

ADDENDUM

Addendum to the agreement made the 6th day of January, 1984 (the "Agreement"), by and between the City of Milwaukee, a municipal corporation organized and existing under the laws of the State of Wisconsin and the ordinances of the City of Milwaukee, located at 200 East Wells Street, Milwaukee, Wisconsin 53202 (the "City") and The Bank of New York Mellon Trust Company, N.A. (successor to The Chase Manhattan Bank), a national banking association duly organized and existing under the laws of the United States, located at 330 E. Kilbourn Avenue, Suite 809, Milwaukee, Wisconsin 53202 (the "Bank").

Whereas, the City and Bank entered into the Agreement, wherein and whereby the City appointed the Bank as Fiscal Agent pursuant to sec. 67.10(2), Stats.; and

Whereas, Common Council Resolution File No. 080302 adopted on July 30, 2008, authorizes the Public Debt Commission to sell an amount not to exceed \$210,000,000 in revenue anticipation notes for the purpose of financing the operating budget of the Milwaukee Public Schools (the "MPS") on an interim basis pending receipt of school State Aid Payments due in June and July, 2009 (the "Revenue Payment"); and

Whereas, Pursuant to such resolution, the Commissioners of the Public Debt authorized the sale of \$___,000,000 School Revenue Anticipation Notes, Series 2008 M10 for delivery on or about September 5, 2008 (the "RANs"); and

Whereas, In conjunction with such sale MPS and the City have irrevocably pledged, as security for the repayment of principal of and interest on the RANs, the Revenue Payment and certain other revenues in the 2008/2009 Budget which have not yet been received by MPS as of the date of the delivery and payment for the RANs and which are not otherwise pledged or applied as of the payment date (the "Pledged Revenues"). The City further covenanted to enter into this Agreement with the Bank under which the City, on or before June 30, 2009 (or July 31, 2009 in certain situations), will irrevocably deposit with the Bank cash or direct obligations of the U.S. Government in an amount sufficient, together with earnings thereon, to pay, when due, the principal of and interest on the RANs;

Now, Therefore, In consideration of the mutual promises contained herein, the City and Bank agree as follows:

1. The Bank's fee for services pursuant to this amendment is \$500 as shown in the attached fee schedule.

2. On or before June 30, 2009 (the "First Deposit Date"), the City shall irrevocably deposit with the Bank, from Pledged Revenues, cash and/or securities ("Pledged Funds") in an amount sufficient, together with earnings thereon, to pay, when due, the principal of and interest on the RANs. In the event that sufficient Pledged Funds are not available on the First Deposit Date, on or before July 31, 2009, the City shall irrevocably deposit with the Bank from Pledged Revenues received in July 2009

any additional amounts required, together with prior deposit(s) and interest thereon, to pay, when due, the principal of and interest on the RANs.

3. The Bank shall hold the cash and/or securities in trust for the benefit of the holders of the RANs and apply the same to the payment of the principal of and interest on the RANs when due. The Bank may invest cash in direct obligations of the U.S. Government or money market funds invested in the same. Any excess funds held by the Bank, after maturity and payment of the RANs, shall be returned to the City.

4. At the time of the deposit and the purchase of securities, and based upon a certification executed by the City's independent auditors, the City shall execute an acknowledgement that the cash and/or securities, together with earnings thereon, are sufficient to pay, when due, the principal of and interest on the RANs.

5. Notwithstanding any provision contained herein to the contrary, the Bank, including its officers, directors, employees and agents, shall:

(a) not be liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without negligence;

(b) have no responsibility to inquire into or determine the genuineness, authenticity, or sufficiency of any securities, checks, or other documents or instruments submitted to it in connection with its duties hereunder except for a duty to exercise ordinary care in connection with the presentment for payment of a note or other instrument, change in payment instructions or registration, and any other bondholder communications;

(c) be entitled to deem the signatories of any documents or instruments submitted to it hereunder as being those purported to be authorized to sign such documents or instruments on behalf of the parties hereto, and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind provided and to the extent that the Bank shall not have obtained actual knowledge that any such signature was not genuine;

(d) be under no obligation to invest the deposited funds or the income generated thereby until it has received a Form W-9 or W-8, as applicable, from the City, regardless of whether such party is exempt from reporting or withholding requirements under the Internal Revenue Code of 1986, as amended;

(e) be, and hereby is, indemnified and saved harmless by the City from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of its appointment hereunder or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the misconduct or negligence of the Bank, and such

indemnification shall survive its resignation or removal, or the termination of this Agreement;

(f) have only those duties as are specifically provided herein. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Bank shall be inferred from the terms of this Agreement or any other agreement. IN NO EVENT SHALL THE BANK BE LIABLE, DIRECTLY OR INDIRECTLY, TO THE CITY FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE BANK'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS AGREEMENT, OR (ii) SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES;

(g) have the right, but not the obligation, to consult with counsel of choice at the Bank' sole cost. The Bank shall not be liable for action taken or omitted to be taken by Bank in accordance with the advice of or in accordance with any opinion of counsel to the City addressed and delivered to the Bank provided such opinion was rendered prior to the action taken or omitted to be taken by the Bank; and

(h) have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees.

Any banking association or corporation into which the Bank may be merged, converted or with which the Bank may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Bank shall be transferred, shall succeed to all the Bank's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, except for prior notice by the Bank to the City and Bondholders, anything herein to the contrary notwithstanding.

The Bank shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligation hereunder to the extent that it is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes, excluding theft and embezzlement, that are reasonably beyond its control; provided that the Bank shall have used commercially reasonable efforts consistent with accepted corporate trust industry practices to maintain performance without delay or resume performance as soon as reasonably practicable under the circumstances.

6. The Bank is hereby directed to invest and reinvest such amounts in direct obligations of the U.S. Treasury; "AAA" rated money market funds of the same; and/or securities delivered by the City to the Bank, promptly upon receipt of, and in accordance

with, the written instructions of the City. The Bank may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. The Bank may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although the City recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the City agrees that confirmations of permitted investments are not required to be issued by the Bank for each month in which a monthly statement is rendered and the information required to be in a confirmation is included in the monthly statement. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month, provided however, that statements shall be provided for the periods ending on the last business day of each June and December.

In all other respects, the Agreement shall remain in full force and effect. Any changes to the Agreement by this Addendum shall only apply to this Addendum, and not to any other Addendums or amendments.

In Witness Whereof, the City and the Bank have caused this Addendum to be executed this ____ day of _____, 2008.

CITY OF MILWAUKEE:

By: _____
MAYOR

By: _____
CITY CLERK

Approved as to form and execution
this ____ day of _____, 2008.

COUNTERSIGNED:

By: _____
Assistant City Attorney

By: _____
COMPTROLLER

The BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Fiscal Agent

By: _____

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