\_\_\_, which amount shall include a principal component in the amount of \$\_\_\_\_\_ and an interest component in the amount of \$\_\_\_\_\_.

The Issuer hereby represents that:

---

<sup>1</sup> Select one alternative.

1. If the Adjustment is an increase in the Stated Amount, the amount of the requested increase in the Stated Amount does not exceed the Unutilized Commitment.

2. All representations and warranties of the Agency contained in Section 11 of the Agreement are true and correct on the date hereof.

3. No Event of Default has occurred and is continuing and no Event of Default will occur as a result of the requested increase in the Stated Amount.

Please effectuate the Adjustment subject to and in accordance with the terms, conditions and provisions of the Agreement and the Letter of Credit.

IN WITNESS WHEREOF, this Request for Adjustment has been duly executed on behalf of the Issuer this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CITY OF MILWAUKEE, WISCONSIN

By \_\_\_\_\_  
Its:

FORM OF OPINION OF NOTE COUNSEL

1. The Issuer has the power and authority to conduct its business as presently conducted and to execute and deliver each of the Transaction Documents to which it is a party.
2. The execution, delivery and performance of each of the Transaction Documents to which the Issuer is a party have been duly authorized by all necessary action on the part of the Issuer, and each of the Transaction Documents constitutes the valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.
3. Neither the execution and delivery by the Issuer of the Transaction Documents to which it is a party, nor the performance by the Issuer of its obligations thereunder: (i) violates any law or regulation (including any applicable order or decree of any court or governmental instrumentality known to us) applicable to the Issuer; (iii) results in the breach of, or constitutes a default under, any indenture, mortgage, deed of trust, lease or sublease agreement, to which the Issuer is a party or by which it or any of its properties are bound; or (iv) requires the consent or approval of, or any filing or registration with, any governmental body, agency or authority other than the Issuer, which have been obtained.
4. Except as disclosed in the Transaction Documents, to our knowledge there are no actions, suits, arbitrations, investigations or proceedings pending or overtly threatened against the Issuer or any of its assets and properties that questions or may affect the validity of any action to be taken by the Issuer pursuant to the Transaction Documents, or that seeks to restrain the Issuer from carrying out the transactions contemplated therein or the Issuer's obligations thereunder.
5. Each of the Notes and the Bank Note have been duly and validly authorized, executed, and delivered, and constitutes a valid and binding general obligation of the State.
6. The full faith, credit and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Notes and the Bank Note, in each case, as it matures and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the Issuer, a sum sufficient for such purpose.
7. The Notes and the Bank Note are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Resolution and the Trust Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.