

BETHLEHEM AREA SCHOOL DISTRICT
SUMMARY OF SWAP RELATED FINANCINGS

OVERVIEW OF SWAPS ENTERED INTO BY DISTRICT

1	2	3	4	5	6	7
Type of Swap	Related Bonds	Notional Amount	Trade Date	District Pays	District Receives	Upfront Payment
Fixed Payer Swap	2003 WCTMA Bonds	\$74,175,000	4/29/2003	3.800%	68% of 1 Month LIBOR	\$3,465,000
Basis Cap Swap	2003 WCTMA Bonds	\$73,845,000	5/7/2004	(SIFMA/LIBOR) x 70%	0.440%	n/a
Fixed Payer Swap	2005 Bethlehem ASD Bonds	\$55,000,000	12/23/2003	3.900%	60% of 1 Month LIBOR + 0.345%	n/a
Basis Swap ^[1]	2005 Bethlehem ASD Bonds	\$55,000,000	5/16/2005	SIFMA	68% of 1 Month LIBOR + 0.42%	n/a
Constant Maturity Swap ^[1]	2005 Bethlehem ASD Bonds	\$55,000,000	6/27/2006	SIFMA	66.9% of 10 Year LIBOR	n/a
Fixed Payer Swap	2007 Bethlehem ASD Bonds	\$55,000,000	12/18/2003	4.145%	60% of 1 Month LIBOR + 0.346%	n/a
Basis Swap ^[1]	2007 Bethlehem ASD Bonds	\$55,000,000	5/16/2005	SIFMA	68% of 1 Month LIBOR + 0.461%	n/a
Constant Maturity Swap ^[1]	2007 Bethlehem ASD Bonds	\$55,000,000	6/27/2006	SIFMA	67.7% of 10 Year LIBOR	n/a
Fixed Receiver Swaption	2007A Bethlehem ASD Bonds	\$71,215,000	12/18/2003	SIFMA	3.280%	\$2,425,000
Fixed Payer Swap	2007 Shippensburg Boro Auth Bonds	\$40,000,000	11/22/2005	3.774%	68% of 1 Month LIBOR	n/a
Constant Maturity Swap	2007 Shippensburg Boro Auth Bonds	\$40,000,000	6/27/2006	SIFMA	69.1% of 10 Year LIBOR	n/a

^[1] The District initially entered into a Basis Swap in May 2005 relating to its 2005 and 2007 Bonds. However, in June 2006 the District replaced/converted the Basis Swap to a CMS Swap.

OVERVIEW OF SWAPS TERMINATED BY DISTRICT

8	9	10	11	12	13	14
Type of Swap	Related Bonds	Termination Amount ^[2]	Source ^[3]	Termination Date	Counterparty	Notes
Fixed Payer Swap	2003 WCTMA Bonds	(\$12,364,000)	Bond proceeds	4/7/2009	JP Morgan	
Basis Cap Swap	2003 WCTMA Bonds	\$509,000	Cash	2/27/2007	JP Morgan	
Fixed Payer Swap	2005 Bethlehem ASD Bonds	(\$3,644,000)	Bond proceeds	12/17/2010	Morgan Stanley	Partial termination
Constant Maturity Swap	2005 Bethlehem ASD Bonds	\$743,000	Cash	10/29/2009	Morgan Stanley	
Fixed Payer Swap	2007 Bethlehem ASD Bonds	(\$7,470,000)	Bond proceeds	9/28/2011	JP Morgan	Partial termination
Constant Maturity Swap	2007 Bethlehem ASD Bonds	\$1,060,000	Cash	10/27/2009	JP Morgan	
Constant Maturity Swap	2007 Shippensburg Boro Auth Bonds	\$1,344,000	Cash	10/27/2009	JP Morgan	
Fixed Receiver Swaption	2007A Bethlehem ASD Bonds	(\$77,000)	Cash	10/18/2011	Morgan Stanley	

^[2] Positive amounts represent termination payments TO the District while negative amounts represent termination payments FROM the District.

^[3] Certain termination payments owed by the District were financed by refunding bond issues and amortized over the life of the new bond issue.

OVERVIEW OF SWAPS STILL CURRENTLY OUTSTANDING

15	16	17	18	19	20
Type of Swap	Related Bonds	Current Notional	Counterparty	District Pays	District Receives
Fixed Payer Swap	Series of 2010 Floating Rate Note	\$29,630,000	Morgan Stanley	3.900%	60% of 1 Month LIBOR + 0.345%
Fixed Payer Swap	Series of 2011 Floating Rate Note	\$39,970,000	JP Morgan	3.774%	68% of 1 Month LIBOR
Fixed Payer Swap	Series A of 2011 Floating Rate Note	\$29,830,000	JP Morgan	4.145%	60% of 1 Month LIBOR + 0.346%

Note:

The District and the financing team are continually monitoring the District's debt and swap portfolio for any opportunities to efficiently refinance or terminate the remaining swap agreement.