



Pierce County Wisconsin

Office of Administration

414 W. Main St. PO Box 128
Ellsworth, WI 54011
(715)273-6851
www.co.pierce.wi.us

Administrative Coordinator
Jason Matthys

April 15, 2025

Danny Akenson
101 E. Vine Street #4
Chippewa Falls, WI 54729
danny@gro-ww.org

**Re: Public Records Request(s) –Received March 25, 2025 / March 26, 2025
Final Response**

Dear Mr. Akenson:

Please consider this a final response to your March 25, 2025 records request, a copy of which is attached. On March 26, 2025, you clarified the March 25th request to limit the search for records between January 1, 2024 and February 2025. You have requested as follows:

1. Any and all communications, including but not limited to emails, letters, memoranda, text messages, and notes of phone conversations between representatives of the Public Finance Authority, Pierce County, the Town of Salem, and representatives of Ridge Breeze Dairy and/or Breeze Dairy Group regarding tax-exempt revenue bond financing for the dairy farm operations at W2686 390th Ave, Maiden Rock, WI 54750.
2. All application materials submitted by Ridge Breeze Dairy and/or Breeze Dairy Group to Pierce County related to the proposed tax-exempt revenue bond financing of up to \$18 million for the construction of a manure treatment facility and expansion of dairy operations.
3. Any environmental impact assessments, financial projections, or feasibility studies submitted as part of the bond application process.
4. Records of any internal evaluations, reviews, or determinations made by Pierce County regarding the Ridge Breeze Dairy bond application.

5. All documentation related to the terms, conditions, and structure of the proposed bond issuance, including but not limited to draft or final bond indentures, loan agreements, and credit enhancement documents.

I'm treating your request as a public records request under Wis. Stat. Ch. 19.

1. **Any and all communications, including but not limited to emails, letters, memoranda, text messages, and notes of phone conversations between representatives of the Public Finance Authority, Pierce County, the Town of Salem, and representatives of Ridge Breeze Dairy and/or Breeze Dairy Group regarding tax-exempt revenue bond financing for the dairy farm operations at W2686 390th Ave, Maiden Rock, WI 54750.**

Your request is *granted* in part and *denied* in part.

I have located 187-pages of responsive records. I am providing you with 178-pages of responsive records. The responsive records are largely electronic mail messages. The email correspondence primarily consists of communication with Lynda Templen (bond counsel), Pierce County staff and/or elected officials, and Town of Salem staff and/or elected officials. It should be noted that the responsive records are printed as an email chain. However, not all attachments were reprinted as duplicates. If you want duplicate copies of the attachments, I can print and charge for the duplicates. Kindly advise.

Please be advised that 9-pages (of the 187-page total) are being withheld from access, and your request for access is denied to these 9-pages. The reason for the denial is that the requested records include communications with the Pierce County Corporation Counsel Office. The basis for the denial is attorney-client privileged communications. Below you will find the authority to withhold said records.

Neither the Pierce County Finance and Personnel Committee nor the Pierce County Board has executed a waiver permitting disclosure of confidential communications. It is important to note that the client holds the privilege of attorney-client communication. Client is defined to include a person, a public officer, a corporation or other organization or entity (either private or public) that receives professional legal services from an attorney. See Wis. Stat. § 905.03(1)(a).

First, the Pierce County Corporation Counsel is required, by statute, to give advice to the Pierce County elected officials and employee(s) relating to all civil matters. See Wis. Stat. § 59.42. Many of the communications between the Pierce County Administration Department, County Board Members and Corporation Counsel, for instance, are not intended to be disclosed to third parties other than those to whom disclosure aids in the providing of professional legal services to the client. See Wis. Stat. § 905.03(1)(d).

In United States v. Zingsheim, 384 F.3d 867, 871 (7th Cir. 2004), the Federal Appellate Courts provide that attorney-client privileges cover conversations between prosecutors and client agencies that operate within the government. When legal advice is given to or for the benefit of a governmental body, the governmental body enjoys the benefit of the privilege. See id. Because the client holds the privilege, the client can rely upon the attorney-client privilege

to deny a public records request in the same way that the attorney can cite the privilege as a basis to deny the public records request.

Second, the Wisconsin Attorney General Compliance Guide for public records law recognizes that attorney-client privilege is an exception to the public records law. See Kaul, Wisconsin Public Records Law Compliance Guide, p. 30 (May 2024). The Wisconsin Department of Justice cites Wisconsin Newspress, Inc., v. Sch. Dist. of Sheboygan Falls, 199 Wis. 2d 768, 782-83, 546 N.W.2d 143 (1996) as support for its opinion that attorney-client privilege operates as an exception. Therefore, some of the records you seek are confidential.

Third, there is an unpublished decision, GPS, Inc. v. Town of St. Germain, 2003 WI App. 162, 266 Wis. 2d 694, 667 N.W.2d 378, protected an attorney's cover letter, legal memorandum and proposed findings of fact/order as an attorney-client confidential communication. Public records law did not authorize the disclosure of these records as they were excepted. Although the GPS, Inc. case isn't binding authority, it is helpful when considering what types of attorney-client communication are protected from public records request and whether the County should deny a public records request.

Fourth Wis. Stat. § 905.03 prohibits an attorney from revealing, without the client's consent, communication defined under Wisconsin Supreme Court rule as confidential. Wis. SCR § 20:1.6 prohibits attorneys from revealing information related to the representation of a client without the consent of a client (with limited exceptions). The Wisconsin Court of Appeals has further recognized a work-product rule as an exception to the Wisconsin Public Records Law. Both Seifert v. Sch. Dist. of Sheboygan Falls, 2007 WI App 207, 305 Wis. 2d 582, 740 N.W.2d 177 and Wis. Stat. Sec. 804.01(2)(c)1. recognize the attorney work-product as a confidential disclosure of information/records. Although I recognize that you did not make this request directly from Pierce County Corporation Counsel, it is helpful when considering what types of attorney-client communication are protected from public records request and whether the County should deny a public records request.

2. **All application materials submitted by Ridge Breeze Dairy and/or Breeze Dairy Group to Pierce County related to the proposed tax-exempt revenue bond financing of up to \$18 million for the construction of a manure treatment facility and expansion of dairy operations.**

Your request is denied. No application materials were submitted to Pierce County relating to the tax-exempt revenue bond financing, except the records already provided in response to the first request for records.

In Wisconsin, "the public records law does not require an authority to provide requested information if no record exists, or to simply answer questions about a topic of interest to the requester." Journal Times v. Police & Fire Comm'r's Bd., 2015 WI 56, ¶ 55, 362 Wis. 2d 577, 608-09, 866 N.W.2d 563, 577. Moreover, a request for information is not a valid request under the public records law. See e.g., Kriegel v. Stammen, 2011 WL 240452 (Wis. Ct. App. Jan. 27, 2011) (an unpublished decision). No other application records exist.

3. **Any environmental impact assessments, financial projections, or feasibility studies submitted as part of the bond application process.**

Your request is denied. No environmental impact, financial projections or studies were submitted to Pierce County relating to the bond process. In Wisconsin, "the public records law does not require an authority to provide requested information if no record exists, or to simply answer questions about a topic of interest to the requester." Journal Times, 2015 WI 56 at ¶ 55, 362 Wis. 2d at 608-09, 866 N.W.2d at 577.

4. Records of any internal evaluations, reviews, or determinations made by Pierce County regarding the Ridge Breeze Dairy bond application.

Your request is denied. No other internal records regarding the bond application exist, except the records already provided in response to the first request for records. In Wisconsin, "the public records law does not require an authority to provide requested information if no record exists, or to simply answer questions about a topic of interest to the requester." Id. at ¶ 55, 362 Wis. 2d at 608-09, 866 N.W.2d at 577.

5. All documentation related to the terms, conditions, and structure of the proposed bond issuance, including but not limited to draft or final bond indentures, loan agreements, and credit enhancement documents.

Your request is denied. No other bond-related records exist (such as indentures or agreements), except the records already provided in response to the first request for records. In Wisconsin, "the public records law does not require an authority to provide requested information if no record exists, or to simply answer questions about a topic of interest to the requester." Id. at ¶ 55, 362 Wis. 2d at 608-09, 866 N.W.2d at 577.

FEES FOR RECORDS

Under Wisconsin law, an authority is permitted to charge actual, direct costs to respond to a public records request. See Wis. Stat. § 19.35(3)(a). I am not waiving any costs and/or fees relevant to this public records request. See Wis. Stat. § 19.35(3)(e).

In accord with Wis. Stat. § 19.35(3), please be advised I will charge \$0.20 / page for black and white copies or a computer run/print job. The total cost for your records request is **\$35.60**. Because the total cost for records exceeds \$5.00, I will demand pre-payment for estimated costs to respond to this request. See Wis. Stat. § 19.35(3)(a). When making a payment for records you will need to make the check payable to "*Pierce County Treasurer*". In the memo portion of your check, please provide "*Danny Akenson Records Request*". Please send the check to my attention for processing and handling. Thank you.

STATUTORY NOTICE

PLEASE TAKE NOTICE this determination is subject to review by mandamus under §19.37(1) Wis. Stats. or upon application to the attorney general or a district attorney.

PIERCE COUNTY,

Jason Matthys
Administrative Coordinator
Enc. Public Records Request



Cc. Corporation Counsel

3-25-25

Records Custodian

Dear Records Custodian:

This letter constitutes a formal request under Wisconsin's Open Records Law (Wis. Stat. §§ 19.31-39) for access to and copies of the following public records:

1. Any and all communications, including but not limited to emails, letters, memoranda, text messages, and notes of phone conversations between representatives of the Public Finance Authority, Pierce County, the Town of Salem, and representatives of Ridge Breeze Dairy and/or Breeze Dairy Group regarding tax-exempt revenue bond financing for the dairy farm operations at W2686 390th Ave, Maiden Rock, WI 54750.
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3. Any environmental impact assessments, financial projections, or feasibility studies submitted as part of the bond application process.
4. Records of any internal evaluations, reviews, or determinations made by Pierce County regarding the Ridge Breeze Dairy bond application.
5. All documentation related to the terms, conditions, and structure of the proposed bond issuance, including but not limited to draft or final bond indentures, loan agreements, and credit enhancement documents.

Please be aware that the Open Records Law defines "record" to include information maintained on paper as well as electronically, such as data files and unprinted emails (Wis. Stat. § 19.32(2)).

I understand that you may charge for the "actual, necessary and direct cost" of locating records and making copies. If the cost will exceed \$50, please contact me 4-8-25

Please note that the Open Records Law "shall be construed in every instance with the presumption of complete public access consistent with the conduct of governmental business. The denial of public access generally is contrary to the public interest and only in exceptional cases can access be denied." If you deny my request, the law requires you to do so in writing and state what part of the law you believe entitles you to deny my request (Wis. Stat. § 19.35(4)(a)).

If you are not the records custodian for this information, please forward this request to the appropriate person. Also, please let me know if I can clarify or refine this request.

Thank you for your time and consideration of this request.

Sincerely,

Danny Akenson
101 E Vine St #4
Chippewa Falls, WI 54729
715-418-0827
danny@gro-ww.org



Jason Matthys <jmatthys@co.pierce.wi.us>

Fwd: Breeze Dairy financing

1 message

Wed, Jul 17, 2024 at 4:26
PM

Jon Aubart <jon.aubart@co.pierce.wi.us>

To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;
2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.
4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an “inducement resolution” or “qualified reimbursement resolution” from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law.

If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

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If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully files, the Borrower would withdraw the request.

Alternative Conduit Issuers

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As indicated above, the PFA could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer.** This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

huschblackwell.com

[vBio|vCard](#)

Financial Services & Capital Markets

Banking & Finance

Husch Blackwell is a different kind of law firm—structured around our clients' industries and built on a culture of selfless service. Our 1000+ lawyers collaborate across the U.S. from more than 20 offices and our virtual office, The Link, to provide uncommon solutions to our clients' most complex challenges.



Jason Matthys <jmatthys@co.pierce.wi.us>

Fwd: Breeze Dairy financing

1 message

Mon, Jul 29, 2024 at 3:30 PM

Jason Matthys <jmatthys@co.pierce.wi.us>

To: Lynda.Templen@huschblackwell.com

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence

<brad.lawrence@co.pierce.wi.us>

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: **Jon Aubart** <jon.aubart@co.pierce.wi.us>

Date: Wed, Jul 17, 2024 at 4:27 PM

Subject: Fwd: Breeze Dairy financing

To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;
2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.
4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law.

If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of

equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

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If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit

the proposition for the electors' approval. In reality, should such a petition be successfully filed, the Borrower would withdraw the request.

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Lynda Templen

Senior Counsel

HUSCH BLACKWELL

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vBio|vCard

Financial Services & Capital Markets

Banking & Finance

Husch Blackwell is a different kind of law firm—structured around our clients' industries and built on a culture of selfless service. Our 1000+ lawyers collaborate across the U.S. from more than 20 offices and our virtual office, The Link, to provide uncommon solutions to our clients' most complex challenges.



Jason Matthys <jmatthys@co.pierce.wi.us>

Re: Breeze Dairy financing

1 message

Jason Matthys <jmatthys@co.pierce.wi.us>

Wed, Jul 31, 2024 at 3:32 PM

To: "Templen, Lynda" <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence

<brad.lawrence@co.pierce.wi.us>, Jason Grubbs <Jason@fralan.com>, Rod Webb <rodney.webb@co.pierce.wi.us>

Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda <Lynda.Templen@huschblackwell.com> wrote:

Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

Monday, August 5 between 11:00 and 1:00

Tuesday, August 6 between 1:00 and 3:00

Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Monday, July 29, 2024 3:30 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

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Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
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To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>
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constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

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By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully filed, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer.** This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

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Financial Services & Capital Markets

Banking & Finance

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Jason Matthys <jmatthys@co.pierce.wi.us>

RE: Breeze Dairy financing

1 message

Templen, Lynda <Lynda.Templen@huschblackwell.com>

Thu, Aug 1, 2024 at
9:27 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence

<brad.lawrence@co.pierce.wi.us>, Jason Grubbs <Jason@fralan.com>, Rod Webb
<rodney.webb@co.pierce.wi.us>

That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His number is **205. 807-6912** I look forward to talking with you on Friday.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Wednesday, July 31, 2024 3:33 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence

<brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda <Lynda.Templen@huschblackwell.com> wrote:

Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

Monday, August 5 between 11:00 and 1:00

Tuesday, August 6 between 1:00 and 3:00

Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Monday, July 29, 2024 3:30 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>
Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;

2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.

3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not

able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully files, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer.** This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

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Jason Matthys <jmatthys@co.pierce.wi.us>

RE: Breeze Dairy financing

1 message

Mon, Aug 5, 2024
at 1:39 PM

Templen, Lynda <Lynda.Templen@huschblackwell.com>

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence
<brad.lawrence@co.pierce.wi.us>, Jason Grubbs <Jason@fralan.com>, Rod Webb
<rodney.webb@co.pierce.wi.us>, "Albrecht, Kate"
<Kate.Albrecht@huschblackwell.com>, "Brittingham, Sam"
<Sam.Brittingham@huschblackwell.com>

Good afternoon,

It was a pleasure talking with you Friday afternoon. I have tried to hit the high points with respect to the desire of Breeze Dairy to utilize tax-exempt bond financing for a portion of the Dairy's proposed expansion and clarify what we are asking of the County and the Town.

The Proposed Project

Breeze Dairy is requesting that either the Town of Salem, or Pierce County, or the Public Finance Authority consider an Initial Resolution to benefit the Dairy through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 -\$12 million. The total project costs are about \$30 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality in a "conduit" Bond structure. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

-

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort –assertion that

hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

As discussed on Friday, attached are samples of consents to use PFA as conduit issuer – either by Certificate of County Board Chair or County Executive and by Town Chair and Form of Board Resolution of the County providing the consent and form of Board Resolution providing Consent and the 147(f) approval (this 147 (f) approval could also be done by simple Certificate of Town Chair). Please note that these are drafts and the amounts and project descriptions will be revised prior to sending to each municipality.

No Liability to Conduit Issuer

Regardless of whether the Town, the County or the PFA issue the conduit tax-exempt Bonds, these Bonds are municipal bonds; however, they are not general obligations of the Town or County. If the Town, the County or the PFA agrees to issue bonds to benefit the proposed Project:

1. Neither the Town, the County nor the PFA will be liable for payment of the principal and interest on the bonds;
2. Neither the Town, the County nor the PFA will have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the Town or the County's borrowing capacity. Neither the Town nor the County will levy a tax for payment of the bonds.

4. The ultimate conduit issuer (and the Town and the County to the extent of cost incurred to provide consents/hold TEFRA) will be reimbursed for all fees and costs incurred because of the Bonds.

The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 1, 2024 9:29 AM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>
Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Thanks, Lynda. We'll do what we can to conference Jason into the call.

On Thu, Aug 1, 2024 at 9:27 AM Templen, Lynda <Lynda.Templen@huschblackwell.com> wrote:

That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His number is **205. 807-6912** I look forward to talking with you on Friday.

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To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
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Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

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Ms. Templen,

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Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>
Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

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3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

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By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment.

Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

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Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer. This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

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5 attachments



08-05-2024-684565.pdf

1135K



4881-8695-0869.1 Town of Salem Consent.docx

37K



4859-5794-0437.1 Town of Salem Resolution.docx

39K



4854-2401-8645.1 Pierce County Consent.docx

33K



4854-2401-8645.1 Pierce County Consent.docx

33K

66.0304 Conduit revenue bonds.

66.0304(1)(1) DEFINITIONS. In this section:

- (a) "Agreement" means a contract entered into under this section by the political subdivisions which form a commission. The contract may be amended according to the terms of the contract, and the amended contract remains an agreement.
- (b) "Bond" means any bond, note or other obligation issued or entered into or acquired under this section, including any refunding bond or certificate of participation or lease-purchase, installment sale, or other financing agreement.
- (c) "Commission" means an entity created by two or more political subdivisions, who contract with each other under s. 66.0301 (2) or 66.0303 (2), for the purpose of issuing bonds under this section.
- (d) "Member" means a party to an agreement.
- (e) "Participant" means any public or private entity or unincorporated association, including a federally recognized Indian tribe or band, that contracts with a commission for the purpose of financing or refinancing a project that is owned, sponsored, or controlled by the public or private entity or unincorporated association.
- (f) "Political subdivision" means any city, village, town, or county in this state or any city, village, town, county, district, authority, agency, commission, or other similar governmental entity in another state or office, department, authority, or agency of any such other state or territory of the United States.
- (g) "Project" means any capital improvement, purchase of receivables, property, assets, commodities, bonds or other revenue streams or related assets, working capital program, or liability or other insurance program, located within or outside of this state.
- (ge) "Public official" means an individual who holds, or has held, a local public office, as that term is defined in s. 19.42 (7w), for a political subdivision in this state.
- (h) "Revenue" means all moneys and fees received from any source by a commission.

(2) ATTORNEY GENERAL REVIEW.

- (a) Before an agreement may take effect, the proposed agreement shall be submitted to the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state. Subject to sub. (3)(d), the attorney general shall approve any agreement submitted under this subsection unless the attorney general finds that it does not meet the conditions set forth in this section and details in writing addressed to the concerned political subdivisions' governing bodies the specific respects in which the proposed agreement fails to meet the requirements of law. Failure to disapprove an agreement submitted under this subsection within 90 days of its submission constitutes approval. The attorney general, upon submission of an agreement, shall transmit a copy of the agreement to the governor, who may consult with any state department or agency. The governor shall forward to the attorney general any comments the governor may have concerning the agreement.
- (b) No approval is required under this subsection for an amendment to an agreement to take effect, unless the amendment is to add a member or unless otherwise required by the terms of the agreement. A commission may not be dissolved under sub. (4m) without the approval of the attorney general, who shall certify to the commission and the participants that the dissolution resolution provides for the payment of any outstanding bonds or other obligations of the commission.

(3) CREATION AND ORGANIZATION.

- (a) Two or more political subdivisions may create a commission for the purpose of issuing bonds by entering into an agreement to do so under s. 66.0301 (2) or 66.0303 (2), except that upon its creation all of the initial members of a commission shall be political subdivisions that are located in this state. A commission that is created as provided in this section is a unit of government, and a body corporate and politic, that is separate and distinct from, and independent of, the state and the political subdivisions which are parties to the agreement.
- (b) A commission shall be governed by a board, the members of which shall be appointed under the terms of the agreement. A majority of the board members shall be public officials or current or former employees of a political subdivision that is located in this state. Board members may be reimbursed for their actual

and necessary expenses incurred in performing their duties to the extent provided in the agreement or the bylaws of the commission.

- (c) An additional political subdivision may become a member of a commission, and a member may withdraw from a commission, as provided in the agreement. For an agreement to be valid, at least one commission member shall be a political subdivision that is located in this state and a commission shall consist of at least 2 political subdivisions. A commission may not take any action under this paragraph that would invalidate an agreement.
- (d) No commission may be created under this section unless its agreement is submitted to the attorney general, under sub. (2), before October 1, 2010. Only one commission may be formed under this section. If more than one agreement is submitted to the attorney general before October 1, 2010, the attorney general must give preference to the agreement that submits with its documents a demonstration of support for its agreement from at least one statewide organization located in this state which represents the interests of political subdivisions and has political subdivisions among its membership.
- (4) **POWERS OF A COMMISSION.** A commission has all of the powers necessary or convenient to carry out the purposes and provisions of this section. In addition to all other powers granted by this section, a commission may do any of the following:
 - (a) Adopt bylaws for the regulation of its affairs and the conduct of its business.
 - (b) Sue and be sued in its own name, plead and be impleaded.
 - (c) Acquire, buy, sell, lease as lessor or lessee, encumber, mortgage, hypothecate, pledge, assign, or transfer any property or interest in property that is located within or outside of this state.
 - (d) Enter into contracts related to the issuance of bonds.
 - (e) Issue bonds or refunding bonds, subject to sub. (5), to finance or refinance a project, including funding a reserve fund or capitalized interest, payment of costs of issuance and other costs related to the financing or refinancing, or credit enhancement, and enter into agreements related to the issuance of bonds, including liquidity and credit facilities, remarketing agreements, insurance policies, guaranty agreements, letter of credit or reimbursement agreements, indexing agreements, interest rate swap agreements, currency exchange agreements, commodity swap agreements, and other hedge agreements and any other like agreements, in each case with such payment, interest rate, currency security, remedy, and other terms and conditions as the commission determines.
 - (f) Employ or appoint agents, employees, finance professionals, and special advisers as the commission finds necessary and fix their compensation.
 - (g) Accept gifts, loans, or other aid.
 - (h) Establish and collect fees, plus administrative expenses, from participants who benefit from the commission's services, or services provided by an outside entity, and distribute the fees and expenses as provided in the agreement.
 - (i) Make loans to, lease property from or to, or enter into any other kind of an agreement with a participant or other entity, in connection with financing or refinancing a project.
 - (j) Mortgage, pledge, or otherwise encumber the commission's property or its interest in projects.
 - (k) Assign or pledge any portion of its interests in projects, mortgages, deeds of trust, indentures of mortgage or trust, leases, purchase or sale agreements or other financing agreements, or similar instruments, bonds, notes, and security interests in property, of a participant, or contracts entered into or acquired in connection with bonds.
 - (L) Issue, obtain, or aid in obtaining, from any person, any insurance or guarantee to, or for, the payment or repayment of interest or principal, or both, on any loan, lease, bond, or other obligation evidencing or securing such a loan, lease, bond, or obligation that is entered into under this section.
 - (m) Apply on its own behalf or on behalf of a participant to any unit of government for an allocation of volume cap, tax credit, subsidy, grant, loan, credit enhancement, or any other federal, state, or local program in connection with the financing or refinancing of a project.
 - (n) Invest any bond proceeds or any money held for payment or security of the bonds, or any contract entered into under this section, in any securities or obligations permitted by the resolution, trust agreement, indenture, or other agreement providing for issuance of the bonds or the contract.

- (o) At the request of a participant, combine and pledge revenues of multiple projects for repayment of one or more series of bonds issued under this section.
- (p) Purchase bonds issued by or on behalf of, or held by, any participant, any state or a department, authority, or agency of the state, or any political subdivision. Bonds purchased under this paragraph may be held by the commission or sold, in whole or in part, separately or together with other bonds issued by the commission.
- (4m) **DISSOLUTION OF A COMMISSION.** Subject to sub. (2) (b) and subject to providing for the payment of its bonds, including interest on the bonds, and the performance of its other contractual obligations, a commission may be dissolved, by resolution, as provided in the agreement. If the commission is dissolved, the property of the commission shall be transferred to the political subdivisions who are parties to the agreement creating the commission as provided in the agreement.
- (5) **ISSUANCE OF BONDS.**
 - (a) A commission may not issue bonds unless the issuance is first authorized by a bond resolution. A bond issued under this section shall meet all of the following requirements:
 1. The face of the bond shall include the date of issuance and the date of maturity.
 2. The face of the bond shall include the statements required under subs. (9) (c) and (11) (d).
 3. The date of maturity may not exceed 50 years from the date of issuance.
 4. The bond shall bear a rate of interest, either fixed or variable, specified by the resolution. Any variable rate of interest shall be made subject to a maximum rate.
 5. Interest and principal shall be paid at the time and place specified in the resolution.
 6. Bonds in a single issue may be composed of a single denomination or 2 or more denominations, as provided in the resolution.
 7. The bond shall be payable in lawful money of the United States or, if provided in the resolution, another currency.
 8. Bonds shall be registered as provided in the resolution.
 9. Bonds shall be in the form, and executed in the manner, provided in the resolution.
 - (am) Notwithstanding par. (a), as an alternative to specifying the matters required to be specified in the bond resolution under par. (a), the resolution may specify members of the board or officers or employees of the commission, by name or position, to whom the commission delegates authority to determine which of the matters under specified par. (a), and any other matters that the commission deems appropriate, for inclusion in the trust agreement, indenture, or other agreement providing for issuance of the bonds as finally executed. A resolution under this paragraph shall specify at least all of the following:
 1. The maximum principal amount of bonds to be issued.
 2. The maximum term of the bonds.
 3. The maximum interest rate to be borne by the bonds.
 - (b) A bond issued under this section may include, or be subject to, any of the following:
 1. Early mandatory or optional redemption or purchase in lieu of redemption or tender, as provided in the resolution.
 2. A provision providing a right to tender.
 3. A trust agreement or indenture containing any terms, conditions, and covenants that the commission determines to be necessary or appropriate, but such terms, conditions, and covenants may not be in conflict with the resolution.
 - (c) The commission may purchase any bond issued under this section. Subject to the terms of any agreement with the bondholders, the commission may hold, pledge, resell, or cancel any bond purchased under this paragraph, except that a purchase under this paragraph may not effect an extinguishment of a bond unless the commission cancels the bond or otherwise certifies its intention that the bond be extinguished.
 - (d) The proceeds of a bond issued under this section may be used for one or more projects located within or outside of this state.
 - (e) The commission shall send notification to the department of revenue, on a form prescribed by the department, whenever a bond is issued under this section.
- (6) **SALE OF BONDS.**

- (a) The sale of bonds under this section shall be conducted as provided in the bond resolution.
- (b) A sale may be public or private. Bonds may be sold at the price or prices, and upon the conditions, determined by the commission. The commission shall give due consideration to the recommendations of the participants in the project when determining the conditions of sale.
- (c) Bonds that are sold under this section may be serial bonds or term bonds, or both.
- (d) If at the time of sale definitive bonds are not available, the commission may issue interim certificates exchangeable for definitive bonds.
- (e) The commission shall disclose to any person who purchases a tax-exempt bond issued under this section that the interest received on such a bond is exempt from taxation, as provided in ss. 71.05 (1) (c) 10., 71.26 (1m) (k), 71.36 (1m), and 71.45 (1t) (k).

(7) BOND SECURITY.

- (a) The commission may secure bonds by a trust agreement or indenture by and between the commission and one or more corporate trustees. A bond resolution, trust agreement, or indenture may contain provisions for pledging properties, revenues, and other collateral; holding and disbursing funds; protecting and enforcing the rights and remedies of bondholders; restricting individual rights of action by bondholders; and amendments, and any other provisions the commission determines to be reasonable and proper for the security of the bondholders or contracts entered into under this section in connection with the bonds.
- (b) A pledge of property, revenues, or other collateral by a commission to secure the payment of the principal or redemption price of, or interest on, any bonds, or any reimbursement or similar agreement with any provider of credit enhancement for bonds, or any swap or other agreement entered into in connection with bonds, is binding on the parties and on any successors. The collateral shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall attach immediately to the collateral and be effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others, to the extent set forth, and in accordance with, the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.
- (8) **NO PERSONAL LIABILITY.** No board member of the commission is liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance of the bonds, unless the personal liability or accountability is the result of willful misconduct.

(9) BONDS NOT PUBLIC DEBT.

- (a) Unless otherwise expressly provided in the bond resolution, each issue of bonds by the commission shall be the limited obligation of the commission payable solely from amounts received by the commission from revenues derived from the project to be financed or refinanced or from any contract entered into or investment made in connection with the bonds and pledged to the payment of the bonds.
- (b) The state and the political subdivisions who are parties to the agreement creating a commission under this section are not liable on bonds or any other contract entered into under this section, or for any other debt, obligation, or liability of the commission, whether in tort, contract, or otherwise.
- (c) The bonds are not a debt of the state or the political subdivisions contracting to create a commission under this section. A bond issue under this section does not obligate the state or a political subdivision to levy any tax or make any appropriation for payment of the bonds. All bonds issued by a commission are payable solely from the funds pledged for their payment in accordance with the bond resolution or trust agreement or indenture providing for their issuance. All bonds shall contain, on their face, a statement regarding the obligations of the state, the political subdivisions who are parties to the agreement creating the commission, and the commission as set forth in this paragraph.

(10) AUDITS, FISCAL YEAR.

- (a) The board of a commission shall adopt a calendar year as its fiscal year for accounting purposes. The board shall annually prepare a budget for the commission.
- (b) A commission shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant, except that the commission by a unanimous vote may decide to have an audit performed under this paragraph every 2 years.

- (c) A copy of the budget and audit shall be sent to the governing body of each political subdivision which is a party to the agreement that created the commission and filed with the secretary of administration and the legislative audit bureau.

(11) LIMITATIONS.

- (a) A commission may not issue bonds to finance a capital improvement project in any state or territory of the United States unless a political subdivision within whose boundaries the project is to be located has approved the financing of the project. A commission may not issue bonds to finance a capital improvement project in this state unless all of the political subdivisions within whose boundaries the project is to be located has approved the financing of the project. An approval under this paragraph may be made by the governing body of the political subdivision or, except for a 1st class city or a county in which a 1st class city is located, by the highest ranking executive or administrator of the political subdivision.
- (b) This section provides a complete alternative method, to all other methods provided by law, to exercise the powers authorized in this section, including the issuance of bonds, the entering into of contracts related to those bonds, and the financing or refinancing of projects.
- (bm) A project may be located outside of the United States or outside a territory of the United States if the borrower, including a co-borrower, of proceeds of bonds issued to finance or refinance the project in whole or in part is incorporated and has its principal place of business in the United States or a territory of the United States. To the extent that this paragraph applies to a borrower, it also applies to a participant if the participant is a nongovernmental entity.
- (c) Any action brought to challenge the validity of the issuance of a bond under this section, or the enforceability of a contract entered into under this section, must be commenced in circuit court within 30 days of the commission adopting a resolution authorizing the issuance of the bond or the execution of the contract.
- (d) Bonds issued under this section shall not be invalid for any irregularity or defect in the proceedings for their sale or issuance. The bonds shall contain a statement that they have been authorized and issued pursuant to the laws of this state. The statement shall be conclusive evidence of the validity of the bonds.
- (12) STATE PLEDGE.** The state pledges to and agrees with the bondholders, and persons that enter into contracts with a commission under this section, that the state will not limit, impair, or alter the rights and powers vested in a commission by this section, including the rights and powers under sub. (4), before the commission has met and discharged the bonds, and any interest due on the bonds, and has fully performed its contracts, unless adequate provision is made by law for the protection of the bondholders or those entering into contracts with a commission. The commission may include this pledge in a contract with bondholders.

History: 2009 a. 205; 2011 a. 32, 239; 2013 a. 20.

**CERTIFICATE OF TOWN CHAIRPERSON
OF TOWN OF SALEM, WISCONSIN**
(Section 66.0304(11)(a) of Wisconsin Statutes)

The Public Finance Authority ("Authority") proposes to issue an amount not to exceed \$12,000,000 principal amount of its Exempt Facility Revenue Bonds, Series 2024 (Breeze Dairy Project) (the "Bonds"), to be issued in one or more series of tax-exempt and/or taxable bonds, to finance a project on behalf of Breeze Dairy (or an affiliate thereof, the "Borrower"). This issuance will be used to finance certain eligible project costs of the Dairy expansion consisting of the design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$12 million. The total project costs are approximately \$30 million located in the Town of Salem, Wisconsin. This Certificate shall constitute approval by the Town of Salem, Pierce County, Wisconsin, of such financing of the Project by the Authority for purposes of Section 66.0304(11)(a) of the Wisconsin Statutes.

The undersigned certifies that he is the highest-ranking executive or administrator of the Town of Salem, Pierce County, Wisconsin.

This approval does not constitute an endorsement of the Project.

This Certificate may be produced as evidence, and shall be conclusive proof, of the approval granted herein in connection with any proceedings relating to the issuance of the Bonds and may be relied upon by any party thereto in connection therewith.

Dated: _____, 2024

**TOWN OF SALEM,
PIERCE COUNTY, WISCONSIN**

By: _____
Brent Halverson, Town Chairperson

TOWN BOARD OF
TOWN OF SALEM, PIERCE COUNTY, WISCONSIN

RESOLUTION NO. 2024 - _____

**RESOLUTION
APPROVING REVENUE BOND FINANCING FOR
BREEZE DAIRY PROJECT**

WHEREAS, the Public Finance Authority (the "Authority") intends to issue its revenue bonds to be issued in one or more series of tax-exempt and/or taxable bonds in an amount not to exceed \$12,000,000 (the "Bonds") to finance a project on behalf of Breeze Dairy (or an affiliate thereof, the "Borrower"), consisting of the financing of certain eligible project costs of the Dairy expansion including the design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$12 million. The total project costs are approximately \$30 million located in the Town of Salem, Wisconsin, Pierce County, Wisconsin (collectively, the "Project"); and

WHEREAS, the Project will be in the Town of Salem, Pierce County, Wisconsin; and

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, prior to their issuance, bonds issued by the Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries the project is to be located; and

WHEREAS, the Borrower has requested that the Town of Salem, Pierce County, Wisconsin (the "Town") approve the financing of the Project and the issuance of the Bonds in order to satisfy the requirements of Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010 (the "Joint Exercise Agreement"), and Section 66.0304(11)(a) of the Wisconsin Statutes.

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town of Salem, Pierce County, Wisconsin, as follows:

1. The Town Board hereby approves the issuance of the Bonds by the Authority for financing the Project. It is the purpose and intent of the Town Board that this Resolution constitutes approval of the Bonds by the Town, which is a governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Joint Exercise Agreement.

2. The Town Board held a public hearing on _____, 2024 in accordance with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), at which residents of the Town were given an opportunity to be heard in regard to the proposed issuance of the Bonds and the nature and location of the proposed Project. The publication of the notice of public hearing in the official newspaper of the Town is hereby ratified.

3. This Resolution shall constitute the approval of the Bonds for purposes of the public approval requirements of Section 147(f) of the Code.

Passed and adopted at a regular meeting of the Town Board of the Town of Salem, Pierce, County, Wisconsin this ____ day of _____, 2024.

APPROVED:

Brent Halverson, Town Chairperson

ATTEST:

_____, Town Clerk

CERTIFICATION BY TOWN CLERK

I, _____, duly sworn, hereby certify that I am the duly qualified and acting Town Clerk of the Town of Salem, Pierce County, Wisconsin (the "Town"), and as such I have in my possession, or have access to, the complete corporate records of the Town and of its Town Board; 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: **RESOLUTION APPROVING REVENUE BOND FINANCING FOR BREEZE DAIRY PROJECT**

I hereby further certify as follows:

1. Said Resolution was considered for adoption by the Town Board at a meeting held at Town Hall, _____, Salem, Wisconsin, at ____ p.m. on _____, 2024. Said meeting was a meeting of the Town Board and was held in open session.

2. Said 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 Town 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 Town.

3. Said meeting was called to order by _____, who chaired the meeting. Upon roll, I noted and recorded that the following supervisors were present:

_____	_____
_____	_____
_____	_____
_____	_____

and that the following supervisors were absent:

_____	_____
_____	_____

I noted and recorded that a quorum was present. Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was said Resolution, which was introduced, and its adoption was moved by _____ and seconded by _____. Following discussion and after all supervisors who desired to do so had expressed their views for or against said 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 chairperson declared said Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Town hereto on
this ____ day of _____, 2024.

[SEAL]

_____, Town Clerk

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

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If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort – assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a

hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

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As discussed on Friday, attached are samples of consents to use PFA as conduit issuer – either by Certificate of County Board Chair or County Executive and by Town Chair and Form of Board Resolution of the County providing the consent and form of Board Resolution providing Consent and the 147(f) approval (this 147 (f) approval could also be done by simple Certificate of Town Chair). Please note that these are drafts and the amounts and project descriptions will be revised prior to sending to each municipality.

No Liability to Conduit Issuer

Regardless of whether the Town, the County or the PFA issue the conduit tax-exempt Bonds, these Bonds are municipal bonds; however, they are not general obligations of the Town or County. If the Town, the County or the PFA agrees to issue bonds to benefit the proposed Project:

1. Neither the Town, the County nor the PFA will be liable for payment of the principal and interest on the bonds;
2. Neither the Town, the County nor the PFA will have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the Town or the County's borrowing capacity. Neither the Town nor the County will levy a tax for payment of the bonds.
4. The ultimate conduit issuer (and the Town and the County to the extent of cost incurred to provide consents/hold TEFRA) will be reimbursed for all fees and costs incurred because of the Bonds.

The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 1, 2024 9:29 AM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod

Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

Monday, August 5 between 11:00 and 1:00

Tuesday, August 6 between 1:00 and 3:00

Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Monday, July 29, 2024 3:30 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>
Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;

2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.

3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment.

Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully filed, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer. This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

huschblackwell.com

vBio|vCard

Financial Services & Capital Markets

Banking & Finance

Husch Blackwell is a different kind of law firm—structured around our clients' industries and built on a culture of selfless service.

Our 1000+ lawyers collaborate across the U.S. from more than 20 offices and our virtual office, The Link, to provide uncommon solutions to our clients' most complex challenges.



Jason Matthys <jmatthys@co.pierce.wi.us>

RE: Breeze Dairy financing

1 message

Jason Grubbs <Jason@fralan.com> Thu, Aug 15, 2024 at 9:07 AM
To: "Templen, Lynda" <Lynda.Templen@huschblackwell.com>, Jason Matthys
<jmatthys@co.pierce.wi.us>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence
<brad.lawrence@co.pierce.wi.us>, Rod Webb <rodney.webb@co.pierce.wi.us>,
"Albrecht, Kate" <Kate.Albrecht@huschblackwell.com>, "Brittingham, Sam"
<Sam.Brittingham@huschblackwell.com>

Good morning Jason,

Before too much time slipped by, we wanted to follow up and see if you would have a few minutes for a call to address any questions and discuss possible next steps.

Best regards,

FRAZER
LANIER

Jason Grubbs

jason@fralan.com

800.223.2631 | 205.484.0888 | 205.807.6912 cell

110 Office Park Drive | Suite 210 | Birmingham, AL 35223

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Sent: Friday, August 9, 2024 10:46 AM
To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam <Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing

Good morning,

Just a quick follow up to see if you have any additional questions. I cannot locate an email address for the Town Chair of the Town of Salem, so I sent this same information to the Town Clerk in hopes they will be able to provide to him. Our goal would be to follow up with you and the Town Chair on a joint call perhaps some time next week. Let me know if that would work for you. Have a great weekend!

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Sent: Monday, August 5, 2024 1:39 PM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod

Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate
<Kate.Albrecht@huschblackwell.com>; Brittingham, Sam
<Sam.Brittingham@huschblackwell.com>
Subject: RE: Breeze Dairy financing

Good afternoon,

It was a pleasure talking with you Friday afternoon. I have tried to hit the high points with respect to the desire of Breeze Dairy to utilize tax-exempt bond financing for a portion of the Dairy's proposed expansion and clarify what we are asking of the County and the Town.

The Proposed Project

Breeze Dairy is requesting that either the Town of Salem, or Pierce County, or the Public Finance Authority consider an Initial Resolution to benefit the Dairy through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 -\$12 million. The total project costs are about \$30 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality in a "conduit" Bond structure. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that

we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

-

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer** (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort –assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

As discussed on Friday, attached are samples of consents to use PFA as conduit issuer – either by Certificate of County Board Chair or County Executive and by Town Chair and Form of Board Resolution of the County providing the consent and form of Board Resolution providing Consent and the 147(f) approval (this 147 (f) approval could also be done by simple Certificate of Town Chair). Please note that these are drafts and the amounts and project descriptions will be revised prior to sending to each municipality.

No Liability to Conduit Issuer

Regardless of whether the Town, the County or the PFA issue the conduit tax-exempt Bonds, these Bonds are municipal bonds; however, they are not general obligations of the Town or County. If the Town, the County or the PFA agrees to issue bonds to benefit the proposed Project:

1. Neither the Town, the County nor the PFA will be liable for payment of the principal and interest on the bonds;
2. Neither the Town, the County nor the PFA will have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the Town or the County's borrowing capacity. Neither the Town nor the County will levy a tax for payment of the bonds.
4. The ultimate conduit issuer (and the Town and the County to the extent of cost incurred to provide consents/hold TEFRA) will be reimbursed for all fees and costs incurred because of the Bonds.

The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 1, 2024 9:29 AM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Thanks, Lynda. We'll do what we can to conference Jason into the call.

On Thu, Aug 1, 2024 at 9:27 AM Templen, Lynda <Lynda.Templen@huschblackwell.com> wrote:

That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His number is **205. 807-6912** I look forward to talking with you on Friday.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Wednesday, July 31, 2024 3:33 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

Monday, August 5 between 11:00 and 1:00

Tuesday, August 6 between 1:00 and 3:00

Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Monday, July 29, 2024 3:30 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence

<brad.lawrence@co.pierce.wi.us>

Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>

Date: Wed, Jul 17, 2024 at 4:27 PM

Subject: Fwd: Breeze Dairy financing

To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;
2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in

any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully filed, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer. This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

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Financial Services & Capital Markets

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Jason Matthys <jmatthys@co.pierce.wi.us>

Re: Breeze Dairy financing

1 message

Jason Matthys <jmatthys@co.pierce.wi.us>

Thu, Aug 15, 2024 at 9:11 AM

To: Jason Grubbs <Jason@fralan.com>

Cc: "Templen, Lynda" <Lynda.Templen@huschblackwell.com>, Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence <brad.lawrence@co.pierce.wi.us>, Rod Webb <rodney.webb@co.pierce.wi.us>, "Albrecht, Kate" <Kate.Albrecht@huschblackwell.com>, "Brittingham, Sam" <Sam.Brittingham@huschblackwell.com>

Jason,

This past week has been a little hectic with Brad out of the office and Jon experiencing a death in the family. We have not forgotten about this and our hope is for Jon and the Salem Town Chair to connect, discuss and circle back to this group. A conference call would be appropriate at that time. Stay tuned.

On Thu, Aug 15, 2024 at 9:07 AM Jason Grubbs <Jason@fralan.com> wrote:

Good morning Jason,

Before too much time slipped by, we wanted to follow up and see if you would have a few minutes for a call to address any questions and discuss possible next steps.

Best regards,

FRAZER
LANIER

Jason Grubbs

jason@fralan.com

800.223.2631 | 205.484.0888 | 205.807.6912 cell

110 Office Park Drive | Suite 210 | Birmingham, AL 35223

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Subject: RE: Breeze Dairy financing

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Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

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Sent: Monday, August 5, 2024 1:39 PM
To: Jason Matthys <jmatthys@co.pierce.wi.us>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam <Sam.Brittingham@huschblackwell.com>
Subject: RE: Breeze Dairy financing

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Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

-

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort – assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a

statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

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The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 1, 2024 9:29 AM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod

Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Thanks, Lynda. We'll do what we can to conference Jason into the call.

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That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His number is **205. 807-6912** I look forward to talking with you on Friday.

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Direct: 414-978-5505

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Sent: Wednesday, July 31, 2024 3:33 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence
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Subject: Re: Breeze Dairy financing

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Lynda,

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Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Monday, July 29, 2024 3:30 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

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Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>
Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;

2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.

3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for

repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully files, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer.** This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

huschblackwell.com

vBio|vCard

Financial Services & Capital Markets

Banking & Finance

Husch Blackwell is a different kind of law firm—structured around our clients' industries and built on a culture of selfless service.

Our 1000+ lawyers collaborate across the U.S. from more than 20 offices and our virtual office, The Link, to provide uncommon solutions to our clients' most complex challenges.



Jason Matthys <jmatthys@co.pierce.wi.us>

RE: Breeze Dairy financing

1 message

Jason Grubbs <Jason@fralan.com>

Thu, Aug 15, 2024 at 9:14 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Thanks, Jason. I appreciate your quick response and certainly understand. There is a lot going on. Condolences to Jon and his family.

We will look for your follow up.

Thank you again!

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 15, 2024 9:12 AM

To: Jason Grubbs <Jason@fralan.com>

Cc: Templen, Lynda <Lynda.Templen@huschblackwell.com>; Jon Aubart

<jon.aubart@co.pierce.wi.us>; Brad Lawrence

<brad.lawrence@co.pierce.wi.us>; Rod Webb

<rodney.webb@co.pierce.wi.us>; Albrecht, Kate

<Kate.Albrecht@huschblackwell.com>; Brittingham, Sam

<Sam.Brittingham@huschblackwell.com>

Subject: Re: Breeze Dairy financing

Jason,

This past week has been a little hectic with Brad out of the office and Jon experiencing a death in the family. We have not forgotten about this and our hope is for Jon and the Salem Town Chair to connect, discuss and circle back to this group. A conference call would be appropriate at that time. Stay tuned.

On Thu, Aug 15, 2024 at 9:07 AM Jason Grubbs <Jason@fralan.com> wrote:

Good morning Jason,

Before too much time slipped by, we wanted to follow up and see if you would have a few minutes for a call to address any questions and discuss possible next steps.

Best regards,

FRAZER
LANIER

Jason Grubbs
jason@fralan.com

800.223.2631 | 205.484.0888 | 205.807.6912 cell

110 Office Park Drive | Suite 210 | Birmingham, AL 35223

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Sent: Friday, August 9, 2024 10:46 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam <Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing

Good afternoon,

It was a pleasure talking with you Friday afternoon. I have tried to hit the high points with respect to the desire of Breeze Dairy to utilize tax-exempt bond financing for a portion of the Dairy's proposed expansion and clarify what we are asking of the County and the Town.

The Proposed Project

Breeze Dairy is requesting that either the Town of Salem, or Pierce County, or the Public Finance Authority consider an Initial Resolution to benefit the Dairy through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 - \$12 million. The total project costs are about \$30 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality in a "conduit" Bond structure. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

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Option 3

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer** (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort –assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

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Subject: Re: Breeze Dairy financing

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Subject: Fwd: Breeze Dairy financing

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To: Jason Matthys <jmatthys@co.pierce.wi.us>

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Date: Wed, Jul 17, 2024 at 9:41 AM
Subject: Breeze Dairy financing
To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>
Cc: Jason Grubbs <Jason@fralan.com>

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HUSCH BLACKWELL

511 North Broadway
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Milwaukee, WI 53202

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Regardless of whether the Town, the County or the PFA issue the conduit tax-exempt Bonds, these Bonds are municipal bonds; however, they are not general obligations of the Town or County. If the Town, the County or the PFA agrees to issue bonds to benefit the proposed Project:

1. Neither the Town, the County nor the PFA will be liable for payment of the principal and interest on the bonds;
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3. The bonds do not count against the Town or the County's borrowing capacity. Neither the Town nor the County will levy a tax for payment of the bonds.
4. The ultimate conduit issuer (and the Town and the County to the extent of cost incurred to provide consents/hold TEFRA) will be reimbursed for all fees and costs incurred because of the Bonds.

The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 1, 2024 9:29 AM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod

Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Thanks, Lynda. We'll do what we can to conference Jason into the call.

On Thu, Aug 1, 2024 at 9:27 AM Templen, Lynda
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That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His number is **205. 807-6912** I look forward to talking with you on Friday.

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Senior Counsel

Direct: 414-978-5505

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Sent: Wednesday, July 31, 2024 3:33 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence
<brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod
Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

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Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda
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Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

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Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Monday, July 29, 2024 3:30 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>
Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;

2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.

3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for

repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully files, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer. This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

huschblackwell.com

vBio|vCard

Financial Services & Capital Markets

Banking & Finance

**Husch Blackwell is a different kind of law firm—
structured around our clients' industries and built on a
culture of selfless service.
Our 1000+ lawyers collaborate across the U.S. from more
than 20 offices and our virtual office, The Link, to
provide uncommon solutions
to our clients' most complex challenges.**



Jason Matthys <jmatthys@co.pierce.wi.us>

RE: Breeze Dairy financing

1 message

Mon, Sep 9, 2024 at
10:45 AM

Templen, Lynda <Lynda.Templen@huschblackwell.com>

To: Jason Matthys <jmatthys@co.pierce.wi.us>, Jason Grubbs <Jason@fralan.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence
<brad.lawrence@co.pierce.wi.us>, "Albrecht, Kate"
<Kate.Albrecht@huschblackwell.com>, "Brittingham, Sam"
<Sam.Brittingham@huschblackwell.com>

Wednesday at 3 works for me. Sam and Kate will not need to be on this call. Thanks

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Monday, September 9, 2024 10:44 AM

To: Jason Grubbs <Jason@fralan.com>

Cc: Templen, Lynda <Lynda.Templen@huschblackwell.com>; Jon Aubart
<jon.aubart@co.pierce.wi.us>; Brad Lawrence
<brad.lawrence@co.pierce.wi.us>; Albrecht, Kate
<Kate.Albrecht@huschblackwell.com>; Brittingham, Sam

<Sam.Brittingham@huschblackwell.com>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Please let me know if this week, Wednesday at 3pm works for you. If so, I'll send a calendar invite and plan for our conference call at that time.

On Fri, Sep 6, 2024 at 3:04 PM Jason Grubbs <Jason@fralan.com> wrote:

Thanks, Jason. We appreciate all your help!

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Friday, September 6, 2024 2:58 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>;

Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate

<Kate.Albrecht@huschblackwell.com>; Brittingham, Sam

<Sam.Brittingham@huschblackwell.com>

Subject: Re: Breeze Dairy financing

Lynda,

I would like to set up another conference call next week to discuss the next steps, and I would also like to conference in the Salem Town Chair, Brent Halverson, so that he can have a firm understanding of what will be expected of him on behalf of the Town. I would probably be looking at Tuesday or Wednesday of next week. I'll circle back on Monday with some time slots for you to consider.

On Thu, Sep 5, 2024 at 10:56 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning,

Just a quick follow up to see if there are additional questions or whether a decision has been made. Thanks so much.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda

Sent: Friday, August 9, 2024 10:46 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam <Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing

Good morning,

Just a quick follow up to see if you have any additional questions. I cannot locate an email address for the Town Chair of the Town of Salem, so I sent this same information to the Town Clerk in

hopes they will be able to provide to him. Our goal would be to follow up with you and the Town Chair on a joint call perhaps some time next week. Let me know if that would work for you. Have a great weekend!

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Sent: Monday, August 5, 2024 1:39 PM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam <Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing



Good afternoon,

It was a pleasure talking with you Friday afternoon. I have tried to hit the high points with respect to the desire of Breeze Dairy to utilize tax-exempt bond financing for a portion of the Dairy's proposed expansion and clarify what we are asking of the County and the Town.

The Proposed Project

Breeze Dairy is requesting that either the Town of Salem, or Pierce County, or the Public Finance Authority consider an Initial Resolution to benefit the Dairy through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 - \$12 million. The total project costs are about \$30 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality in a "conduit" Bond structure. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this

would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer** (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort – assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

As discussed on Friday, attached are samples of consents to use PFA as conduit issuer – either by Certificate of County Board Chair or County Executive and by Town Chair and Form of Board Resolution of the County providing the consent and form of Board Resolution providing Consent and the 147(f) approval (this 147 (f) approval could also be done by simple Certificate of Town Chair). Please note that these are drafts and the amounts and project descriptions will be revised prior to sending to each municipality.

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Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

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Subject: Re: Breeze Dairy financing

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Jason Matthys

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Date: Wed, Jul 17, 2024 at 9:41 AM
Subject: Breeze Dairy financing
To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>
Cc: Jason Grubbs <Jason@fralan.com>

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This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

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The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

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By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not

less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully files, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer. This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

him on behalf of the Town. I would probably be looking at Tuesday or Wednesday of next week. I'll circle back on Monday with some time slots for you to consider.

On Thu, Sep 5, 2024 at 10:56 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning,

Just a quick follow up to see if there are additional questions or whether a decision has been made. Thanks so much.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda

Sent: Friday, August 9, 2024 10:46 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence
<brad.lawrence@co.pierce.wi.us>; Jason Grubbs

<Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>;
Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam
<Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing

Good morning,

Just a quick follow up to see if you have any additional questions. I cannot locate an email address for the Town Chair of the Town of Salem, so I sent this same information to the Town Clerk in hopes they will be able to provide to him. Our goal would be to follow up with you and the Town Chair on a joint call perhaps some time next week. Let me know if that would work for you. Have a great weekend!

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Sent: Monday, August 5, 2024 1:39 PM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence

<brad.lawrence@co.pierce.wi.us>; Jason Grubbs

<Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>;

Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam

<Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing



Good afternoon,

It was a pleasure talking with you Friday afternoon. I have tried to hit the high points with respect to the desire of Breeze Dairy to utilize

tax-exempt bond financing for a portion of the Dairy's proposed expansion and clarify what we are asking of the County and the Town.

The Proposed Project

Breeze Dairy is requesting that either the Town of Salem, or Pierce County, or the Public Finance Authority consider an Initial Resolution to benefit the Dairy through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 - \$12 million. The total project costs are about \$30 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality in a "conduit" Bond structure. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer** (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort –assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

As discussed on Friday, attached are samples of consents to use PFA as conduit issuer – either by Certificate of County Board Chair or County Executive and by Town Chair and Form of Board Resolution of the County providing the consent and form of Board Resolution providing Consent and the 147(f) approval (this 147 (f) approval could also

be done by simple Certificate of Town Chair). Please note that these are drafts and the amounts and project descriptions will be revised prior to sending to each municipality.

No Liability to Conduit Issuer

Regardless of whether the Town, the County or the PFA issue the conduit tax-exempt Bonds, these Bonds are municipal bonds; however, they are not general obligations of the Town or County. If the Town, the County or the PFA agrees to issue bonds to benefit the proposed Project:

1. Neither the Town, the County nor the PFA will be liable for payment of the principal and interest on the bonds;
2. Neither the Town, the County nor the PFA will have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the Town or the County's borrowing capacity. Neither the Town nor the County will levy a tax for payment of the bonds.
4. The ultimate conduit issuer (and the Town and the County to the extent of cost incurred to provide consents/hold TEFRA) will be reimbursed for all fees and costs incurred because of the Bonds.

The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, August 1, 2024 9:29 AM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Thanks, Lynda. We'll do what we can to conference Jason into the call.

On Thu, Aug 1, 2024 at 9:27 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His number is **205. 807-6912** I look forward to talking with you on Friday.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Wednesday, July 31, 2024 3:33 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>
Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

Monday, August 5 between 11:00 and 1:00

Tuesday, August 6 between 1:00 and 3:00

Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Monday, July 29, 2024 3:30 PM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>
Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: **Jon Aubart** <jon.aubart@co.pierce.wi.us>
Date: Wed, Jul 17, 2024 at 4:27 PM
Subject: Fwd: Breeze Dairy financing
To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: **Templen, Lynda** <Lynda.Templen@huschblackwell.com>
Date: Wed, Jul 17, 2024 at 9:41 AM
Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>
Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;

2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.

3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities

under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully filed, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer.** This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

huschblackwell.com

vBio|vCard

Financial Services & Capital Markets

Banking & Finance

**Husch Blackwell is a different kind of law firm—
structured around our clients' industries and built on a
culture of selfless service.
Our 1000+ lawyers collaborate across the U.S. from more
than 20 offices and our virtual office, The Link, to
provide uncommon solutions
to our clients' most complex challenges.**



Matthys Aubart PFA Breeze Dairy Bond Certification.pdf
611K



Pierce County Wisconsin

Office of Administration

414 W. Main St. PO Box 128
Ellsworth, WI 54011
(715)273-6851
www.co.pierce.wi.us

Administrative Coordinator
Jason Matthys

To: Public Finance Authority
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703

RE: Not to Exceed \$12,000,000 Public Finance Authority
Exempt Facility Revenue Bonds, Series 2024
(Breeze Dairy Project)

To Whom It May Concern:

The Public Finance Authority ("Authority") proposes to issue not to exceed \$12,000,000 principal amount of its revenue bonds captioned above in one or more series of tax-exempt and/or taxable bonds (the "Bonds") on behalf of Breeze Dairy (or an affiliate thereof, the "Borrower"), to finance a project consisting of the financing of certain eligible project costs of the Dairy expansion including the design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$12 million. The total project costs are approximately \$30 million located in the Town of Salem, Pierce County, Wisconsin (collectively, the "Project"). This letter shall constitute approval by Pierce County, Wisconsin, of such financing of the Project by the Authority for purposes of Section 66.0304(11)(a) of the Wisconsin Statutes.

The undersigned certify that they are the highest-ranking executive and administrator, respectively, of Pierce County, Wisconsin.

This approval does not constitute an endorsement of the Project.

This letter may be produced as evidence, and shall be conclusive proof, of the approval granted herein in connection with any proceedings relating to the issuance of the Bonds and may be relied upon by any party thereto in connection therewith.

Dated: 09/11/2024

PIERCE COUNTY, WISCONSIN

By: 

Name: Jonathan E. Aubart

Title: County Board Chair

By: 

Name: Jason Matthys

Title: Administrative Coordinator



Jason Matthys <jmatthys@co.pierce.wi.us>

Ridge Breeze Dairy

1 message

saletownclerk@gmail.com <saletownclerk@gmail.com>

Tue, Sep 17, 2024 at
10:11 AM

To: jmatthys@co.pierce.wi.us

Jason,

I have been in contact with Brent Halverson (Salem Chairman) regarding signing a Consent for financing for Ridge Breeze Dairy (attached)

I have some questions, I have not been involved in any of the conversations. I did talk with the Town's Association, and they suggested I consult our Lawyer. Did the County's Lawyer look at this? I have e-mail Brent but have not connected with him yet.

Is the County signing something similar like what I have attached?

Thank you

Town of Salem

Ann Larson-Graham, Clerk

Saletownclerk@gmail.com

Cell: 715-308-4065



4881-8695-0869.2 Town of Salem Consent.docx
36K



Jason Matthys <jmatthys@co.pierce.wi.us>

Re: Ridge Breeze Dairy

1 message

Jason Matthys <jmatthys@co.pierce.wi.us>
To: salemtownclerk@gmail.com

Tue, Sep 17, 2024 at 11:18 AM

Anna,

Our Corporation Counsel has reviewed and the County has signed the very same letter to what you have attached. That was then submitted to Lynda Templen who is the representative of Breeze Dairy in this matter.

On Tue, Sep 17, 2024 at 10:11 AM <salemtownclerk@gmail.com> wrote:

Jason,

I have been in contact with Brent Halverson (Salem Chairman) regarding signing a Consent for financing for Ridge Breeze Dairy (attached)

I have some questions, I have not been involved in any of the conversations. I did talk with the Town's Association, and they suggested I consult our Lawyer. Did the County's Lawyer look at this? I have e-mail Brent but have not connected with him yet.

Is the County signing something similar like what I have attached?

Thank you

Town of Salem

Ann Larson-Graham, Clerk

Salemtownclerk@gmail.com

Cell: 715-308-4065



Jason Matthys <jmatthys@co.pierce.wi.us>

RE: Breeze Dairy financing

1 message

Thu, Sep 26, 2024 at
9:05 AM

Templen, Lynda <Lynda.Templen@huschblackwell.com>

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: "Albrecht, Kate" <Kate.Albrecht@huschblackwell.com>

Good morning Jason,

I am wondering if you can help me out. Despite numerous attempts to talk with the Town Clerk for the Town of Salem, via email and phone, we have not heard back. Can you give me the Town Chair's phone number again please? Thanks so much

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, September 12, 2024 3:45 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence

<brad.lawrence@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Please find the executed consent letter attached. Should you have any questions or additional information from Pierce County, please let me know.

On Mon, Sep 9, 2024 at 10:45 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Wednesday at 3 works for me. Sam and Kate will not need to be on this call. Thanks

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Monday, September 9, 2024 10:44 AM

To: Jason Grubbs <Jason@fralan.com>

Cc: Templen, Lynda <Lynda.Templen@huschblackwell.com>; Jon Aubart
<jon.aubart@co.pierce.wi.us>; Brad Lawrence
<brad.lawrence@co.pierce.wi.us>; Albrecht, Kate
<Kate.Albrecht@huschblackwell.com>; Brittingham, Sam

<Sam.Brittingham@huschblackwell.com>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Please let me know if this week, Wednesday at 3pm works for you. If so, I'll send a calendar invite and plan for our conference call at that time.

On Fri, Sep 6, 2024 at 3:04 PM Jason Grubbs <Jason@fralan.com> wrote:

Thanks, Jason. We appreciate all your help!

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Friday, September 6, 2024 2:58 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>;

Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate

<Kate.Albrecht@huschblackwell.com>; Brittingham, Sam

<Sam.Brittingham@huschblackwell.com>

Subject: Re: Breeze Dairy financing

Lynda,

I would like to set up another conference call next week to discuss the next steps, and I would also like to conference in the Salem Town Chair, Brent Halverson, so that he can have a firm understanding of what will be expected of him on behalf of the Town. I would probably be looking at Tuesday or Wednesday of next week. I'll circle back on Monday with some time slots for you to consider.

On Thu, Sep 5, 2024 at 10:56 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning,

Just a quick follow up to see if there are additional questions or whether a decision has been made. Thanks so much.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda

Sent: Friday, August 9, 2024 10:46 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence
<brad.lawrence@co.pierce.wi.us>; Jason Grubbs

<Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>;
Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham,
Sam <Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing

Good morning,

Just a quick follow up to see if you have any additional questions. I cannot locate an email address for the Town Chair of the Town of Salem, so I sent this same information to the Town Clerk in hopes they will be able to provide to him. Our goal would be to follow up with you and the Town Chair on a joint call perhaps some time next week. Let me know if that would work for you. Have a great weekend!

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Sent: Monday, August 5, 2024 1:39 PM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>; Albrecht, Kate <Kate.Albrecht@huschblackwell.com>; Brittingham, Sam <Sam.Brittingham@huschblackwell.com>

Subject: RE: Breeze Dairy financing



Good afternoon,

It was a pleasure talking with you Friday afternoon. I have tried to hit the high points with respect to the desire of Breeze Dairy to utilize tax-exempt bond financing for a portion of the Dairy's

proposed expansion and clarify what we are asking of the County and the Town.

The Proposed Project

Breeze Dairy is requesting that either the Town of Salem, or Pierce County, or the Public Finance Authority consider an Initial Resolution to benefit the Dairy through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 - \$12 million. The total project costs are about \$30 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality in a "conduit" Bond structure. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

Option 1

As we discussed, most often when there is a local project, we will approach the local municipality to request they serve as the conduit issuer of tax-exempt bonds. In the case of the proposed project, that would be the Town of Salem. However, as we have discussed, Salem has a population of approximately 475 people. If the Town Board approved an Initial Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the Town, properly filed with the Town Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Even if the majority of the electors of the Town had no objections, given the low population, as few as 10-20 signatures could compel a referendum and the Borrower would not incur those costs and would likely withdraw the request.

Option 2

Resolution expressing its intent to be the conduit issuer, state law requires that we immediately publish a public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the Town to submit the proposition for the electors' approval. Although this would generally mean that the referendum threshold would be less likely to be met, you have indicated that recent GO borrowing at the County and School District levels have caused a great deal of angst in the County. Even though these conduit bonds are not a liability of the county, it is a difficult distinction to make for concerned electors.

Option 3

If the hurdles at the Town and County present concerns that preclude using either as the local conduit issuer, the Public Finance Authority (the "PFA") could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer** (copy of Section 66.0304 is attached). This consent can be given by a Certificate of the County Board Chair or County Executive and the Town Chair or can be done by Resolution of the respective governing bodies. (see highlighted language in Statute attached) If this route is taken, the Town of Salem, under federal law, would need to hold a single public hearing – referred to as the TEFRA hearing and give 147(f) comfort –assertion that hearing was held, and all interested electors were given an opportunity to be heard. Even a large group attending and objecting would not derail a PFA transaction if the Town had consented to using PFA and because the 147 (f) finding is a statement of fact that there was a hearing. Under this scenario the PFA also holds a TEFRA hearing at the WCA offices in Madison. No other actions would be required of the County or the Town.

Forms of Consent – either by Consent of Highest Executive or by Resolution

As discussed on Friday, attached are samples of consents to use PFA as conduit issuer – either by Certificate of County Board Chair or County Executive and by Town Chair and Form of Board Resolution of the County providing the consent and form of Board Resolution providing Consent and the 147(f) approval (this 147 (f) approval could also be done by simple Certificate of Town Chair). Please note that these are drafts and the amounts and project descriptions will be revised prior to sending to each municipality.

No Liability to Conduit Issuer

Regardless of whether the Town, the County or the PFA issue the conduit tax-exempt Bonds, these Bonds are municipal bonds; however, they are not general obligations of the Town or County. If the Town, the County or the PFA agrees to issue bonds to benefit the proposed Project:

1. Neither the Town, the County nor the PFA will be liable for payment of the principal and interest on the bonds;
2. Neither the Town, the County nor the PFA will have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.
3. The bonds do not count against the Town or the County's borrowing capacity. Neither the Town nor the County will levy a tax for payment of the bonds.
4. The ultimate conduit issuer (and the Town and the County to the extent of cost incurred to provide consents/hold TEFRA) will be reimbursed for all fees and costs incurred because of the Bonds.

The ultimate conduit Issuer acts strictly as a conduit, which enables the Dairy to borrow at a lower rate of interest for the portion of the project financed with tax-exempt Bonds.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes

Thank you so much for your time and consideration. Don't hesitate to reach out if you have further questions. I will plan to circle back with you in a few days to see how we might proceed. I will also contact the Town Chair and discuss with him. I need to obtain his email address so that I can send him this material as well.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>
Sent: Thursday, August 1, 2024 9:29 AM
To: Templen, Lynda <Lynda.Templen@huschblackwell.com>
Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>
Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Thanks, Lynda. We'll do what we can to conference Jason into the call.

On Thu, Aug 1, 2024 at 9:27 AM Templen, Lynda <Lynda.Templen@huschblackwell.com> wrote:

That sounds good. Could you also conference in Jason Grubbs, the Underwriter? He has more of the project information. His

number is **205. 807-6912** I look forward to talking with you on Friday.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Wednesday, July 31, 2024 3:33 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>; Jason Grubbs <Jason@fralan.com>; Rod Webb <rodney.webb@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Lynda,

Thank you for getting back to me. I have spoken with the County Board Chair, Jon Aubart and he can be available this Friday, August 2nd at 1pm for a phone conference. We will plan to call you at your direct number unless you provide a different number that you would prefer. Thanks again and we look forward to speaking with you.

On Tue, Jul 30, 2024 at 9:00 AM Templen, Lynda
<Lynda.Templen@huschblackwell.com> wrote:

Good morning. I certainly welcome an opportunity to discuss with you. I would also like Jason Grubbs, the potential Underwriter for the Bonds, to be on the call. We both have availability as follows:

Friday, August 2 between 1:00 and 3:00

Monday, August 5 between 11:00 and 1:00

Tuesday, August 6 between 1:00 and 3:00

Let me know if any of those dates/times work for you. Thank you.

Lynda Templen

Senior Counsel

Direct: 414-978-5505

Lynda.Templen@huschblackwell.com

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Monday, July 29, 2024 3:30 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence

<brad.lawrence@co.pierce.wi.us>

Subject: Fwd: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Pierce County Board Chairman, Jon Aubart had received the following email from you and we have since met to discuss this matter. I'd like to schedule a time for Jon and I to have a conference call with you. I would also like for our Corporation Counsel to be a part of that conversation if that's ok with you. Please let me know of some dates either this week or next and we will see what will correlate with our calendars. Thanks in advance, Lynda.

Jason Matthys

----- Forwarded message -----

From: Jon Aubart <jon.aubart@co.pierce.wi.us>

Date: Wed, Jul 17, 2024 at 4:27 PM

Subject: Fwd: Breeze Dairy financing

To: Jason Matthys <jmatthys@co.pierce.wi.us>

----- Forwarded message -----

From: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Date: Wed, Jul 17, 2024 at 9:41 AM

Subject: Breeze Dairy financing

To: jon.aubart@co.pierce.wi.us <jon.aubart@co.pierce.wi.us>

Cc: Jason Grubbs <Jason@fralan.com>

Good morning,

My name is Lynda Templen. I am an attorney with Husch Blackwell, and I serve as Bond Counsel for hundreds of conduit tax-exempt bond financings for projects in Wisconsin and other states. We were contacted by the Underwriter Frazer Lanier, who is working with Breeze Dairy on financing the expansion located in the Town of Salem. The estimated budget for this expansion is approximately \$30 million. Of that, it is likely that about \$10 million of expenditures would qualify to use tax-exempt financing. This type of financing would lower the interest rate on that borrowed money significantly. Provided below is a summary of our inquiry. Once you have had a chance to review it, I would welcome an opportunity to discuss with you further. Thank you.

This will summarize the potential request of Breeze Dairies (the "Company"), asking that Pierce County (the "County") consider an Initial Resolution to benefit the Company through the conduit issuance of tax-exempt solid waste disposal revenue bonds to finance a project consisting of the (i) design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$10 million. These tax-exempt bonds (the "Bonds") must be issued through a municipality. In a conduit Bond transaction, a state or local governmental entity issues bonds and loans the proceeds from the sale of the bonds to a private entity for an authorized project. In Wisconsin, counties, cities, villages, and towns, as well as duly constituted redevelopment authorities and community development authorities may issue such Bonds. The Public Finance Authority (PFA) is also a qualified conduit issuer.

These Bonds are municipal bonds; however, they are not general obligations of the County. If the County agrees to issue bonds to benefit the proposed Project:

1. The County will not be liable for payment of the principal and interest on the bonds;
2. The County will not have ongoing responsibilities of monitoring or reporting regarding the bonds or the Project.

3. The bonds do not count against the County's borrowing capacity. The County will not levy a tax for payment of the bonds.

4. The County will be reimbursed for all fees and costs incurred because of the Bonds.

The County acts strictly as a conduit, which enables the Company to borrow at a lower rate of interest.

Because the Bonds are issued by a governmental entity, the holder of the Bond may exclude the interest on the Bonds from gross income for federal tax purposes.

Inducement/Reimbursement

Companies considering Bond financing must obtain an Initial Resolution, also sometimes referred to as an "inducement resolution" or "qualified reimbursement resolution" from the municipality in which the Project being financed is in order to preserve the option to use Bonds. The Initial Resolution is preliminary approval only and is non-binding as to the County or the Company but is required by Federal tax law and State law. If the Initial Resolution is adopted by the County, this will assure that when and if Bonds are issued, all eligible project costs incurred no more than 60 days prior to the date of the Initial Resolution (including reimbursement of equity contributions or refunding of conventional financing), may be included in the ultimate Bond financing. Failure to have a qualified resolution may result in disqualifying certain costs.

By acting as the conduit issuer, the County can grant the Company a significant monetary benefit, at no cost to the County, because the Company will enjoy a lower interest rate because of using a bond structure. These Bonds will be sold to bondholders and the bondholders will look solely to the Company for repayment. Bondholders will not look to the County for payment. The County will assign all its rights, liability and responsibilities under the Bonds to an independent Trustee for the benefit of the bondholders. The Company will be fully responsible for repaying the loan and must make the arrangements with the lender for the payment on the Bonds. If the Company is not able to meet its payment obligations, the lender will realize on its collateral and enforce its rights against the Company. The County is not liable for payment.

The foregoing is just a brief discussion of tax-exempt financing. By issuing the Bonds, the County will give the Company an interest rate benefit, because the tax-exempt bonds will be tax-exempt in the hands of the bondholders and, therefore, the cost savings passed along to the Company. It must be emphasized that the County will not be liable in any way on the Bonds; the Bonds are special, limited obligations of the County, acting solely as a conduit to allow the Company to access this type of financing.

Opportunity for Petition for Referendum

If the County proceeds to adopt an inducement resolution, we will immediately publish a required public notice which allows electors 30 days (from the publication date) in which to petition for a referendum. A petition signed by not less than five percent (5%) of the registered electors of the County, properly filed with the County Clerk requesting a referendum on the question of the issuance of the Bonds would require the County to submit the proposition for the electors' approval. In reality, should such a petition be successfully files, the Borrower would withdraw the request.

Alternative Conduit Issuers

As indicated above, the PFA could be a conduit issuer of the Bonds, **however, the PFA could only be the conduit issuer if both the County and the Town consent to the PFA being the conduit issuer.** This consent can be given by a Certificate of the County Board Chair and the Town Chair or can be done by Resolution of the respective governing bodies. If this route is taken, the Town of Salem would need to hold a single public hearing. No other actions would be required of the County or the Town.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

huschblackwell.com

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than 20 offices and our virtual office, The Link, to
provide uncommon solutions
to our clients' most complex challenges.**



Jason Matthys <jmatthys@co.pierce.wi.us>

CERTIFICATE OF TOWN CHAIRPERSON - RIDGE BREEZE DAIRY

1 message

saletownclerk@gmail.com <saletownclerk@gmail.com>

Tue, Oct 15, 2024 at
1:09 PM

To: jmatthys@co.pierce.wi.us, jon.aubart@co.pierce.wi.us

Jason/Jon,

The Town of Salem has not yet signed the Ridge Breeze Dairy financing statement (see attached).

Brent Halverson (Town of Salem Chair) wanted to see if you would send me what you signed. He thinks that you might have written something similar on your letterhead, and it was not exactly like what they want us to sign.

Thank you

Ann

Town of Salem

Ann Larson-Graham, Clerk

Saletownclerk@gmail.com

Cell: 715-308-4065



4881-8695-0869.2 Town of Salem Consent.docx
36K



Jason Matthys <jmatthys@co.pierce.wi.us>

Re: CERTIFICATE OF TOWN CHAIRPERSON - RIDGE BREEZE DAIRY

1 message

Jason Matthys <jmatthys@co.pierce.wi.us>

Tue, Oct 15, 2024 at 1:21 PM

To: salemtownclerk@gmail.com

Cc: jon.aubart@co.pierce.wi.us

Ms. Larson-Graham,

The document you have attached appears to be consistent with what was provided to both Pierce County and the Town of Salem via email from Lynda Templen on August 6, 2024. Pierce County correspondingly applied that template language to our letterhead and had the document signed by both myself and the County Board Chair. That document was then provided to Ms. Templen on September 11th, and a copy of such is attached to this email.

On Tue, Oct 15, 2024 at 1:09 PM <salemtownclerk@gmail.com> wrote:

Jason/Jon,

The Town of Salem has not yet signed the Ridge Breeze Dairy financing statement (see attached).

Brent Halverson (Town of Salem Chair) wanted to see if you would send me what you signed. He thinks that you might have written something similar on your letterhead, and it was not exactly like what they want us to sign.

Thank you

Ann

Town of Salem

Ann Larson-Graham, Clerk

Salemtownclerk@gmail.com

Cell: 715-308-4065



Matthys Aubart PFA Breeze Dairy Bond Certification.pdf

611K



Jason Matthys <jmatthys@co.pierce.wi.us>

Ridge Breeze Dairy Revised Consent

1 message

Templen, Lynda <Lynda.Templen@huschblackwell.com>

Fri, Jan 10, 2025 at
10:22 AM

To: Jason Matthys <jmatthys@co.pierce.wi.us>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence
<brad.lawrence@co.pierce.wi.us>, "Albrecht, Kate"
<Kate.Albrecht@huschblackwell.com>

Good morning,

As indicated in the email below, on September 12, 2024, you provided us with the signed consent letter providing Pierce County's consent to Ridge Breeze Dairy to utilize the PFA as a conduit issuer for their Bonds. In the interim, the size of the financing has increased. Consequently, we are sending a revised form of consent which includes the revised NTE amount.. Please sign and return at your convenience. If you have questions, please call. Thank you and happy new year!

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, September 12, 2024 3:45:24 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence
<brad.lawrence@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Please find the executed consent letter attached. Should you have any questions or additional information from Pierce County, please let me know.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

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vBio|vCard

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Pierce County Consent - Ridge Breeze Dairy 4854-2401-8645 v.2.docx
32K

To: Public Finance Authority
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703

RE: Not to Exceed \$18,000,000 Public Finance Authority
Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2025
(Ridge Breeze Dairy LLC Project)

To Whom It May Concern:

The Public Finance Authority ("Authority") proposes to issue not to exceed \$18,000,000 principal amount of its revenue bonds captioned above in one or more series of tax-exempt and/or taxable bonds (the "Bonds") on behalf of Ridge Breeze Dairy LLC (or an affiliate thereof, the "Borrower"), to finance a project consisting of the financing of certain eligible project costs of the Dairy expansion including the design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$18 million. The total project costs are approximately \$30 million located in the Town of Salem, Pierce County, Wisconsin (collectively, the "Project"). This letter shall constitute approval by Pierce County, Wisconsin, of such financing of the Project by the Authority for purposes of Section 66.0304(11)(a) of the Wisconsin Statutes.

The undersigned certify that they are the highest-ranking executive and administrator, respectively, of Pierce County, Wisconsin.

This approval does not constitute an endorsement of the Project.

This letter may be produced as evidence, and shall be conclusive proof, of the approval granted herein in connection with any proceedings relating to the issuance of the Bonds and may be relied upon by any party thereto in connection therewith.

Dated: _____

PIERCE COUNTY, WISCONSIN

By: _____
Name: Jonathan E. Aubart
Title: County Board Chair

By: _____
Name: Jason Matthys
Title: Administrative Coordinator



Jason Matthys <jmatthys@co.pierce.wi.us>

Re: Ridge Breeze Dairy Revised Consent

1 message

Jason Matthys <jmatthys@co.pierce.wi.us>

Thu, Jan 23, 2025 at 2:33 PM

To: "Templen, Lynda" <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>, Brad Lawrence <brad.lawrence@co.pierce.wi.us>, "Albrecht, Kate" <Kate.Albrecht@huschblackwell.com>

Ms. Templen,

Please find the revised and signed consent form attached from Pierce County.

On Fri, Jan 10, 2025 at 10:22 AM Templen, Lynda <Lynda.Templen@huschblackwell.com> wrote:

Good morning,

As indicated in the email below, on September 12, 2024, you provided us with the signed consent letter providing Pierce County's consent to Ridge Breeze Dairy to utilize the PFA as a conduit issuer for their Bonds. In the interim, the size of the financing has increased. Consequently, we are sending a revised form of consent which includes the revised NTE amount.. Please sign and return at your convenience. If you have questions, please call. Thank you and happy new year!

From: Jason Matthys <jmatthys@co.pierce.wi.us>

Sent: Thursday, September 12, 2024 3:45:24 PM

To: Templen, Lynda <Lynda.Templen@huschblackwell.com>

Cc: Jon Aubart <jon.aubart@co.pierce.wi.us>; Brad Lawrence <brad.lawrence@co.pierce.wi.us>

Subject: Re: Breeze Dairy financing

[EXTERNAL EMAIL]

Ms. Templen,

Please find the executed consent letter attached. Should you have any questions or additional information from Pierce County, please let me know.

Lynda Templen

Senior Counsel

HUSCH BLACKWELL

511 North Broadway
Suite 1100
Milwaukee, WI 53202

Direct: 414-978-5505

Fax: 414-223-5000

Lynda.Templen@huschblackwell.com

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Matthys Aubart PFA Breeze Dairy Bond(2).pdf

273K



Pierce County Wisconsin

Office of Administration

414 W. Main St. PO Box 128

Ellsworth, WI 54011

(715)273-6851

www.co.pierce.wi.us

Administrative Coordinator

Jason Matthys

To: Public Finance Authority
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703

RE: Not to Exceed \$18,000,000 Public Finance Authority
Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2025
(Ridge Breeze Dairy LLC Project)

To Whom It May Concern:

The Public Finance Authority ("Authority") proposes to issue not to exceed \$18,000,000 principal amount of its revenue bonds captioned above in one or more series of tax-exempt and/or taxable bonds (the "Bonds") on behalf of Ridge Breeze Dairy LLC (or an affiliate thereof, the "Borrower"), to finance a project consisting of the financing of certain eligible project costs of the Dairy expansion including the design, development, construction and operation of certain waste disposal components of the project in the amount of approximately \$18 million. The total project costs are approximately \$30 million located in the Town of Salem, Pierce County, Wisconsin (collectively, the "Project"). This letter shall constitute approval by Pierce County, Wisconsin, of such financing of the Project by the Authority for purposes of Section 66.0304(11)(a) of the Wisconsin Statutes.

The undersigned certify that they are the highest-ranking executive and administrator, respectively, of Pierce County, Wisconsin.

This approval does not constitute an endorsement of the Project.

This letter may be produced as evidence, and shall be conclusive proof, of the approval granted herein in connection with any proceedings relating to the issuance of the Bonds and may be relied upon by any party thereto in connection therewith.


Dated: 1/23/2025

PIERCE COUNTY, WISCONSIN

By: 

Name: Jonathan E. Aubart

Title: County Board Chair

By: 

Name: Jason Matthys

Title: Administrative Coordinator