

Acknowledgement Letter

Stifel, Nicolaus & Company, Incorporated
Attention: David W. Noack
309 North Water Street
Suite 150
Milwaukee, WI 53202

This letter is provided in connection with the purchase by the School District of Waukesha, Wisconsin Post Employment Benefits Trust (the "*Trust*") of Sentinel Limited Series 2 Floating Rate Credit Linked Secured Notes due 2013 (the "*Asset*") from Royal Bank of Canada Europe Limited (the "*Arranger*"). The Asset, together with similar securities previously acquired by the Trust, will provide the primary security and source of payment for certain asset-backed notes (the "*Notes*") to be issued by the Trust pursuant to the Indenture of Trust dated as of September 1, 2006 and the First Supplemental Indenture of Trust dated as of December 1, 2006 (collectively, the "*Indenture*") between the Trust and The Bank of New York Trust Company, N.A., as trustee (the "*Indenture Trustee*"). The Asset is further described in the Base Prospectus, dated September 27, 2006, and the Drawdown Prospectus, dated December 21, 2006 (collectively, the "*Asset Offering Materials*").

Stifel, Nicolaus & Company, Incorporated (the "*Broker*") is acting as a broker (and not as a principal) in connection with the Trust's purchase of the Asset. The Trust and the School District of Waukesha (the "*District*") acknowledge that the Broker shall be compensated for acting as a broker by being paid a commission equal to \$2,500.

There can be no guaranty of the investment results that the Asset will achieve. The value of the Asset may fluctuate, and the investment return of the Asset through its maturity or redemption may be worth more or less than its original cost. The Asset Offering Materials describe the risks of an investment in the Asset.

Each of the District and the Trust makes the following representations and acknowledgements, with respect to the purchase by the Trust of the Asset:

- (1) It has reviewed, with its legal counsel, the Asset Offering Materials and in particular the risk factors described in the Base Prospectus at pages 6 and 7 and in the Drawdown Prospectus at pages 3 through 12. It acknowledges that the issuer of the Asset is responsible for structuring and managing the Asset, that the Broker did not assist in preparing the Asset Offering Materials, and that any presentation materials prepared by the Broker are for illustration purposes only and such Broker materials are not being relied upon by the District or the Trust.

(2) It has determined that the Asset is a suitable investment for the Trust, recognizing the risks and benefits of the investment, the nature of the District's other post employment benefit liabilities, the terms of the Notes, and the purposes of the Trust.

(3) It acknowledges that the Broker is acting both as a placement agent in connection with the issuance and sale of the Notes and as a broker in connection with the Trust's purchase of the Asset from the Arranger.

(4) It is a financially sophisticated investor that:

(a) has the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Asset;

(b) has made its own independent assessment as to whether purchasing the Asset is appropriate for the Trust based upon its own judgment and upon advice from such advisers as it considers necessary;

(c) is capable of bearing the economic risk of the Trust's investment in the Asset for an indefinite period of time or of the loss of the investment;

(d) recognizes that it may not be possible for the Trust to make any transfer of the Asset for a substantial period of time, if at all;

(e) has reviewed those portions of the Asset Offering Materials that describe the fees and other compensation payable to the Arranger, has thereby or otherwise received to its satisfaction full disclosure of all fees and other compensation paid or payable to the Arranger in connection with the Trust's purchase of, and investment in, the Asset, including without limitation any fees or compensation paid or payable to affiliates of the arranger for acting as an investment adviser to the Arranger, and understands the payment of such fees and other compensation; and

(f) is an accredited investor (as defined in paragraph (1), (2), (3), (7), or (8) of Rule 501 (a) under the Securities Act of 1933, as amended.

(5) It has been advised and understands that:

(a) A rating of "AA-" on an investment (such as the Asset) by a nationally recognized statistical rating organization (such as Standard & Poor's Ratings Services, a division of The

McGraw-Hill Companies, Inc.) does not mean that no loss can occur; on the contrary, there is a risk of loss of principal in an investment in the Asset, as described in the Asset Offering Materials;

(b) Returns on investments similar to the Asset have been higher in the recent past, and such returns will fluctuate in the future, affecting the market value of the Asset; and

(c) Fluctuations in the market value of the Asset may require, under the terms of the Indenture, that additional money be deposited with the Indenture Trustee and, under the terms of the Moral Obligation Contribution Agreement, dated as of September 1, 2006, to be entered into by District and the Trust, that the District be asked to provide additional funds for such a deposit.

(6) It acknowledges that the timing of the purchase of the Asset is based upon numerous factors in addition to investment return and represents, based upon an independent evaluation, that it has determined that it is in the best interest of the Trust and the District for the Trust to purchase the Asset as this time.

(7) It has not delegated to the Broker any investment or management function under Wis. Stat. § 881.01 (10) with respect to the Trust.

(8) The investment in the Asset represents approximately 20.51% of the District's total OPEB liability.

(9) To the extent they may legally do so, the Trust and the District agree, jointly and severally, to indemnify and hold harmless the Broker and its officers, directors, and employees, and each person, if any, who controls the Broker within the meaning of Section 15 of the Securities Act of 1933 or Section 20 of the Securities Exchange Act of 1934, from and against any and all losses, claims, damages, liabilities, costs, and expenses whatsoever (including, but not limited to, legal fees and disbursements and any and all other expenses reasonably incurred in investigating, preparing for, or defending against any litigation, arbitration proceeding or other action or proceeding, commenced or threatened, or any claim whatsoever) arising out of, in connection with, based upon or resulting from any false representation or warranty, or breach of a representation or warranty, contained herein. Notwithstanding the foregoing, neither the Trust nor the District is waiving any rights it may have under federal or any applicable state securities laws.

SCHOOL DISTRICT OF WAUKESHA, WISCONSIN

By: William A. Brungert
Its District President

Attest: Patricia E. Madden
Its Clerk

SCHOOL DISTRICT OF WAUKESHA, WISCONSIN
POST EMPLOYMENT BENEFITS TRUST

By: Robert Buchholtz
Robert Buchholtz, not individually, but
solely as Owner Trustee

By: The Bank of New York Trust Company, N.A.,
not individually, but solely as Owner Trustee

By: _____
Name: _____
Title: _____

SCHOOL DISTRICT OF WAUKESHA, WISCONSIN

By: _____
Its District President

Attest: _____
Its Clerk

SCHOOL DISTRICT OF WAUKESHA, WISCONSIN
POST EMPLOYMENT BENEFITS TRUST

By: _____
Robert Buchholtz, not individually, but
solely as Owner Trustee

By: The Bank of New York Trust Company, N.A.,
not individually, but solely as Owner Trustee

By: _____
Name: DIANE SWANSON
Title: VICE PRESIDENT

[Signature Page to Acknowledgement Letter]