

**EXTRACT FROM MINUTES OF BOARD OF COMMISSIONERS OF
THE COUNTY OF BUNCOMBE, NORTH CAROLINA**

The Board of Commissioners of the County of Buncombe, North Carolina (the "Board"), met in regular session in the Commission Chambers, 200 College Street, Suite 326, Asheville, North Carolina, the regular place of meeting, on February 4, 2014, at 4:30 p.m. with Chairman _____ presiding. The following Commissioners were:

PRESENT: _____

ABSENT: _____

ALSO PRESENT: _____

_____ stated that, pursuant to Chapter 159C of the General Statutes of North Carolina and the regulations thereunder, he had been advised that The Buncombe County Industrial Facilities and Pollution Control Financing Authority intended to file an application with the Secretary of the Department of Commerce for approval of an industrial and manufacturing project in Buncombe County, North Carolina for Plasticard-Locktech International, LLP, a North Carolina limited liability partnership (the "Company"), consisting of the acquisition and installation of new machinery and equipment to be located at 605 Sweeten Creek Industrial Park, Asheville, Buncombe County, North Carolina, which will be used for the manufacturing of magnetic strip cards for the hotel key, gift card and/or other types of industries (the "Project") in Buncombe County, North Carolina. The Project will be owned and operated by the Company. All or a portion of the cost of the Project is to be financed by the issuance of not exceeding \$4,000,000 aggregate principal amount of qualified small issue industrial revenue bonds of the Authority. Such application for approval cannot, under regulations of the Department of Commerce, be officially received until, among other things, the Board has, by resolution after having held a public hearing, approved the issuance of bonds for the proposed Project and approved the Project in principle.

_____ presented to the Board copies of the Authority's resolution approving the Project and the inducement agreement between the Authority and the Company. _____ then stated that a notice had been published by the Clerk to the Board of Commissioners on January 17, 2014, stating that the Board would hold a public hearing on February 4, 2014 on the proposed revenue bond issue and the Project (the "Notice").

Commissioner _____ moved that the Board ratify the publication of the Notice and designate this meeting as a public hearing on the revenue bond issue and the Project. The motion was unanimously adopted.

At ____ o'clock, p.m., _____ announced that the Board would hear anyone who wished to be heard on the advisability of issuing the revenue bonds and the Project.

_____ gave a brief description of the proposed Project. The presiding officer then recognized such persons, if any, who appeared either in person or by

attorney, to be heard on the question of the advisability of the proposed Project or the issuance of said revenue bonds. The Clerk of the Board of Commissioners reported that no written comment about the proposed Project or the related revenue bond issue had been received. The names and addresses of the persons who were present and summaries of their comments are as follows:

[insert, if applicable]

After the Board had heard all persons who requested to be heard, Commissioner _____ moved that the public hearing be closed. The motion was unanimously adopted.

_____ stated that under the Internal Revenue Code of 1986, as amended, the Board must approve the issuance of the Authority's qualified small issue industrial revenue bonds if the interest thereon is to be excludable from the gross income of the owners thereof for purposes of federal income taxation.

Commissioner _____ introduced the following resolution which was read out loud:

Resolution No. _____

RESOLUTION APPROVING THE ISSUANCE BY THE BUNCOMBE COUNTY INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCING AUTHORITY OF NOT EXCEEDING \$4,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS QUALIFIED SMALL ISSUE INDUSTRIAL REVENUE BONDS TO FINANCE AN INDUSTRIAL AND MANUFACTURING PROJECT IN BUNCOMBE COUNTY, NORTH CAROLINA FOR PLASTICARD-LOCKTECH INTERNATIONAL, LLP, AND APPROVING SUCH PROJECT IN PRINCIPLE.

WHEREAS, the Board of Commissioners for the County of Buncombe has created a political subdivision and body corporate and politic of the State of North Carolina known as "The Buncombe County Industrial Facilities and Pollution Control Financing Authority" (the "Authority"); and

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 industrial revenue bonds for the purpose, among others, of paying all or any part of the cost of any industrial or pollution control project for industry; to acquire, construct, improve 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 Authority has determined to issue not exceeding \$4,000,000 aggregate principal amount of its qualified small issue industrial revenue bonds to pay all or a portion of the costs of the Project to be located in Buncombe County, North Carolina, to be owned and operated by the Company, the interest on said bonds to be excludable from the gross income of the owners thereof for purposes of federal income taxation by virtue of the provisions of Section 103 of the Internal Revenue Code of 1986, as amended, or any successor thereto; and

WHEREAS, the Authority intends to file an application for approval of the Project with the Secretary of the Department of Commerce (the "DOC"), as required by the Act; and

WHEREAS, the DOC has, by regulation, provided that no application for approval of a project will be officially received until the governing body of the County from which the application is made has, by resolution after having held a public hearing, approved the issuance of revenue bonds and approved in principle the proposed project and a certified copy of such resolution has been provided to the DOC; and

WHEREAS, the Project will be located wholly within Buncombe County; and

WHEREAS, the Board of County Commissioners, pursuant to public notice duly given, has held a public hearing on the proposed qualified small issue industrial revenue bond issue and the Project and has considered the comments of persons who requested to be heard; and

WHEREAS, the Board of County Commissioners desires to approve the issuance of the qualified small issue industrial revenue bonds and approve the Project in principle;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners for the County of Buncombe:

(1) The issuance of qualified small issue industrial revenue bonds by the Authority in an aggregate principal amount not exceeding \$4,000,000 to finance the Project is hereby approved.

(2) The Project is hereby approved in principle.

(3) The Clerk of the Board of Commissioners is hereby authorized and directed to provide a certified copy of this resolution to the DOC.

(4) The Board of County Commissioners hereby requests that the State of North Carolina, pursuant to Chapter 588 of the 1987 North Carolina General Session Laws, or any other executive order or legislation relating to volume limitations on tax-exempt financing, allocate to the above-described qualified small issue industrial revenue bonds and Project \$4,000,000 of "unified volume limitation" (as described in said Session Laws or in any such other executive order or legislation), and acknowledges that any such allocation shall be only for purposes of said Project and that any portion of such

allocation not utilized in connection with such bonds and Project or which terminates or expires as provided in said Session Laws will, without further action, revert to the State of North Carolina, and there is hereby approved the application by the Authority for such an allocation.

(5) This resolution shall take effect immediately upon its passage.

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

AYES: _____

NAYS: _____

