

COMMON COUNCIL OF THE
CITY OF WAUKESHA, WISCONSIN

RESOLUTION NO. 2015 - _____

**FINAL RESOLUTION REGARDING
INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING
FOR PRODUCTION SERVICE COMPANY, INC. PROJECT**

BE IT RESOLVED by the Common Council of the City of Waukesha, Wisconsin (the “Issuer”), as follows:

Section 1 Recitals.

1.01 Under Wisconsin Statutes, Section 66.1103, as amended (the “Act”), the Issuer is authorized and empowered to issue revenue bonds to finance eligible costs of qualified “projects” (as defined in the Act), and to enter into “revenue agreements” (as defined in the Act) with “eligible participants” (as defined in the Act).

1.02 Pursuant to an Initial Resolution duly adopted on August 5, 2014, the Issuer expressed its intention to issue an industrial development revenue bond of the Issuer in an amount not to exceed \$10,000,000 (the “Bond”) to finance a project on behalf of Pilot Court Partnership, LLP, a Wisconsin limited liability partnership, and/or a related entity, and/or a limited liability entity to be formed, consisting of financing the (i) acquisition of land, (ii) construction of an approximately 96,000 square foot manufacturing facility to be located at 827 Silvernail Road in the City of Waukesha, Wisconsin (the "Facility") to be operated by Production Service Company, Inc., a Wisconsin corporation, doing business as Oberlin Filter Company, to manufacture industrial filtration equipment, (iii) acquisition and installation of equipment at the Facility and (iv) payment of certain professional costs and costs of issuance (collectively, the “Project”). Notice of adoption of the initial resolution adopted on August 5, 2014 was published as provided in the Act, and no petition requesting a referendum upon the question of issuance of the revenue bond has been filed.

1.03 Pursuant to Wisconsin Statutes, Section 66.1103, as amended, the Issuer may finance a project which is located entirely within the geographic limits of the Issuer.

1.04 Drafts of the following documents have been submitted to this Common Council and are ordered filed in the office of the City Clerk:

(a) a Bond Agreement (the “Bond Agreement”), proposed to be entered into among the Issuer, Pilot Court Partnership, LLP, a Wisconsin limited liability partnership (the “Borrower”) and TCF National Bank, as purchaser (the “Purchaser”);

(b) a Promissory Note from the Borrower to the Issuer, and assigned by the Issuer to the Purchaser; and

- (c) a No Arbitrage Certificate.

Section 2 Findings and Determinations.

It is hereby found and determined that:

- (a) based on representations of the Borrower, the Project constitutes a “project” authorized by the Act;
- (b) a public hearing has been duly held on March 3, 2015 in accordance with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, at which residents of the City of Waukesha, Wisconsin were given an opportunity to be heard in regard to the proposed issuance of the Bond and the nature and location of the proposed Project;
- (c) the purpose of the Issuer's financing costs of the Project is and the effect thereof will be to promote the public purposes set forth in the Act;
- (d) it is desirable that a revenue bond in the aggregate principal amount not to exceed \$7,080,000 be issued by the Issuer upon the terms set forth in the Bond Agreement, under the provisions of which the Issuer's interest in the Bond Agreement (except for certain rights as provided therein) and the loan repayments will be assigned to the Purchaser as security for the payment of principal of and interest on and premium, if any, on the Bond outstanding under the Bond Agreement;
- (e) the loan payments provided for in the Bond Agreement, and the formulas set out for revising those payments under the Bond Agreement as required under the Act, are sufficient to produce income and revenue to provide for prompt payment of principal of and interest on and premium, if any, on the Bond issued under the Bond Agreement when due; the amount necessary in each year to pay the principal of and interest on the Bond is the sum of the principal of, and interest on, the Bond due in such year, whether on a stated payment date, a redemption date, or otherwise; the Bond Agreement provides that the Borrower shall provide for the maintenance of the Project in good repair, keeping it properly insured; and
- (f) under the provisions of the Act, the Bond shall be a limited obligation of the Issuer and the Bond does not constitute an indebtedness of the Issuer, within the meaning of any state constitutional or statutory provision, and does not constitute nor give rise to a charge against the Issuer's general credit or taxing powers or a pecuniary liability of the Issuer.

Section 3 Approvals and Authorizations; Authentication of Transcript.

3.01 This resolution shall constitute the approval of the Bond within the meaning of Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Bond is hereby approved. There is hereby approved the issuance by the Issuer of its industrial development revenue bond (specifically, the Bond) in an aggregate principal amount not to exceed \$7,080,000 for the purpose of financing the Project.

The Issuer shall proceed to issue its Industrial Development Revenue Bond, Series 2015 (Production Service Company, Inc. Project), in the aggregate principal amount not to exceed

\$7,080,000, in the form and upon the terms set forth in the Bond Agreement, which terms, including without limitation, interest rates, redemption provisions and maturity, are for this purpose incorporated in this resolution and made a part hereof. The terms are hereby approved without further action by the Issuer, and the Mayor and City Clerk are authorized and directed to execute and deliver the documents listed in Section 1.04 herein which are hereby approved, together with such subsequent changes as may be requested and approved by bond counsel and the Issuer's attorney, and such other documents, agreements, instruments or certificates as are deemed necessary or desirable by the Issuer's attorney and bond counsel, including an Internal Revenue Service Form 8038.

The Mayor and the City Clerk are authorized and directed to execute and seal the Bond as prescribed in the Bond Agreement and to deliver them to the Purchaser (together with a certified copy of this resolution and any other documents required by the Bond Agreement) for authentication and delivery to the Purchaser.

3.02 The publication in the official newspaper of the Issuer of the notice for the public hearing referred to in Section 2(b) of this resolution, and such notice of public hearing as so published, are hereby ratified.

3.03 The Issuer hereby elects to have the provisions of Section 144(a)(4)(A) of the Internal Revenue Code of 1986, as amended, apply to the Bond.

3.04 The Mayor and the City Clerk and other officers of the Issuer are authorized to prepare and furnish to the Purchaser and bond counsel certified copies of all proceedings and records of the Issuer relating to the Bond, and such other affidavits and certificates as may be required by the Purchaser and bond counsel to show the facts relating to the legality and marketability of the Bond as such facts appear from the books and records in the officers' custody and control or as otherwise known to them.

3.05 The approval hereby given to the various documents referred to in this resolution includes the approval of such additional details therein as may be necessary and appropriate for their completion and such modifications thereto, deletions therefrom and additions thereto as may be approved by the Issuer's attorney and bond counsel. The execution of any document by the appropriate officer or officers of the Issuer herein authorized shall be conclusive evidence of the approval by the Issuer of such document in accordance with the terms hereof.

3.06 Notice of sale of the Bond, in the form attached hereto as Exhibit A, shall be published in the official newspaper of the Issuer as a class 1 notice under Chapter 985 of the Wisconsin Statutes.

3.07 The Bond shall be a limited obligation of the Issuer payable by it solely from revenues and income derived by or for the account of the Issuer from or for the account of the Borrower pursuant to the terms of the Bond Agreement. As security for the payment of the principal of, premium, if any, and interest on the Bond, the Issuer shall pledge and assign to the Purchaser all of its right, title and interest in and to the trust estate described in the Bond Agreement.

3.08 All out-of-pocket costs of the Issuer, including attorneys' fees, in connection with the issuance and sale of the Bond shall be paid from the proceeds of the Bond or by the Borrower.

Passed and adopted at a regular meeting of the Common Council of the City of Waukesha this 3rd day of March, 2015.

APPROVED:

Shawn N. Reilly, Mayor

ATTEST:

Gina Kozlik, City Clerk

CERTIFICATION BY CITY CLERK

I, Gina Kozlik, being first duly sworn, hereby certify that I am the duly qualified and acting City Clerk of the City of Waukesha, Wisconsin (the "Issuer"), and as such I have in my possession, or have access to, the complete corporate records of the Issuer and of its Common Council; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of all the records in relation to the adoption of Resolution No. ____ entitled:

FINAL RESOLUTION REGARDING
INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING
FOR PRODUCTION SERVICE COMPANY, INC. PROJECT

I hereby further certify as follows:

1. The Final Resolution was considered for adoption by the Common Council of the Issuer at a meeting held at City Hall, 201 Delafield Street, Waukesha, Wisconsin at ____ p.m. on March 3, 2015 at a regular meeting of the Common Council and was held in open session.

2. The Final Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitation, by posting on the bulletin board in the City Hall, by notice to those news media who have filed a written request for notice of meetings, and by notice to the official newspaper of the City.

3. Said meeting was called to order by The Honorable Shawn N. Reilly, Mayor, who chaired the meeting. Upon roll, I noted and recorded that the following alderpersons were present:

_____	_____
_____	_____
_____	_____
_____	_____

and that the following alderpersons were absent:

_____	_____
_____	_____

I noted and recorded that a quorum was present. Various matters and business were taken up during the course of the meeting. One of the matters taken up was said Final Resolution, which was introduced, and its adoption was moved by _____ and seconded by _____. Following discussion and after all alderpersons who desired to do so had expressed their views for or against said Final Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

NAY:

ABSTAINED:

Whereupon the meeting chair declared the Final Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Issuer hereto on this 3rd day of March, 2015.

CITY OF WAUKESHA, WISCONSIN

[SEAL]

By: _____
Gina Kozlik, City Clerk

EXHIBIT A

NOTICE TO THE ELECTORS

On March 3, 2015, a resolution was offered, read, approved and adopted whereby the City of Waukesha, Wisconsin authorized the issuance and sale of its Industrial Development Revenue Bond, Series 2015 (Production Service Company, Inc. Project) in an amount not to exceed \$7,080,000 (the "Bond"). The closing of this bond sale was held on _____, 2015. A copy of all proceedings had to date with respect to the authorization and sale of said Bond is on file and may be examined in the office of the City Clerk, 201 Delafield Street, Waukesha, Wisconsin.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this notice.

Gina Kozlik, City Clerk
City of Waukesha, Wisconsin