

**OFFERING MEMORANDUM  
BOOK-ENTRY ONLY**

See “RATINGS” herein

*In the opinion of Katten Muchin Rosenman LLP, and of Hurtado, S.C., Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Series C2 and the Series R3 Notes will not be includable in gross income for federal income tax purposes. Interest on the Series T4 Notes is includable in gross income for federal income tax purposes. Interest on the Series C2 Notes, the Series R3 Notes and the Series T4 Notes is not exempt from State of Wisconsin personal income taxes. See “TAX MATTERS” herein.*



**\$125,000,000  
CITY OF MILWAUKEE  
GENERAL OBLIGATION COMMERCIAL PAPER PROMISSORY NOTES  
2008 PROGRAM SERIES C2, SERIES R3 AND SERIES T4 (Taxable)**

The City of Milwaukee General Obligation Commercial Paper Promissory Notes 2008 Program Series C2 (the “Series C2 Notes”), General Obligation Commercial Paper Promissory Notes 2008 Program Series R3 (the “Series R3 Notes”) and General Obligation Commercial Paper Promissory Notes 2008 Program Series T4 (Taxable) (the “Series T4 Notes,” and collectively with the Series C2 Notes and the Series R3 Notes, the “Notes”) will be issued, from time to time, by the City of Milwaukee (the “City”) pursuant to the Trust Indenture (the “Indenture”), by and between the City and Deutsche Bank National Trust Company, as trustee (the “Trustee”). The Notes will be issued, from time to time, to finance various public improvement projects and fiscal requirements of the City (as defined herein). Proceeds from the Notes will also be used to pay all or a portion of the principal of and interest on the Notes when due, reimburse the Bank (as defined below) for any authorized draws under the Letter of Credit (as defined below), and to finance a portion of the costs of issuance of the Notes.

Pursuant to the terms of the Letter of Credit and Reimbursement Agreement dated as of January 1, 2008 (the “Reimbursement Agreement”), by and between the City and State Street Bank and Trust Company, (the “Bank”), the Bank will issue an irrevocable transferable direct pay letter of credit (the “Letter of Credit”). The Issuing and Paying Agent will make draws under the Letter of Credit to pay the principal of and interest on the Notes at maturity. In accordance with the Reimbursement Agreement, the Bank will make available to the City a commitment of \$136,095,891 which consists of principal and 270 days interest at 12% and, subject to the provisions of the Reimbursement Agreement, the City may request from time to time increases to the Stated Amount (as defined herein) of the Letter of Credit up to a maximum Stated Amount equal to such commitment.

The Notes will be issued only as fully registered notes in denominations of \$100,000 or integral multiples of \$1,000 above \$100,000. When issued, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Notes will be made in book-entry-only form. Purchasers of beneficial interests in the Notes (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Notes. Interest on the Notes, together with the principal of the Notes, will be paid directly to DTC, so long as the Notes are held in book-entry-only form. See “THE NOTES—Book-Entry-Only System.”

The aggregate principal amount of the Notes which may be outstanding under the Indenture may not be in an amount such that the aggregate principal amount of the Notes, together with the interest due on such Notes at maturity, exceeds the aggregate amount available to the Issuing and Paying Agent under the Letter of Credit. The Letter of Credit will initially expire on December 1, 2012.

**THE NOTES WILL BE DIRECT GENERAL OBLIGATIONS OF THE CITY OF MILWAUKEE, WISCONSIN (THE “CITY”), PAYABLE FROM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, SUBJECT TO TAXATION BY THE CITY, WITHOUT LIMITATION AS TO RATE OR AMOUNT.**

**IN LIGHT OF THE PRESENCE OF THE LETTER OF CREDIT, AS DESCRIBED HEREIN, NOT ALL RELEVANT INFORMATION WITH RESPECT TO THE INDENTURE AND THE OPERATIONS OF THE CITY THAT MAY BE NECESSARY TO ANALYZE ITS CURRENT FINANCIAL CONDITION IS INCLUDED IN THIS OFFERING MEMORANDUM. IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY.** This cover page is not intended to be a summary of the terms of, or the security for, the Notes. Investors are advised to read the Offering Memorandum in its entirety to obtain information essential to the making of an informed investment decision.

**Citi**

**Loop Capital Markets, LLC**

**The information in this Offering Memorandum has been obtained from the City, the Trustee, the Issuing and Paying Agent, the Bank, DTC and other sources believed to be reliable. The references herein to the Indenture, the Issuing and Paying Agent Agreement, the Notes, the Letter of Credit and the Reimbursement Agreement do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof. No dealer, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the City or any other person. The Notes are exempted from the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder shall under any circumstances create the implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.**

**This Offering Memorandum is not to be construed as a contract between the City and the purchasers of the Notes. This Offering Memorandum does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Notes are expected to conduct their own review and analysis before making an investment decision.**

**The Notes have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained therein. The Notes have not been recommended by any federal or state securities commission or regulatory commission. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.**

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## OFFERING MEMORANDUM

**\$125,000,000**  
**CITY OF MILWAUKEE**  
**GENERAL OBLIGATION COMMERCIAL PAPER PROMISSORY NOTES**  
**2008 PROGRAM SERIES C2, SERIES R3 AND SERIES T4 (Taxable)**

### INTRODUCTION

This Offering Memorandum, which includes the cover page and appendix, furnishes general information in connection with the issuance and sale, from time to time, by the City of Milwaukee (the “City”) of its General Obligation Commercial Paper Promissory Notes 2008 Program Series C2 (the “Series C2 Notes”), General Obligation Commercial Paper Promissory Notes 2008 Program Series R3 (the “Series R3 Notes”), and General Obligation Commercial Paper Promissory Notes 2008 Program Series T4 (Taxable) (the “Series T4 Notes,” and collectively with the Series C2 Notes and the Series R3 Notes, the “Notes”). The Notes will be issued, from time to time, by the City pursuant to the Trust Indenture, to be dated as of January 1, 2008 (the “Indenture”), by and between the City and Deutsche Bank National Trust Company, as trustee (the “Trustee”). Additionally, in connection with the issuance of the Notes from time to time, the City will enter into the Issuing and Paying Agent Agreement, to be dated as of January 1, 2008 (the “Issuing and Paying Agent Agreement”), with Deutsche Bank National Trust Company, as issuing and paying agent (the “Issuing and Paying Agent”). The Indenture will initially authorize the City to issue Notes in an aggregate principal amount not to exceed \$125 million. Such authorization will expire on January 31, 2018, unless otherwise extended pursuant to the Indenture. Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture and the Reimbursement Agreement (as hereinafter defined).

**IN LIGHT OF THE PRESENCE OF THE LETTER OF CREDIT, AS DESCRIBED HEREIN, NOT ALL RELEVANT INFORMATION WITH RESPECT TO THE INDENTURE AND THE OPERATIONS OF THE CITY THAT MAY BE NECESSARY TO ANALYZE ITS CURRENT FINANCIAL CONDITION IS INCLUDED IN THIS OFFERING MEMORANDUM. IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK (AS DEFINED BELOW) AND NOT ON THE CREDIT OF THE CITY.**

The information in this Offering Memorandum has been obtained from the City, the Trustee, the Issuing and Paying Agent, State Street Bank and Trust Company, (the “Bank”) and other sources believed to be reliable. The references herein to the Indenture, the Issuing and Paying Agent Agreement, the Notes, the Letter of Credit and the Reimbursement Agreement (as hereinafter defined) do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof. No dealer, salesman or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder shall under any circumstances create the implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

This Offering Memorandum is not to be construed as a contract between the City and the purchasers of the Notes. This Offering Memorandum does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Notes are expected to conduct their own review and analysis before making an investment decision.

For further information about the City, reference is made to continuing disclosure filings periodically with the Nationally Recognized Municipal Securities Information Repositories (“NRMSIRs”) as defined in Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended, and which is incorporated herein by reference. A list of the current NRMSIRs can be found on the Internet at [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm); nothing appearing on that website other than such list is deemed part of this Offering Memorandum. Copies of these documents may be obtained at no charge from Citigroup Global Markets Inc. (the “Dealer”) or directly from the City of Milwaukee, 200 East Wells Street, Room 404, Milwaukee, Wisconsin 53202, Attention: City Comptroller, telephone number (414) 286-3321. The City maintains a website at [www.milwaukee.gov](http://www.milwaukee.gov). Information on such website may not include continuing disclosure filings and should not be relied upon in deciding whether to invest in the Notes.

## THE NOTES

### Authorization and Purpose

The General Obligation Commercial Paper Promissory Notes 2008 Program Series C2 (the “Series C2 Notes”), General Obligation Commercial Paper Promissory Notes 2008 Program Series R3 (the “Series R3 Notes”), and General Obligation Commercial Paper Promissory Notes 2008 Program Series T4 (Taxable) (the “Series T4 Notes,” and collectively with the Series C2 Notes and the Series R3 Notes, the “Notes”) are being issued pursuant to Chapters 65 and 67, of the Wisconsin Statutes for various public improvement projects and fiscal requirements of the City, and to pay the associated financing costs. The Common Council of the City adopted a resolution on January 15, 2008, which authorized the issuance of the Notes.

The Notes will be direct general obligations of the City of Milwaukee, Wisconsin (the “City”), payable from taxes levied on all taxable property within the City, subject to taxation by the City, without limitation as to rate or amount.

### Description of Notes

The Notes will be dated the date of their respective authentication and issuance, are to be issued in book-entry form only, in denominations of \$100,000 and in integral multiples of \$1,000 in excess of \$100,000, and are each to bear interest at a separately stated interest rate per annum not to exceed the maximum interest rate or yield per annum allowed for the Notes under the Indenture. Pursuant to the Indenture, the interest rate on the Notes may not exceed the lesser of (a) 12% per annum, and (b) the maximum rate of interest permitted by applicable law.

The Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. Beneficial ownership interests in the Notes will be available in book-entry form only, and purchasers of the Notes will not receive certificates representing their interests in the Notes purchased. While held in book-entry-only form, all payments of principal of and interest on the Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Notes. Payments to the beneficial owners are the responsibility of DTC and its participants.

Except as provided in the following paragraph with regards to the Series T4 Notes, the Notes (a) will bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), (b) will mature and become due and payable on such dates as determined at the time of sale but in any event not more than 270 days after their respective dates of sale or later than the earlier of, January 31, 2018 or five days prior to the date no Letter of Credit is

securing the Notes), (c) will be sold at a price of not less than 99% of the principal amount thereof and (d) will mature on a Business Day.

Notwithstanding the provisions of the prior paragraph, the Series T4 Notes may be issued and sold at a price not less than 99% of the principal amount thereof, as determined at the time any Series T4 Notes are issued, and interest if any, will accrue from their respective dates of sale, and be payable at maturity, and shall be calculated on the basis of a 360 day year and actual number of days elapsed.

A Note will cease to accrue interest, if any, on its respective Maturity Date. Payments of principal of and interest on maturing Notes will be made by the Issuing and Paying Agent directly to DTC. See “Book-Entry-Only System” below.

## **BOOK-ENTRY-ONLY SYSTEM**

**Introduction.** Unless otherwise noted, the information contained under the subcaption “General” below has been provided by DTC. The City does not make any representation as to the accuracy or the completeness of such information. The Beneficial Owners of the Notes should confirm the following information with DTC, the Direct Participants (as defined herein) or the Indirect Participants (as defined herein).

NONE OF THE CITY, THE TRUSTEE OR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF NOTES UNDER THE INDENTURE, (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE NOTES, (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF NOTES; OR (E) ANY OTHER MATTER REGARDING DTC.

**General.** The Notes will be delivered in book-entry-only form. DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC.

DTC is a limited-purpose trust company organized under New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of securities transactions in deposited securities through electronic computerized transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of DTC’s Direct Participants and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or

maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants,” and together with Direct Participants, the “DTC Participants”). DTC has Standard and Poor’s Ratings Services’ highest rating: AAA. The Rules applicable to DTC and the DTC Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org). The City undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC’s website as described in the preceding sentence, including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser (“Beneficial Owner”) of each Note is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry only system for the Notes is discontinued.

**BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF NOTES AND WILL NOT BE RECOGNIZED BY THE ISSUING AND PAYING AGENT AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.**

To facilitate subsequent transfers, all Notes deposited by DTC Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Issuing and Paying Agent on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such DTC Participant and not of DTC, the Trustee or the Issuing and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may



be requested by an authorized representative of DTC) is the responsibility of the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the City believes to be reliable, but undertakes no responsibility for the accuracy thereof.

### **SOURCES OF PAYMENT AND SECURITY FOR THE NOTES**

The Notes shall be general obligations of the City, and payment thereof is secured by a pledge of the full faith and credit of the City. The City is authorized and required to levy on all taxable property in the City such ad-valorem taxes, without limitation as to rate or amount, as may be necessary to meet the debt service requirements on the Notes.

Under and by virtue of Sections 67.05(10) and 67.12(12), Wisconsin Statutes, the City is obligated to levy a direct annual tax sufficient in amount to pay and for the express purpose of paying the interest on such Notes as it falls due, and also to pay and discharge the principal thereof at maturity. The City is, and shall be, without power to repeal such levy or obstruct the collection of such tax until all such payments have been made or provided for.

Under Section 67.035, Wisconsin Statutes, all taxes levied for paying principal and interest on valid notes or bonds are declared to be without limitation. Under Section 65.06(18), Wisconsin Statutes, the omission from the budget of the payment of interest on or the principal of any bonded debt of the City when due shall not prevent the placing of the same on the tax roll for the levy and the collection of the tax and the payment of the money therefor.

On each Maturity Date, principal of and interest on the maturing Notes will be paid solely from the following sources in the priority listed: (a) first, from amounts paid to the Issuing and Paying Agent under the Letter of Credit, and (b) second, from the proceeds of the Notes.

**IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY.**

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## LETTER OF CREDIT

At the time of issuance and sale of the Notes, from time to time, a letter of credit is required to be in effect with a stated amount at least equal to the principal and interest due on such Notes at maturity.

The City will cause to be delivered to the Issuing and Paying Agent an irrevocable transferable direct pay letter of credit (the "Letter of Credit"), to be dated January 1, 2008, to be issued by the Bank (the "Letter of Credit"). The Issuing and Paying Agent will be entitled to draw under the Letter of Credit to pay the principal of and interest on the Notes, up to the Stated Amount (as defined herein) thereof. The Letter of Credit will initially expire on December 1, 2012, subject to extension or earlier expiration as described herein. Letter of Credit substitutions may occur only on maturity dates. The Issuing and Paying Agent will deliver written notice of the substitution to the registered Owners.

The City and the Bank will enter into the Letter of Credit and Reimbursement Agreement, to be dated as of January 1, 2008 (the "Reimbursement Agreement"). Pursuant to the terms of the Reimbursement Agreement, the Bank will issue the Letter of Credit, draws under which will secure the timely payment of the principal of and interest on the Notes issued, from time to time, by the City. Pursuant to the terms of the Letter of Credit, the Bank will agree to honor draws thereunder if made in strict conformity with the terms of the Letter of Credit.

In accordance with the Reimbursement Agreement, the Bank will make available to the City a commitment in an amount not to exceed \$136,095,891 (as such amount may be reduced as described below, the "Commitment"). The Bank will initially issue the Letter of Credit in the stated amount of \$81,657,535 (as from time to time increased, reduced and/or reinstated, the "Stated Amount"). The Stated Amount of the Letter of Credit may be increased, reduced and/or reinstated from time to time pursuant to the provisions of the Letter of Credit, provided, however, the Stated Amount may never be greater than the Commitment. All payments made by the Bank under the Letter of Credit will be made with the Bank's own funds in immediately available funds.

The Letter of Credit will expire at 5:00 p.m., New York City time, on the earliest of the following (the "Letter of Credit Expiration Date") (a) December 1, 2012, as such date may be extended by the Bank upon delivery of a notice of extension, (b) the date on which the Bank honors a draw request, not subject to reinstatement which, when added to all draws thereon which were not subject to reinstatement, equals the Stated Amount of the Letter of Credit, (c) the date of the Bank's receipt of the Letter of Credit from the Issuing and Paying Agent for cancellation, or (d) the date of the Bank's receipt of a notice from the Issuing and Paying Agent to the effect that no Notes remain outstanding under the Indenture.

The City may request the Bank to decrease the Stated Amount of the Letter of Credit at any time prior to the Letter of Credit Expiration Date provided, the amount of the Stated Amount may not be decreased below the sum of the principal amount of all outstanding Notes plus, if applicable, interest on the Notes due on their respective stated maturity dates. The City may also request the Bank to increase the Stated Amount of the Letter of Credit at any time prior to the Letter of Credit Expiration Date or such earlier date on which the Bank or the City may reduce the unutilized portion of the Commitment to \$0.00, provided that the Stated Amount of the Letter of Credit, as increased, may not exceed the amount of the Commitment.

Upon the occurrence of certain specified events of default under the Reimbursement Agreement, the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies in the Reimbursement Agreement or as otherwise provided by law: (a) declare all obligations of the City to the Bank under the Reimbursement Agreement to be immediately due and payable, provided that upon the occurrence of a specified event of default under the Reimbursement Agreement involving certain specified bankruptcy events such acceleration will automatically occur (unless such automatic acceleration is waived by the Bank in writing), (b) by delivery of a stop issuance instruction to the Issuing and Paying Agent until such time, if any, as the Bank rescinds such instruction: (i) prohibit the issuance

of additional Notes, (ii) reduce the Stated Amount of the Letter of Credit to the amount of the then outstanding Notes supported by the Letter of Credit and interest payable thereon of such Notes and further permanently reduce the Stated Amount following each maturity of the Notes by the amount of the drawing relating thereto, (c) pursue any rights and remedies it may have under the Reimbursement Agreement, the Indenture, and other related agreement, or (d) pursue any other action available at law or in equity. Any such issuance of a stop issuance instruction by the Bank will not affect the obligation of the Bank to honor draws under the Letter of Credit, if made in strict conformity with the terms of the Letter of Credit, with respect to Notes outstanding at the time such stop issuance instruction is issued.

## **THE BANK**

**IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY.** The following information relates to and has been furnished by the Bank for inclusion herein. No other party has independently verified or assumes any responsibility for such information, and each of the City and the Dealers (as hereinafter defined) cannot and do not make any representation as to the accuracy or completeness of such information or the absence of material adverse changes in such information subsequent to the date hereof. The delivery of this Offering Memorandum shall not create any implication that there has been no change in the affairs of the Bank since the date hereof or that the information contained or referred to in this section is correct as of any time subsequent to the date hereof.

### **Bank**

The following information concerning State Street Bank and Trust Company (“State Street”) has been provided by respective representatives of State Street and has not been independently confirmed or verified by the City. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date

State Street Bank and Trust Company, (the “Bank”) is a wholly-owned subsidiary of State Street Corporation (the “Corporation”). The Corporation (NYSE: STT) is a leading specialist in providing institutional investors with investment servicing, investment management and investment research and trading. With \$10.1 trillion in assets under custody and \$1.4 trillion in assets under management, the Corporation operates in 26 countries and more than 100 markets worldwide. The assets of State Street at December 31, 2005 accounted for approximately 90% of the consolidated assets of the Corporation. At December 31, 2005, the Corporation had total assets of \$98.0 billion, total deposits (including deposits in foreign offices) of \$59.6 billion, total loans and lease finance assets net of unearned income, allowance and reserve for possible credit losses of approximately \$6.5 billion and total equity capital of \$6.4 billion.

State Street’s Consolidated Reports of Condition for Insured Commercial and State Chartered Savings Bank FFIEC 031 for December 31, 2005, as submitted to the Federal Reserve Bank of Boston, are incorporated by reference in this section of the Offering Memorandum and shall be deemed to be a part hereof.

In addition, all reports filed by State Street, pursuant to 12 U.S.C. §324, after the date of this Offering Memorandum shall be deemed to be incorporated herein by reference and shall be deemed to be a part hereof from the date of filing of any such report.

Additional information, including financial information relating to the Corporation and State Street, is set forth in the Corporations Annual Report on Form 10-K for the year ended December 31, 2006. The annual report and the quarterly reports can be found on the Corporation’s web site,

[www.statestreet.com](http://www.statestreet.com). Such report and all reports filed by the Corporation, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this Offering Memorandum are incorporated herein by reference and shall be deemed a part hereof from the date of filing of any such report. The Letter of Credit is an obligation of State Street and not the Corporation.

With respect to this information concerning State Street, any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement.

State Street undertakes to provide without charge, to each person to whom a copy of this Offering Memorandum has been delivered, on the written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Offering Memorandum by reference, other than exhibits to such documents. Written requests for such copies should be directed to Investor Relations, State Street Corporation, One Lincoln Street, Boston, Massachusetts 02111, telephone number 617-786-3000.

Neither State Street nor its affiliates make any representation as to the contents of this Offering Memorandum (except as to this section to the extent it relates to State Street), the suitability of the Notes for any investor, the feasibility or performance or any project or compliance with any securities or tax laws or regulations.

## **CITY OF MILWAUKEE**

### **General**

The City of Milwaukee, Wisconsin (the “City”), is located on the western shore of Lake Michigan in southeastern Wisconsin. The City is the hub of the metropolitan area and a thriving place to live and work. The City is Wisconsin’s largest city with a population of approximately 590,370 and is the principal trade, service and financial center of southeastern Wisconsin. The surrounding Standard Consolidated Metropolitan Statistical Area (SCMSA) consisting of Milwaukee, Waukesha, Washington, Ozaukee, and Racine Counties, has a population of nearly 1.6 million. This SCMSA is the 24th largest metropolitan area in the United States of America.

The Port of Milwaukee provides access to the sea lanes of the world. General Mitchell International Airport is served by domestic and international airlines. Five rail lines serve the City and provide transportation links throughout the United States. The City is also connected with the interstate highway system.

The City was incorporated as a city on January 31, 1846, pursuant to the laws of the territory of Wisconsin. Wisconsin gained statehood in 1848. The City, operating under a Home Rule Charter since 1874, has a council-mayor form of government.

## **Elected Officials**

The Mayor, City Attorney, Comptroller, Treasurer and Common Council members are elected officials of the City. Local elections are non-partisan. The Mayor, City Attorney, Comptroller and Treasurer are elected at-large for identical four-year terms.

The Common Council represents fifteen Aldermanic districts. Each Alderperson represents, and is elected from, an aldermanic district with a population of approximately 40,000.

## **City Officials**

**As of April 6, 2004**  
(initial year in office follows name)

Mayor	Tom Barrett	(2004)
City Attorney	Grant F. Langley	(1984)
City Comptroller	W. Martin Morics	(1992)
City Treasurer	Wayne F. Whittow	(1976)

## **Common Council**

Ashanti Hamilton	(2004)	Robert W. Puente	(2004)
Joe Davis, Sr.	(2003)	Michael J. Murphy	(1989)
Michael S. D'Amato	(1996)	Joseph A. Dudzik	(2002)
Robert J. Bauman	(2004)	James N. Witkowiak	(2004)
James A. Bohl, Jr.	(2000)	Terry L. Witkowski	(2003)
Michael McGee, Jr.	(2004)	T. Anthony Zielinski	(2004)
Willie C. Wade	(2003)	Willie L. Hines, Jr.	(1996)
Robert G. Donovan	(2000)		

The terms of all the above elected positions expire in April, 2008.

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## Legal Debt Limitations

Section 67.03 of the Wisconsin Statutes, as supplemented and amended, limits direct general obligation borrowing by the City to an amount equivalent to five percent of the equalized valuation of taxable property within the City. Section 119.49 of the Wisconsin Statutes, as supplemented and amended, further authorizes referendum approved bonding in an additional amount equivalent to two percent of the equalized taxable property within the City for school capital purposes. Such debt margins, as of December 31, 2007, are calculated upon the 2007 City equalized valuation for 2008 purposes of \$31,887,192,100.

### Debt Margin

2007 Equalized Value of Taxable Property in the City	\$31,887,192,100
<b>Legal Debt Limitation for City Borrowing</b>	
5% of Equalized Value	\$1,594,359,605
Net General Obligation Debt Outstanding subject to the 5% Limit as of 12/31/07	\$747,298,112
Total Debt Margin for City Borrowing (in Dollars) (As a percentage)	\$847,061,493 53.1%
<b>Legal Debt Limitation for School Purpose Borrowing</b>	
2% of Equalized Value	\$637,743,842
Net General Obligation Debt Outstanding subject to 2% Limit as of 12/31/07	\$14,774,150
Total Debt Margin for School Purpose Borrowing (in Dollars) (As a percentage)	\$622,969,692 97.7%

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## **Additional Information**

The descriptions of documents included herein do not purport to be comprehensive or definitive. Prospective purchasers of the Notes are referred to the Indenture and the Issuing and Paying Agent Agreement for the complete terms thereof. During the offering period of the Notes, copies of the Indenture may be obtained from the Dealers (as hereinafter defined). Inquiries regarding information about the City's financial matters contained in this Offering Memorandum may be directed to the City of Milwaukee, 200 East Wells Street, Room 404, Milwaukee, Wisconsin 53202, Attention: City Comptroller, telephone number (414) 286-3321.

## **Other Factors**

**IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY.** Purchase and ownership of the Notes involve investment risk. Prospective purchasers of the Notes are urged to read this Offering Memorandum in its entirety. There is currently no active secondary market for the Notes. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Holders of the Notes with liquidity of investment or that it will continue until maturity of the Notes.

## **TAX MATTERS**

### **Series C2 Notes and Series R3 Notes**

#### ***Summary of Bond Counsel Opinion***

Bond Counsel are of the opinion that under existing law, interest on the Series C2 and Series R3 Notes issued in accordance with the provisions of the Indenture within 18 months after the date of first issuance of any Series C2 or Series R3 Note is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), Bond Counsel are of the opinion that interest on the Series C2 and Series R3 Notes will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the Series C2 and Series R3 Notes are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Notes is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Series C2 and Series R3 Notes is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Series C2 and Series R3 Notes is not exempt from Wisconsin income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Series C2 and Series R3 Notes in order to preserve the exclusion of interest on the Series C2 and Series R3 Notes from gross income for federal income tax purposes. These requirements relate to the use and investment of the proceeds of the Notes, the payment of certain amounts to the United States, the security and source of payment of the Series C2 and Series R3 Notes and the use of the property financed with the proceeds of the Series C2 and Series R3 Notes.

### ***Series C2 and Series R3 Notes Purchased at a Premium or at a Discount***

The difference, (if any), between the initial price at which a substantial amount of each maturity of the Series C2 and Series R3 Notes is sold to the public (the “Offering Price”) and the principal amount payable at maturity of such Series C2 and Series R3 Notes is given special treatment for federal income tax purposes. If the Offering Price is higher than the maturity value of a Series C2 and Series R3 Note, the difference between the two is known as “bond premium.” If the Offering Price is lower than the maturity value of a Series C2 and Series R3 Note, the difference between the two is known as “original issue discount”.

Bond premium and original issue discount are amortized over the term of the Series C2 and Series R3 Notes on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Notes for federal income tax purposes, to the same extent and with the same limitations as current interest.

Owners who purchase Series C2 and Series R3 Notes at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Series C2 and Series R3 Notes. In addition, owners of Series C2 and Series R3 Notes should consult their tax advisors with respect to the state and local tax consequences of owning the Series C2 and Series R3 Notes. Under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for federal income tax purposes.

### ***Exclusion from Gross Income: Requirements***

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion of interest on the Series C2 and Series R3 Notes from gross income for federal income tax purposes. Among these requirements are the following:

***Limitations on Private Use.*** The Code includes limitations on the amount of Series C2 and Series R3 Notes proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

***Investment Restrictions.*** Except during certain “temporary periods,” proceeds of the Series C2 and Series R3 Notes and investment earnings thereon, other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a “minor portion”, may generally not be invested in investments having a yield that is “materially higher” (1/8 of one percent) than the yield on the Series C2 and Series R3 Notes.

***Rebate of Arbitrage Profit.*** Unless the City qualifies for an exemption, earnings from the investment of the “gross proceeds” of the Series C2 and Series R3 Notes in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Series C2 and Series R3 Notes are required to be paid to the United States at periodic intervals. For this purpose, the term “gross proceeds” includes the original proceeds of the Series C2 and Series R3 Notes, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Series C2 and Series R3 Notes.



### ***Covenants to Comply***

The City has covenanted to comply with the requirements of the Code relating to the exclusion of interest on the Series C2 and Series R3 Notes from gross income for federal income tax purposes.

### ***Risks of Non-Compliance***

In the event that the City fails to comply with the requirements of the Code, interest on the Series C2 and Series R3 Notes may become includable in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issue. In such event, the City's agreements with the owners of the Series C2 and Series R3 Notes require neither acceleration of payment of principal of, or interest on, the Series C2 and Series R3 Notes nor payment of any additional interest or penalties to the owners of the Series C2 and Series R3 Notes.

### **Federal Income Tax Consequences for the Series C2 and Series R3 Notes**

Pursuant to Section 103 of the Code, interest on the Series C2 and Series R3 Notes is not includable in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Series C2 and Series R3 Notes that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE NOTES.

***Cost of Carry.*** Owners of the Series C2 and Series R3 Notes will generally be denied a deduction for otherwise deductible interest on any debt which is treated for federal income tax purposes as incurred or continued to purchase or carry the Notes. As discussed below, special allocation rules apply to financial institutions.

***Corporate Owners.*** Interest on the Series C2 and Series R3 Notes is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Series C2 and Series R3 Notes is taken into account not only in computing the corporate alternative minimum tax but also the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations and the accumulated earnings tax.

***Individual Owners.*** Receipt of interest on the Series C2 and Series R3 Notes may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

***Certain Blue Cross or Blue Shield Organizations.*** Receipt of interest on the Series C2 and Series R3 Notes may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

***Property or Casualty Insurance Companies.*** Receipt of interest on the Series C2 and Series R3 Notes may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

***Financial Institutions.*** Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Series C2 and Series R3 Notes.

***Foreign Personal Holding Company Income.*** A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Series C2 and Series R3 Notes held by such a company is properly allocable to the shareholder.

The opinion of Bond Counsel and the descriptions of the tax law contained in this Offering Memorandum are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Series C2 and Series R3 Notes are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Series C2 and Series R3 Notes are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Series C2 and Series R3 Notes.

#### **Federal Tax Matters of the Series T4 Notes**

Interest on the Series T4 Notes will not be excluded from gross income for federal income tax purposes. Bond Counsel express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series T4 Notes.

### **STATE TAX MATTERS**

#### **State Tax Matters of the Series C2 Notes, Series R3 Notes and the Series T4 Notes**

Interest on the Series C2 Notes, Series R3 Notes and Series T4 Notes is not exempt from State of Wisconsin income tax or franchise tax.

### **THE DEALERS**

The City has appointed Citigroup Global Markets Inc. and Loop Capital Markets, LLC, (the “Dealers”) as the dealers with respect to the offering and sale of the Notes. Under the Commercial Paper Dealer Agreements, dated as of January 1, 2008, by and between the City and each Dealer, the Dealers have no commitment to purchase any of the Notes, but are obligated only to use its best efforts as agents of the City to solicit and arrange sales of the Notes on behalf of the City.

#### **Special Considerations Relating to the Commercial Paper Notes**

##### **Limited Liquidity**

There is currently no active secondary market for the Commercial Paper Notes. There can be no assurance that any secondary market for any of the Commercial Paper Notes will develop or, if a secondary market does develop, that it will provide the holders of the Commercial Paper Notes with liquidity of investment or that it will continue for the life of such Commercial Paper Notes.

### **LEGAL MATTERS**

There is no controversy of any nature now pending against the City or, to the knowledge of their respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or any proceedings of the City taken with respect to the issuance of sale thereof, or the pledge or application of any moneys or security provided for the payment of the Notes or the use of the Note proceeds.

## **LEGAL OPINIONS**

The legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, and Hurtado, S.C., Wauwatosa, Wisconsin, Bond Counsel to the City, will be delivered to the purchasers of the Notes. The Draft of the legal opinion for the Notes is included herein as Appendix B.

Winston & Strawn LLP, as counsel to State Street Bank and Trust Company, is expected to provide an opinion as the enforceability of the Letter of Credit against the Bank.

## **RATINGS**

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") has assigned their short-term rating of "A-1+" and Fitch Ratings, Inc. has assigned their short term rating of "F1+", respectively to the Notes based on the credit support provided by the Bank pursuant to the Letter of Credit. Such ratings will expire upon the expiration of the Letter of Credit.

Such ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained only from the agencies at the following addresses: Standard & Poor's Ratings Group, One Prudential Plaza, 130 East Randolph Street, Chicago, Illinois 60601; and Fitch Ratings, 55 East Monroe Street, Suite 3500, Chicago, Illinois, 60603. The City furnished to such rating agencies certain information and materials regarding the Notes and the City. In addition, the Bank furnished certain information to such rating agencies regarding itself and the Letter of Credit. Generally, rating agencies base their ratings on the information and materials furnished to them and on their own investigations, studies and assumptions. There is no assurance such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such change in or withdrawal of such ratings could have an adverse effect on the market price of the Notes. The City undertakes no responsibility to oppose any such change or withdrawal. The above ratings are not recommendations to buy, sell or hold the Notes, and such ratings may be subject to revision or withdrawal at any time by the rating agencies.

## **FINANCIAL ADVISOR**

Robert W. Baird & Co. serves as Financial Advisor to the City in connection with the issuance of the Notes.

## **CONTINUING DISCLOSURE**

The Notes are exempt from the rules of the Securities and Exchange Commission relating to continuing disclosure of annual financial information and certain material events. In connection with the issuance of prior issues of bonds, the City has covenanted to provide, or cause to be provided, to each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission ("Rule 15c2-12(b)(5)"), certain annual financial information and operating data relating to the City and, in a timely manner, notice of certain material events. The City has never failed to comply in all material respects with any continuing disclosure undertakings, with regard to Rule 15c2 12(b)(5), to provide annual reports or notices of material events. Owners may obtain from the NRMSIRs such information provided by the City. The foregoing should not be construed as a covenant of the City in connection with the offering of the Notes.

**ADDITIONAL INFORMATION AND  
DOCUMENTS INCORPORATED BY REFERENCE**

Copies of the Financial Statements for the City, the Indenture, the Letter of Credit, the Reimbursement Agreement and the Issuing and Paying Agent Agreement may be obtained from the Dealer. Copies may also be obtained from, and other inquiries may be made to, the City at the following address: 200 East Wells Street, Room 404, Milwaukee, Wisconsin 53202, Attention: City Comptroller, telephone number (414) 286-3321.

This Offering Memorandum is submitted in connection with the issuance and sale of the Notes and may not be reproduced or used, in whole or in part, for any other purpose. This Offering Memorandum has been duly authorized and approved by the City.

Any statements in this Offering Memorandum involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the City are fully set forth in the Indenture and the Issuing and Paying Agent Agreement. Neither any advertisement of the Notes nor this Offering Memorandum is to be construed as constituting a contract or agreement between the City and the purchasers or owners of the Notes.

For further information with respect to the City, reference is made to the current disclosures of the City that are currently on file with the NRMSIRs, copies of which may be obtained without charge either from the Dealer or directly from the City as set forth above (collectively, the "Referenced Disclosure"). The Referenced Disclosure shall be changed from time to time.

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**APPENDIX A**  
**FORM OF LEGAL OPINIONS**

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February 8, 2008

The City Comptroller and the  
Commissioners of the Public Debt of the  
City of Milwaukee, Wisconsin

We have examined a record of proceedings relating to the issuance of General Obligation Commercial Paper Promissory Notes, 2008 Program (the "Notes") of the City of Milwaukee (the "City"), a municipal corporation of the State of Wisconsin. The Notes are "promissory notes" authorized and issued pursuant to the provisions of Chapter 65 and Chapter 67 of the Wisconsin Statutes, including Section 67.12(12), and the City Charter and by virtue of resolutions passed by the Common Council of the City. The Notes, in an aggregate principal amount outstanding at any time not to exceed \$125,000,000, are authorized to be issued in three separate series designated as follows: (i) City of Milwaukee, General Obligation Commercial Paper Promissory Notes, 2008 Program Series C2 (the "Series C2 Notes"), (ii) City of Milwaukee, General Obligation Commercial Paper Promissory Notes, 2008 Program Series R3 (the "Series R3 Notes"), and (iii) City of Milwaukee, General Obligation Commercial Paper Promissory Notes, 2008 Program Series T4 (the "Series T4 Notes"). Terms used herein which are defined in the Indenture (as hereinafter defined) shall have the meanings set forth therein unless otherwise defined herein.

The Notes are being issued pursuant to the terms of a Trust Indenture dated as of January 1, 2008 (the "Indenture"), between the City and Deutsche Bank National Trust Company, as trustee (the "Trustee") and an Issuing and Paying Agent Agreement dated as of January 1, 2008 (the "Issuing and Paying Agent Agreement") among the City, Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas.

We are of the opinion that:

1. The City is a municipal corporation duly existing under the laws of the State of Wisconsin and has all requisite power and authority under the Constitution and the laws of the State of Wisconsin, to enter into the Indenture with the Trustee and to issue the Notes thereunder.
2. The Indenture and the Issuing and Paying Agent Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery by the other parties thereto, constitute the valid and binding obligations of the City and are legally enforceable in accordance with their respective terms.
3. The Notes have been duly authorized and, when issued by the City in accordance with the Indenture and Issuing and Paying Agent Agreement, will be the legal, valid and binding general obligations of the City, entitled to the benefits and security of the Indenture, and enforceable in accordance with their terms. The Notes are further secured, until termination or expiration thereof, by an irrevocable direct pay letter of credit (the "Letter of Credit") issued by State Street Bank and Trust Company.
4. The City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Notes and the interest thereon, without limitation

as to rate or amount. The Notes are also payable from receipts derived from the Letter of Credit securing the Notes, if in effect.

5. The Indenture creates the valid and binding assignments and pledges that it purports to create of the amounts assigned and pledged to the Trustee under the Indenture.

6. Under existing law, interest on Series C2 Notes and Series R3 Notes issued in accordance with the provisions of the Indenture within 18 months after the date hereof to pay for costs of the Series C2 Project and the Series R3 Project, each as defined in the Indenture, and interest on Series C2 Notes and Series R3 Notes issued at any time to pay, directly or indirectly, maturing principal on such Series C2 Notes or Series R3 Notes, is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code") described in the following paragraph, we are of the opinion that interest on the Series C2 Notes and Series R3 Notes described in the preceding sentence will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. In addition, interest on the Series C2 Notes and the Series R3 Notes do not constitute an item of tax preference for purposes of computing individual and corporate alternative minimum taxable income. You are advised, however, that interest on the Series C2 Notes and the Series R3 Notes is includable in corporate earnings and profits and therefore must be taken into account when computing, for example, the corporate alternative minimum tax. Interest on the Notes is not exempt from present Wisconsin income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exemption from Federal income taxes of interest on the Series C2 Notes and Series R3 Notes. These requirements relate to the use and investment of the proceeds of the Series C2 Notes and Series R3 Notes, the payment of certain amounts to the United States of America, the security and source of payment of the Series C2 Notes and Series R3 Notes and the use and tax ownership of the property financed with the proceeds of the Series C2 Notes and Series R3 Notes. The City has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Notes, the Indenture and the Issuing and Paying Agent Agreement (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

We express no opinion with respect to the authorization, execution or enforceability of the Letter of Credit. We understand that an opinion of other counsel with respect to the Letter of Credit have been furnished to you.

You may continue to rely upon this opinion only if (i) there is no change in pertinent existing state and federal law, including rulings and interpretations of law by the Internal Revenue Service, and (ii) the representations, warranties and covenants of the City in the Indenture, and in the certificates dated the date hereof delivered by authorized officers of the



City, remain true and correct in all respects material to such opinion and are complied with in all material respects.

Respectfully yours,

LG/be

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February 8, 2008

To the Addressees  
identified in Schedule I hereto

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

Ladies and Gentlemen:

We have acted as special counsel to State Street Bank and Trust Company (the "Bank") in connection with (i) the Letter of Credit and Reimbursement Agreement dated as of January 1, 2008 (the "Agreement") between the City of Milwaukee, Wisconsin (the "Issuer"), and the Bank, being entered into with respect to the above-referenced Notes (the "Notes"), and (ii) the Irrevocable Letter of Credit No. ILC-1474/BSN dated the date hereof, issued by the Bank to Deutsche Bank National Trust Company, as Issuing and Paying Agent (the "Issuing and Paying Agent"), for the account of the Issuer pursuant to the Agreement (the "Letter of Credit"). Capitalized terms herein which are undefined have the meanings assigned to them in the Agreement.

We have examined (i) executed counterparts of the Letter of Credit and of the Agreement; (ii) a signed copy of the legal opinion of Counsel of the Bank dated February 8, 2008 annexed hereto as Annex I (the "In-House Counsel Opinion"), (iii) a signed certificate of an officer of the Bank with respect to the authority of Timothy L. Batler to execute and deliver the Agreement on behalf of the Bank and of \_\_\_\_\_ and \_\_\_\_\_ to execute and deliver the Letter of Credit on behalf of the Bank, and (iv) such other agreements, instruments and documents, and such questions of law, as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

In addition, in rendering the opinions expressed below, we have further assumed with your permission that (i) the Agreement has been as of the date hereof duly authorized, executed and delivered by the parties thereto (other than the Bank) and is the valid and binding obligation of, and is enforceable in accordance with its terms against the parties thereto (other than the Bank) except as the enforceability thereof against the parties thereto may be limited by

bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights, as such laws and principles may be applied in the event of the bankruptcy, insolvency, reorganization, liquidation or similar situation of the parties thereto or by general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law); (ii) all documents submitted to us as originals are authentic and all documents submitted to us as copies conform to the originals; (iii) the signatures (other than those of the Bank) on all documents submitted to us are genuine; and (iv) all certificates and opinions reviewed by us are accurate and complete and all representations and warranties contained in the Agreement are accurate and complete with respect to the factual matters set forth therein.

Further, we note that we have not been engaged, nor have we undertaken, to perform any independent review or investigation of any agreements, instruments, contracts, documents, corporate records, orders or decrees to which the Bank may be party (other than documents specifically identified above), or by which the Bank or its assets are or may be bound; and we have not been engaged, nor have we undertaken, to perform any independent investigation as to the existence of any claim, litigation, action, suit, proceeding, investigation or inquiry, whether administrative or judicial, pending or threatened, against or relating to the Bank or its assets. As to matters of fact (including with respect to matters described in the preceding sentence) material to our opinions, we have relied solely upon representations of such officers of the Bank as we have deemed necessary for the purpose of rendering this opinion letter, without verifying the same by independent investigation. With respect to our reliance on such representations, nothing has come to our attention which would indicate that our reliance is not justified.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The Bank is a banking corporation validly existing under the laws of The Commonwealth of Massachusetts and is duly licensed by the Massachusetts Commissioner of Banks.
2. Each of the Agreement and the Letter of Credit has been duly authorized, executed and delivered by the Bank and constitutes the valid and binding obligation of the Bank enforceable against the Bank in accordance with its respective terms.

Our opinion set forth in paragraph 1 above with respect to authorization is based (and with your permission we have relied) solely upon our review of the In-House Counsel Opinion. We have not independently verified or established the accuracy of such opinion relating to the Bank. With respect to our opinions set forth in paragraph 2, we have reviewed, among other things, the In-House Counsel Opinion and the officer's certificate of the Bank referred to in clause (iii) of the second paragraph of this opinion letter above, and such opinions are subject to the qualifications that the enforceability of the obligations of the Bank may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights, as such laws and principles may be applied in the event of the bankruptcy, insolvency, reorganization, liquidation or similar situation of the Bank or by general equitable principles (regardless of whether

enforceability is considered in a proceeding in equity or at law). Such equitable principles include, but are not limited to, the equitable power of a court in a bankruptcy or similar proceeding to temporarily restrain payment on the Letter of Credit by the Bank. Accordingly, we express no opinion as to whether a court in the exercise of its equitable powers might grant a temporary injunction against payment under the Letter of Credit.

In connection with the opinions expressed in paragraph 2 above, we wish to point out that the enforceability of provisions in the Agreement or the Letter of Credit to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances. In addition, we express no opinion as to (i) the severability of any provision of the Agreement or the Letter of Credit, and (ii) the subject matter jurisdiction of any District Court of the United States to adjudicate any controversy relating to the Agreement or the Letter of Credit.

We express no opinion herein as to the laws of any jurisdiction other than the United States of America and the State of New York. This opinion letter is based upon the facts in existence and laws in effect on the date hereof and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof. In connection with the opinions expressed in paragraph 1 and the due authorization, execution and delivery opinion in paragraph 2, we wish to point out that State Street is licensed under the laws of the Commonwealth of Massachusetts. We are not attorneys licensed to practice law in the Commonwealth of Massachusetts and have not conducted any investigation of legal decisions or other statutory provisions in effect in the Commonwealth of Massachusetts which may affect matters relating to such opinions.

This opinion letter is furnished by us as special counsel to the Bank to you at the request of the Bank for your use in connection with the subject transaction and may not be otherwise used, disseminated, circulated, quoted, referred to or otherwise relied upon in any manner, for any other purpose or by any other person or entity without our prior written consent, except that we acknowledge that a copy of this opinion letter will be included in the transcript of proceedings relating to the delivery of the Notes.

Very truly yours,

## SCHEDULE I

Standard & Poor's Ratings Services  
55 Water Street, 34th Floor  
New York, New York 10041

Fitch Ratings  
One State Street Plaza  
New York, New York 10004

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

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

Citigroup Global Markets Inc., as Dealer  
390 Greenwich Street, 2<sup>nd</sup> Floor  
New York, New York 10013

Loop Capital Markets, LLC, as Dealer  
200 West Jackson Boulevard  
Chicago, Illinois 60606



