

Tax Regulatory Agreement

AMONG

CITY OF WEST ALLIS, WISCONSIN

AND

U.S. BANK NATIONAL ASSOCIATION
as Trustee

AND

CLEVELAND GEAR COMPANY, INC.

\$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 April ___, 2010

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DESCRIPTION OF THE PURPOSE OF THE SERIES 2010 BONDS.....	3
Section 1.1. Purpose of the Series 2010 Bonds.	3
Section 1.2. Construction, Renovation, Improvement and Equipping of the Project- Binding Commitment and Timing.....	3
Section 1.3. Reimbursement.....	4
Section 1.4. No Working Capital.....	5
Section 1.5. Consequences of Contrary Expenditure.	6
Section 1.6. Investment of Series 2010 Bond Proceeds.	6
Section 1.7. Hedge.....	6
Section 1.8. No Grants.	6
Section 1.9. Abusive Transactions.	6
ARTICLE II USE OF PROCEEDS; DESCRIPTIONS OF FUNDS	7
Section 2.1. Use of Proceeds; Funds Established.	7
Section 2.2. Purpose of General Account of the Bond Fund.	8
Section 2.3. Borrower Obligation.....	8
Section 2.4. No Replacement, Sinking or Pledged Funds.	8
ARTICLE III REBATE FUND; ARBITRAGE REBATE REQUIREMENTS	10
Section 3.1. Creation of Rebate Fund.....	10
Section 3.2. Compliance with Section 148(f) of the Code.	10
Section 3.3. Records.....	10
Section 3.4. Fair Market Value; Certificates of Deposit and Investment Agreements.....	12
ARTICLE IV ADDITIONAL PAYMENTS	15
ARTICLE V YIELD AND YIELD LIMITATIONS	16
Section 5.1. Issue Price.....	16
Section 5.2. Yield Limits.....	16
Section 5.3. Continuing Nature of Yield Limits.....	16
Section 5.4. Loan Repayments.....	16
Section 5.5. Federal Guarantees.....	17
Section 5.6. Treatment of Letter of Credit Fees.....	17
Section 5.7. Other Payments Relating to the Series 2010 Bonds.....	17
ARTICLE VI [RESERVED]	19
ARTICLE VII DEFINITIONS.....	20
ARTICLE VIII CONCERNING THE TRUSTEE.....	24
Section 8.1. Trustee Charges and Expenses; Other Expenses.....	24
Section 8.2. Resignation and Removal of the Trustee.....	24
Section 8.3. Acceptance.....	24
ARTICLE IX PROJECT CERTIFICATE; MISCELLANEOUS	26
Section 9.1. Project Certificate.....	26
Section 9.2. Termination; Interest of Borrower and Issuer in Rebate Fund.....	26
Section 9.3. No Common Plan of Financing.....	26
Section 9.4. No Investment-Type Property and Reasonable Expectations.....	26
Section 9.5. Future Events.....	27
Section 9.6. Permitted Changes; Opinion of Bond Counsel.....	27
Section 9.7. Volume Cap.....	27
Section 9.8. Issuer Election Pursuant to Section 144(a)(4) of the Code.....	27

Section 9.9. Severability.....	27
Section 9.10. Counterparts.	27
Section 9.11. Notices.....	27
Section 9.12. Successors and Assigns.	28
Section 9.13. Headings.	28
Section 9.14. Governing Law.	28
Section 9.15. Expectations.	28
EXHIBIT A SOURCES AND USES OF FUNDS.....	1
EXHIBIT B PROJECT FUND DRAWDOWN SCHEDULE	1
EXHIBIT C CERTIFICATE OF PLACEMENT AGENT	1
EXHIBIT D REBATE LETTER OF BOND COUNSEL.....	1
EXHIBIT E COPY OF DECLARATION OF OFFICIAL INTENT	1
EXHIBIT F REIMBURSED EXPENDITURES	1
EXHIBIT G VOLUME CAP	1

TAX REGULATORY AGREEMENT

The undersigned are respectively, the duly qualified officers of the **CITY OF WEST ALLIS, WISCONSIN**, a municipal corporation existing under the laws of the State of Wisconsin (the "Issuer"), **CLEVELAND GEAR COMPANY, INC.**, a Delaware corporation (the "Borrower") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee for the hereinafter described Series 2010 Bonds (the "Trustee"). As duly authorized officers of the Issuer, the undersigned are charged, with others, with the responsibility for executing and delivering the City of West Allis, Wisconsin Variable Rate Demand Limited Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc., Milwaukee Machine Works Division Project) in the aggregate principal amount of \$5,000,000 (the "Series 2010 Bonds") on April __, 2010. The Series 2010 Bonds were authorized pursuant to the resolution of the Issuer adopted April __, 2010 and are being issued pursuant to the Trust Indenture dated as of April __, 2010 (the "Indenture"), between the Issuer and the Trustee. The Series 2010 Bonds were placed pursuant to a Bond Placement Agreement dated April __, 2010 (the "Sale Date") among the Issuer, the Borrower, and Comerica Securities (the "Placement Agent"). Certain terms are defined herein and in Article VII hereof. Terms used herein and not defined herein or in Article VII hereof shall have the meanings given to them in the Indenture.

The purpose of executing this Tax Agreement is to set forth various facts regarding the Series 2010 Bonds and to establish the expectations of the Issuer, the Borrower and the Trustee as to future events regarding the Series 2010 Bonds and the use of Series 2010 Bond proceeds. To the extent such facts are not within the actual knowledge of the Issuer or the Trustee, the Issuer and the Trustee are relying upon the certifications of the Borrower without independent verification. The Issuer and the Trustee are not aware of any inaccuracies in such statements and have no reason to believe they are unreasonable. Accordingly, the expectations presented herein are intended, and may be relied upon, as a certification of an officer of the Issuer given in good faith as described in Section 1.148-2(b)(2) of the Regulations.

The Issuer and the Borrower each covenant that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Series 2010 Bonds) if taking, permitting or omitting to take such action would cause any of the Series 2010 Bonds to be an arbitrage bond or a private activity bond (other than a qualified small issue bond) within the meaning of the Code, or would cause the interest on the Series 2010 Bonds to be included in the gross income of the recipients thereof for federal income tax purposes, or would cause the interest on the Series 2010 Bonds to be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, or would cause the interest on the Series 2010 Bonds to be includable in determining adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations, or would otherwise cause the interest on the Series 2010 Bonds to not be excludible from gross income under Ohio laws. The Issuer and the Borrower acknowledge that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Series 2010 Bonds, under present rules, the Issuer is treated as the "taxpayer" in such examination.

The Trustee is executing and delivering this Tax Agreement for the purposes of acknowledging the matters set forth herein and agreeing to be bound to undertake the duties and responsibilities of the Trustee as set forth in Sections 3.1, 3.3, Article VIII and Section 9.2 hereof. With respect to matters set forth in the remaining Sections of this Tax Agreement, and with respect to amounts not held under the Indenture, the Trustee has made no investigations, makes no representation and undertakes no duties or responsibilities.

The certifications, covenants and agreements contained herein are made for the benefit of the owners from time to time of the Series 2010 Bonds.

ARTICLE I
DESCRIPTION OF THE PURPOSE OF THE SERIES 2010 BONDS

Section 1.1. Purpose of the Series 2010 Bonds. The Series 2010 Bonds are being issued to provide funds which will be used to finance the acquisition, construction, renovation, improvement and equipping of the Project (as defined herein) consistent with the needs of the Borrower and to pay certain costs of issuance of the Series 2010 Bonds, including costs of credit enhancement. Attached hereto as *Exhibit A* is the schedule of sources and uses of funds with respect to the Series 2010 Bonds.

The proceeds of the Series 2010 Bonds will be loaned by the Issuer to the Borrower, all pursuant to the provisions of that certain Loan Agreement (the "Loan Agreement") dated as of April 1, 2010, between the Issuer and the Borrower. As security for the payment when due of the principal of, premium, if any, and interest on the Series 2010 Bonds, the Borrower will cause an irrevocable direct-pay letter of credit (the "Letter of Credit") of KeyBank National Association (the "Bank") to be delivered to the Trustee. The amount secured by the Letter of Credit equals exactly the aggregate principal amount of Series 2010 Bonds when due at maturity or upon redemption or acceleration, plus 45 days of interest at the maximum rate of 10%. The Letter of Credit is issued pursuant to the Reimbursement Agreement, dated as of April 1, 2010 between the Bank and the Borrower.

Section 1.2. Construction, Renovation, Improvement and Equipping of the Project- Binding Commitment and Timing. The Borrower has entered, or will within six months enter, into binding contracts or commitments obligating it to spend, or under which it has spent, at least five percent of the Series 2010 Bonds on capital projects. It is expected that the work of constructing, renovating, improving and equipping the Project will continue to proceed with due diligence through _____ 1, 20____, at which time it is anticipated that all proceeds received from the sale of the Series 2010 Bonds and investments earnings thereon deposited into the Project Fund will have been spent. Based on the drawdown schedule contained in *Exhibit B*, the Borrower reasonably expects that at least 85 percent of the Series 2010 Bonds and investment earnings thereon deposited into the Project Fund will be spent within three years of the date hereof.

It is expected that the proceeds of the Series 2010 Bonds deposited into the Project Fund, including investment earnings on the Project Fund during the construction, renovation, improvement and equipping period of the Project, will be spent to pay costs of the Project in accordance with the drawdown schedule contained in *Exhibit B*.

Estimated total investment income as set forth in *Exhibit A* (representing approximately \$_____ of earnings on the Project Fund) has been calculated by the Borrower on the basis of the expected overall investment earnings on securities to be purchased with proceeds of the Series 2010 Bonds deposited into the Project Fund, assuming that the costs of the Project are drawn down in accordance with the schedule contained in *Exhibit B*. The foregoing assumptions represent the Borrower's best estimate, as of this date, of the drawdown schedule of and investment earnings on the proceeds of the Series 2010 Bonds deposited into the Project Fund.

Section 1.3. Reimbursement. Except as identified below, none of the proceeds received from the sale of the Series 2010 Bonds (including investment earnings thereon) will be used to reimburse the Borrower, the Issuer or any Related Person to the Borrower or the Issuer for an expenditure paid prior to the date of the Closing.

The Borrower will allocate a portion of the proceeds of the Series 2010 Bonds to expenditures paid by the Borrower prior to Closing (the "Reimbursed Expenditures"), in connection with the acquisition, construction, renovation, improving and equipping of the Project and will, after such allocation, treat such proceeds as being spent. In support of such allocation, the Borrower represents and covenants as follows:

(a) Certain Reimbursed Expenditures (the "Preliminary Expenditures") relate to architectural, engineering, surveying, soil testing, Series 2010 Bond issuance and similar costs that were incurred prior to commencement of the acquisition, construction, rehabilitation or improvement of the Project and do not include any costs related to land acquisition, site preparation or similar costs incident to commencement of construction.

(b) The amount of the Preliminary Expenditures does not exceed 20 percent of the proceeds of the Series 2010 Bonds (not including any investment earnings thereon) being used to finance and refinance that portion of the Project with respect to which the Preliminary Expenditures were incurred.

(c) Except as described in (j) below, in the case of Reimbursed Expenditures other than the Preliminary Expenditures, the Issuer adopted a resolution which declared an official intent to reimburse such Reimbursed Expenditures not later than 60 days after the date such Reimbursed Expenditures were originally paid. A copy of the Issuer's resolution declaring such official intent is attached hereto as *Exhibit E*.

(d) A list of the Reimbursed Expenditures, including Preliminary Expenditures, to be reimbursed directly with proceeds of the Series 2010 Bonds is attached hereto as *Exhibit F*. The Reimbursed Expenditures include only (i) Preliminary Expenditures and (ii) expenditures paid no earlier than the date that is 60 days preceding the date of adoption of the related official intent resolution.

(e) At the time the official intent described in (c) above was declared, the Borrower reasonably expected to reimburse the Reimbursed Expenditures related thereto with the proceeds of a future borrowing.

(f) Except as described in (j) below and in this paragraph (f), the Borrower and the Issuer hereby make an allocation in writing that evidences the intended use of Series 2010 Bond proceeds to reimburse each Reimbursed Expenditure (the "Reimbursement Allocation"), which Reimbursement Allocation is made within 18 months after the later of (i) the first date on which the Reimbursed Expenditure was paid or (ii) the first date on which the property relating to the Reimbursed Expenditure was placed in service or abandoned, but in no event more than three years after the Reimbursed Expenditure was paid. "Placed in service" for purposes of this subsection (f) means the date on which, based on all the facts and circumstances, (i) a facility has

reached a degree of completion that would permit its operation at substantially its design level and (ii) the facility is, in fact, in operation at such level.

(g) All Reimbursed Expenditures represent (i) costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under general federal income tax principles if the Borrower was treated as an entity subject to federal income taxation or (ii) a cost of issuing a bond.

(h) Funds corresponding to Gross Proceeds used to reimburse a Reimbursed Expenditure will not be used within one year after making any Reimbursement Allocation in a manner that results in the creation of Replacement Proceeds of the Series 2010 Bonds or any other issue. The preceding sentence does not apply to amounts deposited in a bona fide debt service fund.

(i) No Reimbursement Allocation will employ any action that is an abusive arbitrage device which (A)(i) enables the Issuer or the Borrower to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and (ii) overburdens the tax-exempt bond market to avoid arbitrage restrictions or (B) results in the Borrower issuing more Series 2010 Bonds, issuing Series 2010 Bonds earlier, or allowing Series 2010 Bonds to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Series 2010 Bonds, based upon all of the facts and circumstances.

(j) The restrictions in (c) and (f) above do not apply to (i) costs of issuing any Series 2010 Bonds, (ii) an amount not in excess of \$100,000 or (iii) Preliminary Expenditures.

Section 1.4. No Working Capital. All of the proceeds received from the sale of the Series 2010 Bonds (including investment earnings thereon) will be used, directly or indirectly, to finance Capital Expenditures of the Borrower, except that such proceeds may also be used for the following:

(i) payments of interest on the Series 2010 Bonds for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed in Service;

(ii) payments for issuance costs and qualified administrative costs (as defined in Section 1.148-5(e) of the Regulations) of the Series 2010 Bonds;

(iii) payments for reasonable charges for “qualified guarantees”, if any, relating to the Series 2010 Bonds (as defined in the Regulations);

(iv) payments of rebate or Yield Reduction Payments (as defined in Section 1.148-5(c) of the Regulations) made to the United States of America under the Regulations; and

(v) principal or interest on the Series 2010 Bonds paid from unexpected excess Sale Proceeds or investment earnings thereon of the Series 2010 Bonds.

Section 1.5. Consequences of Contrary Expenditure. The Issuer and the Borrower acknowledge that if the Gross Proceeds of the Series 2010 Bonds (including investment earnings thereon) are spent for working capital purposes other than as permitted by Section 1.4, a like amount of then available funds of the Borrower will be treated as unspent Gross Proceeds of the Series 2010 Bonds which, among other things, may be subject to the yield restrictions described in Section 5.2 hereof and rebate described in Article III hereof.

Section 1.6. Investment of Series 2010 Bond Proceeds. No portion of the Series 2010 Bonds is being issued solely for the purpose of investing Sale Proceeds or investment earnings thereon at a yield higher than the yield on the Series 2010 Bonds.

Section 1.7. Hedge. [Need to Confirm] None of the Borrower, the Issuer or any Related Person to either of them has entered into or expects to enter into any hedge (*e.g.*, interest rate swap, interest rate cap, futures contract, forward contract or option) with respect to the Series 2010 Bonds. The Issuer and the Borrower acknowledge that any such hedge could affect the calculation of Series 2010 Bond Yield under the Regulations and that the Internal Revenue Service could recalculate the Series 2010 Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

Section 1.8. No Grants. None of the proceeds received from the sale of the Series 2010 Bonds or investment earnings thereon will be used to make grants to any person.

Section 1.9. Abusive Transactions. None of the Issuer, the Borrower or any member of the same Controlled Group of any of the foregoing, has employed a device or entered into any arrangements or understandings in connection with the issuance of the Series 2010 Bonds, or in connection with any transaction or series of transactions related to the issuance of the Series 2010 Bonds, to obtain a material financial advantage based on arbitrage. None of the Issuer, the Borrower or any member of the same Controlled Group of any of the foregoing, will realize any material financial advantage based on arbitrage in connection with the issuance of the Series 2010 Bonds, or in connection with any transaction or series of transactions related to the issuance of the Series 2010 Bonds.

**ARTICLE II
USE OF PROCEEDS; DESCRIPTIONS OF FUNDS**

Section 2.1. Use of Proceeds; Funds Established. The Borrower agrees as follows:

(a) The Series 2010 Bond proceeds will be used in accordance with the Indenture as follows:

<u>Source</u>	<u>Application</u>
\$5,000,000.00 of Series 2010 Bond proceeds	\$_____ of Series 2010 Bond proceeds deposited in the Project Fund to pay certain fees and expenses incurred in connection with the issuance of the Series 2010 Bonds;
	\$_____ of Series 2010 Bond proceeds to pay the fees and costs associated with the issuance of the Letter of Credit (which includes \$_____ for counsel fees related to the Letter of Credit); and
	\$_____ of Series 2010 Bond proceeds deposited to the Project Fund will be used for costs of the Project or transferred to the Borrower as reimbursement for costs of the Project.

The total dollars expressed above as "Source" shall equal the total dollars expended as "Application".

(b) Other than the foregoing funds and accounts, the only funds and accounts created under the Indenture and this Tax Agreement germane to the Series 2010 Bonds are the Bond Fund and the Rebate Fund. No amounts, regardless of the source, shall be deposited in these funds and accounts at Closing.

(c) Principal and interest on the Series 2010 Bonds or reimbursements of draws made under the Letter of Credit for such purpose shall be paid from the Bond Fund. Moneys on deposit in the Bond Fund shall be used to redeem the Series 2010 Bonds at such times and in such manner as is described in the Indenture.

(d) Costs of issuance incurred in connection with the issuance of the Series 2010 Bonds will be paid from the Project Fund. Costs of issuance greater than 2% of the aggregate principal amount of the Series 2010 Bonds shall be paid from funds of the Borrower.

(e) Payments by the Borrower pursuant to the Loan Agreement will be deposited in the Bond Fund if and when received by the Trustee.

(f) The costs of the Project will be paid from the Project Fund and no other moneys (except as described above in (d) and for investment earnings on amounts deposited therein) are expected to be deposited therein. Moneys in the Project Fund will be used as described in Section 1.2 hereof.

(g) All income from the investment of moneys in the Project Fund and the Bond Fund shall be retained in such funds.

Section 2.2. Purpose of General Account of the Bond Fund. The General Account of the Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with debt service on the Series 2010 Bonds in each Bond Year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) in the aggregate, one-year's earnings on the investment of moneys in such funds for the immediately preceding Bond Year or (b) in the aggregate, one-twelfth (1/12th) of the principal and interest payments on the Series 2010 Bonds for the immediately preceding Bond Year.

Section 2.3. Borrower Obligation. No person or entity other than the Issuer or the Borrower will use any portion of the proceeds of the Series 2010 Bonds, and no person or entity other than the Borrower is obligated to provide for the payment of any portion of the principal and interest on the Series 2010 Bonds.

Section 2.4. No Replacement, Sinking or Pledged Funds.

(a) Except as otherwise provided in Sections 2.1 and 2.2 hereof the Issuer, the Borrower represents that neither it nor any Related Person has established or expects to establish any fund or account (regardless of where held or the source thereof) that may result in the creation of any Replacement Proceeds.

(b) Except as otherwise provided in Sections 2.1 and 2.2 hereof, no investment type property has been or is expected to be pledged or otherwise restricted (no matter where held or the source thereof) to provide reasonable assurance, in the event the Borrower, or any Related Person encounters financial difficulty, of its availability to be used, directly or indirectly, for the payment of amounts due or to become due on the Series 2010 Bonds, the Loan Agreement, the Letter of Credit or any other credit or liquidity arrangement relating to any of the foregoing. No compensating balance, liquidity account, negative pledge (any amount pledged to pay principal or interest on an issue or obligations of the Borrower under a credit enhancement device with respect to the Series 2010 Bonds to maintain an amount at a particular level for the direct or indirect benefit of the Series 2010 Bondholders or a guarantor of the Series 2010 Bonds) or similar arrangement exists with respect to, in any way, the Series 2010 Bonds, the Loan Agreement, the Letter of Credit or any other credit enhancement or liquidity device related to any of the foregoing.

(c) The Borrower represents that the term of the Series 2010 Bonds is not longer than is reasonably necessary for the governmental purposes of the Series 2010 Bonds. The Series 2010 Bonds are to be used to finance the Project, and the weighted average maturity of the Series 2010 Bonds does not exceed 120 percent of the average reasonably expected remaining

economic life of the Total Financed Property (as defined in the Project Certificate). The Borrower represents that the maturity and redemption schedule and other terms of the Series 2010 Bonds have been established to allow the Borrower to pay debt service from expected suitable revenue sources. Those terms were not set in a manner designed to allow the Borrower to accumulate amounts to be invested at a yield in excess of the yield on the Series 2010 Bonds.

ARTICLE III
REBATE FUND; ARBITRAGE REBATE REQUIREMENTS

Section 3.1. Creation of Rebate Fund. The Issuer hereby creates and establishes with the Trustee a special trust fund in the name of the Issuer to be known as the “Cleveland Gear Company, Inc., Milwaukee Machine Works Division Rebate Fund” (the “Rebate Fund”), which shall be continuously held, invested, expended and accounted for in accordance with the Indenture and this Tax Agreement; provided, however, that the Rebate Fund need not be maintained if the Issuer, the Trustee and the Borrower shall have received an opinion of Bond Counsel acceptable to the Issuer to the effect that failure to maintain the Rebate Fund shall not cause the Series 2010 Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or otherwise result in the loss of any exemption for the purpose of federal income taxation to which interest on the Series 2010 Bonds is otherwise entitled. Moneys in the Rebate Fund shall not be considered moneys held under the Indenture and shall not constitute a part of the “trust estate” held for the benefit of the Series 2010 Bondholders, or, except as provided in Section 9.2 hereof, for the benefit of the Issuer or the Borrower. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings on deposits therein) shall be held in trust by the Trustee for future payment to the United States Government as contemplated under the provisions of this Tax Agreement.

Section 3.2. Compliance with Section 148(f) of the Code. The Borrower covenants and agrees to retain a rebate analyst to make all calculations, and to make all transfers and payments that may be necessary to comply with the rebate requirements contained in Section 148(f) of the Code with respect to the Series 2010 Bonds. At the request of the Borrower, the Issuer will take whatever action is reasonably necessary in order to enable the Borrower to comply with the provisions of this Section 3.2. The Borrower agrees to pay or reimburse the Issuer for any reasonable fees or expenses, including attorney fees and expenses, incurred by the Issuer in connection with taking any such action. Bond Counsel has provided a letter attached hereto as *Exhibit D* concerning the principles set forth in the Code and certain Regulations regarding rebate.

Section 3.3. Records. The Trustee, with respect to investments and the earnings on such investments, and the Borrower agree to maintain all records relating to the Series 2010 Bonds and the use and expenditure of the proceeds of the Series 2010 Bonds, as more specifically set forth below.

(a) Types of Records Required to be Retained. The records that must be retained include, but are not limited to, the following:

(i) General. All legal and closing documents related to the Series 2010 Bonds, including indentures, trust agreements, resolutions, ordinances, public notices, tax certificates, opinions of counsel (issued at the time of closing or subsequently), amendments to the foregoing documents and any and all documents included in the transcript with respect to the Series 2010 Bonds.

(ii) Expenditure of Gross Proceeds.

(A) Project Expenditures. Documents evidencing the expenditure of proceeds from the sale of the Series 2010 Bonds and investment earnings thereon and the specific property financed with such proceeds, including any closing flow of funds memoranda;

(B) Funds and Accounts. Documents setting forth all funds and accounts relating to the Series 2010 Bonds, including debt service funds, reserve funds, sinking funds and pledged funds, and any agreements with respect thereto;

(C) Investment of Gross Proceeds – General. Documents pertaining to the investment of the Gross Proceeds of the Series 2010 Bonds, including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, projected investment income calculations expected to be received from the investment of proceeds, guaranteed investment contracts, rebate calculations, credit enhancement, swap transactions and verification reports.

(D) Nonpurpose Investments. With respect to all Nonpurpose Investments acquired in any fund or account in connection with the Series 2010 Bonds, the following information will be recorded and retained: (i) purchase date, (ii) purchase price, (iii) information establishing that the purchase price is the fair market value as of such date (e.g., the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date;

(iii) Allocations. Documents evidencing any allocations with respect to the Gross Proceeds of the Series 2010 Bonds;

(iv) Use of Financed Assets; Private Security or Payment.

(A) Use. Documents evidencing the use and ownership of the property financed with proceeds of the Series 2010 Bonds, including contracts with others for the use of such property; and

(B) Payments or Security. Documents evidencing sources of payment or security for the Series 2010 Bonds, including liquidity covenants and negative covenants, and any agreements with respect thereto.

(v) Tax Returns and Related Information. IRS Form 8038-G, 8038-T and 8038-R, as applicable, and information relating to the pricing of the Series 2010 Bonds, yield calculations, weighted average maturity calculations, other information included in the 8038 statistics report, verification reports and arbitrage rebate reports; and

(vi) Disposition Proceeds. Documents, if any, evidencing the sale or other disposition of the financed property.

(b) Required Retention Periods. The Trustee (to the extent it receives such records) and the Borrower covenant to retain the above described records until the date that is six years after the complete retirement of the Series 2010 Bonds (or, with respect to the Trustee, such longer period as may be required by its policies and procedures).

(c) Form of Records. The Trustee and the Borrower covenant that all records will be kept in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652, which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records or transfers their computerized books and records to an electronic storage media (e.g., an electronic data compression system).

(d) Failure to Retain Records. The Trustee (solely to the extent of records actually received by it or that it keeps with respect to investments) and the Borrower acknowledge that a failure to maintain material records required to be retained by this Section may result in the loss of the exclusion of interest on the Series 2010 Bonds from gross income for federal tax purposes and could cause additional arbitrage rebate to be owed.

Section 3.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The Borrower will direct the Trustee to continuously invest all amounts that constitute Gross Proceeds and all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Tax Agreement and the Indenture. In making such investments, the Borrower shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, the Borrower may direct the Trustee to invest all such amounts in an interest bearing deposit of a bank with a yield not less than that paid to the general public or hold such moneys uninvested to the minimum extent necessary.

For purposes of determining the purchase price of investments (for either yield restriction or rebate purposes), Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or Guaranteed Investment Contracts (GICs) shall be invested in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (i.e., providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Series 2010 Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Series 2010 Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Borrower or any other person (whether or not in connection with the Series 2010 Bonds) and that the bid is not being submitted solely as a courtesy to the Borrower or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC;

(c) If a GIC is purchased, the Borrower will retain the following records with its bond documents until six years after the Series 2010 Bonds are redeemed in their entirety;

- (i) a copy of the GIC;
- (ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;
- (iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and
- (iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested in investments maturing on or prior to the anticipated rebate date. All investments of Gross Proceeds and amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except as described in (a), (b) and (c) above and except for United States Treasury Obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established securities market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or yield restriction requirements not been relevant to the Issuer and the Borrower. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this Section 3.4.

The foregoing provisions of this Section 3.4 satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this Section 3.4 are contained herein for the protection of the Issuer and the Borrower, who have covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Series 2010 Bonds. The Borrower will contact the Issuer and Bond Counsel if it does not wish to comply with the provisions of this Section 3.4 and forego the protection provided by the safe harbors provided herein.

ARTICLE IV
ADDITIONAL PAYMENTS

In addition to the amounts provided in this Tax Agreement, the Borrower hereby agrees to pay to the Trustee for deposit in the Rebate Fund for payment to the United States any amount which under Section 148(f) of the Code and/or under the Regulations must be deposited in the Rebate Fund for payment to the United States with respect to the Series 2010 Bonds, but which is not available under the Indenture for transfer to the Rebate Fund for payment to the United States.

ARTICLE V
YIELD AND YIELD LIMITATIONS

Section 5.1. Issue Price. The Placement Agent has certified in *Exhibit C* that, among other things (a) at the time the Placement Agent agreed to place the Series 2010 Bonds on the Sale Date, based upon its assessment of the then prevailing market conditions, the Placement Agent reasonably expected that all Series 2010 Bonds would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Placement Agent or wholesalers) on the Sale Date at par and (b) the par amount of each Series 2010 Bond is not less than the fair market value of such Series 2010 Bond as of the Sale Date.

Section 5.2. Yield Limits.

(a) All Gross Proceeds of the Series 2010 Bonds and all amounts in the Rebate Fund (to the extent it contains Gross Proceeds of the Series 2010 Bonds), to the extent not exempted in (b) below, shall be invested at market prices and at a yield (after taking into account any Yield Reduction Payments to the extent permitted by and made pursuant to Section 1.148-5(c) of the Regulations) not in excess of the yield on the Series 2010 Bonds.

(b) The following may be invested without yield restriction:

(i) amounts invested in Tax Exempt Obligations (to the extent permitted by the Indenture);

(ii) amounts in the Rebate Fund;

(iii) amounts deposited in the Bond Fund that have not been on deposit under the Indenture for more than 13 months so long as such fund continues to qualify as a bona fide debt service fund as described in Section 2.2 of this Tax Agreement;

(iv) amounts in the Project Fund prior to the earlier of three years from Closing or the completion (or abandonment) of the Project;

(v) all amounts for the first 30 days after they become Gross Proceeds;

(vi) all amounts derived from the investment of sale proceeds of the Series 2010 Bonds and investment earnings thereon for a period of one year from the date received; and

(vii) an amount not to exceed, in the aggregate, \$100,000 for Gross Proceeds of the Series 2010 Bonds (the "Minor Portion").

Section 5.3. Continuing Nature of Yield Limits. Subject to Section 9.6, once moneys are subject to the yield limits of Section 5.2 hereof, they remain yield restricted until they cease to be Gross Proceeds.

Section 5.4. Loan Repayments. Loan Repayments (as defined in the Loan Agreement) exactly equal debt service payments on the Series 2010 Bonds. The earnings and

profits of any temporary investment of amounts held under the Indenture will accrue to the Borrower and not to the Issuer. It is not expected that the Borrower will make any deposits sooner than necessary under the Indenture; provided that the Borrower may make deposits in the Bond Fund to affect the redemption of the Series 2010 Bonds.

Section 5.5. Federal Guarantees. Except for investments meeting the requirements of Sections 5.2(b) hereof, the Borrower will not permit any investments of Gross Proceeds to be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury, obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association, any guarantee by the Bonneville Power Authority pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984, or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as permitted by the Housing and Economic Recovery Act of 2008, no portion of the payment of principal or interest on the Series 2010 Bonds, the Letter of Credit or any other credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof). No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

Section 5.6. Treatment of Letter of Credit Fees. Based upon representations made in the Certificate of the Placement Agent attached hereto as *Exhibit C*, and based upon representations made in the Certificate of the Bank in the closing certificates contained in the transcript of which this Tax Agreement is a part, which the Issuer and the Borrower have no reason to believe are untrue, and the representations contained in this Tax Agreement, the fees paid and to be paid to the Bank with respect to the Letter of Credit (including fees paid to counsel to the Bank) may be treated as interest in computing Series 2010 Bond Yield.

Neither the Issuer, the Borrower nor any member of the same Controlled Group as either of the foregoing is a Related Person, as defined in Section 144(a)(3) of the Code, to the Bank. The total amount of fees paid and to be paid to the Bank does not exceed ten percent of the proceeds received from the sale of the Series 2010 Bonds. Other than the fees paid and to be paid to the Bank, neither the Bank or any person who is a Related Person to the Bank within the meaning of Section 144(a)(3) of the Code will use any proceeds received from the sale of the Series 2010 Bonds or investment earnings thereon.

Section 5.7. Other Payments Relating to the Series 2010 Bonds. The Issuer is charging an issuance fee of \$ _____ with respect to the Series 2010 Bonds, calculated in accordance with its issuance fee policy. Except for (a) the receipt of Loan Repayments and as described above, (b) the payment of costs of issuance relating to the Series 2010 Bonds, including the Placement Agent's fee, (c) fees for the Letter of Credit, (d) the payment of normal and customary fees and expenses of the Trustee and the Remarketing Agent, (e) the payment of

fees of the Issuer as described above, and (f) actual expenses and attorneys fees pursuant to Section 4.2 of the Agreement, no consideration, in cash or in kind, is being or will be paid by any person to any person in connection with or relating to issuing, carrying or redeeming the Series 2010 Bonds or amounts owing under any credit enhancement or liquidity arrangement relating to the Series 2010 Bonds.

**ARTICLE VI
[RESERVED]**

ARTICLE VII DEFINITIONS

“Bank” means KeyBank National Association.

“Bond Counsel” means Benesch, Friedlander, Coplan & Aronoff LLP, and any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Bond Year” means each successive one-year period ending on any date within one year of the issuance of the Series 2010 Bonds chosen by the Borrower.

“Capital Expenditures” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Borrower was treated as an entity subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“Closing or Closing Date” means April ____, 2010, which is the first date on which the Issuer is receiving the purchase price for the Series 2010 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commingled Fund” means any fund or account containing both Gross Proceeds and amounts in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“Controlled Group” means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the “controlling entity”) directly controls another entity (the “controlled entity”), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non- ministerial:

(i) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or

(ii) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

“Costs of Issuance” means the costs of issuing the Series 2010 Bonds, including Placement Agent’s fee and legal fees.

“External Commingled Fund” means a Commingled Fund in which the Borrower and all members of the same Controlled Group as the Borrower own, in the aggregate, not more than ten percent of the beneficial interests.

“GIC or Guaranteed Investment Contract” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

“Gross Proceeds” means the amounts contained in the funds listed in *Appendix A* to *Exhibit D* hereto and further means, with respect to the Series 2010 Bonds (a) amounts actually or constructively received from the sale of the Series 2010 Bonds, including amounts used to pay Placement Agent’s fee or discount or compensation and accrued interest other than accrued interest for a period not greater than one year before Closing and paid within one year after the Closing, including amounts derived from the sale of any right that is part of the terms of a Series 2010 Bond or is otherwise associated with a Series 2010 Bond (e.g., a redemption right), (b) all amounts in the funds and accounts created with respect to the Series 2010 Bonds (other than the Rebate Fund), (c) any other Replacement Proceeds, and (d) amounts actually or constructively received from the investment and reinvestment of amounts described in (a) and (b) above.

“Issuer” is defined in the preamble to this Tax Agreement.

“Letter of Credit” means the letter of credit issued by the Bank in connection with the Series 2010 Bonds.

“Placed in Service” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“Placement Agent” means Comerica Securities, as named in the Bond Placement Agreement relating to the Series 2010 Bonds.

“Project” means the acquisition and renovation of an approximately 74,000 square-foot manufacturing facility located at 404 South 116th Street, in the City of West Allis, Wisconsin and financing the acquisition and installation of equipment at the facility.

“Project Certificate” means the Certificate Regarding the Total Financed Property and the Expenditure of Funds, dated the date hereof and executed in connection with the issuance of the Series 2010 Bonds.

“Qualified Administrative Costs of Investments” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions (other than a broker’s commission paid on behalf of either the issuer or the provider of a GIC or investments in a yield restricted defeasance escrow to the extent the aggregate broker’s commission or similar fees paid with respect to all such investments relating to any issue of bonds exceeds \$100,000 and with respect to a particular investment or escrow, such commission or similar fee exceeds the lesser of \$35,000 and .2% of the computational base, or if more, \$4,000 (for this purpose, computational base shall mean in the case of GIC, the amount of gross proceeds the issuer reasonably expects as of the date the GIC is acquired to be deposited in the GIC over its term and in the case of a yield restricted defeasance escrow, the amount of gross proceeds initially invested in such investments)), but not legal and accounting

fees, record keeping, custody and similar costs; (b) all administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund; or (c) in the case of purpose investments, costs or expenses paid directly to purchase, carry, sell or retire the investment and costs of issuing, carrying, or repaying the Series 2010 Bonds, and any placement agent fee or Placement Agent's discount.

"Rebate Fund" means the Rebate Fund created hereby, which is not pledged to the payment of the Series 2010 Bonds.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Related Person" means any member of the same Controlled Group as the Issuer or the Borrower.

"Replacement Proceeds" means, (a) amounts in debt service funds, redemption funds, reserve funds, replacement funds or any similar funds, to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Series 2010 Bonds or the obligations under any credit enhancement or liquidity device with respect to the Series 2010 Bonds, (b) any amounts for which there is provided, directly or indirectly, a reasonable assurance, in substance, that the amounts will be available to pay principal of or interest on the Series 2010 Bonds or the obligations under any credit enhancement or liquidity device with respect to the Series 2010 Bonds or the Loan Agreement, even if the Issuer or the Borrower encounters financial difficulties, including any liquidity device or negative pledge to the extent described in Section 1.148-1(c)(3)(ii) of the Regulations and (c) any other amounts treated as replacement proceeds under Section 1.148-1(c) of the Regulations.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Series 2010 Bonds, including (a) amounts used to pay Placement Agent's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Series 2010 Bond or is otherwise associated with a Series 2010 Bond (e.g., a redemption right).

"Tax Agreement" means this Tax Regulatory Agreement.

"Tax-Exempt Obligations" means (a) obligations described in Section 103(a) of the Code, the interest on which is excludable from the gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code, (b) interests in regulated investment companies to the extent that at least 95 percent of the income to the holder of the interest is interest that is excludable from the gross income of any owner thereof under Section 103 of the Code for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344.

“Yield” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Series 2010 Bonds, the issue price as established in Section 5.1), including accrued interest.

“Yield Reduction Payment” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

**ARTICLE VIII
CONCERNING THE TRUSTEE**

Section 8.1. Trustee Charges and Expenses; Other Expenses. The Borrower hereby agrees to pay to the Trustee all reasonable fees, costs and expenses of such Trustee charged or incurred in connection with its services hereunder and any payments due the Trustee under Section 8.3 hereof, including legal fees and expenses of agents such as accountants employed in connection with any calculations required to be made pursuant to this Tax Agreement. The Borrower shall pay all reasonable fees, charges and expenses, including attorney fees and expenses, of the Issuer incurred in connection with this Tax Agreement.

Section 8.2. Resignation and Removal of the Trustee. The Trustee at the time acting hereunder may at any time resign from the trusts created by this Tax Agreement, and may be removed from acting as Trustee hereunder, in the same manner as the Trustee may resign or be removed pursuant to the Indenture.

The Trustee shall on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to its successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder and under the Indenture; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder and under the Indenture to its successors. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Any corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided such corporation or association is eligible under the Indenture to be Trustee, shall be and become the successor Trustee hereunder and under the Indenture and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.3. Acceptance. The Trustee shall accept the trusts imposed upon it by this Tax Agreement and agree to perform said trusts, but only upon and subject to the express terms, conditions, rights, protections and indemnities stated in Article VI of the Indenture.

The Trustee shall not be under any liability for interest on any moneys received hereunder except as provided in this Tax Agreement with respect to the continuous investment of funds.

When any consent or other action by the Trustee is called for pursuant to this Tax Agreement, it may defer such action pending such investigation or inquiry or receipt of such supporting evidence as it may require. The Trustee shall be entitled to reimbursement for

expenses reasonably incurred and advances reasonably made, with interest, in the performance of its obligations hereunder. Notwithstanding anything to the contrary herein, absent negligence or willful misconduct, the Trustee shall not be liable to the Issuer, the Borrower or any Bondholders for any action taken or not taken hereunder.

The Trustee will take such further action as the Borrower may request in a written direction to the Trustee, subject to its right to be indemnified to its satisfaction, which written direction indicates that such action is required to comply with the rebate requirements contained in Section 148(f) of the Code.

**ARTICLE IX
PROJECT CERTIFICATE; MISCELLANEOUS**

Section 9.1. Project Certificate. The Borrower covenants that it will take all actions that may be necessary to cause all representations and covenants in the Project Certificate with respect to future events to be true.

Section 9.2. Termination; Interest of Borrower and Issuer in Rebate Fund. This Tax Agreement shall terminate if (a) the Trustee shall have filed with the Issuer and the Borrower a written notice of termination of this Tax Agreement, which notice shall contain a certification that the Series 2010 Bonds have been fully paid and retired at least 75 days prior to the effective date of termination, (b) all amounts due to the Trustee under Section 8.1 hereof shall have been paid to the Trustee, (c) the final rebate calculation shall have been made, and any required rebate payment has been made and (d) all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States. Notwithstanding the foregoing, the provisions of Sections 3.3 and 3.4 hereof shall not terminate until the sixth anniversary of the date the Series 2010 Bonds are fully paid and retired. Termination of this Tax Agreement shall not affect the provisions of Section 8.3 hereof with respect to the duties and liabilities of the Trustee.

The parties hereto recognize that amounts, if any, on deposit in the Rebate Fund are held for payment to the United States Treasury. The foregoing notwithstanding, the Borrower and the Issuer shall be deemed to have an interest in such amounts to the extent such amounts represent amounts available to satisfy the obligation of the Borrower to rebate certain amounts to the United States Treasury with respect to the Series 2010 Bonds.

Section 9.3. No Common Plan of Financing. Since _____, 2010, neither the Issuer, the Borrower nor any Related Person to either of them has sold or delivered any other obligations that are reasonably expected to be paid out of substantially the same source of funds as the Series 2010 Bonds or will be paid directly or indirectly from the proceeds of the Series 2010 Bonds.

Section 9.4. No Investment-Type Property and Reasonable Expectations. No portion of the Total Financed Property (as defined in the Project Certificate) is expected to be held principally as a passive vehicle for the production of income. In addition, no proceeds of the Series 2010 Bonds (including investment earnings thereon) will be used to make, directly or indirectly, a prepayment for property and services for the principal purpose of receiving an investment return from the time the prepayment is made until the time payment otherwise would be made. The Borrower reasonably expects, for the entire term of the Series 2010 Bonds, (i) that the Series 2010 Bonds will not meet the “private business tests” or the “private loan financing test” (all within the meaning of Section 1.141-1 and 2 of the Regulations) and (ii) that the Series 2010 Bonds will satisfy the ownership test of Section 145(a)(1) of the Code, all as modified or referenced in Section 1.145-2(b) of the Regulations.

Section 9.5. Future Events. The Issuer and the Borrower acknowledge that any changes in facts or expectations from those set forth herein may result in different yield restrictions or rebate requirements from those set forth herein and in the letter of Bond Counsel attached hereto as *Exhibit D* and agree that Bond Counsel will be contacted if such changes do occur.

Section 9.6. Permitted Changes; Opinion of Bond Counsel. The yield restrictions contained in Section 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer, the Trustee and the Borrower receive an opinion of Bond Counsel to the effect that such noncompliance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Series 2010 Bonds is otherwise entitled.

Section 9.7. Volume Cap. An allocation of the Private Activity Bond Limit is required for the Series 2010 Bonds under Section 146 of the Code. The Issuer represents that \$5,000,000 of the Private Activity Bond Limit of the State of Wisconsin for 2010 has been allocated to the Series 2010 Bonds. *Exhibit G*, attached hereto, provides the certification by a State official designated by state law or the Governor of the State of Wisconsin that the Series 2010 Bonds satisfy Section 146 of the Code. To the best of the Issuer's and Borrower's knowledge, such allocations have not been withdrawn, amended, revoked or suspended and remained in use full force and effect.

Section 9.8 Issuer Election Pursuant to Section 144(a)(4) of the Code. The Issuer hereby elects to have the provisions as to the \$10,000,000 limit in Section 144(a)(4) of the Code apply to the Series 2010 Bonds.

Section 9.9. Severability. If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

Section 9.10. Counterparts. This Tax 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 9.11. Notices. All notices, demands, communications and requests which may or are required to be given hereunder or by any party hereto shall be deemed given on the date on which the same shall have been mailed by registered or certified mail, postage prepaid, addressed as follows; provided, however, that any notice given to the Trustee shall not be deemed to be given until it is actually received by it:

- (a) If to the Issuer, at:
City of West Allis, Wisconsin
7525 West Greenfield Avenue
West Allis, WI 53214
Attn: _____

- (b) If to the Borrower, at:
Cleveland Gear Company, Inc.
8223 Brecksville Road, Suite 100

Brecksville, OH 44141
Attn: John E. Cvetic, Treasurer

(c) If to the Trustee, at: U.S. Bank National Association
425 Walnut Street
CN-OH-06-CT
Cincinnati, OH 45202
Attn: _____

(d) If to the Bank, at: KeyBank National Association
127 Public Square
Cleveland, OH 44114
Attn: _____

The Issuer, the Trustee, the Bank and the Borrower may, by notice given to the others, designate any different addresses to which subsequent notices, demands, requests or communications shall be sent.

Section 9.12. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer, the Borrower and the Trustee.

Section 9.13. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 9.14. Governing Law. This Tax Agreement will be governed by and construed in accordance with the laws of the State of Ohio.

Section 9.15. Expectations. The undersigned representatives of the Issuer and the Borrower (including the undersigned officer of the Issuer responsible for issuing the Series 2010 Bonds) have reviewed the facts, estimates and circumstances presented by the Borrower and other persons in existence on the date of issuance of the Series 2010 Bonds. The Issuer is independently making only those representations and agreements as are specifically attributed to it. The balance of the representations are those of the Borrower and the Issuer is relying on the Borrower with respect to them. Subject to the Issuer's reliance on certain representations as described herein, such facts, estimates and circumstances, together with the expectations of the Issuer and the Borrower as to future events, are set forth in summary form in this Tax Agreement. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein and in the Project Certificate, the undersigned Issuer and Borrower have adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the proceeds from the sale of the Series 2010 Bonds or any other moneys or property will be used in a manner that will cause the Series 2010 Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and Regulations. The Borrower and the Issuer each represent that its expectations are reasonable and there are no other facts, estimates and circumstances known to it that would materially change such expectations. To the extent the Issuer is relying on the representations,

expectations and covenants of the Borrower, the Issuer believes in good faith that it is reasonable and prudent for the Issuer to do so.

IN WITNESS WHEREOF, the Issuer, the Borrower and the Trustee have each caused this Tax Agreement to be executed in its own name and on its own behalf by its duly authorized officer, all as of the date set forth above.

CITY OF WEST ALLIS, WISCONSIN

By: _____
Title:

Attest:

By: _____
Title:

CLEVELAND GEAR COMPANY, INC.

By: _____
Title: Treasurer

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: _____
Title:

EXHIBIT A
SOURCES AND USES OF FUNDS

SOURCES:

Series 2010 Bonds	\$ 5,000,000.00
Investment Earnings ¹	

TOTAL	\$
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USES:

Costs of Issuance (excluding Placement Agent Fee)	\$
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Placement Agent Fee

Letter of Credit Fees and Expenses
(including counsel fees)

Project Costs/Reimbursement for Project Costs

TOTAL	\$
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¹ Computed by using ___% as the investment rate for the Project Fund.

**EXHIBIT B
PROJECT FUND
DRAWDOWN SCHEDULE**

DATE ON WHICH PROCEEDS ARE
EXPECTED TO BE EXPENDED

AMOUNT EXPECTED TO BE
EXPENDED FOR THE PROJECT

TOTAL

* Represents the sum of the Project Fund deposit to be used for new construction costs and the estimated investment earnings.

EXHIBIT C
CERTIFICATE OF PLACEMENT AGENT

The undersigned, as an officer of Comerica Securities (the "Placement Agent"), hereby certifies as follows:

1. The Placement Agent, Cleveland Gear Company, Inc. (the "Borrower") and the City of West Allis, Wisconsin (the "Issuer") executed on April __, 2010 (the "Sale Date") a Bond Placement Agreement (the "Bond Purchase Contract") in connection with the Issuer's \$5,000,000 Variable Rate Demand Limited Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc., Milwaukee Machine Works Division Project) (the "Bonds"). The Bond Purchase Contract has not been modified since its execution on the Sale Date.

2. The Placement Agent hereby confirms that all the Bonds have been sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriter, placement agents or wholesalers) at par there being no accrued interest.

3. The Placement Agent hereby confirms that all of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriter, placement agents or wholesalers) at prices equal to par. Based upon the Placement Agent's assessment of then prevailing market conditions, the par amount of each Bond is not less than the fair market value of each Bond as of the Sale Date.

4. The Placement Agent hereby confirms that the weighted average maturity of the Bonds is not more than _____ years, without taking into account the principal amortization set forth in the Reimbursement Agreement dated as of April 1, 2010 between the Bank and the Borrower.

5. The Placement Agent has not and will not receive any compensation from the proceeds of the sale of the Bonds, including investment earnings thereon, in excess of its fee of \$_____.

6. The initial interest rate for the Bonds for the initial interest rate period for the Bonds was set on or after the Sale Date in the manner described in the Indenture and the Placement Agent represents that such initial interest rate is the lowest rate necessary to enable the Bonds to be sold at par on the date hereof. The initial interest rate for the Bonds is _____% per annum.

7. The absence of the Letter of Credit would have materially affected in an adverse manner the interest rates at which the Bonds could be sold and remarketed.

8. The present value of the fees paid and to be paid for the Letter of Credit (including fees paid to counsel to the Bank) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of using the Letter of Credit to secure the Bonds. In determining the present value for making such

certification, the expected yield to maturity on the Bonds (determined by treating the level fees paid and to be paid for the Letter of Credit (including fees paid to counsel to the Bank) as interest on the Bonds) was used as the discount rate. The level fees paid and to be paid for the Letter of Credit (including fees paid to counsel to the Bank) do not exceed a reasonable, arms-length charge for the transfer of credit risk, and do not include any payment for any direct or indirect services other than the transfer of credit risk.

All terms not defined herein shall have the same meanings as in the Tax Regulatory Agreement to which this Certificate is attached.

Dated: April __, 2010

COMERICA SECURITIES

By: _____

EXHIBIT D
REBATE LETTER OF BOND COUNSEL

April __, 2010

City of West Allis, Wisconsin
West Allis, Wisconsin

Cleveland Gear Company, Inc.
Cleveland, Ohio

U.S. Bank National Association
Chicago, Illinois

Re: \$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)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on this date of the above-referenced Bonds (the "Bonds"). In a Tax Regulatory Agreement delivered by each of you this date (the "Tax Agreement"), the City of West Allis, Wisconsin (the "Issuer") and Cleveland Gear Company, Inc. (the "Borrower") have agreed to comply with the arbitrage rebate requirements of Section 148 of the Internal Revenue Code of 1986, and U.S. Bank National Association, as trustee (the "Trustee") has agreed to comply with certain of such requirements. The purpose of this letter is to set out generally the rules that you must follow to comply with the Tax Agreement. This letter does not describe how to actually compute the amount to be rebated to the United States, and due to the complexity involved, the computation will, in all likelihood, require consultation with an expert.

The Internal Revenue Service has issued final and temporary regulations relating to arbitrage and rebate matters. This letter is based upon these regulations, which are subject to change in the future. Such changes may require future recalculation of rebate amounts. For these reasons, it is very important for you and your tax advisors to keep abreast of developments in this area.

The following advice is based on factual information contained in the Tax Agreement. If the facts or expectations stated therein change, please call us to determine whether this results in a change in the following rules. Please note that the rules governing permissible yield on investments set forth in the Tax Agreement are in addition to the rebate rules and although you might be allowed to earn a yield in excess of Bond Yield under the yield restrictions rules, such excess may still be required to be rebated. In some cases, the payment of rebate may assist in compliance with the yield restriction requirements. Thus, rebate compliance and yield restriction may operate together rather than independently. In any case, rebate compliance is essential to the maintenance of the tax exemption of interest on the Bonds even if no amounts are subject to

yield restriction. Terms not defined herein shall have the meanings set forth in the Tax Agreement. Yield is defined in Article VII of the Tax Agreement.

General Rule. Except in the case of certain exceptions as summarized below, every five years and at the final retirement of all of the Bonds you must compute and pay (as described below) to the United States the difference (the “Excess Earnings”) between the amount earned on all investments and reinvestments of “Gross Proceeds” (as defined in the Tax Agreement) of the Bonds (“Actual Earnings”) and the amount that would have been earned if Gross Proceeds had been invested at Bond Yield (the “Allowable Earnings”). Earnings to be taken into account are not determined under normal tax accounting principles. In addition to taking into account earnings received (either actually or constructively), receipts with respect to investments that have not been liquidated are computed by assuming that such investments are, in essence, converted to cash as of each computation date (as such dates are described below). The “cash value” of investments determined in this manner is subject to many special rules. Under many circumstances, the “market value” of an investment may be used. The application of these rules is complex and requires a comprehensive understanding of the rebate regulations.

To properly plan for the eventual payment of rebate to the United States, we suggest that you make annual calculations estimating rebate liability. The Tax Agreement establishes a “rebate fund” into which you may also wish to deposit annual estimates of rebate liability so that the payment to the United States may be made from amounts set aside. Federal tax law does not however, require such set asides. In any event, we strongly encourage you to make an annual estimate of the rebate liability. The calculations can be lengthy and often produce surprising results. Experience in operating our rebate calculation service indicates that the calculation is far more difficult as the period of time for which the calculation is being performed increases.

Phantom Income. With certain exceptions, amounts paid for administrative costs are not treated as increasing earnings for purposes of rebate calculations. Administrative costs that do not increase earnings are reasonable, direct administrative costs, other than carrying costs, and generally include brokerage commissions or similar fees for the purchase of investment agreements (but only to the extent that the commission does not exceed the amounts listed under the definition of Qualified Administrative Costs of Investment in the Tax Agreement) and separately stated brokerage or selling commissions but not legal and accounting fees, record keeping, custody and similar costs and expenses.

Computation Dates. Each calculation of Excess Earnings should be made as of a “Computation Date.” The Computation Date should be the same date in each calendar year (except that the final Computation Date should be the date on which all of the Bonds are actually retired). As indicated above, a Computation Date is required at least every five years. The Final Computation Date must be on or before the fifth anniversary of the issuance of the Bonds. Each Computation Date, other than the Final Computation Date, is the end of a bond year. A bond year ends on any date you choose within one year of the issuance of the Bonds. If you do not choose an ending date for a bond year, it will be the date immediately prior to the anniversary date of the issuance of the Bonds.

Excess Earnings on a fixed Yield issue are determined by comparing Actual Earnings as of a Computation Date with Allowable Earnings as of the same date. Allowable Earnings are

based on the Bond Yield as of such Computation Date. Bond Yield may change, but for reasons described below under “Bond Yield” such Bond Yield on a fixed Yield issue is unlikely to change over the life of the Bonds. If Bond Yield decreased as of a particular Computation Date, rebate (or additional rebate) may be due with respect to investments that have previously matured and the proceeds thereof spent.

On a variable yield issue such as the Bonds, Excess Earnings are computed for the period of time between Computation Dates (or from the date of issue of the Bonds in the case of the first Computation Date) by calculating Allowable Earnings based on Bond Yield for the period of time and comparing it with Actual Earnings for the same period. Once calculated for each such period, rebate for that period cannot change- *i.e.*, a snapshot for that period is taken and it never changes. Prior to the first date on which a rebate payment is required, you may choose to treat the end of any bond year as a Computation Date for purposes of the snapshot approach. After such date, you must consistently treat either the end of each bond year or the end of each fifth bond year as Computation Dates, and you may not change these Computation Dates after the first required rebate payment date.

Bond Yield. For fixed rate issues, generally, Bond Yield is calculated based upon expected payments of principal of and interest on the Bonds (including amounts treated as interest). Bond Yield on a fixed rate issue is generally not required to be recalculated after the date of issuance except under certain limited circumstances. Generally, recomputation is required upon changes in hedging transactions (e.g., purchase or termination of a swap) or the transfer of rights associated with the Bonds (e.g., sale of call option). The actual rules for computing Bond Yield are quite complex, and if Bond Yield must be calculated or recalculated, an expert should be consulted.

For variable Yield issues such as the Bonds, as discussed above, Bond Yield is computed as of each Computation Date for the period from the prior Computation Date (or from the date of issue of the Bonds in the case of the first Computation Date) to the current Computation Date, and it is based upon (i) the actual payments of principal and interest on the Bonds (including amounts treated as interest) and (ii) the assumed receipt on such date of an amount equal to the value of the outstanding Bonds. You may select the Computation Dates, using all information available, so as to minimize rebate liability. Such selection may be made at any time up to the first required payment date (generally 5 years after the date of issue). Periods as short as one year or as long as five years may be selected. Following the selection, all subsequent periods must be one year or five year periods. The choice of Computation Dates may affect the time when rebate computations and payments must be made. As with the calculation of yield on a fixed rate issue, the actual rules for computing Bond Yield are quite complex and an expert should be consulted. If you, at any time, enter into any “qualified hedges,” as defined by the Regulations (which include, for example, certain types of interest rate swaps or interest rate caps), with respect to the Bonds, payments made or received under the qualified hedge must be taken into account in calculating Bond Yield.

Generally, upon conversion of a variable Yield issue such as the Bonds to a fixed Yield issue, the Yield on the issue after the conversion date will be calculated under the fixed Yield rules discussed above. Certain special rules and elections apply upon such a conversion and an expert should be consulted.

Gross Proceeds. Gross Proceeds for the Bonds is defined in Article VII of the Tax Agreement. Based upon the facts and expectations presented in the Tax Agreement, the Gross Proceeds for the Bonds are all moneys and investments in the funds and accounts (regardless of where held) listed on *Appendix A*. If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Bonds, such amounts may also constitute Gross Proceeds. Please call us if this occurs.

Universal Cap. Gross Proceeds will cease to be allocated to the Bonds (and will therefore be treated as if spent) if the amount of Gross Proceeds exceeds the outstanding amount of the Bonds (the “Universal Cap”). Although special rules are applicable in the case of discount bonds, the outstanding amount of bonds is roughly equal to the outstanding principal amount. Generally, but not always, the market value of investments is used to test the amount of Gross Proceeds. The Universal Cap may cause allocations on the second anniversary of the issue date and as of the first day of each bond year thereafter.

Commingled Funds. Funds allocated to two or more issues, or containing amounts that are not Gross Proceeds of the Bonds and amounts that are Gross Proceeds of the Bonds (including, for example, parity reserve funds) in which amounts are invested collectively without regard to source of funds must be treated as commingled funds. Investment earnings on commingled funds must be allocated to the Gross Proceeds of the Bonds according to a consistently applied reasonable ratable allocation method. Such method, for example, may be based on average daily balances. Investments in commingled funds must generally be valued annually to properly allocate unrealized gain or loss to the Gross Proceeds of the Bonds. This marked to market requirement does not apply to commingled debt service and debt service reserve funds and will generally not apply if the weighted average maturity of all investments held in the commingled fund during a particular fiscal year does not exceed eighteen months.

Bona Fide Debt Service Fund Exception to the General Rule. Based upon the information in the Tax Agreement delivered in connection with the Bonds, the Bond Fund is a bona fide debt service fund. If the aggregate earnings in the Bond Fund in a bond year (as described above under “Computation Dates”) is less than \$100,000, such fund will not be subject to the rebate requirement and you may keep such earnings for that year. If during such period earnings on the Bond Fund is \$100,000 or greater, all such earnings will be subject to rebate. However, if the average annual debt service on the Bonds is no more than \$2,500,000, you may treat the Bond Fund as satisfying the \$100,000 limitation in each year. To the extent that the Bond Fund ceases to be a “bona fide debt service fund” as described in Section 2.2 of the Tax Agreement, some Bond Fund moneys may be subject to the rebate requirement (if this occurs, please call us for advice).

Six-Month Exception to the General Rule. If all Gross Proceeds (including earnings thereon) of the Bonds are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required, except as described below in the case of an issue secured by a reasonably required reserve fund. If all Gross Proceeds of the Bonds (including earnings thereon) required to be spent are so spent within this six-month period, except for an amount not to exceed 5 percent of Bond proceeds, and you spend such amount (plus earnings thereon) within one year

from the Closing, no rebate is required, except as described below in the case of any issue secured by a reasonably required reserve fund. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on the other funds. To qualify for the six-month exception, there must not be collateral having a yield (as contrasted with a mortgage of real property) pledged to, or otherwise available for, the payment of the Bonds, other than a reasonably required reserve or replacement fund or a bond fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. If this occurs, please call us for advice.

Eighteen-Month Exception to the General Rule. If all Gross Proceeds of the Bonds other than those in a reasonably required reserve or replacement fund, or a bona fide debt service fund, are expended at least as quickly as 15 percent within 6 months from the issue date of the Bonds, 60 percent within 12 months, and 100 percent within 18 months, then rebate will be required only with respect to a reasonably required reserve or replacement fund, if any, as described below. To test these percentages for the six-month and 12-month periods, earnings reasonably expected at closing are used to calculate the total to which the percentages are applied. Actual earnings are used for the eighteen-month period test. If you exercise due diligence to complete the financed project and an amount not exceeding the lesser of 3 percent of the issue price of the Bonds or \$250,000 remains unspent as of the end of the eighteenth month, you will be treated as satisfying the final expenditure requirement. In addition, a reasonable retainage of up to five percent of the net sale proceeds of the Bonds need not be spent until 30 months after the issue date of the Bonds. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on the other funds. To qualify for the eighteen-month exception, there must not be collateral having a yield (as contrasted with a mortgage of real property) pledged to, or otherwise available for, the payment of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. If this occurs, please call us for advice.

Two-Year Construction Expenditure Exception to the General Rule. Rebate can also be avoided if 75 percent of the “available construction proceeds” of the Bonds are expected to be used for construction expenditures (with respect to property that is owned by a governmental unit or a 501(c)(3) organization) and the proceeds of which are spent in accordance with the spend-down requirements set forth below. In general, amounts deposited in a bona fide service fund (other than original proceeds of the Bonds and investment earnings thereon) are not subject to rebate if the exception described above applies, but amounts in a reasonably required reserve fund are subject to rebate as of the earlier of substantial completion of construction or the date two years from the date of issuance of the Bonds. Generally, the spend-down requirements are as follows:

<u>Period</u>	<u>Spend-Down Requirement</u>
6 months	10%
12 months	45%
18 months	75%
24 months	100%
	(except for reasonable retainage up to 5%)
36 months	All reasonable retainages must be spent

In addition, if you exercise due diligence to complete the Project, an amount not exceeding the lesser of three percent of the issue price of the issue or \$250,000 may be disregarded in testing compliance with the 24 month spend-down requirement, if the reasonable retainage is not used, or the 36 month spend-down requirement, if the reasonable retainage is used.

Gross Proceeds of the Bonds used to pay costs of issuance are not available construction proceeds and expenditures for costs of issuance do not count towards meeting the spending requirements. If however, the requirements, are met, and all costs of issuance are paid within 2 years, no rebate is required on amounts used to pay such costs.

Available construction proceeds include earnings on other available construction proceeds. For the first three periods reasonable expectations regarding investment earnings are used in calculating such expenditure requirements.

Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. Please call us for advice if this occurs.

Multipurpose Issues. Because the proceeds of the Bonds are used for both new money and refunding purposes, each component must be analyzed separately for purposes of the six-month, eighteen-month and the two-year exceptions. The portion of the Bonds being used for refunding purposes is not eligible for the eighteen-month or two-year exceptions. The portion of the Bonds being used for new money purposes is collectively eligible for the eighteen-month exception and may be eligible for the two-year exception depending on the Borrower's reasonable expectations as of Closing as to whether at least 75% of the New Money Portion of the Series 2010 Bonds will be used for construction expenditures.

Tax Exempt Obligation Exception to the General Rule. To the extent that any gross proceeds are invested in Tax Exempt Obligations (as defined in Article VII of the Tax Agreement), the earnings thereon would not be considered when calculating Excess Earnings. To the extent that 100 percent of gross proceeds are continually invested in Tax Exempt Obligations, there would be no rebate requirement. Please call us for advice if you plan to use this exception.

Investment of Rebate Fund and Other Funds. Investments of moneys in the Rebate Fund and any other fund must be made in arm's length transactions in a manner that does not reduce

the amount to be rebated to the United States. Investment decisions (other than the decision to invest in Tax Exempt Obligations to avoid rebate) must be made on the basis of normal investment criteria of safety, yield and when the money will be needed. All interest rates and yields must be market rates and yields. Money must not be allowed to remain uninvested except for small amounts or for short periods of time, as provided in Section 3.4 of the Tax Agreement. Specific rules exist for certificates of deposit and investment agreements (including repurchase agreements) as set forth in Section 3.4 of the Tax Agreement.

Rebate Payments. Within 60 days after the Computation Date that is the end of the fifth bond year and every fifth bond year thereafter, at least 90 percent of the Excess Earnings and all earnings on the Excess Earnings (net of an appropriate credit, which depends on whether unexpended Gross Proceeds continue to exist) must be paid to the United States. Within 60 days of final payment of principal and interest on the Combined Bonds to the Bondholders, all Excess Earnings and all earnings on the Excess Earnings (net of the credit), must be paid to the United States. Mailing instructions are contained in *Appendix B*.

Respectfully submitted,

APPENDIX A

Gross Proceeds*

- 1) Project Fund

* If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal or of interest on the Bonds, any amounts are derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right) or the Borrower or Related Person enters into any agreement to maintain certain levels of types of assets for the benefit of a holder of a bond or any credit enhancement with respect to the Bonds such amounts may also constitute gross proceeds of the Bonds. Further, if any portion of the Total Financed Property (as defined in the Project Certificate) is sold or otherwise disposed of, contrary to the expectations described in the Tax Agreement, any amounts received from such sale or other disposition may also constitute gross proceeds of the Bonds. Please call us if any of these events occur.

APPENDIX B

MAILING INSTRUCTIONS

All payments to the United States will be by check mailed to:

Internal Revenue Service Center
Ogden, Utah 84201

or to such other address as may be provided by the Internal Revenue Service of the United States for such payments. Payment shall be accompanied by a Form 8038-T. Form 8038-T must be signed by the issuer of the obligations with respect to which rebate is being paid.

EXHIBIT E
COPY OF DECLARATION OF OFFICIAL INTENT

See attachment.

EXHIBIT F
REIMBURSED EXPENDITURES

EXHIBIT G
VOLUME CAP