
LOAN AGREEMENT

Between

CITY OF WEST ALLIS, WISCONSIN

(the “Issuer”)

And

CLEVELAND GEAR COMPANY, INC.

(the “Obligor”)

Relating to the Issuance of

\$5,000,000

City of West Allis, Wisconsin

Variable Rate Demand Limited Obligation Revenue Bonds, Series 2010

(Cleveland Gear Company, Inc., Milwaukee Machine Works Division Project)

Dated as of April 1, 2010

The interest (subject to certain specified exclusions) of the Issuer in this Loan Agreement has been assigned to U.S. Bank National Association, in its capacity as Trustee (the “Trustee”) under a Trust Indenture dated as of April 1, 2010, between the Issuer and the Trustee.

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the “Agreement”) is made and entered into as of April 1, 2010, by and between the City of West Allis, Wisconsin (the “Issuer”), and Cleveland Gear Company, Inc., a Delaware corporation (the “Obligor”).

DEFINITIONS

Except as provided herein, all capitalized terms shall have the meanings ascribed to them in the Indenture (defined below). In addition to the words and terms elsewhere defined in the Agreement, each of the following words and terms as used in the Agreement shall have the following meaning unless the context or use indicates another or different meaning or intent and shall refer to all or part of the defined subject.

“Additional Bonds” means the Additional Bonds which are authorized to be issued in accordance with Section 1.12 of the Indenture in one or more series from time to time to provide funds for the purposes contemplated by the Agreement.

“Completion Certificate” means the certificate provided for in Section 4.3 hereof, in the form of Exhibit C hereto.

“Completion Date” means the date of completion of the Project as such date shall be certified in the Completion Certificate.

“Engineer” means any licensed professional architect/engineer or architectural/engineering firm (who may be in the employ of the Obligor or chosen by the Obligor).

“Event of Default” means those events of default specified and defined in Section 10.1.

“General Limitations” means those general limitations on Obligor action or failure to act specified in Section 9.3 hereof, sometimes referenced as a condition to a particular Obligor action but applicable to any action by the Obligor under the Agreement.

“Improvements to the Project” means such additions, improvements, modifications or relocations as the Obligor may deem necessary or desirable in, on or to the Project, all of which shall be included in the Plans and shall become part of the Project.

“Indemnified Persons” means the Issuer and its members, officers, agents and employees, as applicable.

“Indenture” means the Trust Indenture between the Issuer and the Trustee, dated as of April 1, 2010, as the same may be amended or supplemented in accordance with its terms.

“Inducement Date” means September 2, 2008, on which date a resolution of intent or inducement to assist in the financing of the Project was adopted by the Issuer.

“Issuance Costs” means items of expense payable or reimbursable, directly or indirectly, by the Issuer and related to the authorization, sale and issuance of the Bonds and authorization and execution of the Agreement, which items of expense shall include, but not be limited to, the Issuer’s Issuance Fee, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel and Counsel fees, initial Trustee’s fees, placement agents’ fees, costs of credit ratings and charges for execution, transportation and safekeeping of the Bonds and related documents, and other costs, charges and fees in connection with the foregoing.

“Issuance Fee” means the Bond issuance fee payable to the Issuer on or before the Effective Date in the amount of \$_____.

“Permitted Encumbrances” means and includes (a) the rights of the Issuer, the Trustee and the Bank and the liens created under the Agreement; (b) the rights of the Issuer, the Trustee and the Bank created under the Indenture and assignment of the Agreement; (c) any liens granted to the Bank; and (d) liens permitted by the Reimbursement Agreement or consented to by the Bank in writing.

“Placement Agreement” means the Placement Agreement among the Obligor, Comerica Securities, Inc. and the Issuer dated April 8, 2010.

“Plans” means the Obligor’s plans and budget specifications for the Project, in such reasonable detail as to satisfy to the extent applicable the requirements of applicable laws, as the same may be revised from time to time in accordance with Article 4 hereof, which plans are on file at the principal office of the Obligor.

“Project” means the purchase, renovation and equipping of a manufacturing facility, as set forth in Exhibit A hereto, including such modifications thereof, substitutions therefor, and Improvements to the Project, and excluding such deletions therefrom, as shall be made in accordance with the Agreement.

“Project Costs” means, as applicable (a) obligations of the Obligor incurred for labor and to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) all costs of engineering services, including test borings, surveys, estimates, plans and specifications and preliminary investigations, and supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project; (d) Issuance Costs; (e) all other costs which the Obligor shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction and installation of the Project; (f) other costs of a nature comparable to those described in clauses (a) through (e) above which the Obligor shall be required to pay as a result of the damage, destruction, condemnation or taking of the Project or any portion thereof; (g) interest on the Bonds or any interim obligation during the period of construction of the Project; and (h) any other costs incurred by the Obligor which are properly chargeable to the Project and which may be financed by the Bonds under the Act.

“**Project Purposes**” means use of the Project for manufacturing purposes during a period of usefulness of the Project of at least ___ years in the estimate of the Obligor.

The terms “**redemption**,” “**redeem**” and “**redeemed**” when used with reference to the principal of the Bonds, means, when appropriate, prepayment, prepay and prepaid, respectively.

“**Requisition Certificate**” means the certificate required by Section 4.1 hereof, in the form of Exhibit B hereto.

“**Surplus Bond Proceeds**” has the meaning ascribed to such term in Section 4.4 hereof.

PREMISES

The Issuer is empowered under the Act to issue revenue bonds to finance industrial projects to promote the right to gainful employment, business opportunities and general welfare of its inhabitants and to preserve and enhance its tax base. The Obligor has proposed the acquisition and construction of the Project and as an inducement therefor has requested the Issuer to assist in the financing of the Project and certain other expenses incidental thereto, as provided in the Act.

Based upon representations of the Obligor, the Issuer has determined that making the Loan to the Obligor will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act. In order to grant the Loan and thereby assist in the financing of the Project, the Issuer is issuing the Bonds. The Issuer, the Trustee and the Obligor understand and intend that the financing of the Project through issuance of the Bonds and the making of the Loan will be structured in the following general manner, as detailed in the Indenture and in the Agreement: The Issuer will issue the Bonds under the Act and use the principal amount thereof to make the Loan to the Obligor. The Loan shall be repaid by the Obligor in Loan Repayments sufficient to pay the principal, premium, if any, and interest on the Bonds as the same become due. From the proceeds of the Loan, the Obligor will complete the Project. Under the terms of the Agreement, the Obligor will make Loan Repayments, and will be responsible for paying any costs of the Project which exceed the principal amount of the Bonds, for maintaining and insuring the Project, and for paying all taxes and expenses relating to the Project. **THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL OF AND INTEREST ON THE BONDS ARE PAYABLE SOLELY OUT OF THE REVENUES DERIVED UNDER THE LOAN AGREEMENT AND THE SECURITY. THE BONDS ARE NOT AN INDEBTEDNESS OF THE ISSUER, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION. THE BONDS ARE NOT A CHARGE AGAINST THE ISSUER’S GENERAL CREDIT OR TAXING POWERS OR A PECUNIARY LIABILITY OF THE ISSUER UNDER THE ACT.** The Bonds shall not be secured by any interest in the Project or other assets of the Obligor.

In addition, as part of the Security for the Loan Repayments, the Obligor will cause the Credit Facility to be delivered to the Trustee. The Trustee is instructed in the Indenture to draw under the Credit Facility up to (a) the principal amount of the Bonds (i) to enable the Trustee to pay the principal amount of the Bonds when due at maturity, by acceleration of maturity or otherwise or upon redemption or (ii) to enable the Trustee to pay the portion of the Purchase Price of Bonds delivered to the Trustee and not remarketed by the Remarketing Agent equal to the principal amount of such Bonds, plus (b) an amount equal to 45 days' (or, if required pursuant to Section 2.08 of the Indenture, 210 days') interest on the Bonds calculated at the Maximum Rate to enable the Trustee to pay interest on the Bonds plus (c) if the Credit Facility is so amended, any premium on the Bonds.

The Issuer's participation in the financing of the Project is intended to enable the Obligor to utilize certain provisions of the Code. Section 103 of the Code encourages the construction of certain types of facilities and the public financing thereof through issuance of revenue bonds by providing that the interest on such bonds, as contrasted with any bonds which might be issued by the Obligor itself, will be excluded from gross income for federal income tax purposes. This tax exclusion enables the purchasers of the Bonds to accept a lower rate of interest than they would otherwise require, and thereby further reduces the interest cost to the Obligor of financing the Project.

ARTICLE 1 REPRESENTATIONS

Section 1.1. Obligor Representations and Covenants Regarding the Internal Revenue Code. The Obligor makes the following representations and warranties for the benefit and reliance of the Issuer, the Trustee and the Bank:

(a) Cleveland Gear Company, Inc. (the “Obligor”), is a Delaware corporation, and is duly incorporated or organized, as applicable, validly existing and in good standing under the laws of the State of Delaware. The Obligor (i) has full power and authority to own and lease the properties and assets associated with the Project and to complete the Project, and (ii) has full power and authority to execute and deliver the Agreement, the Reimbursement Agreement, the Placement Agreement, the Remarketing Agreement and the Pledge Agreement, and to perform the obligations as contemplated thereunder.

(b) Neither the execution and delivery of the Reimbursement Agreement, the Placement Agreement, the Remarketing Agreement, the Pledge Agreement or the Agreement, nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Reimbursement Agreement, the Placement Agreement, the Remarketing Agreement, the Pledge Agreement or the Agreement, will violate the Certificate of Incorporation or Bylaws of the Obligor, or, to the best knowledge of the Obligor, any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which the Obligor is now a party or by which it or any of its properties or assets is bound, or will be in conflict with, result in a breach of, or constitute a default (with due notice or the passage of time or both) under, any such indenture, agreement, or other instrument.

(c) The Agreement, the Reimbursement Agreement, the Placement Agreement, the Remarketing Agreement and the Pledge Agreement have been duly authorized, executed and delivered and are each valid and binding obligations of the Obligor enforceable against the Obligor in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect from time to time affecting the enforceability of creditors’ rights generally or by general principles of equity.

(d) The Obligor intends to occupy the Project or cause the Project to be occupied and to operate or cause it to be operated at all times during the term of the Agreement for Project Purposes and does not know of any reason why the Project will not be so used by it in the absence of supervening circumstances not now anticipated by it or beyond its control.

(e) The Project will be completed in such manner as to conform with all applicable zoning, planning, building and other regulations of governmental authorities having jurisdiction of the Project, all necessary utilities are or will be available to the Project, and the Obligor has obtained or will obtain all requisite zoning, planning, building,

environmental or other permits necessary for the construction of the Project for Project Purposes, and additional permits necessary for the use of the Project are expected to be obtained upon application at the appropriate times.

(f) The Obligor's estimates of Project Costs, the Completion Date and period of usefulness of the Project which were supplied to the Issuer have been made in good faith and are fair, reasonable and realistic.

(g) No litigation or governmental proceeding is pending or, to the best knowledge of the Obligor, threatened against the Obligor which could have a material adverse effect on its financial condition or business, or its power to borrow or repay the Loan.

(h) The Obligor does not have any material contingent obligations which are not disclosed in writing to the Bank.

(i) All representations and warranties in the Reimbursement Agreement are incorporated herein as set forth therein.

(j) The Project qualifies as a "project" under the Act and the Obligor intends to have the Project operated as such during the term of this Agreement.

(k) The Obligor intends that the Project be in furtherance of the public purposes of the Act, to-wit: the promotion and development of manufacturing enterprises to promote and encourage employment and the public welfare.

(l) The Obligor covenants to comply with all continuing requirements set forth in the Act.

Section 1.2. [Reserved]

Section 1.3. Issuer Findings and Representations.

(a) The Issuer has the necessary power under the Act, and has duly taken all action on its part required to authorize, execute and deliver the Agreement and to issue the Bonds. The execution and performance by the Issuer of its obligations under this Agreement will not violate or conflict with any instrument by which the Issuer or its properties are bound.

(b) All of the proceedings approving the Agreement and the Indenture relating to the Bonds were conducted by the Issuer at meetings which complied with State law.

(c) No member of the Common Council of the Issuer is directly or indirectly a party to or in any manner whatsoever interested in the Agreement, the Indenture, the Bonds or the proceedings related thereto.

Section 1.4. Additional Bonds. At the request of the Obligor and with the written consent of the Bank, and, to the extent required by State law, with the approval of the Bank and the Obligor, and for the purposes and upon fulfillment of the conditions specified in the Indenture, the Issuer may provide for the issuance, sale and delivery of Additional Bonds and loan the proceeds from the sale thereof to the Obligor. The terms of any Additional Bonds shall be approved in writing by the Obligor. Additional Bonds may be issued only to finance any one or more of the following: (i) the costs of making Improvements to the Project; (ii) the refunding of all or any part of the Bonds; and (iii) the Issuance Costs relating to the Additional Bonds and other costs reasonably related to the financing as shall be agreed upon by the Obligor and the Issuer. Any Improvements to the Project acquired with the proceeds of the Additional Bonds shall become a part of the Project and shall be included under the Agreement. Refusal for any reason by the Issuer to issue Additional Bonds shall not release the Obligor from any provisions of the Agreement.

[END OF ARTICLE 1]

ARTICLE 2 THE BONDS AND THE PROCEEDS THEREOF

Section 2.1. The Bonds. The Issuer has authorized the issuance and sale of the Bonds. Upon issuance and delivery of the Bonds, the proceeds of the sale of the Bonds derived by the Issuer shall be deposited with the Trustee as follows: (a) in the Bond Fund, a sum equal to the accrued interest, if any, on the Bonds and (b) in the Project Fund, the balance of the proceeds of sale of the Bonds. The obligations of the Issuer and the Obligor under the Agreement are expressly conditioned upon delivery of the Bonds and receipt of the proceeds thereof.

Section 2.2. Issuer Action on Redemption. The Issuer agrees to allow, and hereby authorizes, the Obligor in the case of an optional redemption, or the Trustee in the case of a mandatory redemption on expiration of the Credit Facility, a mandatory redemption on Determination of Taxability or mandatory redemption from Surplus Bond Proceeds, forthwith to take all steps as may be necessary under the Indenture to effect the earliest practicable redemption, as provided under the Indenture, of any or all of the Bonds or portions thereof as may be specified by the Obligor or Trustee, as the case may be.

In the event of an optional redemption, mandatory redemption on Determination of Taxability, mandatory redemption from Surplus Bond Proceeds (as defined in Section 4.4 hereof) or mandatory redemption on expiration of the Credit Facility, unless such redemption is effected in connection with a refunding, the Obligor will pay or cause to be paid pursuant to a draw on the Credit Facility (or, with respect to any premium, if premium is not covered by the Credit Facility, with Available Moneys) an amount equal to the applicable redemption price as a prepayment of the principal amount of the Loan corresponding to such Bonds or portions thereof and interest accrued to the redemption date.

In the case of an extraordinary optional redemption, the Obligor's direction to redeem shall be given, if at all, within six months following the occurrence of the event giving rise to such redemption.

In the event the Obligor receives notice under the provisions in the Bond Forms Appendix entitled Mandatory Redemption on Determination of Taxability that a proceeding has been instituted which could lead to a determination that interest on the Bonds is includable in gross income for federal income tax purposes and the resultant Mandatory Redemption on Determination of Taxability, the Obligor shall promptly notify the Trustee, the Bank and the Issuer of such proceeding.

Section 2.3. Investment of Bond Fund and Project Fund; Non-Arbitrage Covenant. Any moneys held as part of the Bond Fund or Project Fund shall be invested, reinvested or applied by the Trustee in accordance with and subject to the conditions of Article 7 of the Indenture. The Obligor acknowledges that regulations of the Comptroller of the Currency grant the Obligor the right to receive brokerage confirmations of the security transactions as they occur. The Obligor specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements which will detail all

investment transactions. The Obligor and the Issuer shall make no use of the proceeds of the Bonds, or any funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the applicable regulations thereunder, which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be “arbitrage bonds” within the meaning of such Section and such regulations, and the Obligor shall comply with the requirements of such Section and such regulations throughout the term of the Bonds as provided by and required in the Non-Arbitrage Certificate, the terms of which are incorporated herein and made a part hereof by this reference. The Obligor shall comply, for itself and on behalf of the Issuer, with all requirements of the Code. In particular, the Obligor covenants and agrees to retain legal counsel or a firm specializing in the calculation of arbitrage rebate no later than 5 years from the Effective Date to assist the Obligor, on behalf of the Issuer, in determining the extent and method of compliance required by Section 148 of the Code and will pay any rebate due under the Code and retain records as required by the Code.

Section 2.4. Credit Facility. The Obligor shall cause the Credit Facility to be delivered to the Trustee on or before the Effective Date. The Credit Facility shall (a) be in an amount equal to the aggregate principal amount of the Bonds outstanding from time to time plus 45 days’ (or if required pursuant to Section 2.08 of the Indenture, 210 days’) interest thereon calculated at the Maximum Rate; (b) provide for payment to the extent of the amount specified in the preceding clause (a) in immediately available funds to the Trustee (upon receipt of the Trustee’s request for payment of the principal of, premium, if any, and/or interest on the Bonds then outstanding on any Bond Payment Date, proposed Conversion Date, Conversion Date, Substitution Date, Purchase Date or redemption date pursuant to the Indenture); and (c) provide an expiration date no earlier than the earliest of (i) the payment in full by the Bank of funds authorized to be drawn thereunder so that there are no outstanding Bonds, (ii) the honoring by the Bank of a draft on the Credit Facility for all outstanding Bonds, (iii) a stated expiration date, (iv) the day after any Conversion Date, or (v) the fifteenth day following an Event of Default pursuant to Section 8.01(d) of the Indenture. The Obligor will cause any extension of the Credit Facility to be deposited by the Bank with the Trustee at least 60 days prior to the last Interest Payment Date prior to the expiration of the Credit Facility or Substitute Credit Facility then in effect. Each extension of the Credit Facility shall be satisfactory in form and substance to the Trustee. Upon the conversion of the Bonds to Fixed Rate Bonds, the Bonds may, but need not, be secured by a Credit Facility. The Obligor shall have the right to provide a Substitute Credit Facility in accordance with Section 2.10 of the Indenture.

Section 2.5. Tender. The Issuer agrees to cause the Trustee in the Indenture to act as tender agent for the Obligor in connection with certain tenders of Variable Rate Bonds and as tender agent for the Bank in connection with certain other tenders of Variable Rate Bonds, all as provided in Article 2 of the Indenture.

Section 2.6. Remarketing Agent. The Obligor hereby approves of the appointment of Comerica Securities as the initial Remarketing Agent and covenants and agrees that, without prior written notice to the Trustee, it will not change the Remarketing Agent. The Obligor’s selection of a successor Remarketing Agent shall be subject to the prior written approval of the Bank.

Section 2.7. Right to Exercise Conversion Option. Subject to the ability of the Obligor to satisfy certain conditions described in the Indenture, the right is reserved to the Obligor, upon receipt of prior approval from the Bank (but only if the existing Credit Facility will remain in effect following the proposed conversion or, in any event, if a draw may be made on the existing Credit Facility in connection with the proposed conversion), to exercise the conversion option in accordance with the Indenture.

[END OF ARTICLE 2]

ARTICLE 3 THE LOAN AND LOAN REPAYMENTS

Section 3.1. The Loan. Concurrently with the delivery of the Bonds, the Issuer will, upon the terms and conditions of the Agreement, lend to the Obligor, by deposit of the proceeds thereof with the Trustee in the Project Fund, an amount equal to the principal amount of the Bonds for application to Project Costs. The accrued interest, if any, received by the Issuer upon the sale of the Bonds shall be deposited into the Bond Fund and shall be applied to the first interest payment due on such Bonds.

Section 3.2. Loan Repayments; Credit Facility. Except as hereinafter provided, the Obligor shall pay or cause to be paid, in immediately available funds, to the Trustee, for the account of the Issuer, loan repayments corresponding to the principal, premium, if any, Purchase Price and interest payments on the Bonds when due (the “Loan Repayments”); in lieu of such payments, the Trustee shall draw on the Credit Facility, pursuant to Section 2.09 of the Indenture, amounts equal to such Loan Repayments. So long as the Credit Facility is in effect, the Loan Repayments representing principal of, premium, if any (if the Credit Facility then covers such premium), Purchase Price and interest payments on the Bonds shall be made by deposits of the proceeds of drawings under the Credit Facility and the Obligor shall reimburse the Bank in accordance with the Reimbursement Agreement.

Payments of the principal and Purchase Price of, premium, if any, or interest on the Bonds shall be made solely from the Security, including draws under the Credit Facility (except with respect to premium unless the Credit Facility has been amended to cover premium on the Bonds). Notwithstanding anything in this Agreement to the contrary, the Obligor’s obligation to make Loan Repayments is and shall remain unconditional regardless of the sufficiency and availability of Available Moneys to make such payments.

With the prior written approval of the Bank and written notice to the Issuer and the Trustee, the Obligor may prepay in whole or in part amounts due on account of the Loan Repayments or for the redemption of Bonds prior to maturity or purchase, but such prepayment shall not in any way alter or suspend any of the obligations of the Obligor under the terms of the Agreement and the Obligor shall continue to perform and be responsible for the performance of all other terms and provisions. Such notice shall be given at least 10 Business Days before the Trustee is to give notice of any related redemption pursuant to Article 4 of the Indenture.

The Issuer agrees that the Trustee may accept such prepayments when the same are tendered by the Obligor and that such prepayments may be directed by the Obligor to be used for credit on Loan Repayments or for the redemption or purchase of Bonds in the manner and to the extent provided herein and in the Indenture.

In the event the Obligor prepays Loan Repayments in the following manner and in accordance with the provisions of the Indenture: (a) in Available Moneys, after delivering the No Act of Bankruptcy Certificate attached hereto as Exhibit D to the Trustee or (b) by causing the Trustee to draw on the Credit Facility, for deposit in the Bond Fund in an

amount of money (or in any other manner satisfactory to the Trustee) which, together with amounts then on deposit in the Bond Fund and available therefor, shall be sufficient (i) to retire and redeem at the earliest date(s) permitted under the Indenture all of the then outstanding Bonds and (ii) to pay any interest accruing on the Bonds to maturity or redemption and shall also make provision satisfactory to the Issuer and the Trustee for all fees, costs and expenses specified in Article 5 hereof accruing through the final payment of the Bonds, then the Loan shall be deemed fully repaid and canceled, and the lien of the Indenture shall be discharged, except for the provisions providing for payment of principal and Purchase Price of, premium, if any, and interest to the Bondholders and payment of reimbursement obligations to the Bank pursuant to the Reimbursement Agreement.

[END OF ARTICLE 3]

ARTICLE 4 THE PROJECT

Section 4.1. Project Fund Disbursements. There is established with the Trustee under the Indenture the Project Fund, the moneys in which, subject to the terms hereof and of the Indenture, and subject to the security interest therein granted by the Obligor to the Issuer, shall be the property of the Obligor. Unless an Event of Default has occurred and is continuing which the Trustee is required to take notice of or is deemed to have notice of pursuant to Section 9.01(h) of the Indenture, the Trustee, as authorized by the Bank pursuant to the Indenture, shall disburse to or for the benefit of the Obligor out of the Project Fund the lesser of (a) the Project Costs, or (b) the proceeds of the Bonds deposited in the Project Fund and investment income in the Project Fund. Such disbursements shall be made from time to time to pay Project Costs so long as there are moneys in the Project Fund, upon presentation of Requisition Certificate(s) executed by the Obligor and approved for payment in writing by the Bank. The Trustee may also disburse moneys out of the Project Fund to or for the benefit of the Issuer upon the Obligor's failure to pay the fees, costs and expenses of the Trustee or Issuance Costs as required by Section 5.2 hereof.

Disbursements from the Project Fund shall be made upon the Trustee's receipt of an executed and approved Requisition Certificate.

The Obligor shall also deliver or cause to be delivered to the Trustee and the Bank with a Requisition Certificate such other documents and certificates as may be required by the Bank, it being understood that the Trustee shall have no duty to review or approve such documents and certificates.

Upon the occurrence of an Event of Default under the Indenture, any moneys in the Project Fund shall be transferred by the Trustee to the Bond Fund.

Upon request and with reasonable notice, the Obligor shall permit the Trustee or the Issuer or its authorized agents to audit the records of the Obligor relating to Project Costs during normal business hours.

Section 4.2. Obligation of the Obligor to Complete the Project. The Obligor shall proceed with reasonable dispatch to complete the Project substantially in accordance with the Plans. The Obligor may revise the Plans, subject to the General Limitations and under the conditions contained in this section.

If moneys in the Project Fund are not sufficient to pay all Project Costs, the Obligor, nonetheless, will complete or cause to be completed the Project in accordance with the Plans and Specifications, unless the Bank consents in writing otherwise, and, unless Additional Bonds shall have been issued for that purpose, shall pay all such additional Project Costs from the Obligor's own funds. The Obligor shall not be entitled to any reimbursement for any such additional Project Costs from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of its obligation to make the Loan Repayments.

The Issuer makes no warranty, either express or implied, and offers no assurance as to the condition of the Project or that the Project is or will be suitable for the Obligor's purposes, or that the proceeds derived from the sale of the Bonds will be sufficient to pay all Project Costs, and the Issuer shall not be liable to the Obligor if for any reason the Project is not completed.

Section 4.3. Completion Certificate. The Obligor shall as promptly as practicable file with the Trustee, the Issuer and the Bank a certificate substantially in the form of Exhibit C attached hereto when the Project is complete. All moneys deposited in the Project Fund and not needed, as of the Completion Date, to pay or reimburse Project Costs (which moneys shall be used for such purposes if needed), shall, upon receipt of such certificate, and in any event on the third anniversary hereof, be deemed Surplus Bond Proceeds and shall be immediately transferred to the Bond Fund to be applied by the Trustee in the manner provided in Section 4.4 of this Agreement.

Section 4.4. Use of Surplus Bond Proceeds. All moneys transferred to the Bond Fund pursuant to the provisions of Section 4.3, Section 6.1 and Article 7 hereof ("Surplus Bond Proceeds") shall be applied by the Trustee for redemption of the Bonds pursuant to Mandatory Redemption from Surplus Bond Proceeds as provided in the Bond Forms Appendix to the Indenture or reimbursement of the Bank for honoring a draw under the Credit Facility for such purpose, or may be used for any other purpose approved in writing by the Bank which is permitted by the Act and which, in the opinion of Bond Counsel, will not affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. Prior to such use, such Surplus Bond Proceeds shall not be invested at a yield in excess of the yield on the Bonds, unless, in the opinion of Bond Counsel, the investment of Surplus Bond Proceeds at a yield in excess of the yield on the Bonds will not affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

In no event shall Surplus Bond Proceeds so transferred to the Bond Fund or the investment income thereon be used to pay interest on the Bonds.

[END OF ARTICLE 4]

ARTICLE 5
OTHER PECUNIARY OBLIGATIONS OF THE OBLIGOR

Section 5.1. Taxes and Other Costs. The Obligor shall promptly pay, as the same become due, all lawful taxes and governmental charges of any kind whatsoever, including without limitation income, profits, receipts, business, property and excise taxes, with respect to any estate or interest in the Project, the Agreement, the Loan or any payments with respect to the foregoing, the costs of all building and other permits to be procured, and all utility and other charges and costs incurred in the operation, maintenance, use, occupancy and upkeep of the Project. The Obligor shall furnish the Issuer upon request proof of payment of any such taxes, charges or costs. The Obligor may in good faith contest, and during such contest not pay, any such taxes, charges and costs, as provided in the Reimbursement Agreement.

Section 5.2. Issuer Fees and Expenses. The Obligor shall pay all Issuance Costs and other out-of-pocket costs and expenses of the Issuer incidental to the performance of its obligations under the Agreement and the Indenture and with respect to its authorization, sale and delivery of the Bonds, including without limitation on or before the Effective Date the Issuer's Issuance Fee, or reasonably incurred by the Issuer in enforcing the provisions of the Agreement or the Indenture.

Section 5.3. Fees and Expenses of the Trustee and Remarketing Agent. The Obligor shall pay the reasonable fees, costs, expenses and advances of the Trustee, and the Remarketing Agent under the Indenture for services rendered in connection with the Bonds, the duties and services of such Trustee being set out in the Indenture, and it shall pay the Trustee, in addition, all reasonable out-of-pocket counsel fees, taxes and other fees, costs and expenses reasonably incurred by the Trustee in performing its duties as Trustee and in entering into the Indenture. All such payments shall be made as statements are rendered and shall be made by the Obligor directly to the Trustee except to the extent fees, costs, expenses and advances of the Trustee incurred in connection with the issuance of the Bonds are paid from proceeds of sale of the Bonds.

Section 5.4. Indemnification of the Issuer.

(a) Issuer and its officers, agents and employees (hereinafter, the "Indemnified Persons") shall not be liable to the Obligor for any reason. The Obligor shall indemnify and hold harmless the Issuer and the Indemnified Persons harmless from any loss, expense against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to, attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or indirectly resulting from, arising out of, or related to the issuance, offering, sale, delivery, or payment of the bonds, and interest thereon, or the design, construction, installation, operation, use, occupancy, maintenance, or in any way connected with ownership of the Project.

(b) Further, the Obligor shall indemnify and hold the Issuer and the Indemnified Persons harmless from any loss, expense (including counsel fees), or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with:

(1) the financing, installation, operation, use, or maintenance of the Project,

(2) any act, failure to act, or misrepresentation by any person, firm, corporation or governmental agency, including the Issuer, in connection with the issuance, sale, remarketing or delivery of the Bonds,

(3) any act, failure to act, or misrepresentation by the Obligor in connection with this Agreement, the Tax Regulatory Agreement or any other document involving the Issuer in this matter,

(4) any audit or investigation of the Bonds by the Internal Revenue Service, the United States Department of the Treasury or the Securities and Exchange Commission, or

(5) the selection and appointment of firms providing services to the Bond transaction. If any suit, action or proceeding is brought against the Issuer or any Indemnified Person, that action or proceeding shall be defended by counsel to the Issuer or the Obligor, as the Issuer shall determine. If the defense is by counsel to the Issuer, such counsel to be satisfactory to the Obligor in its reasonable judgment, the Obligor shall indemnify the Issuer and Indemnified Persons for the reasonable cost of that defense including reasonable counsel fees. If the Issuer determines that the Obligor shall defend the Issuer or Indemnified Person, the Obligor shall immediately assume the defense at its own cost. The Obligor shall not be liable for any settlement of any proceedings made without its consent (which consent shall not be unreasonably withheld).

(c) The Obligor shall also indemnify the Issuer for all costs and expenses, including counsel fees, incurred in:

(1) enforcing any obligation of the Obligor under this Agreement or any related agreement,

(2) taking any action requested by the Obligor,

(3) taking action required by this Agreement or any related agreement, or

(4) taking any action considered necessary by the Issuer and which is authorized by this Agreement or any related agreement.

(d) The obligations of the Obligor under this Section shall survive any assignment or termination of this Agreement.

(e) The Obligor shall not be obligated to indemnify the Issuer or any Indemnified Person under subsections (a) and (b) if a court with competent jurisdiction finds that the liability in question was caused by the willful misconduct or sole gross negligence of the Issuer or the involved Indemnified Person(s), unless the court determines that, despite the adjudication of liability but in view of all circumstances of the case, the Issuer or the Indemnified Person(s) is (are) fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

Section 5.5. Indemnification of the Trustee. The Obligor shall indemnify and hold the Trustee harmless against any loss, liability or expense, including reasonable attorneys' fees, or settlement costs incurred without breach by the Trustee of the required standard of care set forth in the Indenture arising out of or in connection with claims or actions taken under or pursuant to the Indenture, including the costs and expenses of defense, including counsel selected by the Trustee, against any such claim or action or liability. Notwithstanding anything to the contrary in this Agreement, the Obligor expressly acknowledges and agrees that the obligations and liabilities of the Obligor as set forth in this Section 5.5 shall survive the resignation or removal of the Trustee.

Section 5.6. Insurance. The Obligor shall continuously insure against such risks and in such amounts as are required under the Reimbursement Agreement.

[END OF ARTICLE 5]

ARTICLE 6
PROJECT MAINTENANCE

Section 6.1. Maintenance and Operation; Removal from Site. The Obligor, at its expense, shall maintain the Project in good condition, repair and working order, and shall make or cause to be made from time to time all necessary repairs, renewals and replacements, ordinary wear and tear and obsolescence excepted. Any property comprising a portion of the Project and purchased with Bond proceeds may not be removed from the site of the Project without the prior written consent of the Bank and unless (i) other property of equivalent or greater value and utility is substituted therefor or (ii) the proceeds of the sale of such property are used in accordance with Section 1.2(a) hereof, subject to the provisions of Section 1.2(b) hereof or (iii) the Obligor receives an opinion of Bond Counsel that noncompliance with (i) or (ii) above will not affect the exclusion of interest on the Bonds for federal income tax purposes under the Code. However, the Obligor agrees not to take any action pursuant to this Article that may impair the character of the Project as a “project” within the meaning of the Act.

Section 6.2. Remodeling and Modifications. The Obligor shall have the right, from time to time, subject to the approval of the Bank, to remove, substitute or modify any portion of the Project, provided that such removal, substitution or modification shall not impair the character of the Project as a “project” within the meaning of the Act nor violate the General Limitations. The cost of such remodeling, modifications or improvements shall be paid by the Obligor.

[END OF ARTICLE 6]

ARTICLE 7
DAMAGE TO PROJECT AND CONDEMNATION

In the event (i) the Project is damaged or destroyed, or (ii) failure of title to all or part of the Project occurs or title to or temporary use of the Project is taken in condemnation or by the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Obligor shall promptly give written notice thereof to the Issuer, the Trustee and, if the Credit Facility is in effect at the time, the Bank. As soon as practicable the Obligor shall elect in writing to the Issuer, the Bank and the Trustee, and with the written consent of the Bank as required by the Reimbursement Agreement (or the Collateral Documents, as defined in the Reimbursement Agreement), whether to deposit insurance or condemnation proceeds in the Project Fund or in the Bond Fund. If the Obligor shall elect to deposit such proceeds in the Project Fund, it shall proceed to restore the Project with reasonable dispatch, and such moneys shall be disbursed in accordance with Section 4.1 of this Agreement. If the Obligor shall elect to deposit such proceeds in the Surplus Bond Proceeds Account in the Bond Fund, such proceeds shall be used to redeem the Bonds to the extent of such proceeds in the manner provided in the Indenture and in the Bond Forms Appendix under Mandatory Redemption from Surplus Bond Proceeds. As long as any of the Bonds are outstanding, absent an approving opinion of Bond Counsel, all such funds shall not be invested at a yield in excess of the yield on the Bonds prior to their expenditure.

[END OF ARTICLE 7]

ARTICLE 8
ACTIONS AFFECTING OBLIGOR AND ISSUER INTERESTS IN THE
AGREEMENT AND THE PROJECT

Section 8.1. Assignment of the Agreement. The Issuer shall assign its rights under and interest in the Agreement (except Reserved Rights) and in all moneys deposited in the various funds and accounts under the Agreement and the Indenture to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds, and such assignment shall entitle the Trustee to enforce any obligation of the Obligor under the Agreement. The Obligor hereby consents to any and all assignments described in the preceding sentence or set forth in the Indenture. The Issuer shall not amend the Indenture without the written consent of the Obligor, the Trustee and the Bank, as provided in the Indenture.

Pursuant to the Act, the assignment of the Issuer's rights and interests pursuant to the Indenture shall be valid and binding from the time this assignment is made. The money or property pledged and thereafter received by the Issuer immediately shall be subject to a lien in favor of the Trustee without a physical delivery, filing, or any further act. The lien of the Trustee shall be valid or binding as against parties having claims of any kind in tort, contract, or otherwise, against the Issuer irrespective of whether the parties have notice. Neither this Agreement, the Indenture, nor any other instrument by which the assignment is made need be filed or recorded.

Section 8.2. Obligor's Interest in the Agreement. The Obligor shall not assign or transfer its rights or obligations under the Agreement, except as permitted in the Agreement or consented to in writing by the Bank (which consent may be granted or withheld in the Bank's sole discretion) and as long as the General Limitations are complied with.

Section 8.3. Liens by the Obligor. The Obligor shall not create or permit the creation of any lien, encumbrance or charge upon the Project except Permitted Encumbrances.

Section 8.4. Security Interest in the Project Fund. To better secure its obligations hereunder, including the obligation to pay Loan Repayments and reimbursement obligations pursuant to the Reimbursement Agreement as and when they are due, the Obligor hereby grants a security interest in the moneys at any time held in the Project Fund, and any proceeds thereof, to the Issuer and the Bank (to the extent the Trustee is directed to disburse such moneys to the Bank pursuant to the Indenture) to be perfected by possession of such moneys in the Project Fund by the Trustee and held therein for the benefit of the Bondholders and Bank as provided in the Indenture.

[END OF ARTICLE 8]

ARTICLE 9
FURTHER OBLIGATIONS OF THE OBLIGOR

Section 9.1. Compliance with Laws. The Obligor shall, throughout the term of the Agreement and at no expense to the Issuer, promptly comply or cause compliance with all legal requirements of duly constituted public authorities which are applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project. Notwithstanding the foregoing, but subject to the General Limitations, the Obligor may exercise its rights to contest the legality of any such legal requirement as applied to the Project provided that such contest shall not (i) in the opinion of Counsel, in any way materially adversely affect or impair the obligations of the Obligor under the Agreement or (ii) in the opinion of Bond Counsel, adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 9.2. Maintenance of Assets; Ownership of Project.

(a) The Obligor, unless and until the Project shall be sold and transferred to a new owner under paragraph (b) of this Section 9.2, will do or cause to be done all things necessary to perform its obligations under this Agreement and the other documents contemplated hereby and by the Reimbursement Agreement. Except as provided in paragraph (b), the Obligor shall not cause or permit the Project or any interest therein to be sold, assigned or transferred.

(b) So long as no Event of Default shall have occurred and be continuing hereunder, the Project may be conveyed and transferred and this Agreement assigned to a new owner, which assignment must be in compliance with the General Limitations and with the prior written consent of the Bank (which consent may be granted or withheld in the Bank's sole discretion), and without the consent of the Trustee or any Bondholder; provided that (i) the new owner shall be a partnership, limited liability company or corporation duly organized and validly existing in good standing under the laws of any state and qualified to do business in Wisconsin and shall assume in writing the obligations of the Obligor under this Agreement and the other documents contemplated hereby and (ii) the Obligor shall, at least 30 days prior to any such assignment or transfer, provide the Issuer and the Trustee with written notice of such transfer accompanied by a copy of the assumption agreement and an opinion of nationally recognized bond counsel that such transfer will not cause or result in interest on the Bonds to be included in gross income for federal income tax purposes.

(c) The Obligor shall at all times operate the Project or cause the Project to be operated in strict compliance with the terms of this Agreement so that it fulfills the public purposes of the Act.

Section 9.3. General Limitations with Respect to Non-Impairment of Tax-Exempt Status of the Bonds. Notwithstanding any other provisions of the Agreement or any rights of the Obligor under the Agreement, the Obligor shall not take or permit to be

taken by its agents or assigns any action which, or fail to take any reasonable action the omission of which, would

- (a) impair the exclusion of interest on the Bonds from gross income for federal income tax purposes; or
- (b) affect the validity of the Bonds under the Act; or
- (c) materially alter the scope, character, value, operation or utility of the Project.

In addition, the Obligor shall comply, for itself and on behalf of the Issuer, with all requirements of the Code. The Issuer and the Trustee, upon notification of action to be taken by the Obligor or prior to taking any action requested by the Obligor under the Agreement may require at the expense of the Obligor, an opinion of Counsel, Bond Counsel or an Engineer or all, as may be appropriate, in writing with respect to compliance with the foregoing General Limitations.

Section 9.4. Access to Project and Records. Subject to reasonable security and safety regulations and reasonable requirements as to notice, the Issuer, the Trustee, the Bank and their duly authorized agents shall have the right at all reasonable times to enter and inspect the Project. The Issuer, the Trustee, the Bank and their duly authorized agents shall also have the right to inspect the books and records of the Obligor pertaining to the Project and the Security (as defined in the Indenture), subject to reasonable requirements as to notice and during regular business hours.

Section 9.5. Requirements of Tenants. If any portion of the Project is leased to another person, the Obligor shall use its best efforts to require each of its tenants occupying space in the Project within three years from the Completion Date in provisions of its lease or by means of a written certificate (a) to warrant and represent that it will not take or permit to be taken by its agents or assigns any action which, or fail to take any action the omission of which, would impair the exclusion of interest on the Bonds from gross income for federal income tax purposes, including a violation of the capital expenditure limitation of Section 144(a) of the Code, (b) to warrant and represent that it will for a period of three years after the date of original issuance of the Bonds, in the case of any tenant who occupies a sufficient portion of the Project to be a principal user of the Project under Section 144(a) of the Code, to file with the Obligor an annual report of its applicable capital expenditures, (c) to attach to the lease or certificate, a certificate of applicable capital expenditures within the geographic limits of the Issuer for the period of three years prior to the issuance of the Bonds and any contemplated capital expenditures for a period of three years after the issuance of the Bonds, and (d) to attach to the lease or certificate a Prior Issue Certificate in the form attached hereto as Exhibit E.

Section 9.6. Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law (the USA Patriot Act, the “Patriot Act”) requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a

trust or other legal entity, the Trustee will ask for documentation to verify such entity's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Obligor agrees to cooperate with the Trustee by providing all such information requested by the Trustee to enable the Trustee to comply with the Patriot Act.

[END OF ARTICLE 9]

ARTICLE 10 EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default. The term “Event of Default” shall mean, whenever used in the Agreement, any one or more of the following events:

(a) Failure by the Obligor to pay any Loan Repayments in the amounts and at the times provided in the Agreement, but if and only if the Bank has, after demand under the Credit Facility, failed to pay the amount of such Loan Repayment as and when due.

(b) Failure by the Obligor to observe and perform any other obligations in this Agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure and requesting that it be remedied, given to the Obligor by the Issuer, the Bank or the Trustee; provided, however, that if such Default shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the Default is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Obligor within such period and is diligently pursued until the Default is corrected.

(c) Any representation or warranty made by the Obligor in any document delivered by the Obligor to the initial purchasers, the Trustee, the Bank or the Issuer in connection with the issuance, sale and delivery of the Bonds is untrue in any material adverse respect.

(d) The occurrence of an Event of Default under the Indenture.

The Events of Default described in subsection (b) above are also subject to the following limitation: If the Obligor by reason of force majeure is unable to carry out or observe the obligations described in such subsection (b), the Obligor shall not be deemed to be in breach or violation of this Agreement or in default during the continuance of such inability. The term “force majeure” as used herein shall include, without limitation, acts of public enemies; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; civil disturbances; labor disturbances or strikes; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event other than financial inability not reasonably within the control of the Obligor. The Obligor agrees, however, insofar as possible, to remedy with all reasonable dispatch the causes preventing it from carrying out its agreement; provided, however, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the exercise of the reasonable discretion of the Obligor.

Section 10.2. Remedies upon Event of Default. Whenever any Event of Default shall have occurred and be continuing, the Issuer, with the consent of the Trustee, or the Trustee acting alone, shall have and may exercise any one or more of the following remedial powers:

(a) If the principal of and interest accrued on the Bonds shall have been declared immediately due and payable pursuant to the Indenture, to declare all Loan Repayments payable under Section 3.2 for the remainder of the term of the Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable; provided, however, that, if the Trustee shall annul any such declaration pursuant to the Indenture, the declaration provided for in this clause (a) shall be deemed annulled;

(b) If the principal of and interest accrued on the Bonds shall have been declared immediately due and payable pursuant to the Indenture, to institute any actions or proceedings at law or in equity for the collection of Loan Repayments or other sums due and unpaid under the Agreement, to prosecute any such action or proceeding to judgment or final decree, and to enforce any such judgment or final decree and collect in the manner provided by law any moneys adjudged or decreed to be payable; and

(c) In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Obligor under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Obligor, to file and prove a claim or claims for the whole amount owing under the Agreement plus interest owing and unpaid in respect thereof and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Obligor, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses.

In addition to the remedial powers described above, the Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement or the Bonds or to enforce the performance and observance of any other obligation or agreement of the Obligor under those instruments including, without limitation, exercise the remedies of mandamus or the appointment of a receiver in equity with the power to charge and collect rents, purchase price payments, and loan payments and to apply revenues from the Project in accordance with the terms hereof and of the Indenture.

In case the Trustee or the Issuer shall have proceeded to exercise or enforce any right or remedy under the Agreement and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Obligor, the Issuer and the Trustee shall be restored to their respective rights and positions hereunder and all rights and remedies of the Obligor, the Issuer and the Trustee shall continue as though no such proceeding had been taken, but subject to the limitations of any such adverse determination.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the Indenture, except amounts collected pursuant to Article 5 for the benefit of the Issuer or the Issuer's Agents, which shall be paid to and retained by the Issuer.

Section 10.3. Payment of Attorneys' Fees and Other Expenses. In the event the Obligor should default under any of the provisions of the Agreement and the Issuer and/or the Trustee should employ attorneys or incur other expenses for the collection of the Loan or for the enforcement of performance or observance of any obligation of the Obligor in the Agreement or any other document related to the issuance of and security for the Bonds, the Obligor shall on demand therefor pay to the Issuer or the Trustee, or both, as the case may be, the fees of such attorneys and such other expenses so incurred.

Section 10.4. Waivers and Limitation on Waivers. By reason of the assignment of the Issuer's rights and interest in the Agreement to the Trustee, the Trustee shall have the power with the consent of the Bank to, and shall if requested by the Bank, waive or release the Obligor from any Event of Default or the performance or observance of any obligation or condition of the Obligor under the Agreement, provided such waiver or release is not prohibited by the Indenture and the Trustee and the Issuer receive an opinion of Counsel that such action will not impose any pecuniary obligation or liability or adverse consequence upon the Issuer or the Trustee and the Issuer and the Trustee shall have each been provided such indemnification from the Obligor as the Issuer or the Trustee shall deem necessary, and provided that, with respect to a waiver of an Event of Default, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other Event of Default hereunder or deemed to waive a similar Event of Default on a future occasion.

No delay or omission to exercise any right occurring upon any Event of Default shall impair any such right or shall be construed to be a waiver thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Issuer or the Trustee in this Agreement, it shall not be necessary to give any notice other than such notice as may be herein expressly required. Notwithstanding anything to the contrary contained herein, the Obligor does not waive any statute of limitations under applicable law.

[END OF ARTICLE 10]

ARTICLE 11
OBLIGATIONS OF OBLIGOR UNCONDITIONAL

Section 11.1. Obligor Obligations. The obligation of the Obligor to make Loan Repayments and the payments required by Article 5 hereof and to perform its other covenants hereunder shall be absolute and unconditional and shall not be subject to any diminution by right of set-off, counterclaim, recoupment or otherwise. During the term hereof, the Obligor (i) shall not suspend or discontinue its Loan Repayments, (ii) shall perform and observe all of its other obligations contained herein and (iii) except as explicitly permitted herein, shall not terminate the Agreement for any cause including, without limiting the generality of the foregoing, defect in title to the Project, failure to complete the Project, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction or damage to or condemnation of the Project, commercial frustration of purpose, any change in the tax or other law by the United States of America or the State or any political subdivision of either, or any failure of the Issuer to perform and observe any obligation or condition arising out of or connected with the Agreement. This shall not be construed to release the Issuer from the performance of any of its obligations under the Agreement; and in the event the Issuer shall fail to perform any such obligation, the Obligor may institute such action against the Issuer as the Obligor may deem necessary to compel performance; provided, however, that no such action shall violate this Section or diminish Loan Repayments. The Obligor may at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceedings or take any other action involving third persons which the Obligor deems reasonably necessary in order to secure or protect its rights under the Agreement, and in such event the Issuer shall cooperate fully with the Obligor.

[END OF ARTICLE 11]

ARTICLE 12 MISCELLANEOUS

Section 12.1. Amounts Remaining in Funds. Any amounts remaining in the Bond Fund, the Purchase Fund or the Project Fund upon expiration or sooner termination of the Agreement as herein provided, after payment in full of the Bonds (or provision therefor) in accordance with the Indenture, and all other costs and expenses of the Obligor specified under Article 5, and all amounts owing the Issuer, the Trustee, the Bank, and the Remarketing Agent under the Agreement, the Indenture and the Reimbursement Agreement, shall be paid to the Obligor.

Section 12.2. Obligor Bound by Indenture. The Obligor, by execution of this Agreement, acknowledges and agrees that it has participated in the drafting of the Indenture and agrees that it has approved the Indenture and agrees that it is bound by and shall have the rights set forth by the terms and conditions thereof and covenants and agrees to perform all obligations required of the Obligor pursuant to the terms of the Indenture.

Section 12.3. Consents Under the Agreement. Unless otherwise expressly provided herein, all consents permitted or required to be given under the Agreement by the Issuer or the Trustee shall be reasonable and shall not be unreasonably withheld or delayed.

Section 12.4. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given on the date shown as delivered when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the Issuer, the Obligor, the Bank, the Remarketing Agent or the Trustee, as the case may be, at the Issuer's Address, the Obligor's Address, the Bank's Address, the Remarketing Agent's Address or the Trustee's Address, respectively, or hand delivered to the above at their respective addresses. A duplicate copy of each such notice, certificate or other communication given hereunder to the Issuer, the Obligor, the Bank, the Remarketing Agent or the Trustee shall also be given to the others.

The Issuer, the Obligor, the Bank, the Remarketing Agent and the Trustee may, by written notice to the other parties, designate any further or different addresses to which subsequent notices, certificates or communications shall be sent.

Section 12.5. Amendment. The Agreement may be amended only as provided in the Indenture, and no amendment to the Agreement shall be binding upon either party hereto until such amendment is reduced to writing and executed by the parties hereto.

Section 12.6. Binding Effect. The Agreement shall be binding upon the parties hereto and upon their respective successors and assigns, and the words "Issuer" and "Obligor" shall include the parties hereto and their respective successors and assigns and include any gender, singular and plural, any individuals, partnerships, limited liability companies or corporations.

Section 12.7. Severability. If any clause, provision or section of the Agreement is ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or

unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 12.8. Execution in Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.9. Captions and Table of Contents. The captions or headings and the Table of Contents in the Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of the Agreement.

Section 12.10. Applicable Law. THIS AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY AND CONSTRUED IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE STATE OF WISCONSIN. VENUE FOR ANY ACTIONS BROUGHT HEREUNDER TO WHICH THE ISSUER IS A PARTY SHALL LIE IN MILWAUKEE COUNTY, WISCONSIN.

Section 12.11. Sales and Use Tax Exemption. The Obligor has not and will not maintain that it is entitled, by virtue of the Project being financed under the Act, to any additional exemption from sales and use taxes on personal property acquired in connection with the Project.

[END OF ARTICLE 12]

[THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE TO FOLLOW.]

**Loan
Agreement
Signature Page**

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be duly executed as of the day and year first above written and effective as of April 1, 2010.

CITY OF WEST ALLIS, WISCONSIN (Issuer)

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

CLEVELAND GEAR COMPANY, INC.,
a Delaware corporation (Obligor)

By: _____

Its: Treasurer

EXHIBIT A
PROJECT DESCRIPTION

[to be provided]

EXHIBIT B
REQUISITION CERTIFICATE

TO: U.S. Bank National Association, as Trustee

FROM: Cleveland Gear Company, Inc.
(the "Obligor")

SUBJECT: \$5,000,000 City of West Allis, Wisconsin Variable Rate Demand Limited
Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc.,
Milwaukee Machine Works Division Project)

This represents Requisition Certificate No. _____ in the total amount of \$_____ to pay those costs of the Project detailed in the schedule attached.

The undersigned does certify that:

1. The expenditures for which moneys are requisitioned hereby represent proper charges against the Project Fund of the subject bond issue, have not been included in a previous requisition and have been properly recorded on the Obligor's books.
2. The moneys requisitioned hereby are not greater than those necessary to meet obligations due and payable or to reimburse the Obligor for its funds actually advanced for costs of the Project and do not represent a reimbursement to the Obligor for working capital.
3. The Obligor is not in default under the Agreement and nothing has occurred to the knowledge of the Obligor that would prevent the performance of its obligations under the Agreement.
4. In the event moneys in the Project Fund after payment of moneys herein requested are insufficient to pay Project Costs, the Obligor will pay such additional Project Costs as are incurred from such other funds which are available for such purpose.
5. All of the property acquired with the moneys hereby requested will be owned by the Obligor.
6. The sum of (A) moneys requisitioned hereby to pay (or reimburse the Obligor for its prior payment of) issuance costs of the Bonds (within the meaning of Section 147(g) of the Internal Revenue Code of 1986, as amended), plus (B) the total moneys previously disbursed from the Project Fund and similarly applied, does not exceed \$ (which is 2% of the face amount of the Bonds).

7. Delivered herewith are the following requested certificates, sworn statements, waivers of lien, surveys, invoices, architect's certificates and other documents:

Executed this _____ day of _____, 20__.

CLEVELAND GEAR COMPANY, INC.

By: _____
Authorized Obligor Representative

Approved By:

KEYBANK NATIONAL ASSOCIATION,
as Issuer of the Credit Facility

By: _____

Its: _____

SCHEDULE TO REQUISITION CERTIFICATE NO.

Payee and Address Description of Property or Services Provided Amount

**EXHIBIT C
COMPLETION CERTIFICATE**

TO: U.S. Bank National Association, as Trustee
City of West Allis, Wisconsin
KeyBank National Association

FROM: Cleveland Gear Company, Inc.
(the "Obligor")

SUBJECT: \$5,000,000 City of West Allis, Wisconsin Variable Rate Demand Limited
Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc.,
Milwaukee Machine Works Division Project)

The undersigned does hereby certify:

1. The Project has been completed in accordance with the Plans and in such manner as to conform with all applicable zoning, planning and building regulations of the governmental authorities having jurisdiction of the Project, as of the date of this Certificate (the "Completion Date").
2. The Costs of the Project have been paid in full except for those not yet due and payable, which are described below and for which moneys for payment thereof are being held in the Project Fund:

(a) Cost of the Project not yet due and payable:

<u>Description</u>	<u>Amount</u>
	\$ _____
TOTAL	\$ _____

(b) Payments being contested:

<u>Description</u>	<u>Amount</u>
	\$ _____
TOTAL	\$ _____

3. The moneys in the Project Fund in excess of the totals set forth in 2(a) and (b) above represent Surplus Bond Proceeds and the Trustee is hereby authorized and directed to apply such moneys pursuant to Section 4.4 of the Agreement.
4. No Event of Default has occurred under the Agreement or the Reimbursement Agreement nor has any event occurred which with the

giving of notice or lapse of time or both shall become such an Event of Default. Nothing has occurred to the knowledge of the Obligor that would prevent the performance of its obligations under the Agreement or the Reimbursement Agreement.

This certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

Capitalized terms used herein have the meanings given them in the Trust Indenture for the Bonds.

Executed this _____ day of _____, 20__.

CLEVELAND GEAR COMPANY, INC.
(Obligor)

By: _____
Authorized Obligor Representative

EXHIBIT D
NO ACT OF BANKRUPTCY CERTIFICATE

TO: U.S. Bank National Association, as Trustee

FROM: Cleveland Gear Company, Inc.
(the "Obligor")

SUBJECT: \$5,000,000 City of West Allis, Wisconsin Variable Rate Demand Limited
Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc.,
Milwaukee Machine Works Division Project)

The undersigned does hereby certify to the Trustee and the Bank that, during and prior to the period beginning and continuing until the date hereof, no Act of Bankruptcy (as defined in that certain Loan Agreement, dated as of April 1, 2010, between the undersigned and the City of West Allis, Wisconsin) shall have occurred.

The Obligor acknowledges that the Trustee and the Bank may conclusively rely on this Certificate.

Under penalties of perjury, this certificate has been executed this _____ day of _____, 20____, by the Obligor.

CLEVELAND GEAR COMPANY, INC.
(Obligor)

By: _____
Authorized Obligor Representative

EXHIBIT E
PRIOR ISSUE CERTIFICATE

**(To be attached as an addendum to any
sale, assignment, or lease of the Project)**

The undersigned hereby executes this Prior Issue Certificate for the purposes of enabling Cleveland Gear Company, Inc., a Delaware corporation (the "Obligor"), as obligor on an issue of \$5,000,000 City of West Allis, Wisconsin Variable Rate Demand Limited Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc., Milwaukee Machine Works Division Project) (the "Bonds"), to comply with a provision of a Loan Agreement, dated as of April 1, 2010 (the "Agreement"), by and between the Obligor and the City of West Allis, Wisconsin, such provision being intended to prevent the loss of the exclusion from gross income for Federal income tax purposes of the interest on the Bonds by reason of Code Section 144. The undersigned undertakes and confirms that the Obligor is relying upon the information and representations contained herein, and that such information and representations are correct and complete. Failure to supply the correct information on this Certificate, notwithstanding anything in the Loan Agreement to the contrary, constitutes a breach of the Loan Agreement.

The undersigned hereby certifies that the face amount of all outstanding tax-exempt facility-related bonds ("IDBs") allocated to the undersigned at the time the Bonds were issued pursuant to Code § 144(a)(10) was \$_____. This is an amount which bears the same relationship to the face amount of the outstanding tax-exempt IDBs as the portion of the facilities financed by such IDBs used by the undersigned bears to all such facilities financed, or as the portion of the facilities owned by the undersigned bears to all such financed facilities.

The undersigned hereby certifies that the face amount of the Bonds allocated to the undersigned, based upon the percentage of use or the percentage of ownership or use by the undersigned in the Bond-financed facility, is \$_____.

The undersigned does hereby certify that he or she is a duly authorized officer of the proposed , as indicated under his or her signature, and that he or she has been authorized to furnish the information and representations contained herein for use by the Obligor.

(Holder, Lessee, Sublessee, or Assignee)

By: _____

Dated: _____ Its: _____