
FISCAL AGENCY AGREEMENT

between

CITY OF MILWAUKEE

and

as Fiscal Agent

Dated as of December 22, 2009

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THIS FISCAL AGENCY AGREEMENT dated as of December 22, 2009 (the "Agreement"), by and between the City of Milwaukee, a political subdivision and a municipal corporation of the State of Wisconsin (the "City"), and _____, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a corporate trust office located in _____, _____, as Fiscal Agent (the "Fiscal Agent").

W I T N E S S E T H:

WHEREAS, Milwaukee Public Schools ("MPS") is a department of the City authorized to administer and operate the public schools of the City; and

WHEREAS, pursuant to Chapter 67 of the Wisconsin Statutes, the City is authorized to borrow moneys for school purposes and to evidence such borrowing by the issuance of corporate purpose bonds of the City constituting general obligations of the City; and

WHEREAS, pursuant to Section 54F of the Internal Revenue Code of 1986 (the "Code") MPS is a "large local educational agency" and, in accordance with said Section 54F and Internal Revenue Service Notice 2009-35, the City is authorized to designate and issue, in 2009, up to \$72,118,000 principal amount of "qualified school construction bonds," as defined in Section 54F of the Code (a "QSCB") for financing capital projects for school purposes (the "Project"); and

WHEREAS, pursuant to Section 54A of the Code, if a taxpayer holds a QSCB on one or more credit allowance dates of the QSCB during any taxable year, there is allowed a credit (the "Tax Credit") against federal income tax as determined under said Section 54A; and

WHEREAS, pursuant to resolutions adopted by the Common Council of the City, the City is authorized to issue \$57,000,000 aggregate principal amount of its general obligation bonds for school purposes as QSCBs; and

WHEREAS, pursuant to Common Council Resolution File Number 090814; adopted on December 1, 2009 and Resolution Number 091203-1 adopted by the Commissioners of the Public Debt of the City on December 3, 2009, the City has (i) authorized and sold the \$_____ principal amount of General Obligation Qualified School Construction Bonds, Series 2009 M6 (Tax Credit) (the "Bonds") of the City for financing Project costs, (ii) designated the Bonds as qualified school construction bonds under Section 54F of the Code and (iii) pursuant to Section 54A of the Code has authorized a separation of the ownership of each Bond and the entitlement to the Tax Credit under Section 54A of the Code with respect to that Bond; and

WHEREAS, the City and the Fiscal Agent are entering into this Agreement in order to enhance the marketability of the Bonds; to administer a sinking fund for the payment of the principal of the Bonds; to provide for the execution and authentication of the Bonds and to provide for the sale of the Tax Credits with respect to the Bonds; and

NOW, THEREFORE, the City and the Fiscal Agent hereby agree as follows:

ARTICLE I

Definitions and Construction

Section 101. Definitions. The following terms shall, for all purposes of this Agreement, have the following meanings unless a different meaning clearly appears from the context:

“Accountable Event of Loss of Qualified School Construction Bond Status” means (i) any act or any failure to act on the part of the City constituting a breach of a covenant or agreement of the City contained in the Agreement or the Tax Agreement, which causes the Bonds to lose their status, or fail to qualify, as “qualified school construction bonds” within the meaning of Section 54F of the Code, or (ii) the making by the City of any representation contained in the Agreement, the Tax Agreement or the Bonds, as applicable, which was untrue when made and the untruth of which representation at such time causes the Bonds to lose their status, or fail to qualify, as “qualified school construction bonds” within the meaning of Section 54F of the Code.

“Agreement” means this Fiscal Agency Agreement.

“Annual Sinking Fund Payment” means, with respect to each year, the required deposit to the Sinking Fund determined pursuant to Section 504.

“Authorized Denomination” means (i) with respect to Bonds, Interest Bearing Bonds and Principal Strip Certificates thereof, \$40,000 or any integral multiple thereof; and (ii) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, \$_____, which is an amount equal to twenty-five percent (25%) of the product of (A) \$40,000 and (B) the Tax Credit Rate, or any integral multiple thereof; provided, however that the Authorized Denomination for Tax Credit Certificates with respect to the first Tax Credit Allowance Date shall be \$_____.

“Authorized Officer” means the City Comptroller, the Deputy City Comptroller and any other officer or employee of the City authorized to perform specific acts or duties hereunder.

“Available Project Proceeds” means (A) the excess of (i) the proceeds of sale of the Bonds, over (ii) the issuance costs financed by the Bonds (to the extent that such costs do not exceed two percent of such proceeds), and (B) the proceeds from any investment of such excess.

“Bond” or *“Bonds”* means any one or more of the \$_____ aggregate principal amount of the General Obligation Qualified School Construction Bonds, Series 2009 M6 (Tax Credit) of the City, authenticated and delivered under and pursuant to this Agreement.

“Cash Interest Certificates” means the certificates executed and delivered in accordance with Section 806(A), from and after the Tax Credit Conversion Date, which certificates evidence the entitlement of the Owner thereof to the Cash Interest Payment Components with respect to any Bond that has been converted into an Interest Bearing Bond, the Cash Interest Payment Components related to which has been separated therefrom pursuant to the Agreement. The maximum face amount of Cash Interest Certificates with respect to any single Cash Interest Payment Date shall not exceed \$_____ (being twenty-five percent (25%) of the product of (i) the maximum principal amount of Interest Bearing Bonds, or \$_____, and (ii) the Tax Credit Rate).

“Cash Interest Payment Component” means, with the exception of the cash interest payments relating to the Supplemental Coupon, any cash interest payment with respect to any Interest Bearing Bond.

“Cash Interest Payment Date” means, with respect to Interest Bearing Bonds and Cash Interest Certificates, March 15, June 15, September 15 and December 15 in each year, commencing on the March 15, June 15, September 15 or December 15 immediately following the Tax Credit Conversion Date, during which the Interest Bearing Bonds are outstanding.

“City” means the City of Milwaukee, a municipal corporation of the State of Wisconsin.

“Code” or *“Code and Regulations”* means the Internal Revenue Code of 1986, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

“Construction Fund” means the Construction Fund established in Section 501.

“Cost of Construction” means with respect to the Project, the cost of construction, rehabilitation, or repair of a public school facility; the cost of acquisition of land on which such facility is to be constructed with part of the proceeds of the Bonds, and costs of acquisition of equipment to be used in such portion or portions of the public school facility that is being constructed, rehabilitated or repaired with the proceeds of the Bonds.

“*Counsel’s Opinion*” means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the City (including the City Attorney).

“*Current Funds*” means moneys which are immediately available in the hands of the payee at the place of payment.

“*Date of Determination of Loss of Qualified School Construction Bond Status*” means the date on which the IRS or a court of competent jurisdiction has issued to the City a Determination of Loss of Qualified School Construction Bond Status.

“*Date of Loss of Qualified School Construction Bond Status*” means the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Bonds lost their status, or failed to qualify, as “qualified school construction bonds” as defined in Section 54F of the Code as a result of an Accountable Event of Loss of Qualified School Construction Bond Status.

“*Defeasance Obligations*” means Government Obligations which are not subject to redemption other than at the option of the holder thereof.

“*Determination of Loss of Qualified School Construction Bond Status*” means (i) a final determination by the IRS (after the City has exhausted or waived all administrative and judicial appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, or (ii) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status.

“*DTC*” means The Depository Trust Company, as securities depository for the Bonds and the Tax Credit Certificates.

“*DTC Participant*” shall mean any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Bonds with DTC pursuant to the book-entry only system described in Section 203.

“*Expenditure Termination Date*” means December 22, 2012, the third anniversary date of the date of issuance of the Bonds, and the last date of the “expenditure period” as defined in Section 54A(d)(2)(B)(ii) of the Code or, upon the extension of such “expenditure period” pursuant to Section 54A(d)(2)(B)(iii) of the Code, the last day of the “expenditure period” as so extended.

“*Fiscal Agent*” or “*Fiduciary*” means _____, as fiscal agent under the Agreement and its successors and assigns.

“Government Obligations” means any direct obligations of the United States of America.

“Interest Bearing Bonds” means the Bonds from and after the Tax Credit Conversion Date, if any.

“IRS” means the Internal Revenue Service of the United States Department of the Treasury.

“Investment Securities” means any of the following securities or investments authorized by law as permitted investments of City funds at the time of purchase thereof; provided, however that moneys held in the Debt Service Fund and the Sinking Fund may only be invested in accordance with Section 67.11 of the Wisconsin Statutes:

(i) Government Obligations;

(ii) obligations of any of the following federal agencies, which obligations are fully guaranteed by the full faith and credit of the United States of America:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank
- Interest Strips of the Resolution Funding Corporation
- Government National Mortgage Association

(iii) [Reserved]

(iv) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s Investors Service and “A-1” or “A-1+” by Standard & Poor’s and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(v) commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s Investors Service and “A-1+” by Standard & Poor’s and which matures not more than 270 calendar days after the date of purchase;

(vi) investments in a money market fund rated “AAAm” or “AAAm-G” or better by Standard & Poor’s and rated “Aaa” by Moody’s Investors Service;

(vii) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s Investors Service and Standard & Poor’s or any successors thereto; or (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Defeasance Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vii) on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(viii) general obligations of states or municipalities with a rating of the general obligation of the City or higher by both Moody’s Investors Service and Standard & Poor’s.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations dated June 22, 1995, between the City and DTC, as the same may from time to time be supplemented and amended.

“*MPS*” means the Milwaukee Public Schools, a department of the City.

“*Outstanding*,” when used with reference to Bonds (except in the defined term “Tax Credit Allowance Date”), means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Agreement except:

(i) Any Bonds canceled at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Agreement and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article IV provided or

provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Agreement; and

(iv) Bonds deemed to have been paid as provided in Section 1101.

“*Owner*” means (i) with respect to a Bond or Interest Bearing Bond, the Person in whose name such Bond is registered and (ii) with respect to any Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate, the Person in whose name such Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be registered.

“*Person*” means and includes an association, unincorporated organization, a corporation, a partnership, a limited liability corporation, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

“*Principal Component*” means any principal payment with respect to any Bond or Interest Bearing Bond.

“*Principal Strip Certificates*” means certificates executed and delivered by the City in accordance with Section 803, which certificates evidence the entitlement of the Owner thereof to the Principal Component with respect to any Bond or Interest Bearing Bond, as applicable, the Tax Credit Component or Cash Interest Payment Component related to which have been separated therefrom pursuant to Section 803.

“*Project*” means the construction, rehabilitation, or repair of a public school facility, the acquisition of land on which such public school facility is to be constructed and the acquisition of equipment to be used in such portion or portions of the public school facility that is being constructed, rehabilitated or repaired with the proceeds of the Bonds or other QSCBs, all to the extent that the improvement of such public school facility has been approved by MPS.

“*Project Costs*” means the cost of acquisition, construction and equipping of the Project, including the costs of issuance of the Bonds, interest during construction, the cost of engineering and legal expenses, plans, specifications, other expenses necessary or incident to constructing any portion of the Project and such other costs, expenses and funding as may be necessary or incident to the construction of the Project, all to the extent, but only to the extent, such costs may be funded with the proceeds of QSCBs under Section 54A and Section 54F of the Code.

“*Qualified School Construction Bond*” or “*QSCB*” means any “qualified school construction bond” as defined in Section 54F(a) of the Code.

“*Rating Services*” means each and every one of the nationally recognized rating services that shall have assigned ratings to any Bonds Outstanding as requested by or on behalf of the City, and which ratings are then currently in effect.

“*Record Date*” means, with respect to the Bonds, the last day (whether or not a Business Day) of the calendar month immediately preceding each interest payment date.

“*Redemption Price*” means, with respect to any Bond, the principal thereof plus the applicable premium, if any, payable upon the date fixed for redemption.

“*SLGs*” means United States Treasury Certificates of Indebtedness, Notes and Bonds State and Local Government Series.

“*Supplemental Coupon*” means the interest which the Bonds bear (at the Supplemental Coupon Rate) at the time of the issuance thereof (and which Interest Bearing Bonds and the Principal Strip Certificates related to which will continue to bear from and after the Tax Credit Conversion Date, if any).

“*Supplemental Coupon Rate*” means _____% per annum.

“*Tax Agreement*” means the Tax Compliance Agreement, dated the date of issuance of the Bonds, executed by the City and the Fiscal Agent.

“*Tax Credit*” means the entitlement of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code.

“*Tax Credit Allowance Date*” means, with respect to Bonds, each March 15, June 15, September 15 and December 15 of each year beginning on March 15, 2010 and ending on the maturity date thereof unless such Bonds shall have been converted to Interest Bearing Bonds.

“*Tax Credit Certificates*” means the certificates executed and delivered in accordance with Section 803, which certificates evidence the entitlement of the Owner thereof to the Tax Credits with respect to any Bond, the Principal Components related to which have been separated therefrom. The maximum amount of a Tax Credit Certificate with respect to any single Tax Credit Allowance Date shall not exceed \$_____ (being twenty-five percent (25%) of the product of (i) the initial principal amount of the Bonds and (ii) the Tax Credit Rate).

“*Tax Credit Component*” means the component of each Bond relating to the Tax Credits.

“*Tax Credit Conversion Date*” means (i) the March 15 following the next succeeding October 1 after the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) after the receipt by the Fiscal Agent of a written notice from the City of its election to convert the Bonds to Interest Bearing Bonds as provided

in Section 806(A) hereof in connection with the defeasance of the Bonds, the March 15, June 15, September 15 or December 15 immediately preceding the date the Bonds are defeased.

“*Tax Credit Program*” means the program for allocating Tax Credits and authorizing the issuance of Qualified School Construction Bonds promulgated under Sections 54A and 54F of the Code.

“*Tax Credit Rate*” means _____%, the Tax Credit Rate for the Bonds established by the United States Department of Treasury.

Section 102. Miscellaneous Definitions. As used herein, and unless the context shall otherwise indicate, the words “Bond,” “Owner” and “Person” shall include the plural as well as the singular number.

As used herein, the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Agreement.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Agreement as originally executed.

ARTICLE II

Terms of Bonds

Section 201. Terms of Bonds. (A) The Bonds have been authorized to be issued by the City in the aggregate principal amount of \$_____,000 to finance the Costs of Construction of the Project and to pay costs in connection with the issuance of the Bonds. The Bonds constitute a single series of Bonds of the City and shall be designated as, and shall be distinguished from any other bonds, by the title: “General Obligation Qualified School Construction Bonds, Series 2009 M6 (Tax Credit).”

(B) The Bonds shall be issued only in fully registered form without coupons and shall be dated December 22, 2009. Each Bond shall bear interest from the interest payment date to which interest has been paid as of the date on which it is authenticated or if it is authenticated prior to the first date on which interest is to be paid, from December 22, 2009, which interest shall be payable on March 15, June 15, September 15 and December 15 of each year, commencing March 15, 2010 and computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on December 15, 20___. The Bonds shall bear interest at the Supplemental Coupon Rate; *provided, however*, that the Bonds shall bear interest at a rate per annum equal to the sum

of the Supplemental Coupon Rate and the Tax Credit Rate from and after the Tax Credit Conversion Date.

(C) The Bonds shall be in denominations of \$40,000 or any integral multiple of \$40,000 and each Bond shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The Bonds and the Certificate of Authentication shall be in substantially the form set forth in *Exhibit A* attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by this Agreement.

(D) The principal and Redemption Price of the Bonds shall be payable at the designated corporate trust offices of the Fiscal Agent, in the City of _____, _____. Interest on the Bonds shall be payable by check or bank draft mailed or delivered by the Fiscal Agent to the Owners as the same appear on the registration books of the City maintained by the Fiscal Agent as of the Record Date or, at the option of any Owner, by wire transfer of Current Funds to such bank in the continental United States as said Owner shall request in writing to the Fiscal Agent.

(E) The Bonds shall be initially issued in the form of a separate single fully registered Bond. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Fiscal Agent in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, the ownership of all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Fiscal Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Fiscal Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Bond, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Bond, of any notice with respect to such Bond, including without limitation any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Bond, of any amount with respect to principal or Redemption Price of or interest on such Bond. The City and Fiscal Agent shall be entitled to treat and consider the Person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal or Redemption Price and interest with respect to such Bond, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Fiscal Agent shall pay all principal or Redemption Price of and interest on the Bonds only to or upon the order of the respective Owners thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to payment of principal or Redemption Price of and interest on the Bonds to the extent of

the sum or sums so paid. No Person other than an Owner of a Bond shall receive a Bond certificate evidencing the obligation of the City to make payments of principal or Redemption Price of and interest on the Bonds pursuant to this Agreement.

The Owners of the Bonds have no right to the appointment or retention of a depository for such Bonds. DTC may resign or be removed as securities depository under the conditions provided in the Letter of Representations. In the event of any such resignation or removal, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Bond certificates and transfer or cause the transfer of one or more separate Bond certificates to DTC Participants as DTC directs. In such event, the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC shall designate, in accordance with the provisions of this Agreement.

The City has heretofore executed and delivered the Letter of Representations to DTC. So long as DTC, or its designee, is the Owner of all Bonds, the provisions set forth in the Letter of Representations shall apply to the redemption of any Bonds and to the payment of principal or Redemption Price of and interest on the Bonds, including without limitation, that: (1) presentation of Bonds to the Fiscal Agent upon redemption or at maturity shall be deemed made to the Fiscal Agent when the right to exercise ownership rights in the Bonds through DTC or DTC's Participants is transferred by DTC on its books; and (2) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Bonds under this Agreement on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Bonds through DTC or DTC's Participants.

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, the Fiscal Agent agrees to comply with the terms and provisions of the Letter of Representations.

Upon the separation of the ownership of the Bonds from the entitlement of the Owner thereof to the related Tax Credit or the separation of the ownership of the Interest Bearing Bonds from the entitlement of the Owner thereof to the Cash Interest Payment Component, the provisions of this Section 2.2(G) shall be supplemented by the book-entry provisions of Section 816.

Section 202. Application of Bond Proceeds. The net proceeds of the Bonds, upon receipt, shall be deposited as follows:

- (i) \$_____ shall be deposited into the Construction Fund;

- (ii) \$_____ shall be deposited into the Bond Fund; and
- (iii) \$_____ shall be deposited into the Expense Fund.

ARTICLE III

General Terms and Provisions of Bonds

Section 301. Medium of Payment; Letters and Numbers. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any Bonds shall be issued only in the form of fully registered Bonds without coupons. Each Bond shall be lettered and numbered as provided in this Agreement so as to be distinguished from every other Bond.

Section 302. Execution and Authentication. (A) The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the City Clerk, countersigned by the manual or facsimile signature of the Comptroller and attested by the manual or facsimile signatures of the Commissioners of the Public Debt and the corporate seal of the City (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed, countersigned or attested any of the Bonds shall cease to be such officer before the Bonds so executed and sealed shall have been authenticated and delivered by the Fiscal Agent, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who executed such Bonds had not ceased to hold such offices. Any Bond may be signed, countersigned and attested and sealed on behalf of the City by such persons who at the time of the execution of such Bond shall hold the proper office in the City, although at the date of such Bond such persons may not have been so authorized or have held such office.

(B) The Bonds shall bear a certificate of authentication, in the form set forth in this Agreement, executed manually by the Fiscal Agent, who is appointed to act as the Fiscal Agent pursuant to Section 67.10(2) of the Wisconsin Statutes. Only such Bonds as shall bear such certificate of authentication shall be entitled to any right or benefit under this Agreement, and no such Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Fiscal Agent. Such certificate of the Fiscal Agent upon any such Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Agreement and that the Owner thereof is entitled to the benefits of this Agreement.

Section 303. Exchangeability of Bonds. Subject to the provisions of Section 306, any Bond, upon surrender at the corporate trust office of the Fiscal Agent with a written instrument of transfer satisfactory to the Fiscal Agent, duly executed by the

Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any charges which the Fiscal Agent may make as provided in Section 306, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same tenor and of any other Authorized Denominations.

Section 304. Negotiability, Transfer and Registration. (A) Each Bond shall be transferable only upon the registration books of the City, which shall be kept for that purpose by the Fiscal Agent, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Fiscal Agent, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Bond, the City shall issue in the name of the transferee a new Bond or Bonds in Authorized Denominations of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

(B) Subject to the provisions of Article VIII and the Tax Credit Program, the City and the Fiscal Agent may deem and treat the person in whose name any Bond shall be registered upon the registration books of the City as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Fiscal Agent shall be affected by any notice to the contrary.

Section 305. Provisions with Respect to Exchanges and Transfers. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the City shall execute and the Fiscal Agent shall authenticate and deliver Bonds in accordance with the provisions of this Agreement. All Bonds surrendered in any such exchanges shall forthwith be canceled by the Fiscal Agent. For any exchange or transfer of Bonds, whether temporary or definitive, the City or the Fiscal Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Fiscal Agent shall not be required to make any registration, transfer or exchange of any Bond during the period after such Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

Section 306. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute, and thereupon the Fiscal Agent shall authenticate and deliver, a new Bond of like maturity, interest rate and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Fiscal Agent evidence satisfactory to the Fiscal Agent that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the

City and the Fiscal Agent with indemnity satisfactory to them and complying with such other reasonable regulations as the City or the Fiscal Agent may prescribe and paying such expenses as the City and Fiscal Agent may incur. All Bonds so surrendered to the Fiscal Agent shall be canceled by the Fiscal Agent in accordance with Section 1104. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the City, whether or not the Bonds so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Bonds issued under this Agreement and shall be equally secured by the moneys or securities held by the City or the Fiscal Agent for the benefit of the Owners.

ARTICLE IV

Redemption of Bonds

Section 401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Agreement shall be redeemable, upon notice given as provided in this Article IV, at such times, at such Redemption Prices and upon such terms, in addition to the terms contained in Article IV, as may be specified in this Agreement.

Section 402. Extraordinary Mandatory Redemption. The Bonds are subject to extraordinary mandatory redemption within 90 days after the Expenditure Termination Date, in whole or in part, in Authorized Denominations, at a Redemption Price of par, or a Redemption Price equal to the accreted value of the Bonds on the redemption date if the Bonds were initially sold at a price less than par, in a principal amount equal to the sum of (i) the unexpended Available Project Proceeds as of the Expenditure Termination Date and (ii) such additional amount so that the aggregate principal amount of the Bonds to be redeemed is \$40,000 or an integral multiple of \$40,000. The Fiscal Agent shall select the date of redemption, which date shall be on a March 15, June 15, September 15 or December 15 occurring within 90 days after the Expenditure Termination Date. In the event that Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates the redemption amount shall be allocated as provided in Section 804.

Section 403. Actions of Fiscal Agent. Whenever by the terms of this Agreement the Fiscal Agent is required or authorized to redeem Bonds, the Fiscal Agent shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption, in accordance with the terms of Articles IV and V to the extent applicable.

Section 404. Selection of Bonds to Be Redeemed. If less than all of the Bonds shall be called for redemption, the Fiscal Agent shall instruct DTC to provide for the pro-rata redemption from each DTC Participant of an amount of Bonds determined by

multiplying the principal amount of the Bonds to be redeemed on the redemption date by a fraction, the numerator of which is the principal amount of such Bonds held by such DTC Participant and the denominator of which is the principal amount of all of the Bonds Outstanding immediately prior to the date the Bonds are selected for redemption, and then rounding the product down to the next lower integral multiple of \$40,000. Any remaining proceeds shall be applied to the redemption of Bonds by lot and in Authorized Denominations as determined by DTC.

Section 405. Notice of Redemption. When redemption of Bonds is authorized or required pursuant to Section 402, the Fiscal Agent shall give notice, in the name of the City, of the redemption of such Bonds, which notice shall specify the Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Bond to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Fiscal Agent shall mail copies of such notice by first-class mail, postage prepaid, not more than 60 days nor less than 30 days before the date fixed for redemption, to the Owners of the Bonds to be redeemed at their addresses as shown on the registration books of the City maintained by the Fiscal Agent. If the Fiscal Agent mails notices of redemption as herein provided, notice shall be conclusively presumed to have been given to all Owners.

Section 406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Bond, the City shall execute and the Fiscal Agent shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, fully registered Bonds of like tenor in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the Bonds or portions thereof of any like tenor to be redeemed, together with interest to such date, shall be held by the Fiscal Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for

redemption, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V

Establishment of Funds and Applications Thereof

Section 501. Establishment of Funds. The City hereby establishes the Debt Service Fund, the Sinking Fund, and the Expense Fund, each of which shall be a special fund of the City held in trust by the Fiscal Agent. The Debt Service Fund and the Sinking Fund shall be included as a part of the “Debt Service Fund” of the City established and maintained by the City pursuant to Section 67.11 of the Wisconsin Statutes. The City hereby establishes the Construction Fund as a special fund of the City to be held by the City. The City hereby establishes the Interest Account and the Redemption Account as special accounts within the Debt Service Fund.

Section 502. Construction Fund. (A) The City shall make payment of the Cost of Construction of the Project from the Construction Fund as provided in this Section. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Section.

(B) The City shall, during and upon completion of construction of the Project, make payments from the Construction Fund, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Section. Before any such payment shall be made, MPS shall file with the City:

(1) its requisition therefor, stating in respect of each payment to be made: (a) the name of the person, firm or corporation to whom payment is due, (b) the amount to be paid, and (c) in reasonable detail the purpose for which the obligation was incurred; and

(2) its certificate attached to the requisitions certifying: (a) that obligations in the stated amounts have been incurred by MPS in or about the construction of the Project, and that each item thereof is a proper charge against the Construction Fund and is a proper Cost of Construction and has not been paid, and (b) that such requisition contains no item representing payment on account of any retained percentages which MPS is at the date of such certificate entitled to retain.

Upon receipt of each such requisition and accompanying certificates the City shall transfer to, or upon the order of, MPS, an amount equal to the total of the amounts to be paid as set forth in such requisition, the amounts to be used solely for the payment of the obligations set forth in such requisition.

(C) On or before the Expenditure Termination Date, the City shall withdraw from the Construction Fund and pay to the Fiscal Agent for deposit into the Redemption Account any balance in the Construction Fund.

Section 503. Expense Fund. The moneys held in the Expense Fund shall be expended for the payment of the costs of issuance of the Bonds. On June 15, 2010 any sum remaining, including interest thereon, in the Expense Fund shall be withdrawn by the Fiscal Agent and paid to the City for deposit into the Construction Fund.

Section 504. Deposits by City. (A) On or prior to each interest payment date, the City shall pay to the Fiscal Agent for deposit into the Interest Account of the Debt Service Fund a sum sufficient to provide for the punctual payment of the interest on the Bonds due on such interest payment date. On or prior to each redemption date of any Bonds, the City shall pay to the Fiscal Agent for deposit into the Interest Account a sum sufficient to provide for the punctual payment of the interest on such Bonds due on such redemption date.

(B) On or prior to December 15 of the following years the City shall pay cash or Investment Securities to the Fiscal Agent for deposit into the Sinking Fund the following annual amounts, subject to adjustment as provided in paragraph (C) of this Section, constituting mandatory Annual Sinking Fund Payments for the retirement at maturity of the Bonds:

<u>December 15</u>	<u>Sinking Fund Payment</u>
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	

(C) If Bonds are redeemed prior to maturity by extraordinary mandatory redemption pursuant to Section 402, then the Annual Sinking Fund Payment for each year shall be reduced as directed by the City in accordance with Section 54(d)(4)(C) of the Code, or, in the absence of such direction, by the amount obtained by multiplying the

Annual Sinking Fund Payment set forth for such year in paragraph (B) of this Section by a fraction the numerator of which is the principal amount of Bonds redeemed pursuant to such extraordinary mandatory redemption and the denominator of which is the principal amount of Bonds Outstanding as of the time immediately prior to such redemption.

(D) The City shall make the scheduled annual deposits to the Sinking Fund in accordance with paragraphs (B) and (C) of this Section whenever the aggregate amount held in the Sinking Fund is less than the principal amount of Bonds Outstanding. The City may suspend such deposits whenever the sum of the cash and the maturity value of the Investment Securities held in the Sinking Fund equals or exceeds the principal amount of Outstanding Bonds.

Section 505. Debt Service Fund. (A) The Fiscal Agent shall pay (i) out of the Interest Account on each interest payment date or redemption date, as applicable, for any of the Outstanding Bonds, the amount required for the interest payable on such date; (ii) out of the Redemption Account on each applicable redemption date amount required for the payment of the Redemption Price of such Outstanding Bonds then to be redeemed. Such amounts shall be paid to the Owners of the Outstanding Bonds by the Fiscal Agent for the aforesaid purposes on the due dates thereof.

(B) The moneys paid into the Redemption Account from the Construction Fund pursuant to Section 502(C) shall be applied by the Fiscal Agent for the redemption of the Bonds in accordance with the provisions of Section 54A(d)(2)(B) of the Code. Within ten days following the Expenditure Termination Date, the Fiscal Agent shall establish the redemption date. The amounts held in the Redemption Account shall be applied to pay the Redemption Price of such Bonds. The accrued interest on such Bonds to the date fixed for their redemption shall be paid from the Interest Account.

(C) Moneys held in the Accounts of the Debt Service Fund shall be invested as provided in Section 603(A). Investment income earned as a result of such investment shall be retained in said Accounts.

Section 506. Sinking Fund. (A) The moneys in the Sinking Fund shall be used for the payment of the principal of the Bonds due on December 15, 20__ and on December 15, 20__ the Fiscal Agent shall pay out of the Sinking Fund the sum equal to the principal amount of the Bonds then Outstanding. Such amount shall be paid to the Owners of the Outstanding Bonds.

(B) Moneys held in the Sinking Fund shall be invested as provided in Section 603(A). Investment income earned in such investment shall be retained in the Sinking Fund; *provided, however*, that if on any date the sum held in the Sinking Fund exceeds the principal amount of the Outstanding Bonds, then the amount of such excess, at the direction of the City expressed in a certificate of an Authorized Officer of the City, may be withdrawn from the Sinking Fund free from the lien of this Agreement.

(C) If on any interest payment date or redemption date the amount held in the Interest Account is not sufficient to pay the interest on the Bonds payable on such date, the Fiscal Agent shall withdraw from the Sinking Fund and deposit into the Interest Account a sum sufficient to cure such deficiency.

(D) Any investment of moneys in the Sinking Fund is subject the investment yield limitations set forth in Section 54A(d)(4)(C) and 54(A)(d)(5)(B) of the Code.

Section 507. City to Cure Deficiency. If on the business day immediately prior to any interest payment date or principal payment date the sums held under the Agreement for the payment of such interest or principal shall be less than sums required for the punctual payment of the interest payable on such interest payment date or the principal payment on such principal payment date, then the Fiscal Agent shall notify the City of such deficiency and the City shall apply any available fund to cure such deficiency.

ARTICLE VI

Depositories, Security for Deposits and Investments of Funds

Section 601. Depositories. All moneys held by the Fiscal Agent under the provisions of this Agreement may be deposited with one or more financial institutions selected by an Authorized Officer of the City in the name of and in trust for the Fiscal Agent. All moneys held by the City under this Agreement shall be deposited in one or more financial institutions (selected by an Authorized Officer of the City) in the name of the City. All moneys deposited under the provisions of this Agreement with the Fiscal Agent, the City or any financial institution shall be held in trust and applied only in accordance with the provisions of this Agreement, and each of the Funds or Accounts established by this Agreement shall be a trust fund.

Section 602. Deposits. (A) All moneys held by any financial institution under this Agreement may be placed on demand or time deposit, as directed by an Authorized Officer of the City, provided that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department of the Fiscal Agent which may honor checks and drafts on such deposit as if it were not the Fiscal Agent. All moneys held by the Fiscal Agent may be deposited in its banking department on demand or, if and to the extent directed by an Authorized Officer of the City, on time deposit, provided that such moneys on deposit be available for use when needed. The Fiscal Agent shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

(B) All moneys on deposit to the credit of the Debt Service Fund and the Sinking Fund not otherwise secured by deposit insurance shall be continuously and fully secured by the Fiscal Agent for the benefit of the City by lodging with the Fiscal Agent

as collateral security, Government Obligations having a market value (exclusive of accrued interest) of not less than the amount of such moneys.

Section 603. Investment of Certain Moneys. (A) Moneys held in the Debt Service Fund and its Accounts and in the Sinking Fund shall be invested and reinvested by the Fiscal Agent at the oral direction of an Authorized Officer of the City promptly confirmed in writing to the fullest extent practicable in Investment Securities meeting the requirements of Section 67.11 of the Wisconsin Statutes, which mature no later than necessary to provide moneys when needed for payments to be made from such Funds or Accounts. In the event that no such directions are received by the Fiscal Agent, such amounts shall be invested in Government Obligations, pending receipt of investment directions. The Fiscal Agent may make any and all such investments through its own investment department or that of its affiliates or subsidiaries.

(B) Moneys held in two or more Funds or Accounts may be jointly invested in one or more Investment Securities, provided that such investment complies with all the terms and conditions hereof relating to the investment of moneys in such Funds or Accounts, as the case may be, and the City maintains books and records as to the allocation of such investment as among such Funds or Accounts. Investment income from investments held in the various Funds or Accounts shall remain in and be a part of the respective Funds or Accounts in which such investments are held, except as otherwise provided in this Agreement.

Section 604. Valuation and Sale of Investments. (A) Investment Securities in any Fund or Account created under the provisions of this Agreement shall be deemed at all times to be part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from liquidation of such investment shall be charged to such Fund or Account.

(B) Valuations of Investment Securities held in the Funds or Accounts shall be made by the Fiscal Agent as often as may be necessary to determine the amounts held therein. In computing the amounts in such Funds or Accounts and Investment Securities therein shall be valued as provided in subsection (C) of this Section.

(C) The value of Investment Securities shall mean the fair market value thereof, *provided, however*, that all SLGs shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(D) Except as otherwise provided in this Agreement, the Fiscal Agent at the direction of an Authorized Officer of the City shall sell at the best price reasonably obtainable, or present for redemption, any Investment Security held in any Fund or Account held by the Fiscal Agent whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund or Account as the case may be. The Fiscal

Agent shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

Particular Covenants and Representations of the City

Section 701. Authorization for Agreement. This Agreement is executed and delivered by the City by virtue of and pursuant to Section 67.10(6) of the Wisconsin Statutes. The City has ascertained and hereby determines and declares that the execution and delivery of this Agreement is necessary to meet the public purposes of the City and MPS, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the City and MPS and to carry out their powers and is in furtherance of the public benefit and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to provide for the issuance the Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the City.

Section 702. Agreement to Constitute Contract. In consideration of the purchase and acceptance of Bonds by those who shall hold the same from time to time, the provisions of this Agreement shall be a part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City, the Fiscal Agent and the Owners. The City covenants and agrees with the Owners that it will faithfully perform all of the covenants and agreements contained in this Agreement and in the Bonds and the Tax Credit Certificates.

Section 703. QSCBs Designation of Bonds. In accordance with the requirements of Sections 54A and 54F of the Code, the City hereby designates the \$_____,000 aggregate principal amount of the Bonds as Qualified School Construction Bonds.

Section 704. QSCB Status. In order to maintain the status of the Bonds as QSCBs under Section 54F of the Code, the City shall comply, and shall cause MPS to comply, with the provisions of the Code applicable to QSCBs, including without limitation (i) Sections 54A and 54F of the Code, and (ii) the provisions of the Code relating to the computation of the yield on investments of the “gross proceeds” of an issue of QSCBs, as such term is defined in the Code, reporting of the earnings on such gross proceeds and rebates of earnings on such gross proceeds to the Department of the Treasury of the United States of America, to the extent such provisions apply to an issue of QSCBs. In furtherance of the foregoing, the City shall comply with the provisions of the Tax Agreement.

The City shall not take any action or fail to take any action which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the Bonds or any other funds of the City be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

The City shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

Section 705. Use of Proceeds. The City acknowledges and agrees that 100% of the Available Project Proceeds of the Bonds are required by Sections 54A and 54F of the Code to be used to pay or reimburse the payment of qualifying public school facility expenditures paid after October 26, 2009 for the construction, rehabilitation or repair of public school facilities, including the acquisition of (A) land on which facilities financed with the proceeds of the Bonds are to be constructed, and/or (B) equipment to be used within the portion or portions of the facilities financed with the proceeds of the Bonds.

Section 706. Limitation on Legal Defeasance. The City shall not cause all or any portion of the Bonds to be legally defeased and deemed paid within the meaning and effect expressed in Section 1101 unless, prior thereto, (i) the City shall have obtained a ruling from the IRS to the effect that such legal defeasance of all or a portion of the Bonds will not cause a loss of the associated Tax Credits, or (ii) the IRS shall have promulgated regulations, or published a letter ruling, tax advice memorandum or official pronouncement that the legal defeasance of QSCBs will not cause a loss of Tax Credits, or (iii) the City shall have elected to convert the Bonds to be defeased into Interest Bearing Bonds. Any such defeasance pursuant to clause (iii) must occur at least 46 days prior to the Tax Credit Allowance Date immediately following such defeasance.

Section 707. Purchase Prohibited. The City agrees that prior to the Tax Credit Conversion Date it will not purchase, hold or own any Bonds, Principal Strip Certificates or Tax Credit Certificates.

ARTICLE VIII

Tax Credit Program

Section 801. Authorization of Tax Credit Program. The Bonds shall be issued in a form that permits the separation, under the Tax Credit Program, of the ownership of the Principal Component of a Bond from the entitlement of the Owner thereof to the related Tax Credits. This Article VIII provides for the terms and conditions pursuant to which: (i) the ownership of the Principal Component of a Bond may be separated from the ownership of the related Tax Credit Component; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the ownership of the

related Cash Interest Payment Component; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Bonds; (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds; and (v) Bonds may be converted into Interest Bearing Bonds.

Section 802. Tax Credit Rate. Except as otherwise provided in Section 806 hereof, the Owner of a Bond on each Tax Credit Allowance Date, or the Owner of the applicable Tax Credit Certificate stripped from such Bond pursuant to Section 803 hereof, shall be entitled to claim a Tax Credit on such Tax Credit Allowance Date. Under the provisions of the Code as in effect on the date of issuance of the Bonds, the Tax Credit due on each such Tax Credit Allowance Date will be in an amount equal to twenty-five percent (25%) of the product of (i) the principal amount of such Bond and (ii) the Tax Credit Rate. The amount of any Tax Credit for the first Tax Credit Allowance Date shall be pro rated by the number of days from December 22, 2009, the date of delivery of the Bonds, to the first Tax Credit Allowance Date in accordance with the Code. A similar rule of pro ration shall apply upon any redemption of the Bonds prior to maturity.

Owners of Bonds and Tax Credit Certificates are, and the City shall not be, responsible for calculating and claiming any Tax Credit as of any Tax Credit Allowance Date and in the manner specified in the Code, except as may be required by regulations promulgated in connection with Qualified School Construction Bonds.

Section 803. Stripping of Tax Credits.

(A) At any time, by written request to the Fiscal Agent in the form attached hereto as Attachment I-A (the “*Tax Credit Strip Request*”), the Owner of (or, with respect to Bonds in DTC book-entry form (notwithstanding anything in Section 816 hereof to the contrary), the DTC Participant for) a Bond may, upon presentation of such Bond, direct the Fiscal Agent to authenticate and deliver: (i) a Principal Strip Certificate in a principal amount equal to the principal amount of the Bonds to be so separated and (ii) Tax Credit Certificates representing the entitlement to the allocable Tax Credits with respect to such Bonds. The form of the Tax Credit Strip Request may be modified or amended by the Fiscal Agent with the prior written consent of the City.

(B) Upon the receipt of a request and the presentation pursuant to paragraph (A) of this Section, the Fiscal Agent shall: (i) authenticate and deliver to or upon the order of the Owner so requesting, Principal Strip Certificates in a face amount equal to the principal amount of the related Bond so presented; (ii) authenticate and deliver to or upon the order of the Owner so requesting, Tax Credit Certificates for each remaining Tax Credit Allowance Date in accordance with this Article VIII, in a face amount equal to twenty-five percent (25%) of the product of (A) the principal amount of the related Bond so presented and (B) the Tax Credit Rate; and (iii) contemporaneously with the

delivery thereof, reduce, by the amount so converted the amount of Bonds that have not been stripped.

(C) The Principal Strip Certificate shall be executed and delivered as a fully registered Principal Strip Certificate in an amount corresponding to an Authorized Denomination and in an amount equal to the principal amount of the related Bonds presented.

(D) The Tax Credit Certificates shall be executed and delivered as fully registered Tax Credit Certificates, in face amounts corresponding to Authorized Denominations and in an amount for each equal to twenty-five percent (25%) of the product of (i) the principal amount of the related Bonds presented and (ii) the Tax Credit Rate. To the extent required by DTC, new CUSIP numbers shall be obtained for each Tax Credit Certificate.

(E) Upon the separation, if any, of the ownership of the Principal Component of a Bond from the entitlement of the Owner thereof to the related Tax Credits, the Owner of the Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon related to such Bond.

(F) Notwithstanding the separation, if any, of the ownership of the Principal Component of a Bond from the entitlement of the Owner thereof to the related Tax Credit Component, the previously combined Bond shall remain Outstanding and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the Supplemental Coupon related thereto and the ownership of the Tax Credit Certificates evidencing the rights to such Tax Credits related thereto shall constitute such Outstanding Bond.

Section 804. Extraordinary Mandatory Redemption from Unexpended Bond Proceeds. In the event of an extraordinary mandatory redemption of Bonds pursuant to Section 402 and in the event that Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to Section 803, the redemption amount shall be allocated, as nearly as reasonably possible, pro rata between (i) Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative principal amounts of the outstanding Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Bonds, and the Redemption Price used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the allocable value tables attached as Attachment III to the Agreement.

Section 805. Recombining Principal Components and Tax Credits.

(A) At any time, by written request to the Fiscal Agent in the form attached hereto as Attachment I-C (the “Tax Credit Recombination Request”), the Owner of (or, with respect to Principal Strip Certificates and Tax Credit Certificates held in the DTC book-entry system (notwithstanding anything in Section 816 hereof to the contrary), the DTC Participant for) (i) a Principal Strip Certificate and (ii) sufficient Tax Credit Certificates having Tax Credit Allowance Dates corresponding to each and every Tax Credit Allowance Date that would remain with respect to a Bond, and having a face amount with respect to each such Tax Credit Allowance Date equal to the Tax Credits that would be related to a Bond with a principal amount equal to the Principal Strip Certificates to be recombined, may, upon presentation to the Fiscal Agent of such Principal Strip Certificate and Tax Credit Certificates, direct the Fiscal Agent to authenticate and deliver (1) a Bond in a principal amount equal to the principal amount of the Principal Strip Certificate to be so converted, and (2) reducing, by the amount so converted, the number of Principal Strip Certificates and Tax Credit Certificates. The form of the Tax Credit Recombination Request may be modified or amended by the Fiscal Agent with the prior written consent of the City.

(B) Upon the receipt of a request and the presentation pursuant to paragraph (A) of this Section, the Fiscal Agent shall authenticate and deliver an unstripped Bond in a principal amount equal to the principal amount of the Principal Strip Certificate to be so converted and reduce, by the amount so converted, the amount of separate Principal Strip Certificates and Tax Credit Certificates. Upon the recombination, if any, of a Bond, the Bond shall be delivered by the Fiscal Agent as a fully registered Bond, in a principal amount corresponding to Authorized Denominations with the CUSIP number for the original combined Bond; *provided, however*, that the Fiscal Agent may provide a new CUSIP number that is distinct from the CUSIP number for the original combined Bond.

Section 806. Conversion of Bonds into Interest Bearing Bonds; Conversion of Tax Credit Certificates into Cash Interest Certificates; Disallowed Tax Credits.

(A) The Bonds shall be converted, in whole or in part, into Interest Bearing Bonds requiring the City to make cash payments of interest thereon to the Owners thereof as provided in this Section on (i) the March 15 following the next succeeding October 1 after the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) after the receipt of the Fiscal Agent of a written notice from the City of its election to convert the Bonds to Interest Bearing Bonds in connection with the defeasance of the Bonds, the March 15, June 15, September 15 or December 15 immediately preceding the date the Bonds are defeased. If either of the events described in the preceding sentence occur, (1) the Bonds, any Principal Strip Certificates relating thereto and any Tax Credit Certificates representing Tax Credits for Tax Credit Allowance Dates occurring after the Tax Credit Conversion Date shall, on the Tax Credit Conversion Date or as soon thereafter as practical, be exchanged by the Owner thereof for Interest Bearing Bonds,

Principal Strip Certificates relating to the Interest Bearing Bonds and Cash Interest Certificates without the need for any further action or proceeding by the City, (2) such Interest Bearing Bonds, related Principal Strip Certificates and Cash Interest Certificates shall, from and after the Tax Credit Conversion Date, be Interest Bearing Bonds or related Principal Strip Certificates and Cash Interest Certificates, respectively, for all purposes of the Agreement, and (3) if the Bonds have not already ceased to be “qualified school construction bonds” under Section 54F of the Code as a result of a Determination of Loss of Qualified School Construction Bond Status, the Bonds, from and after the Tax Credit Conversion Date, shall cease to be “qualified school construction bonds” under Section 54F of the Code. Interest Bearing Bonds shall bear interest (in addition to the Supplemental Coupon) from the Tax Credit Conversion Date (with appropriate adjustment for any Tax Credits that in fact will be allowed to the Owner by the IRS subsequent to such Tax Credit Conversion Date) to maturity at an interest rate per annum equal to the Tax Credit Rate, payable quarterly on each Cash Interest Payment Date. Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Owner of any Interest Bearing Bond or Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon related to the Bond so converted. If the Bonds are converted into Interest Bearing Bonds, any Bonds, Principal Strip Certificates related thereto or Tax Credit Certificates not exchanged for Interest Bearing Bonds, Principal Strip Certificates related thereto and Cash Interest Certificates by the Owners thereof shall be deemed to be so exchanged.

(B) If either of the events described in the first sentence of paragraph (A) of this Section occur, the Fiscal Agent shall send a written notice to the Owners of the Bonds, Principal Strip Certificates and Tax Credit Certificates, stating that (i) as of the Tax Credit Conversion Date, the related Bonds have been or shall be converted into Interest Bearing Bonds for all purposes of the Agreement, and (ii) such Owners are required to deliver, on the Tax Credit Conversion Date or as soon thereafter as practical, their Bonds, any Principal Strip Certificates relating thereto and Tax Credit Certificates (for Tax Credit Allowance Dates occurring after the Tax Credit Conversion Date) to the Fiscal Agent in exchange for an Interest Bearing Bond or Bonds, Principal Strip Certificates relating to the Interest Bearing Bonds and Cash Interest Certificates in Authorized Denominations in the same respective face amount as the Bonds and any Principal Strip Certificates relating to such Bonds and Tax Credit Certificates so delivered by such Owners. Upon the conversion of Bonds into Interest Bearing Bonds, Principal Strip Certificates relating to Bonds into Principal Strip Certificates relating to Interest Bearing Bonds and Tax Credit Certificates, if any, into Cash Interest Certificates, the City shall execute, and the Fiscal Agent shall authenticate and deliver, to the Owners of the Bonds, Principal Strip Certificates relating to the Bonds and Tax Credit Certificates, if any, entitled thereto, fully registered Interest Bearing Bonds, Principal Strip Certificates relating to such Interest Bearing Bonds and Cash Interest Certificates in substantially the forms attached hereto.

(C) Subject to paragraph (D) of this Section, in the event that any Tax Credits that have been recognized by an Owner with respect to Tax Credit Allowance Dates occurring on or prior to the Tax Credit Conversion Date are determined to be ineligible as Tax Credits as a result of the Determination of Loss of Qualified School Construction Bond Status, the City shall pay to the Owner (as of the applicable Tax Credit Allowance Dates for such disallowed Tax Credits) of the Bonds or Tax Credit Certificates, as appropriate, an amount equal to the amount of such disallowed Tax Credits, plus interest thereon from the applicable Tax Credit Allowance Date to the date of payment, compounded quarterly at the rates equal to the large corporate underpayment rates determined from time to time by the IRS during such interest compounding period to be paid on or before the March 15th following the next succeeding October 1 after the Date of Determination of Loss of Qualified School Construction Bond Status.

(D) The City shall have no obligation to make payments under paragraph (C) of this Section and shall not incur a liability to any Owner if Tax Credits are disallowed because the separation of Tax Credits from the Bonds or recombining the Tax Credits with the Principal Strip Certificates, in the manner provided in this Article VIII, failed to comply with the requirements of the Code or applicable regulations, including, without limitation, regulations prescribed by the Secretary of the Treasury pursuant to Section 54A(i) of the Code that are published or promulgated subsequent to such separation.

Section 807. Stripping of Cash Interest Certificates.

(A) At any time, by written request to the Fiscal Agent in the form attached hereto as Attachment I-B (the “*Cash Interest Strip Request*”), the Owner of (or, with respect to Bonds held in the DTC book-entry system (notwithstanding anything in Section 816 hereof to the contrary), the DTC Participant for) an Interest Bearing Bond may, upon presentation of such Interest Bearing Bond, direct the Fiscal Agent to authenticate and deliver (i) a Principal Strip Certificate in a principal amount equal to the principal amount of the Interest Bearing Bonds to be so separated and (ii) Cash Interest Certificates representing the entitlement to the Cash Interest Payment Component with respect to such Interest Bearing Bonds to be converted. The form of the Cash Interest Strip Request may be modified or amended by the Fiscal Agent with the prior written consent of the City.

(B) Upon the receipt of a request and the presentation of an Interest Bearing Bond pursuant to paragraph (A) of this Section, the Fiscal Agent shall: (i) authenticate and deliver to or upon the order of the Owner so requesting, a Principal Strip Certificate in a principal amount equal to the principal amount of the related Interest Bearing Bond so presented; (ii) authenticate and deliver to or upon the order of the Owner so requesting, Cash Interest Certificates for each remaining Cash Interest Payment Date in accordance with this Article VIII, in an amount equal to twenty-five percent (25%) of the product of (A) the principal amount of the related Interest Bearing Bond so presented and (b) the Tax Credit Rate; and (iii) contemporaneously with the delivery thereof, reduce, by

the amount so converted the amount of Interest Bearing Bonds that have not been stripped.

(C) The Principal Strip Certificate shall be executed and delivered as a fully registered Principal Strip Certificate, in an amount corresponding to an Authorized Denomination and in an amount equal to the principal amount of the related Interest Bearing Bond presented.

(D) The Cash Interest Certificates shall be executed and delivered as fully registered Cash Interest Certificates, in amounts corresponding to Authorized Denominations and in an amount for each equal to twenty-five percent (25%) of the product of (i) the principal amount of the related Interest Bearing Bonds presented and (ii) the Tax Credit Rate. To the extent required by DTC, specific CUSIP numbers shall be obtained for each Cash Interest Certificate.

(E) Upon the separation, if any, of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related Cash Interest Payment Component, the Owner of the Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon related to such Interest Bearing Bond.

(F) Notwithstanding the separation, if any, of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related Cash Interest Payment Component, the previously combined Interest Bearing Bond shall remain outstanding and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the Supplemental Coupon related thereto and the ownership of the Cash Interest Certificates shall constitute such outstanding Interest Bearing Bond.

Section 808. Recombining Principal Components and Cash Interest Payments.

(A) At any time, by written request to the Fiscal Agent in the form attached hereto as Attachment I-D (the “Cash Interest Recombination Request”), the Owner of (or, with respect to Principal Strip Certificates and Cash Interest Certificates held in the DTC book-entry system (notwithstanding anything in Section 816 to the contrary), the DTC Participant for) (i) a Principal Strip Certificate and (ii) sufficient Cash Interest Certificates having payment dates corresponding to each and every Cash Interest Payment Date that would remain with respect to an Interest Bearing Bond, and having a face amount with respect to each such Cash Interest Payment Date equal to the amount of the Cash Interest Payment Component that would be paid on an Interest Bearing Bond with a principal amount equal to the Principal Strip Certificates to be recombined, may, upon presentation of such Principal Strip Certificates and Cash Interest Certificates, direct the Fiscal Agent to authenticate and deliver (1) an Interest Bearing Bond in a principal amount equal to the principal amount of the Principal Strip Certificate to be so converted, and (2) reducing by the amount so converted, the amount of Principal Strip

Certificates and Cash Interest Certificates. The form of the Cash Interest Recombination Request may be modified or amended by the Fiscal Agent with the prior written consent of the City.

(B) Upon the receipt of a request and the presentation pursuant to paragraph (A) of this Section, the Fiscal Agent shall authenticate and deliver an unstripped Interest Bearing Bond in a principal amount equal to the principal amount of the Principal Strip Certificates to be so converted, and reduce, by the amount so converted, the amount of separate Principal Strip Certificates and Cash Interest Certificates. Upon the recombination, if any, of Principal Strip Certificates and the Cash Interest Certificates, Interest Bearing Bonds shall be delivered by the Fiscal Agent as fully registered Interest Bearing Bonds, in principal amounts corresponding to Authorized Denominations with the CUSIP number for the original combined Bond; *provided, however*, that the Fiscal Agent may request a new CUSIP number that is distinct from the CUSIP number for the original combined Bond.

Section 809. Rights and Remedies of Separate Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. If and to the extent that any Bonds or Interest Bearing Bonds are separated into Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, the Owners of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates shall have the same rights and remedies granted to the Owners of Bonds or Interest Bearing Bonds, as applicable, and shall receive all notices required to be sent to Owners of the Bonds or Interest Bearing Bonds. For purposes of determining if there is a required percentage in aggregate principal amount of the Outstanding Bonds affected by a proposed action, consent or direction, if the proposed action, consent or direction would affect the Owners of Bonds or Interest Bearing Bonds, the Owners of the Principal Strips Certificates, Tax Credit Certificates and Cash Interest Certificates shall be entitled to collective voting rights equal to the principal amount of the related Principal Strip Certificates, and such voting rights shall be further allocated to the Owners of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates in proportion to the values set forth in Attachment III to the Agreement.

Section 810. Forms of Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Principal Strip Certificates and Tax Credit Certificates relating to the Bonds, including the Certificate of Authentication thereon, shall be in substantially the form of Appendix I to the form of Bond set forth in Exhibit A to the Agreement, with appropriate or necessary insertions, omissions and variations. The Principal Strip Certificates and Cash Interest Certificates relating to the Interest Bearing Bonds, including the Certificate of Authentication thereon, shall be in substantially the form of Appendix I to the form of Interest Bearing Bond set forth in Exhibit A to the Agreement, with appropriate or necessary insertions, omissions and variations.

Section 811. Execution of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be signed by the manual or facsimile signatures of the Mayor and the City Clerk, countersigned by the manual or facsimile signature of the Comptroller and attested by the manual or facsimile signatures of the Commissioners of the Public Debt and the corporate seal of the City (of a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall then be delivered to the Fiscal Agent for authentication by it.

Section 812. Authentication of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. Only such of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates as shall bear thereon a Certificate of Authentication as described in Section 810, executed by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of the Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates so authenticated have been duly authenticated and delivered as set forth hereunder and in the Principal Strip Certificate, Tax Credit Certificates and Cash Interest Certificates and are entitled to the benefits of the Agreement.

Section 813. Registration Books. The Fiscal Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of ownership of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates which shall at all times be open to inspection by the City and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered, transferred or exchanged the Principal Strip Certificate, Tax Credit Certificates, and Cash Interest Certificates. Each Bond, Interest Bearing Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate authenticated and registered by the Fiscal Agent shall be assigned a distinctive letter or number, or letter and number.

Section 814. Transfer and Exchange of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. Any Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates may, in accordance with its terms and the Agreement, be transferred upon the registration books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Fiscal Agent. Whenever any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and shall deliver a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, in an Authorized Denomination and of the same tenor, maturity

and interest rate, if any. The Fiscal Agent shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Principal Strip Certificate, Tax Credit Certificate and Cash Interest Certificate may be exchanged at the designated office of the Fiscal Agent for a like Authorized Denomination of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, of the same tenor, maturity and interest rate, if any, of other Authorized Denominations. The Fiscal Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Fiscal Agent shall not be obligated to make any transfer or exchange of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates pursuant to this Section during the period established by the Fiscal Agent for the selection of Principal Strip Certificates, Tax Credit Certificates, Cash Interest Certificates or related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable, for redemption, or with respect to any Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates selected for redemption.

Section 815. Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates Mutilated, Lost, Destroyed or Stolen. If any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall become mutilated, the City, at the expense of the Owner of said Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in exchange and substitution for the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, so mutilated, but only upon surrender to the Fiscal Agent of the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so mutilated. Every mutilated Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so presented to the Fiscal Agent shall be canceled by it and delivered to, or upon the order of, the City.

If any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence and indemnity satisfactory to the Fiscal Agent and the City shall be given, the City, at the expense of the Owner, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in lieu of and in replacement for the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so lost, destroyed or stolen (or if any such Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall have matured or shall have been selected for redemption, instead of issuing a replacement

Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, the Fiscal Agent may pay the same without surrender thereof).

The City may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under this Section and of the expenses which may be incurred by the City and the Fiscal Agent.

Any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under the provisions of this Section in lieu of any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Agreement, with all other Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates.

Section 816. Book-Entry System.

(A) Upon the separation of the ownership of the Bonds from the entitlement of the Owner thereof to the related Tax Credits or the separation of the ownership of the Interest Bearing Bonds from the entitlement of the Owner thereof to the Cash Interest Payment Component, the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the ownership of the Tax Credit Certificates evidencing the rights to such Tax Credits or the ownership of the Cash Interest Certificates evidencing the rights to such Cash Interest Payment Component, as applicable, shall be registered in the registration books in the name of Cede & Co., as nominee of DTC, except as provided in paragraph (C) of this Section. The City and the Fiduciary may treat DTC (or its nominee) as the sole and exclusive Owner of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, registered in its name for the purposes of payment of amounts, if any, with respect to the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, selecting the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates or portions thereof, as applicable, to be redeemed, giving any notice permitted or required to be given to Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, under this Article VIII, registering the transfer of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, obtaining any consent or other action to be taken by Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, and for all other purposes whatsoever, and each Fiduciary and the City shall not be affected by any notice to the contrary. The Fiscal Agent and the City shall not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates under or through DTC or any DTC

Participant, or any other person which is not shown on the registration books as being an Owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; any notice which is permitted or required to be given to Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates under this Article VIII; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; or any consent given or other action taken by DTC as Owner of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Fiscal Agent shall pay all amounts, if any, with respect to the Principal Strip Certificates and Cash Interest Certificates, as applicable, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to any such amounts with respect to the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, to the extent of the sum or sums so paid. Except under the conditions of paragraph (C) of this Section, no person other than DTC shall receive an executed Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Section shall refer to such new nominee of DTC.

(B) So long as the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, as applicable, are registered in the name of Cede & Co. or its registered assigns, the Fiscal Agent shall process all Tax Credit Strip Requests, Cash Interest Strip Requests, Tax Credit Recombination Requests and Cash Interest Recombination Requests through DTC's book-entry system.

(C) So long as the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, as applicable, are registered in the name of Cede & Co., or its registered assigns, the City and the Fiscal Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns, in effecting payment of the Redemption Price, if any, of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made by wire transfer of same-day funds on the date they are due.

(D) In the event (i) DTC, including any successor as securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, determines not to continue to act as securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; or (ii) the City determines that the incumbent securities depository shall no longer so act, subject to the applicable procedures of the incumbent securities depository, and delivers a written certificate to the Fiscal Agent to that effect, then the City will discontinue the book-entry

system with the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates. If the City determines to replace the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates with another qualified securities depository, subject to the applicable procedures of the incumbent securities depository, the City shall prepare or direct the preparation of a new single, separate fully registered Principal Strip Certificate, a new single, separate fully registered Tax Credit Certificate for the aggregate outstanding amount of Tax Credits that have been separated from the ownership of the related Bonds and a new single, separate fully registered Cash Interest Certificate, as applicable, or, to the extent authorized by this Article VIII, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the City, the Fiscal Agent and the successor securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates as are not inconsistent with the terms of this Article VIII. If the City fails to identify another qualified successor securities depository of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates to replace the incumbent securities depository, then the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates shall no longer be restricted to being registered in the registration books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, or its nominee, shall designate. In such event the Fiscal Agent shall authenticate and deliver a sufficient quantity of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates as necessary to carry out the transfers and exchanges provided in Section 814.

(E) So long as the Tax Credit Certificates are registered in the name of Cede & Co. or its registered assigns, the Fiscal Agent shall provide notice to DTC of the expiration of each Tax Credit Certificate, not less than forty-five (45) days prior to the Tax Credit Allowance Date for such Tax Credit Certificate, in the form included as Attachment II hereto.

Section 817. Amendment; Waiver. The provisions of this Article VIII may be amended, by written agreement of the City and the Fiscal Agent, and any provision of this Article VIII may be waived, each without the consent of the Owners of the Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates or any other Person, if (i)(a) an amendment to Section 54A or 54F of the Code is adopted, or a new or modified official interpretation of Section 54A or 54F of the Code is issued, after December 22, 2009 which is applicable to the Tax Credit Program; (b) legislation shall have been enacted by the United States or the State of Wisconsin, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation or a temporary regulation or an official statement shall have been published in the Federal Register or any other release or announcement shall have been made by or on

behalf of the Treasury Department of the United States, U.S. Securities and Exchange Commission or the IRS with respect to the stripping of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates from the related Bonds or Interest Bearing Bonds, as applicable, or (c) rules, procedures or guidance shall have been adopted by DTC or any successor or replacement securities depository with respect to the stripping of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates from the related Bonds or Interest Bearing Bonds, as applicable and (ii) the City shall have delivered to the Fiscal Agent an Opinion of Counsel addressed to the City and the Fiscal Agent to the effect that performance by the City and Fiscal Agent under this Article VIII as so amended or giving effect to such waiver, as the case may be, will not result in a violation of Sections 54A or 54F of the Code. The City shall cause to be given to the Owners prompt notice of any such amendment to or waiver of any provision of this Article VIII.

ARTICLE IX

Concerning the Fiscal Agent

Section 901. Appointment and Acceptance of Duties. The Fiscal Agent hereby accepts its appointment as Fiscal Agent under the Agreement, but only upon the additional terms set forth in this Article, to all of which the City agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree. The Fiscal Agent undertakes such duties and only such duties as are specifically set forth in Section 67.10 of the Wisconsin Statutes and this Agreement.

Section 902. Responsibilities. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the City and the Fiscal Agent does not assume any responsibility for the correctness of the same. The Fiscal Agent makes no representations as to the validity or sufficiency of this Agreement or of any Bonds issued hereunder or as to the security afforded by this Agreement, and the Fiscal Agent shall not incur any liability in respect thereof. The Fiscal Agent shall, however, be responsible for any representation contained in its certificate on the Bonds. The Fiscal Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the Fiscal Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct.

Section 903. Evidence on Which Fiscal Agent May Act. (A) The Fiscal Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including any Counsel's Opinion), bond or other paper or document furnished to it pursuant to and conforming to the requirements of this Agreement, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(B) Whenever the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless this Agreement specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(C) Except as otherwise expressly provided in this Agreement, any request, order, notice or other direction required or permitted to be furnished by the City to the Fiscal Agent shall be sufficiently executed if signed by an Authorized Officer.

Section 904. Compensation. Unless otherwise determined by agreement between the City and the Fiscal Agent, the City shall pay the Fiscal Agent from time to time reasonable compensation for services rendered under this Agreement, as well as pay and/or reimburse the Fiscal Agent for the reasonable fees and expenses related to extraordinary services rendered by the Fiscal Agent.

Section 905. Resignation. The Fiscal Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Agreement by giving not less than 60 days' written notice to the City, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the City as provided in Section 907, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Fiscal Agent shall not have been appointed within a period of 90 days following the giving of notice, then the Fiscal Agent shall be authorized to petition any court of competent jurisdiction to appoint a successor Fiscal Agent as provided in Section 907 hereof.

Section 906. Removal. The Fiscal Agent may be removed at any time by an instrument in writing delivered to the Fiscal Agent and signed by an Authorized Officer of the City.

Section 907. Appointment of Successor. In case at any time the Fiscal Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Fiscal Agent, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Fiscal Agent, or of its property or affairs, the City shall appoint a successor Fiscal Agent.

Section 908. Transfer of Rights and Property to Successor. Any successor Fiscal Agent appointed under this Agreement shall execute, acknowledge and deliver to its predecessor Fiscal Agent, and also to the City, an instrument accepting such appointment, and thereupon such successor Fiscal Agent, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights,

powers, duties and obligations of such predecessor Fiscal Agent; but the predecessor Fiscal Agent shall nevertheless, on the written request of the City or of the successor Fiscal Agent, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiscal Agent all its right, title and interest in and to any property held by it under this Agreement, and shall pay over, assign and deliver to the successor Fiscal Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the City be required by such successor Fiscal Agent for more fully and certainly vesting in and confirming to such successor Fiscal Agent any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the City.

Section 909. Merger or Consolidation. Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of the Fiscal Agent may be sold or transferred, shall be the successor to the Fiscal Agent and be bound to the obligations and duties of the Fiscal Agent hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; *provided, however*, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Agreement.

Section 910. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Agreement shall have been authenticated but not delivered, any successor Fiscal Agent may adopt the certificate of authentication of any predecessor Fiscal Agent so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Fiscal Agent may authenticate such Bonds in the name of the predecessor Fiscal Agent or in its own name.

Section 911. Quarterly Report. Within seven days after the end of each calendar quarter, the Fiscal Agent shall prepare a written report for each Fund or Account held by it pursuant to the provisions of this Agreement. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Fiscal Agent at the end of the quarter. A copy of each such report shall be furnished to the City and any persons designated by the City. In addition, the Fiscal Agent shall, at any time when requested, including, without limitation, any request at the time of the resignation of the Fiscal Agent, furnish to the City a report of the amount of moneys, including Investment Securities, held in each Fund or Account by the Fiscal Agent. For purposes of this certification, the Investment Securities in each such

Fund or Account shall be treated as having a value equal to their aggregate market value as of the date of the request.

ARTICLE X

Amendments

Section 1001. Amendment by Parties. The City and the Fiscal Agent without the consent of, or notice to, any of the Owners, may amend the Agreement.

Section 1002. Filing of Counsel's Opinion. Each amendment described in Section 1001 shall be accompanied by a Counsel's Opinion to the effect that such amendment has been duly authorized by the City in accordance with the provisions of this Agreement, is authorized or permitted by this Agreement and, when executed and delivered, will be valid and binding upon the City and the Fiscal Agent.

ARTICLE XI

Miscellaneous

Section 1101. Defeasance. (A) Bonds or interest installments for the payment of which moneys shall have been set aside and held in trust by the Fiscal Agent at or prior to their maturity date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 1101 if the City shall have delivered to or deposited with the Fiscal Agent (i) irrevocable instructions to pay all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (ii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Fiscal Agent at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on said Bonds on and prior to each specified maturity date thereof, and (iii) if any of said Bonds are not to be paid within the next succeeding 180 days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Fiscal Agent and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity date upon which moneys are to be available for the payment of the principal, of said Bonds. The Defeasance Obligations and moneys deposited with the Fiscal Agent pursuant to this Section shall be held in trust for the payment of the principal and interest on said Bonds. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or interest on, said Bonds unless after such withdrawal the amount held by the Fiscal Agent and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of and interest on such Bonds, at maturity.

(B) Anything in this Agreement to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiscal Agent at such date, or for two years after the date of deposit of such moneys if deposited with the Fiscal Agent after the said date when such Bonds become due and payable, shall, at the written request of the City, be repaid by the Fiscal Agent to the City, as its absolute property and free from trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the City for the payment of such Bonds.

Section 1102. Evidence of Signatures of Owners and Ownership of Bonds.

(A) Any request, consent, revocation of consent or other instrument which this Agreement may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Agreement (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Fiscal Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Owner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instruments acknowledged to that person the execution thereof, or by an affidavit of witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.

(2) The ownership of Bonds and Tax Credit Certificates and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Fiscal Agent.

(B) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in accordance therewith.

Section 1103. Preservation and Inspection of Documents. All documents received by the Fiscal Agent under the provisions of this Agreement, shall be retained in

its possession and shall be subject at all reasonable times to the inspection of the City, any other Fiscal Agent, any of whom may make copies thereof.

Section 1104. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered pursuant to Section 307, shall be delivered to the Fiscal Agent when such payment or redemption is made or upon surrender, as the case may be, and such Bonds, together with all Bonds purchased by the Fiscal Agent, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be destroyed by the Fiscal Agent, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be delivered to the City and the other retained by the Fiscal Agent.

Section 1105. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the City, the Fiscal Agent and the Owners, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Fiscal Agent and the Owners.

Section 1106. No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Agreement against any past, present or future member of the Common Council, the Commissioner of the Public Debt, officer, employee or agent of the City.

Section 1107. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Fiscal Agent to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

Section 1108. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Agreement to be given to, delivered to or filed with the City or the Fiscal Agent shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Agreement if and when sent by registered mail, return receipt requested:

To the City, if addressed to:

City of Milwaukee
Office of the City Comptroller
City Hall, Room 404
200 East Wells Street
Milwaukee, WI 53202
Attention: _____

to such other address as may be designated in writing by the City to the Fiscal Agent; and

To the Fiscal Agent, if addressed to: _____

or at such other address as may be designated in writing by the Fiscal Agent to the City.

Section 1109. Construction. The Agreement shall be construed in accordance with the provisions of Wisconsin law.

Section 1110. Termination. The Agreement shall terminate on the 90th day following the retirement of all of the Bonds.

Section 1111. Multiple Counterparts. The Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City of Milwaukee has caused this Agreement to be executed in its name and _____, as Fiscal Agent, has caused this Agreement to be executed on its behalf, all as of the day and year first above written.

CITY OF MILWAUKEE:

By: _____
MAYOR

By: _____
CITY CLERK

Approved as to form and execution
this 5th day of September, 2008.

COUNTERSIGNED:

By: _____
Assistant City Attorney

By: _____
COMPTROLLER

Fiscal Agent

By: _____

EXHIBIT A

FORM OF BONDS