

**EXTRACT FROM MINUTES OF  
THE BUNCOMBE COUNTY INDUSTRIAL FACILITIES  
AND POLLUTION CONTROL FINANCING AUTHORITY**

The Buncombe County Industrial Facilities and Pollution Control Financing Authority (the "Authority") met in the Planning Conference Room at 46 Valley Street, Asheville, North Carolina, at 10:00 a.m. on the 10th day March, 2014, in continuation of a meeting recessed from March 4, 2014.

Present: Commissioners Vernon Dover, John Lyda and Michael Frue

Absent: Jon Creighton, Erich Schmid and John O'Neal. Barbara Whitaker is deceased.

Also Present: Jerry Rice.

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Dover opened the continued meeting and called the meeting to order.

Frue presented the forms of the following documents (collectively, the "Financing Documents") in connection with the proposed issuance by the Authority of its Industrial Development Revenue Bonds (Plasticard-Locktech International Project), Series 2014 (the "Bonds") in the maximum aggregate principal amount of \$4,000,000.

1. Form of Loan Agreement, proposed to be dated as of April 1, 2014, by and between the Authority, as Issuer, GE Government Finance, Inc. (the "Lender") and Plasticard-Locktech International, LLP (the "Borrower") and relating to the Project (as defined below) (the "Loan Agreement");
2. Form of Escrow Agreement, proposed to be dated as of April 1, 2014, by and between U.S. Bank National Association, as Escrow Agent, the Lender and the Borrower (the "Escrow Agreement"); and
3. Form of Guaranty and Negative Pledge Agreement, proposed to be dated as of April 1, 2014, by Plasticard Products, Inc. and PLI Holdings, Inc. for the benefit of the Lender (the "Guaranty Agreement").

Frue stated that he had reviewed these documents and in his opinion, they are in order. The documents presented were delivered to the Secretary of the Authority and directed to be market Exhibits A, B and C, respectively, and made a part of the permanent records of the Authority.

Dover introduced the following resolution, the title of which was read aloud:

RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE OF \$4,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (PLASTICARD-LOCKTECH INTERNATIONAL PROJECT), SERIES 2014 OF THE AUTHORITY; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT; APPROVING THE FORMS OF THE ESCROW AGREEMENT AND THE GUARANTY AGREEMENT; MAKING A TAX ELECTION; APPROVING THE FORM AND AUTHORIZING EXECUTION AND DELIVERY OF THE CLOSING CERTIFICATES, ALL IN CONNECTION WITH FINANCING A PROJECT FOR PLASTICARD-LOCKTECH INTERNATIONAL, LLP

WHEREAS, the Authority is authorized under the Industrial and Pollution Control Facilities Financing Act, Chapter 159C of the General Statutes of North Carolina, as amended (the "Act"), to issue revenue bonds for the purpose, among others, of paying all or any part of the cost of an industrial project for industry, to acquire, construct and equip any such project and to make and execute financing agreements, security documents and other contracts and instruments necessary or convenient in the exercise of such powers; and

WHEREAS, the Company has requested the Authority to issue its Industrial Development Revenue Bonds (Plasticard-Locktech International Project), Series 2014 in the maximum aggregate principal amount up to \$4,000,000 (the "Bonds"), and loan the proceeds thereof to the Company to finance the acquisition, construction and installation of industrial facilities (the "Project") in Buncombe County, North Carolina as described in the Loan Agreement; and

WHEREAS, the Authority desires and deems it expedient to issue and sell the Bonds pursuant to the Act, the Financing Documents and this Resolution and to loan the proceeds thereof to the Company to finance the Project;

NOW, THEREFORE, BE IT RESOLVED by the Authority:

Section 1. The Authority hereby affirms that the Project will promote the right to gainful employment opportunity and private industry and thereby promote the general welfare of the people of the State of North Carolina by, among other things, providing jobs in Buncombe County, and that the Authority, in assisting with the financing of the acquisition, construction and installation of the Project, will be acting in furtherance of the public purposes for which it was created.

Section 2. The Authority hereby authorizes the issuance of the Bonds pursuant to the Act, the Financing Documents and this Resolution and the loan of the proceeds of the sale thereof to the Company pursuant to the Loan Agreement.

Section 3. The Authority hereby approves the form of the Loan Agreement which has been submitted to this meeting, and the Chairman or the Vice Chairman and the Secretary or any

Assistant Secretary of the Authority are hereby authorized to execute and deliver the Loan Agreement, in any number of signed counterparts, for and on behalf of the Authority, in substantially such form with such changes therein, additions thereto and omissions therefrom as those executing the Loan Agreement shall approve, their execution and delivery thereof constituting the conclusive approval of the Authority of any changes therein, additions thereto or omissions therefrom. All of the provisions of the Loan Agreement shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim and shall be in full force and effect from the date of delivery thereof.

Section 4. The Authority hereby approves the form of the Bonds which have been submitted to this meeting, and the Chairman or the Vice Chairman and the Secretary or any Assistant Secretary of the Authority are hereby authorized to execute and deliver the Bonds, for and on behalf of the Authority, in substantially such form with such changes therein, additions thereto and omissions therefrom as those executing the Bonds shall approve, their execution and delivery thereof constituting the conclusive approval of the Authority of any changes therein, additions thereto or omissions therefrom.

Section 5. The Authority hereby approves the forms of the Escrow Agreement and the Guaranty Agreement which have been submitted to this meeting, in substantially the forms which have been submitted to this meeting, with such changes therein as the Chairman or the Vice Chairman of the Authority shall hereafter approve, their acceptance of delivery thereof constituting the conclusive approval of the Authority of any changes therein, additions thereto or omissions therefrom.

Section 6. For the purpose of providing funds to finance a portion of the cost of the Project described in the Financing Documents to be owned and operated by the Company, the borrowing under the issuance and performance of industrial revenue bonds of the Authority pursuant to the Act and Article V, Section 9 of the Constitution of North Carolina in the maximum aggregate principal amount of \$4,000,000 is hereby authorized. Said Bonds shall be designated "The Buncombe County Industrial Facilities and Pollution Control Financing Authority Industrial Development Revenue Bonds (Plasticard-Locktech International Project), Series 2014," and shall be in substantially the form and denomination and shall have the terms and provisions set forth in the Financing Documents which have been submitted to this meeting, and the Chairman or the Vice Chairman (either by manual or facsimile signature) and the Secretary or any Assistant Secretary (either by manual or facsimile signature) of the Authority are hereby authorized to execute and deliver the Bonds for and on behalf of the Authority in substantially such form with such changes therein, additions thereto and omissions therefrom as those executing the Bonds shall approve, their execution and delivery thereof constituting the conclusive approval of the Authority of any changes therein, additions thereto or omissions therefrom. The Bonds shall bear interest at the rates set forth in the Financing Documents.

Section 7. The Bonds shall be delivered to the Lender subject to and in accordance with the Financing Documents and upon payment to the Escrow Agent of the purchase price therefore in an amount equal to the aggregate principal amount of the Bonds, and the proceeds of sale of the Bonds shall be loaned by the Authority to the Company pursuant to the Loan Agreement.

Section 8. The officers of the Authority are hereby authorized and directed to execute and deliver such certificates and statements as may be required by the Financing Documents as

may otherwise be required in connection with the issuance of the Bonds, including the filing with the Internal Revenue Service of Form 8038 of the Internal Revenue Service. The filing with the Secretary of the Local Government Commission of the State of North Carolina, pursuant to G.S. 159C-8, of an application for approval of the issuance of the Bonds and related matters is hereby ratified. Such officers are further authorized and directed to sign and to cause to be filed such financing statements and to cause to be recorded such instruments as counsel to the Authority shall deem necessary or advisable in connection with the issuance of the Bonds. Such officers shall be entitled to rely on the advice of counsel to the Authority in deciding to take or not to take any action in connection with the issuance of the Bonds. All action heretofore taken by the officers of the Authority in connection with the issuance of the Bonds is hereby ratified and approved.

Section 9. Pursuant to the provisions of Section 144(a)(4) of the Code and the regulations thereunder, the Authority hereby elects to have the provisions of Section 144(a)(4)(A) apply to the Bonds and the Chairman, Vice-Chairman, Secretary or Assistant Secretary is hereby authorized and directed to execute and cause to be maintained in the records of the Authority or filed with the Internal Revenue Service on behalf of the Authority if required (a) an election to have the provisions of Section 144(a)(4) of the Code apply to the Bonds and (b) an Information Return for Tax-Exempt Private Activity Bond Issues (Form 8038) and (c) such other instruments and documents as may be necessary or desirable to comply with applicable provisions of Section 103 and 141 through 150 of the Code. In addition, the Company is hereby appointed as the Authority's authorized representative for making all elections with respect to the Bonds under the Treasury Regulations.

Section 10. The Authority shall maintain the bond registration books provided for in the Loan Agreement among the Authority's official records.

Section 11. The Secretary or the Assistant Secretary of the Authority is hereby directed to transmit a certified copy of these resolutions forthwith to the Secretary of the Local Government Commission of North Carolina, such a transmittal to constitute the request (or confirmation of the previous request) by the Authority that the Local Government Commission of North Carolina, or its duly authorized designate, approve the system of registration of the Bonds, as provided in these Resolutions.

Section 12. The actions by officers of the Authority in filing with the Local Government Commission of North Carolina an application for approval of the issuance of the Bonds, in notifying the Secretary of the Department of Commerce of North Carolina of such filing and in applying for all other approvals referred to in this Resolution are hereby ratified and confirmed.

Section 13. The Chairman, the Vice-Chairman, the Secretary, the Assistant Secretary and the other officers of the Authority are hereby authorized and directed to execute and deliver for and on behalf of the Authority any and all financing statements, certificates, documents or other papers and to perform any and all acts they may deem necessary or appropriate in order to carry out the intent of this Resolution and the matters herein.

Section 14. The Chairman is hereby designated as the Authority's representative, and the Secretary is hereby designated as the alternative Authority representative, for the purpose of acting as such on behalf of the Authority pursuant to the Financing Documents.

Section 15. This Resolution shall be in full force and effect immediately upon its passage.

Commissioner Frue moved passage of the immediately foregoing resolution and the resolution was passed by the following vote:

Ayes: Commissioners: Dover, Creighton, Lyda and Frue.

Noes: Commissioners: none.

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**STATE OF NORTH CAROLINA**

**COUNTY OF BUNCOMBE**

I, Jon E. Creighton, Secretary of The Buncombe County Industrial Facilities and Pollution Control Financing Authority and keeper of the official minutes thereof, DO HEREBY CERTIFY, as follows:

1. A special meeting of The Buncombe County Industrial Facilities and Pollution Control Financing Authority (the "*Authority*") was duly held on the 10<sup>th</sup> day of March, 2014, proper notice of such meeting having been given as required by the bylaws of said Authority and by North Carolina statutes, and minutes of such meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of the Authority.

2. I have compared the attached extract with the minutes so recorded and the extract is a true copy of the minutes and of the whole thereof insofar as the minutes relate to matters referred to in such extract.

3. The minutes correctly state the time when the meeting was convened and the place where such meeting was held and the members of the Authority who attended the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the corporate seal of the Authority, this 10th day of March, 2014.

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Jon E. Creighton, Secretary

(SEAL)