

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF LANCASTER, NEBRASKA**

RESOLUTION NO. R09-___

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE OF A \$1,700,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BOND (PLASTIC COMPANIES ENTERPRISES, INC. PROJECT), SERIES 2009; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, AN ESCROW AGREEMENT AND A TAX REGULATORY AGREEMENT AND CLOSING DOCUMENTATION; DELEGATING, AUTHORIZING AND DIRECTING THE CHAIR AND CLERK TO EXERCISE THEIR INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING THE TERMS, PROVISIONS, FORM AND CONTENTS OF EACH OF SUCH DOCUMENTS; PROVIDING FOR THE TIME WHEN THIS RESOLUTION SHALL TAKE EFFECT; AND RELATED MATTERS.

BE IT ORDAINED BY THE BOARD OF THE COUNTY OF LANCASTER, NEBRASKA, AS FOLLOWS:

Section 1. Findings and Determinations. The Board of Commissioners (the "Board") of The County of Lancaster, Nebraska (the "County") hereby finds and determines as follows:

(a) The County is duly organized and validly existing as a county and a political subdivision of the State of Nebraska (the "State") with lawful power and authority to pass and adopt this Resolution acting by and through the Board.

(b) The County, in furtherance of the purposes and pursuant to the provisions of Article XIII, Section 2 of the Nebraska Constitution and Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended (the "Act"), and in order to provide for the public welfare and development in the State has proposed and does hereby propose that it:

(i) acquire, install, furnish and complete, but solely from the proceeds of the sale of the Bond (hereinafter defined), on certain real estate (the "Project Site") certain items of equipment and personal property (the "Project") for use in connection with the Project Site;

(ii) lease the Project to Plastic Companies Enterprises, Inc. (the "Corporation"), a Texas corporation, for the rental and upon the terms and conditions set forth in a Lease Agreement dated as of September 1, 2009 (the "Lease Agreement") among the County, the Corporation and GE Government Finance, Inc. (the "Bondholder"); and

(iii) issue its \$1,700,000 principal amount Industrial Development Revenue Bond, Series 2009 (Plastic Companies Enterprises, Inc. Project) dated

the date of delivery thereof (the “Bond”) under and pursuant to the Act and the Lease Agreement for the purpose of paying the costs of acquiring, installing, furnishing and completing the Project and paying the costs and expenses incident to the issuance of the Bond.

(c) Concurrently with the execution and delivery of the Lease Agreement, the County, the Corporation, the Bondholder and West Gate Bank will enter into an Escrow Agreement dated as of September 1, 2009 (the “Escrow Agreement”) to provide for the deposit, investment and disbursement of Bond proceeds.

(d) The following documents (the “Financing Documents”) have been prepared in connection with the acquisition, purchase, installation, furnishing and completion of the Project and the issuance and sale of the Bond:

(i) the form of the Lease Agreement;

(ii) the form of the Escrow Agreement; and

(iii) the form of the Tax Regulatory Agreement among the Corporation, the County and the Bondholder entered into in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Bond, to establish and maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Section 148(f) of the Internal Revenue Code.

(e) The issuance of the Bond will effectuate the public purposes of the County and carry out the purposes of Article XIII, Section 2 of the Nebraska Constitution and Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended, by, among other things, encouraging economic development in the State.

(f) Notice of a public hearing was published in the *Lincoln Journal Star* on August 29, 2009, concerning the issuance of the Bond in accordance with the Act; pursuant to such notice, a public hearing on the issuance of the Bond on behalf of the Corporation was conducted by the Board at the time and place specified in such notice and all persons who appeared were given an opportunity to express their views for or against the proposal to issue the Bond; a general functional description of the type and use of the Project has been accurately described in such notice of hearing and is hereby approved; the maximum face amount of the Bond has been accurately described in such notice of hearing and is hereby approved; and the initial owner, operator or manager of the Project has been accurately described in such notice of hearing and is hereby approved. The proposed issuance of the Bond by the County is in the best interest of the County and the same is hereby approved in accordance with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

(g) In accordance with the requirements of the Act, the Board does hereby determine and find the following:

(i) The amount necessary to pay the principal of and interest on the Bond will be the sums of basic rent calculated in the manner specified and provided for in Article II of the Lease Agreement;

(ii) The payments to be made by the Corporation pursuant to the Lease Agreement will be sufficient in amount to pay all principal and interest requirements on the Bond as the same become due;

(iii) The Corporation has in the Lease Agreement covenanted and agreed with the County to maintain the Project, to carry all proper insurance with respect thereto, to pay all taxes with respect thereto and to indemnify and save harmless the County and the Bondholder against and from any loss, damage or claim suffered, occasioned by or incurred in connection with the Project; therefore, it is not deemed advisable to establish any reserve funds in connection with the retirement of the Bond or the maintenance of the Project or the payment of taxes with respect thereto; and

(iv) The Lease Agreement is in full and complete compliance and conformity with all of the provisions of the Act.

(h) The Bond is a special, limited revenue obligation of the County payable solely out of the basic rental payments of the Corporation under the Lease Agreement and shall not be a general liability of the County or a charge against its general credit or taxing powers.

(i) The Bond will not and shall never constitute a debt, liability or general obligation of the State of Nebraska, or any political subdivision, agency or instrumentality thereof, nor will the faith and credit or the taxing power of the State of Nebraska be pledged to the payment of the principal of or interest on the Bond. Under no circumstance will any tax revenues ever be used to pay any portion of the debt service on the Bond.

Section 2. Authorization of the Bond. The County is authorized to issue the Bond in the principal amount of \$1,700,000 in order to obtain funds to pay the costs of the Project. The Bond shall be issued under and secured by and shall have the terms and provisions set forth in the Lease Agreement. The Bond shall be dated, shall bear interest at a rate not to exceed 7.00% per annum, and shall mature in principal installments with a final maturity not later than 10 years from the date of issuance of the Bond, and shall have such redemption provisions, including premiums, and other terms as set forth in the Lease Agreement. The final terms of the Bond shall be specified in the Lease Agreement upon the execution thereof, and the signatures of the Chair and the Clerk executing the Lease Agreement shall constitute conclusive evidence of their approval and the County's approval thereof. The Bond shall be executed on behalf of the County by the manual or facsimile signature of its Chair and attested by the manual or facsimile

signature of its Clerk and shall have the corporate seal of the County affixed thereto or imprinted thereon.

Section 3. Limited Obligations. The Bond shall be a limited obligation of the County payable solely from the sources and in the manner as provided in the Lease Agreement, and shall be secured as set forth in the Lease Agreement. The Bond and interest thereon shall not be deemed to constitute a debt or liability of the State of Nebraska (the "State") or of any political subdivision thereof within the meaning of any constitutional provision or statutory limitation of the State and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Lease Agreement. The issuance of the Bond shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State shall not in any event be liable for the payment of the principal or redemption price of or interest on the Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the County. No breach by the County of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or against its taxing power.

Section 4. Authorization and Approval of Documents. Each of the Financing Documents is hereby approved in substantially the forms presented to the County and attached to this Resolution (copies of which documents shall be filed in the records of the County), and the County is hereby authorized to execute and deliver each of the Financing Documents with such changes therein as shall be approved by the Chair or the Clerk and the County Attorney, such officers' signatures thereon being conclusive evidence of their approval and the County's approval thereof.

Section 5. Execution of Bond and Financing Documents. The Chair and the Clerk are hereby authorized and directed to execute the Bond by manual or facsimile signature and to deliver the Bond to the Bondholder for and on behalf of and as the act and deed of the County in the manner provided in the Lease Agreement. The Chair is hereby authorized and directed to execute and deliver the Financing Documents for and on behalf of and as the act and deed of the County. The Clerk or any Deputy Clerk is hereby authorized and directed to attest to the Financing Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 6. Further Authority. The County shall, and the officers, agents and employees of the County are hereby authorized and directed to, take such further action, and to approve and execute such other documents, certificates and instruments, including, without limitation, any security documents, financing statements, note endorsements, arbitrage certificates, closing certificates or tax forms as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the County with respect to the Bond and the Financing Documents.

Section 7. Severability. If any one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall

be deemed severable from the remaining provisions hereof and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution.

If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 8. Section Headings. The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Resolution.

Section 9. Repeal of Conflicting Resolutions. All prior Resolutions of the County or any parts thereof in conflict with any or all of this Resolution are hereby repealed to the extent of such conflict.

Section 10. Effectiveness of Resolution. This Resolution shall take effect and be in full force immediately after its adoption by the Board.

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PASSED AND ADOPTED this 15th day of September, 2009 at Lincoln, Lancaster County, Nebraska.

BY THE BOARD OF COMMISSIONERS OF
THE COUNTY OF LANCASTER,
NEBRASKA

APPROVED AS TO FORM
this ____ day of September, 2009.

(Deputy) County Attorney

ESCROW AGREEMENT

Among

GE GOVERNMENT FINANCE, INC.,

as Bondholder,

THE COUNTY OF LANCASTER, NEBRASKA,

as Lessor,

PLASTIC COMPANIES ENTERPRISES, INC.,

as Lessee,

and

WEST GATE BANK,

as Escrow Agent

Dated as of September 1, 2009

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made and entered into as of September 1, 2009, by and among West Gate Bank, a Nebraska banking corporation ("Escrow Agent"), GE Government Finance, Inc., a corporation duly organized and existing under the laws of the State of Delaware ("Bondholder"), The County of Lancaster, Nebraska, a county and political subdivision of the State of Nebraska ("Lessor"), and Plastic Companies Enterprises, Inc., a corporation duly organized and existing under the laws of the State of Texas ("Lessee").

In the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE 1

RECITALS

Section 1.01. Bondholder, Lessor and Lessee have entered into a Lease Agreement dated as of September 1, 2009 (the "Lease Agreement"), a duplicate original of which has been furnished to Escrow Agent. The terms capitalized in this Agreement but not defined herein shall have the meanings given to them in the Lease Agreement. Pursuant to the Lease Agreement, Bondholder and Lessor have agreed to finance for Lessee the Project Costs, and Lessee has agreed to make Lease Payments to Bondholder, as assignee of Lessor, in the manner and on the terms set forth therein. This Agreement is not intended to alter or change the rights and obligations of Bondholder, Lessor and Lessee under the Lease Agreement, but is entirely supplemental thereto.

Section 1.02. Under the Lease Agreement, upon the satisfaction of certain conditions precedent, Bondholder is required to deposit or cause to be deposited with Escrow Agent the sum of \$1,700,000.00, to be credited to the Escrow Fund established in Article 2 hereof and used to pay the Project Costs, and, to the extent not needed for this purpose, to pay or prepay the Lease Payments coming due under the Lease Agreement, all as hereinafter provided.

Section 1.03. The Project Costs shall be paid from the amount deposited with Escrow Agent as described in Sections 1.02 and 3.04 hereof, in accordance with this Agreement.

Section 1.04. Bondholder, Lessor and Lessee agree to employ Escrow Agent to receive, hold, invest and disburse the moneys paid to Escrow Agent by Bondholder as described in Section 1.02, all as hereinafter provided; however, Escrow Agent shall not be obligated to assume or perform any obligation of Bondholder, Lessor or Lessee or any Vendor with respect thereto or under the Lease Agreement by reason of anything contained in this Agreement.

Section 1.05. Each of the parties has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto.

ARTICLE 2

ESCROW FUND

Section 2.01. Escrow Agent shall establish a special escrow fund designated as the “GE Government Finance, Inc. Escrow Fund” (the “Escrow Fund”), shall keep such Escrow Fund separate and apart from all other funds and moneys held by it and shall administer such Escrow Fund as provided in this Agreement.

Section 2.02. All moneys paid to Escrow Agent by Bondholder pursuant to Section 1.02 of this Agreement shall be credited to the Escrow Fund. Escrow Agent shall use the moneys in the Escrow Fund to pay the Project Costs, upon receipt with respect thereto of a Payment Request Form attached hereto as Exhibit A, executed by Bondholder and Lessee, fully completed and with all supporting documents described therein attached thereto. Upon receipt of a Payment Request Form, Escrow Agent shall disburse proceeds from the Escrow Fund in such amounts and to such parties as directed therein. Lessee shall submit Payment Request Forms only for portions of the Project that are functionally complete and operationally independent.

Section 2.03. On ____ __, 20__, Escrow Agent shall pay to Bondholder an amount equal to the entire remaining balance on deposit in the Escrow Fund, which amount shall be applied to any prepayment premium determined pursuant to the terms of the Lease Agreement, the Lease Payments and any other amounts due under the Lease Agreement, all as determined by Bondholder. Upon payment as described in the preceding sentence, Bondholder shall prepare a revised Exhibit A to the Lease Agreement (which shall be effective without the consent of Lessee or Lessor) reflecting such payment.

Section 2.04. Upon receipt of written notice from Bondholder or Lessee that an Event of Default has occurred under the Lease Agreement or that Lessee has determined not to complete the Project, Escrow Agent shall liquidate all investments held in the Escrow Fund and transfer the proceeds thereof and all other moneys held in the Escrow Fund to Bondholder to be applied to any prepayment premium determined pursuant to the terms of the Lease Agreement, the Lease Payments and any other amounts due under the Lease Agreement, all as determined by Bondholder.

Section 2.05. Escrow Agent shall only be responsible for the safekeeping and investment of the moneys held in the Escrow Fund, and the disbursement thereof in accordance with this Article, and shall not be responsible for the authenticity or accuracy of such certifications or documents, the application of amounts paid pursuant to such certifications by the persons or entities to which they are paid, or the sufficiency of the moneys credited to the Escrow Fund to make the payments herein required.

ARTICLE 3

MONEYS IN ESCROW FUND; INVESTMENT

Section 3.01. The moneys and investments held by Escrow Agent under this Agreement are irrevocably held in trust for the benefit of Lessee, Lessor and Bondholder, and such moneys,

together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of Lessee, Lessor or Bondholder. Bondholder, Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein and in the Lease Agreement for the disbursement of funds by Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Bondholder have a security interest in the Escrow Fund, and such security interest is hereby granted to Bondholder by Lessee, to secure payment of all sums due to Bondholder, in its own capacity and assignee of Lessor, under the Lease Agreement. Escrow Agent shall hold the Escrow Fund and the securities and monies therein for the purpose of perfecting Bondholder's security interest therein and shall dispose of the Escrow Fund only in accordance with the terms and conditions of this Escrow Agreement. Escrow Agent hereby accepts appointment as agent and agrees to establish and maintain the Escrow Fund and the monies and securities therein as a financial intermediary or securities intermediary, as the case may be, for Bondholder, as entitlement holder. Escrow Agent confirms that (i) the Escrow Fund is a "securities account" as such term is defined in §8-501 of the applicable UCC; (ii) Escrow Agent shall, subject to the terms of this Escrow Agreement, treat Bondholder as entitled to exercise the rights that comprise any financial asset credited to the Escrow Fund; (iii) all property delivered to Escrow Agent for deposit into the Escrow Fund will be promptly credited to the Escrow Fund; and (iv) all securities and other property underlying any financial assets credited to the Escrow Fund shall be registered in the name of Escrow Agent, indorsed to Escrow Agent or in blank or credited to another securities account maintained in the name of Escrow Agent, and in no case will any financial asset credited to the Escrow Fund be registered in the name of Lessee, payable to the order of Lessee or specially indorsed to Lessee. Escrow Agent agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Escrow Fund shall be treated as a "financial asset" within the meaning of §8-102(a)(9) of the UCC. If at any time Escrow Agent shall receive an "entitlement order" (within the meaning of §8-102(a)(8) of the UCC) issued by Bondholder and relating to the Escrow Fund, Escrow Agent shall comply with such entitlement order without further consent by Lessee or any other person.

Section 3.02. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent upon order of Lessee only in Qualified Investments, as defined in Section 3.05. Such investments shall be registered in the name of Escrow Agent and held by Escrow Agent for the benefit of Bondholder, Lessor and Lessee. With the approval of Lessee, Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available.

Section 3.03. Escrow Agent shall, without further direction from Lessee, sell such investments as and when required to make any payment from the Escrow Fund. Any income received on such investments shall be credited to the Escrow Fund.

Section 3.04. Escrow Agent shall furnish to Lessee and Bondholder reports accounting for all investments and interest and income therefrom. Such accounting shall be furnished no less frequently than every three months and upon request of Bondholder or Lessee. None of

Bondholder, Lessor or Escrow Agent shall be responsible or liable for any loss suffered in connection with any investment of moneys made by Escrow Agent in accordance with this Article (other than Escrow Agent in its capacity as obligor under any Qualified Investment). In the event funds in the Escrow Fund are insufficient to pay the Project Costs, Lessee shall deposit additional funds in the Escrow Fund to be disbursed in accordance with the provisions hereof, and such additional funds deposited by Lessee shall be disbursed from the Escrow Fund before any other funds held in the Escrow Fund.

Section 3.05. As used in this Agreement, the term “Qualified Investments” means (a) securities which are general obligations of or are guaranteed as to the payment of principal and interest by the United States of America; (b) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; (c) commercial paper issued by corporations organized under the laws of a state of the United States which is rated in the highest rating category by Standard & Poor’s Ratings Services, a division of the McGraw Hill Companies, Inc., or Moody’s Investors Service, Inc.; or (d) certificates of deposit issued by or other forms of deposit in any national or state bank to extent that such deposits are fully insured by the Federal Deposit Insurance Corporation or any successor agency which is backed by the full faith and credit of the United States. By execution of this Agreement, Lessee also consents to the investment and reinvestment by the Escrow Agent of any moneys held as part of the Escrow Fund in shares of a money market fund (including a money market fund for which Escrow Agent and its affiliates provide advisory, custodial, administrative or similar services and receives fees), provided: (x) the money market fund is registered under the Investment Company Act of 1940; (y) the money market fund has been rated by a nationally recognized statistical rating organization in one of that organization’s three highest mutual fund rating categories; and (z) the money market fund’s investments are limited to those Qualified Investments listed in (a), (b) or (c) above. Derivative products are not “Qualified Investments.”

ARTICLE 4

ESCROW AGENT’S AUTHORITY; INDEMNIFICATION

Section 4.01. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

Section 4.02. Unless Escrow Agent is guilty of negligence or misconduct with regard to its duties hereunder, Lessee hereby agrees to indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in

connection therewith, to indemnify Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim. Escrow Agent shall be vested with a lien on all property deposited hereunder for indemnification, for reasonable attorneys' fees, court costs, for any suit, interpleader or otherwise, or any other expenses, fees or charges of any character or nature, which may be incurred by Escrow Agent by reason of disputes arising among Lessee, Lessor and Bondholder as to the correct interpretation of the Lease Agreement or this Agreement and instructions given to Escrow Agent hereunder, or otherwise, with the right of Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said additional expenses, fees and charges shall be fully paid.

Section 4.03. If Lessee, Lessor or Bondholder shall be in disagreement about the interpretation of the Lease Agreement or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Escrow Agent shall be indemnified by Lessee for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

Section 4.04. Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or misconduct.

ARTICLE 5

[RESERVED]

ARTICLE 6

CHANGE OF ESCROW AGENT

Section 6.01. A national banking association located in the United States or a state bank or trust company organized under the laws of a state of the United States, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement upon agreement of Lessor, Lessee and Bondholder. Such substitution shall not be deemed to affect the rights or obligations of the parties. Upon any such substitution, Escrow Agent agrees to assign to such substitute Escrow Agent its rights under this Agreement.

Section 6.02. Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Bondholder of its intention to resign and of the proposed date of resignation, which shall be a date not less than 30 days after such notice is deposited in the United States mail with postage fully prepaid, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by Lessee, Lessor and Bondholder.

Section 6.03. Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to Escrow Agent under this Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

ARTICLE 7

ADMINISTRATIVE PROVISIONS

Section 7.01. Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by Lessee, Lessor or Bondholder, or the agent of any of them, at any time during regular business hours.

Section 7.02. All notices, certificates, requests, demands and other communications provided for hereunder shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, (c) sent by overnight courier of national reputation, or (d) transmitted by telecopy, in each case addressed to Bondholder, Lessee and Lessor at their respective address set forth in the Lease Agreement and to Escrow Agent at its address as set forth below and, if telecopied, transmitted to Bondholder, Lessee and Lessor at their respective telecopier number and to Escrow Agent at its telecopier number set forth below or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (a) the date received if personally delivered, (b) when deposited in the mail if delivered by mail, (c) the date sent if sent by overnight courier, or (d) the date of transmission if delivered by telecopy.

Escrow Agent: West Gate Bank
 1204 West O Street
 Lincoln, NE 68528
 Telephone: (402) 323-6518
 Telecopier: (402) 434-3452

Section 7.03. This Agreement shall be construed and governed in accordance with the laws of the State of Nebraska.

Section 7.04. Any provisions of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement or the Lease Agreement.

Section 7.05. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Specifically, as used herein the term “Bondholder” means any person or entity to whom Bondholder has assigned its right to receive payments under the Lease Agreement and any payments due to Bondholder hereunder from after the date when a duplicate original of such assignment is filed with Escrow Agent.

Section 7.06. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

Section 7.07. This Agreement shall terminate upon disbursement by Escrow Agent of all moneys held by it hereunder.

Section 7.08. This Agreement (and, with respect to Bondholder, Lessor and Lessee, together with the Lease Agreement) constitutes the entire agreement of the parties relating to the subject matter hereof.

Section 7.09. To the extent permitted by law, the terms of this Agreement shall not be waived altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Lessee and Bondholder may agree to amend the date specified in Section 2.03 to a date no more than three years after the closing. Such amendment shall be effected by written agreement signed by Lessee and Bondholder in the form of Exhibit B hereto. Lessor's and Escrow Agent's consent to the amendment referred to in this paragraph shall not be required.

Section 7.10. BONDHOLDER, LESSOR, LESSEE AND ESCROW AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG BONDHOLDER, LESSOR, LESSEE AND ESCROW AGENT RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG BONDHOLDER, LESSOR, LESSEE AND ESCROW AGENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

GE GOVERNMENT FINANCE, INC.,
Bondholder

WEST GATE BANK,
Escrow Agent

By: _____
Title: Vice President

By: _____
Title: _____

THE COUNTY OF LANCASTER,
NEBRASKA, Lessor

PLASTIC COMPANIES ENTERPRISES, INC.,
Lessee

By: _____
Title: Chair

By: _____
Title: _____

[EXECUTION PAGE OF ESCROW AGREEMENT]

Exhibit A to Escrow Agreement

FORM OF PAYMENT REQUEST FORM

Payment Request Form No. _____

Plastic Companies Enterprises, Inc., as lessee (“Lessee”) under that certain Lease Agreement dated as of September 1, 2009 (the “Lease Agreement”), by and among The County of Lancaster, Nebraska (“Lessor”), GE Government Finance, Inc. (“Bondholder”) and Lessee, hereby requests West Gate Bank, as escrow agent (“Escrow Agent”) under the Escrow Agreement dated as of September 1, 2009 (the “Escrow Agreement”) among Escrow Agent, Bondholder, Lessor and Lessee, to make payment from the Escrow Fund (as defined in the Escrow Agreement) to the following party or parties, at the addresses set forth below:

<i>Payee</i>	<i>Address</i>	<i>Amount To Be Paid</i>	<i>Cost of Issuance or Project Description</i>
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In connection therewith, the undersigned officer of Lessee hereby certifies as follows:

1. All of the provisions of the Lease Agreement are incorporated herein by reference and capitalized terms used herein and not defined shall have the meanings assigned to them in the Lease Agreement.

2. The Project subject to this Payment Request Form comprises a portion of the Project described in the Lease Agreement, and has been delivered to, tested and inspected by, and accepted by Lessee. Such Project is functionally complete and operationally independent.

3. The payments to be made to the payees set forth above are for either the costs of issuance or the Project Costs described above, or reimbursement to Lessee therefor, and the payments have not been the basis for a prior request which has been paid, and the amount remaining in the Escrow Fund is sufficient to pay the remaining Project Costs.

4. All of Lessee’s representations, covenants and warranties contained in the Lease Agreement and the Tax Regulatory Agreement were true and accurate in all material respects as of the date made, and remain true and accurate in all material respects as of the date of this Payment Request Form, and Lessee has fully and satisfactorily performed all of its covenants and obligations to date required under the Lease Agreement and the Tax Regulatory Agreement. No Default or Event of Default has occurred under the Lease Agreement. All of the conditions contained in Article III of the Lease Agreement have been satisfied.

5. Lessee understands that Bondholder is relying on the certifications herein with regard to and in connection with approving the disbursement requested hereby.

6. ***Please indicate if this Payment Request Form relates to the final disbursement from the Escrow Fund: ___ Yes ___ No.***

If this Payment Request Form relates to the final disbursement from the Escrow Fund, Lessee and Bondholder hereby instruct Escrow Agent to disburse to Bondholder the remaining moneys held in the Escrow Fund to be applied to prepay the Lease as set forth in Section 2.07 of the Lease Agreement.

7. ***Please indicate if this Payment Request Form reimburses Lessee for any payment or payments previously made by Lessee: ___Yes ___No.***

If this Payment Request Form requests such a reimbursement, the payment or payments for any obligations originally paid by Lessee, for federal income tax purposes, was after June 5, 2009.

8. ***Lessee attaches hereto the following items:***

(a) ***invoices and/or bills of sale*** relating to the Project and, if such invoices have been paid by Lessor or Lessee, evidence of payment thereof. As provided in Section 12.07 of the Lease Agreement, upon execution of this Payment Request Form by Lessee and Bondholder, Exhibit A to Lease Agreement shall be amended to include the specific equipment listings and descriptions contained in the invoices and/or bills of sale attached hereto. If this request for payment relates to any vehicle subject to certificate of title laws, attached hereto is the manufacturer's statement of origin (MSO) and the title application naming GE Government Finance, Inc. as first lienholder;

(b) the ***list of the Project*** attached to the Lease Agreement, upon which Lessee has indicated those particular portions of the Project that relate to this Payment Request Form; and

(c) an ***insurance certificate*** in the form required by the Lease Agreement if such insurance certificate has not been previously provided by Lessee to Bondholder.

LESSEE:

PLASTIC COMPANIES ENTERPRISES,
INC.

By: _____

Title: _____

Date: _____

APPROVED BY LENDER:

GE GOVERNMENT FINANCE, INC.

By: _____

Title: _____

Date: _____

Attachments:

1. Invoices
2. Marked List of Project
3. Insurance Certificate (if not previously provided)

Exhibit B to Escrow Agreement

FORM OF AMENDMENT

This Amendment to Escrow Agreement is dated as of _____, 200__ (this "Amendment") by and between _____, as assignee of GE Government Finance, Inc. ("Bondholder"), and Plastic Companies Enterprises, Inc. ("Lessee").

RECITALS

A. GE Government Finance, Inc. ("GEGF"), Lessee, The County of Lancaster, Nebraska ("Lessor") and West Gate Bank ("Escrow Agent") have entered into an Escrow Agreement dated as of September 1, 2009 (the "Agreement"). GEGF assigned its rights under the Agreement to Bondholder, and Bondholder appointed GEGF as its servicer.

B. Pursuant to Section 7.09 of the Agreement, Bondholder and Lessee may, without the consent of Lessor or Escrow Agent, amend the date specified in Section 2.03 of the Agreement to a date no more than three years after the date of closing.

C. Bondholder and Lessee desire to amend the date specified in Section 2.03 of the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, it is hereby agreed as follows:

1. Bondholder and Lessee amend Section 2.03 of the Agreement by replacing the date "_____, 20__" as it appears in the second sentence thereof with the date "_____, _____."

2. In consideration for the administrative work incurred in connection with the extension granted hereby, Lessee agrees to pay GEGF an administrative fee in the sum of \$250. By delivery of a copy of this Amendment to Escrow Agent, Escrow Agent is instructed to disburse \$250 to GEGF from the investment earnings in the Escrow Fund.

3. This Amendment shall become effective only upon execution hereof by duly authorized officers or representatives of Bondholder and Lessee.

4. All other terms and conditions of the Agreement not specifically amended by this Amendment shall remain in full force and effect and are hereby ratified and confirmed by Bondholder and Lessee.

5. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in their respective corporate names by their duly authorized officers, all as of the date first written above.

Bondholder:

[GE GOVERNMENT FINANCE, INC.]

By: _____

Title: _____

Lessee:

PLASTIC COMPANIES ENTERPRISES,
INC.

By: _____

Title: _____

LEASE AGREEMENT

KUTAK ROCK LLP
DRAFT 09/10/09

Among

GE GOVERNMENT FINANCE, INC.,

as Bondholder,

and

THE COUNTY OF LANCASTER, NEBRASKA,

as Lessor,

and

PLASTIC COMPANIES ENTERPRISES, INC.,

as Lessee

Dated as of September 1, 2009

**This instrument constitutes a security agreement
under the Nebraska Uniform Commercial Code.**

LEASE AGREEMENT

Bondholder: GE Government Finance, Inc.
Three Capital Drive
Eden Prairie, MN 55344
Telephone: (800) 346-3164
Telecopier: (952) 828-2420

Lessor: The County of Lancaster, Nebraska
County – City Building
Room 110
555 South 10th Street
Lincoln, NE 68508
Telephone: (402) 441-7447
Telecopier: (402) 441-6301

Lessee: Plastic Companies Enterprises, Inc.
1821 Yolande Avenue
Lincoln, NE 68521
Telephone: (402) 474-3400
Telecopier: (402) 474-4369

THIS LEASE AGREEMENT dated as of September 1, 2009 (this “Agreement”) among GE Government Finance, Inc., a Delaware corporation, as bondholder (with its successors and assigns, “Bondholder”), The County of Lancaster, Nebraska, a county and political subdivision of the State of Nebraska (the “State”), as lessor (“Lessor”), and Plastic Companies Enterprises, Inc., a Texas corporation, as lessee (“Lessee”).

WHEREAS, Lessor is authorized and empowered under the laws of the State, including the Nebraska Industrial Development Act, Reissue Revised Statutes of Nebraska, Sections 13-1101 through 13-1110, inclusive, as now in effect and as may from time to time hereafter be amended and supplemented (the “Act”), to issue industrial development revenue bonds and to enter into lease agreements, contracts and other instruments and documents necessary or convenient to obtain loans for the purpose of facilitating the financing of certain projects as described in the Act; and

WHEREAS, in furtherance of the purposes of the Act, Lessor proposes to finance all or a portion of the Project (as hereinafter defined) for Lessee pursuant to this Agreement by issuing an industrial development revenue bond (the “Bond”) and obtaining a loan from Bondholder; and

WHEREAS, Lessor will use the proceeds of the Bond to acquire, purchase, install and complete the Project and will lease the Project to Lessee in exchange for Lessee’s agreeing to make the Lease Payments in accordance with this Agreement in amounts sufficient to pay the principal of and interest on the Bond.

WHEREAS, Lessee shall make Lease Payments directly to Bondholder as assignee of Lessor and holder of the Bond; and

WHEREAS, this Agreement and the Bond shall not be deemed to constitute a debt or liability or moral obligation of the State or any political subdivision thereof, or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof, but shall be a special obligation payable solely from the Lease Payments payable hereunder by Lessee to Bondholder as assignee of Lessor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises contained in this Agreement, Bondholder, Lessor and Lessee agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise:

“*Additional Collateral*” means, so long as the holder of the Bond is a GE Entity, all collateral securing obligations of Lessee to a GE Entity, including (without limitation) the collateral described in Exhibit F hereto.

“*Agreement*” means this Agreement, including all exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

“*Bond*” means Lessor’s \$1,700,000 Industrial Development Revenue Bond (Plastic Companies Enterprises, Inc. Project) Series 2009 in the form attached hereto as Exhibit E.

“*Bondholder*” means (a) GE Government Finance, Inc., acting as lender under this Agreement, (b) any surviving, resulting or transferee corporation of GE Government Finance, Inc. and (c) except where the context requires otherwise, any assignee(s) of Bondholder.

“*Business Day*” means a day other than a Saturday or Sunday on which banks are generally open for business in New York, New York.

“*Code*” means the Internal Revenue Code of 1986, as amended, and United States Treasury regulations promulgated thereunder.

“*Collateral*” means (a) the Equipment, (b) all general intangibles, software intangibles and other property relating thereto, (c) all accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed or used in connection with any of the foregoing property, (d) all warehouse receipts, bills of lading and other documents of title now or hereafter covering any of the foregoing property, (e) all securities, funds, moneys, deposits and other property at any time held in or subject to the Escrow Fund, (f) all accessions thereto, (g) all substitutions for

any of the foregoing property, and (h) all products and proceeds of any of the foregoing property (including, without limitation, any property acquired by Lessee with such proceeds).

“*Creditor*” means Manuel Zuniga.

“*Damaged Collateral*” means any portion of the Collateral that is lost, stolen, destroyed or damaged beyond repair.

“*Damaged Collateral Amount*” means an amount equal to the product of (a) the then current Prepayment Amount and (b) a percentage equal to the original cost of the Damaged Collateral divided by the original cost of all of the Collateral.

“*Debt Subordination Agreement*” means the Debt Subordination Agreement dated as of September 1, 2009 executed by Creditor and Lessee.

“*Default*” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article XI hereof.

“*Determination of Taxability*” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or an opinion obtained by Bondholder of counsel qualified in such matters, that an Event of Taxability shall have occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(a) the date when Lessee files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred; or

(b) the effective date of any federal legislation enacted after the date of this Agreement or promulgation of any income tax regulation or ruling by the Internal Revenue Service that causes an Event of Taxability after the date of this Agreement; or

(c) if upon sale, lease or other deliberate action taken with respect to the Project within the meaning of Treas. Reg. § 1.141-2(d), the failure to receive an unqualified opinion of bond counsel to the effect that such deliberate action will not cause interest on the Bond to become includable in the gross income of the recipient.

“*Environmental Laws*” has the meaning ascribed thereto in paragraph (h) of Article V hereof.

“*Equipment*” means the equipment, goods and other property financed or refinanced with the proceeds of the Bond and the Lease and the property identified in Exhibit A hereto.

“*Escrow Agent*” means West Gate Bank, as escrow agent under the Escrow Agreement, and its successors and assigns permitted under the Escrow Agreement.

“*Escrow Agreement*” means the Escrow Agreement dated as of September 1, 2009 among Bondholder, Lessor, Lessee and Escrow Agent.

“*Escrow Fund*” means the fund established and held by Escrow Agent pursuant to the Escrow Agreement.

“*Event of Taxability*” means if as the result of any act, failure to act or use of the proceeds of the Lease, a change in use of the Project or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Agreement or the Tax Regulatory Agreement by Lessor or Lessee or the enactment of any federal legislation after the date of this Agreement or the promulgation of any income tax regulation or ruling by the Internal Revenue Service after the date of this Agreement or for any other reason, the Interest is or becomes includable in Bondholder’s gross income.

“*GAAP*” means generally accepted accounting principles applied on a consistent basis.

“*GE Entity*” means GE Government Finance, Inc., General Electric Capital Corporation or any of its or their affiliates.

“*Gross-Up Rate*” means, with respect to any Interest payment (including payments made prior to the Event of Taxability), the rate necessary to calculate a total payment in an amount sufficient such that the sum of the Interest payment plus an additional payment would, after reduced by the federal tax (including interest and penalties) actually payable thereon, equal the amount of the Interest payment.

“*Guarantor*” means Sam Featherston.

“*Guaranty Agreement*” means the Personal Guaranty and Negative Pledge Agreement dated as of September 1, 2009 by Guarantor for the benefit of Lessor.

“*Interest*” means the portion of any payment from Lessor to Bondholder designated as and comprising interest as shown in Exhibit A hereto.

“*Lease*” means the lease of the Project from Lessor to Lessee pursuant to this Agreement.

“*Lease Payments*” means the payments payable by Lessee pursuant to the provisions of this Agreement and the Bond as specifically set forth in Exhibit A hereto. As provided in Article II hereof, Lease Payments shall be payable by Lessee directly to Bondholder, as assignee of Lessor and holder of the Bond, in the amounts and at the times as set forth in Exhibit A hereto.

“*Lease Proceeds*” means the total amount of money to be paid pursuant to Section 2.02 hereof by Bondholder to Escrow Agent for deposit and application in accordance with the Escrow Agreement.

“*Lessee*” means Plastic Companies Enterprises, Inc., a Texas corporation.

“*Lessee Documents*” means, collectively, this Agreement, the Escrow Agreement, the Tax Regulatory Agreement, the Debt Subordination Agreement and any other agreements, documents or certificates executed by Lessee in connection with the Lease contemplated by this Agreement.

“*Lessor*” means The County of Lancaster, Nebraska, acting as lessor under this Agreement.

“*Prepayment Amount*” means the amount which Lessee may or must from time to time pay or cause to be paid to Bondholder as assignee of Lessor and holder of the Bond in order to prepay the Lease and the Bond, as provided in Section 2.07 hereof, such amounts being set forth in Exhibit A hereto, together with accrued interest and all other amounts due hereunder.

“*Previous Lease Agreement*” means the Lease Agreement dated as of May 1, 2008 among Bondholder, Lessor and Lessee.

“*Principal*” means the portion of any Lease Payment designated as principal in Exhibit A hereto.

“*Project*” means the acquisition and installation of the Equipment.

“*Project Costs*” means the acquisition and installation costs of the Project, including those to be paid to any Vendor or reimbursed to Lessee for any portion thereof, and any administrative, engineering, legal, financial and other costs incurred by Bondholder, Lessor, Lessee, Escrow Agent or any Vendor in connection with the acquisition, installation and financing by Bondholder of such Project and the costs of issuance which may be paid pursuant to the Tax Regulatory Agreement, which Project Costs are set forth in Exhibit A hereto.

“*Purchase Agreements*” means Lessee’s purchase agreements with Vendors of the Project.

“*Purchase Price*” means \$1,700,000.

“*State*” means the State of Nebraska.

“*Tax Regulatory Agreement*” means the Tax Regulatory Agreement dated as of September 1, 2009 among Lessee, Lessor and Bondholder, as such Tax Regulatory Agreement may be amended from time to time in accordance with its terms.

“*Terrorism Laws*” means Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations) and the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies and any other

requirements of any governmental authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities.

“*UCC*” means the Uniform Commercial Code as adopted and in effect in the State.

“*Vendor*” means the manufacturer or vendor of any portion of the Project, as well as the agents or dealers of the manufacturer, from whom Lessee has purchased or is purchasing portions of the Project.

Section 1.02. Exhibits. The following exhibits are attached hereto and made a part hereof:

Exhibit A: Schedule of Equipment and Lease Payments describing the Equipment and setting forth the Lease Payments and Prepayment Amounts. Lessor and Lessee hereby authorize Bondholder to insert in Exhibit A the serial or other identifying numbers relating to the Equipment when available.

Exhibit B: Form of opinion of counsel to Lessee, Guarantor and Creditor.

Exhibit C: Form of opinion of bond counsel.

Exhibit D: [Reserved.]

Exhibit E: Form of Bond.

Exhibit F: List of Additional Collateral.

Exhibit G: Form of Certificate of Chief Financial Officer.

Section 1.03. Rules of Construction. (a) The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivision of this Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this Agreement as a whole.

(c) The headings or titles of the several articles and sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

ARTICLE II

FINANCING OF PROJECT AND TERMS OF LEASE

Section 2.01. *Acquisition of Project.*

(a) Lessee either has ordered or shall order the Project pursuant to one or more Purchase Agreements from one or more Vendors. Lessee shall remain liable to the Vendor or Vendors in respect of its duties and obligations in accordance with each Purchase Agreement and shall bear the risk of loss with respect to any loss or claim relating to any portion of the Project covered by any Purchase Agreement, and neither Bondholder nor Lessor shall assume any such liability or risk of loss.

(b) Lessee agrees to sell, and does hereby sell, to Lessor the Project on the terms and conditions of this Agreement, and Lessor agrees to purchase, and subject to the satisfaction of the conditions contained in Article III hereof, does purchase the Project in accordance with the terms and conditions of this Agreement, at the Purchase Price but only with the proceeds of the Bond. Lessor and Lessee agree that, upon payment of the Purchase Price by Lessor to or on behalf of Lessee, title to the Project shall be deemed to be conveyed to and vested in Lessor. Lessee agrees to execute any and all documents, certificates and agreements necessary to effectuate such purchase of the Project.

(c) Lessor agrees to lease and hereby leases the Project to Lessee, and Lessee agrees to lease and hereby leases, the Project from Lessor, all in accordance with the terms and conditions of this Agreement. Lessee agrees that it shall be liable for all of its obligations under any agreements with Vendors in the event that the conditions contained in Article III hereof are not satisfied or the Lease Proceeds are not applied as provided in Section 2.02 hereof for any reason. Lessor and Lessee agree to execute any and all documents, certificates and agreements necessary to effectuate such lease of the Project.

(d) Upon payment by Lessee of all Lease Payments hereunder, title to the Project shall pass from Lessor to Lessee automatically and without further act upon the end of the term of this Agreement. Lessor agrees to execute any and all documents, certificates and agreements necessary to effectuate such transfer of the Project.

Section 2.02. *Lease.* Bondholder hereby agrees, subject to the terms and conditions of this Agreement, to purchase the Bond in the amount of \$1,700,000; Lessor hereby agrees, subject to the terms and conditions of this Agreement, to issue the Bond and to use the proceeds thereof to purchase the Project. Upon fulfillment of the conditions set forth in Article III hereof, Bondholder shall deposit the Lease Proceeds in the Escrow Fund to be held, invested and disbursed as provided in the Escrow Agreement. Lessor's obligation to make payments on the Bond, and Lessee's obligation to repay the Lease, shall commence, and interest shall begin to accrue, on the date that Lease Proceeds are deposited in the Escrow Fund.

Section 2.03. *Interest.* The principal amount of the Bond hereunder outstanding from time to time shall bear interest (computed on the basis of 12 30-day months) at the rate of _____ percent (____%). Interest accruing on the principal balance of the Bond and the

Lease outstanding from time to time shall be payable as provided in Exhibit A and in the Bond and upon earlier demand in accordance with the terms hereof or prepayment in accordance with the terms of the Bond and Section 2.07 hereof. Upon the occurrence of a Determination of Taxability, Lessee shall, with respect to future interest payments, begin making Lease Payments calculated at the Gross-Up Rate. In addition, Lessee shall make immediately upon demand of Bondholder a payment to Bondholder sufficient to supplement prior Lease Payments to the Gross-Up Rate.

Section 2.04. *Payments.* Lessor shall pay the principal of, premium, if any in accordance with Section 2.07 hereof, and interest on the Bond, but only out of the amounts paid by Lessee pursuant to this Agreement. Lessee shall pay to Bondholder, as assignee of Lessor, Lease Payments, in the amounts and on the dates set forth in Exhibit A hereto. Additionally, Lessee shall pay to Bondholder, as assignee of Lessor and holder of the Bond, an amount equal to the product of (i) 18% per annum and (ii) the delinquent amount of any Lease Payment not paid when due. As security for its obligation to pay the principal of, premium, if any in accordance with Section 2.07 hereof, and interest on the Bond, Lessor assigns to Bondholder all of Lessor's right to receive Lease Payments from Lessee hereunder and all of Lessor's rights hereunder, and Lessor irrevocably constitutes and appoints Bondholder and any present or future officer or agent of Bondholder as its lawful attorney, with full power of substitution and resubstitution, and in the name of Lessor or otherwise, to collect the Lease Payments and any other payments due hereunder and under the Bond and to sue in any court for such Lease Payments or other payments, to exercise all rights hereunder with respect to the Collateral, and to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Agreement upon any terms. Such Lease Payments and other payments shall be made by Lessee directly to Bondholder, as Lessor's assignee and holder of the Bond, and shall be credited against Lessor's payment obligations hereunder and under the Bond. No provision, covenant or agreement contained in this Agreement or any obligation imposed on Lessor herein or under the Bond, or the breach thereof, shall constitute or give rise to or impose upon Lessor a pecuniary liability, a charge upon its general credit or taxing powers or a pledge of its general revenues. In making the agreements, provisions and covenants set forth in this Agreement, Lessor has not obligated itself except with respect to the application of the Lease Payments to be paid by Lessee hereunder. All amounts required to be paid by Lessee hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by Bondholder or Lessee for any claim based on this Agreement, the Bond or the Tax Regulatory Agreement against any director, officer, employee or agent of Lessor alleging personal liability on the part of such person, unless such claim is based on the willful dishonesty of or intentional violation of law by such person.

Section 2.05. *Payment on Non-Business Days.* Whenever any payment to be made hereunder or under the Bond shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 2.06. *Lease Payments To Be Unconditional.* The obligations of Lessee to make the Lease Payments required under this Article II and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any

reason, including (without limitation) any failure of the Project to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Project or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between Lessee and any of Lessor, Bondholder, any Vendor or any other person, Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement.

Section 2.07. Prepayments. (a) Lessee may, in its discretion, prepay the Lease and the Bond in whole at any time after the third anniversary of the date hereof by paying the applicable Prepayment Amount.

(b) Lessee shall prepay the Lease and the Bond in whole or in part at any time pursuant to Article IX hereof by paying the applicable Damaged Collateral Amount.

(c) Lessee shall prepay the Lease and the Bond in full immediately upon demand of Bondholder after the occurrence of an Event of Default by paying the applicable Prepayment Amount. A portion of such prepayment may be made with funds remaining in the Escrow Fund pursuant to the Escrow Agreement.

(d) Lessee shall prepay the Lease and the Bond in full immediately upon demand of Bondholder after the occurrence of a Determination of Taxability by paying the applicable Prepayment Amount plus an amount necessary to supplement the prior Lease Payments to the Gross-Up Rate.

(e) The amounts due hereunder shall be repaid, and the amounts due under the Bond shall be paid, in part with funds remaining in the Escrow Fund upon termination of the Escrow Agreement as provided in Section 2.03 of the Escrow Agreement and, if less than 80% of the amount deposited in the Escrow Fund has been disbursed pursuant to the Escrow Agreement, together with a prepayment premium calculated at the percentage used to determine the Prepayment Amount at the date of such prepayment.

Upon any prepayment in part of the Lease, the prepayment shall be applied to the Lease Payments and any other amounts due hereunder as determined by Bondholder.

ARTICLE III

CONDITIONS PRECEDENT

Bondholder's agreement to purchase the Bond and to disburse the Lease Proceeds shall be subject to the condition precedent that Bondholder shall have received all of the following, each in form and substance satisfactory to Bondholder:

(a) This Agreement, properly executed on behalf of Lessor and Lessee, and each of the Exhibits hereto properly completed.

- (b) The Bond, properly executed on behalf of Lessor.
- (c) The Tax Regulatory Agreement, properly executed on behalf of Lessor, Lessee and Bondholder.
- (d) The Escrow Agreement, properly executed on behalf of Lessor, Lessee and Escrow Agent.
- (e) The Guaranty Agreement, properly executed on behalf of Guarantor.
- (f) The Debt Subordination Agreement, properly executed on behalf of Creditor and Lessee.
- (h) A certificate of the Secretary or an Assistant Secretary of Lessee, certifying as to (i) the resolutions of the board of directors and, if required, the shareholders of Lessee, authorizing the execution, delivery and performance of the Lessee Documents and any related documents, (ii) the bylaws of Lessee, and (iii) the signatures of the officers or agents of Lessee authorized to execute and deliver the Lessee Documents and other instruments, agreements and certificates on behalf of Lessee.
- (i) Currently certified copies of the Articles of Incorporation of Lessee.
- (j) A Certificate of Good Standing issued as to Lessee by the Secretary of State of the State of Texas not more than 20 days prior to the date hereof.
- (k) A Certificate of qualification to do business issued as to Lessee by the Secretary of State of the State not more than 20 days prior to the date hereof.
- (l) Certificates of the insurance required hereunder, containing a lender's loss payable clause or endorsement in favor of Bondholder.
- (m) A completed and executed Form 8038 or evidence of filing thereof with the Secretary of Treasury.
- (n) A resolution or evidence of other official action taken by or on behalf of Lessor to authorize the transactions contemplated hereby.
- (o) Evidence that the issuance of the Bond for the purpose of financing of the Project has been approved by the "applicable elected representative" after a public hearing held upon reasonable notice.
- (p) A true and correct copy of any and all leases pursuant to which Lessee is leasing the property where the Collateral will be located, together with a landlord's disclaimer and consent with respect to each such lease.

(q) A true and correct copy of any and all mortgages, deeds of trust or similar agreements (whether or not Lessee is a party to any such agreement) relating to the property where the Collateral will be located, together with a mortgagee's waiver with respect to each such mortgage, deed of trust or similar agreement.

(r) Financing statements authorized by Lessee, as debtor, and naming Bondholder, as secured party, and/or the original certificate of title or manufacturer's certificate of origin and title application if any of the Collateral is subject to certificate of title laws.

(w) Financing statements authorized by Lessor, as debtor, and naming Bondholder, as secured party.

(t) Current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against Lessee, (ii) no financing statements have been filed and remain in effect against Lessee relating to the Collateral except those financing statements filed by Bondholder, and (iii) all financing statements necessary to perfect the security interest created pursuant to this Agreement have been filed.

(u) An opinion of counsel to Lessee, Guarantor and Creditor, addressed to Bondholder and Lessor, in the form attached hereto as Exhibit B.

(w) An opinion of bond counsel, addressed to Bondholder and Lessor, in the form attached hereto as Exhibit C.

(x) Payment of Bondholder's fees, commissions and expenses required by Section 12.01 hereof.

(y) Payment of Lessor's fees, commissions and expenses incurred in connection with this Agreement and the transactions contemplated hereby.

(z) Any other documents or items required by Bondholder.

Bondholder's agreement to consider approval of any disbursement from the Escrow Fund shall be subject to the further conditions precedent that on the date thereof:

(aa) Bondholder shall have received each of the items required for a disbursement pursuant to the Escrow Agreement;

(bb) Bondholder shall have received in form and substance satisfactory to Bondholder Vendor invoice(s) and/or bill(s) of sale relating to the Project and, if such invoices have been paid by Lessor or Lessee, evidence of payment thereof and, if applicable, evidence of official intent to reimburse such payment as required by the Code;

(cc) the representations and warranties contained in Articles IV and V hereof are correct on and as of the date of such disbursement as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date; and

(dd) no Default, Event of Default or Determination of Taxability has occurred.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSOR

Lessor represents, warrants and covenants for the benefit of Bondholder and Lessee, as follows:

(a) Lessor is a county and political subdivision duly created and validly existing under the Constitution and laws of the State.

(b) Lessor will exercise its best efforts to preserve and keep in full force and effect its existence as a body public and corporate.

(c) Lessor is authorized under the Constitution and laws of the State to issue the Bond and to enter into this Agreement, the Escrow Agreement, the Tax Regulatory Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(d) Lessor has duly authorized the issuance of the Bond and the execution and delivery of this Agreement, the Escrow Agreement and the Tax Regulatory Agreement under the terms and provisions of the resolution of its governing body or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Bond, this Agreement, the Escrow Agreement and the Tax Regulatory Agreement against Lessor, and Lessor has complied with such public bidding requirements as may be applicable to the Bond, this Agreement, the Escrow Agreement and the Project. Lessor has taken all necessary action and has complied with all provisions of the Act, including but not limited to the making of the findings required by the Act, required to make the Bond, this Agreement, the Escrow Agreement and the Tax Regulatory Agreement the valid and binding obligation of Lessor.

(e) The officer of Lessor executing the Bond, this Agreement, the Escrow Agreement, the Tax Regulatory Agreement and any related documents has been duly authorized to issue the Bond and to execute and deliver this Agreement, the Escrow Agreement and the Tax Regulatory Agreement and such related documents under the terms and provisions of a resolution of Lessor's governing body, or by other appropriate official action.

(f) The Bond, this Agreement, the Escrow Agreement and the Tax Regulatory Agreement are legal, valid and binding limited obligations of Lessor payable solely from the revenues pledged therefor pursuant to the terms hereof, enforceable in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

(g) Lessor has assigned to Bondholder all of Lessor's rights in this Agreement (except any indemnification payable to Lessor pursuant to Section 7.06 hereof and notice to Lessor pursuant to Section 12.03 hereof).

(h) Lessor will not pledge, mortgage or assign this Agreement or its duties and obligations hereunder to any person, firm or corporation, except as provided under the terms hereof.

(i) None of the issuance of the Bond or the execution and delivery of this Agreement, the Escrow Agreement or the Tax Regulatory Agreement, the consummation of the transactions contemplated hereby or the fulfillment of or compliance with the terms and conditions of the Bond, this Agreement, the Escrow Agreement or the Tax Regulatory Agreement violates any law, rule, regulation or order, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Lessor under the terms of any instrument or agreement.

(j) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessor's knowledge, threatened against or affecting Lessor, challenging Lessor's authority to issue the Bond or to enter into this Agreement, the Escrow Agreement or the Tax Regulatory Agreement or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of the Bond, this Agreement, the Escrow Agreement or the Tax Regulatory Agreement or any other transaction of Lessor which is similar hereto, or the exclusion of the Interest from gross income for federal tax purposes under the Code, or would materially and adversely affect any of the transactions contemplated by this Agreement.

(k) Lessor will submit or cause to be submitted to the Secretary of the Treasury a Form 8038 (or other information reporting statement) at the time and in the form required by the Code.

(l) The issuance of the Bond for the purpose of financing the Project has been approved by the "applicable elected representative" (as defined in Section 147(f) of the Code) after a public hearing held upon reasonable notice.

(m) Lessor will comply fully at all times with the Tax Regulatory Agreement, and Lessor will not take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Tax Regulatory Agreement.

(n) Lessor will take no action that would cause the Interest to become includable in gross income for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or consenting to a deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and Lessor will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE

Lessee represents, warrants and covenants for the benefit of Bondholder and Lessor, as follows:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, has power to enter into the Lessee Documents and by proper corporate action has duly authorized the execution and delivery of the Lessee Documents. Lessee is in good standing and is duly licensed or qualified to transact business in the State, in the State of Texas and in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary. Lessee's exact legal name is as set forth on the execution page hereof. Lessee's federal tax identification number is 47-2659520.

(b) Lessee has been fully authorized to execute and deliver the Lessee Documents under the terms and provisions of the resolution of its board of directors, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of the Lessee Documents and the Lessee Documents have been duly authorized, executed and delivered.

(c) The officer of Lessee executing the Lessee Documents and any related documents has been duly authorized to execute and deliver the Lessee Documents and such related documents under the terms and provisions of a resolution of Lessee's board of directors.

(d) The Lessee Documents constitute valid and legally binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms, except to

the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

(e) The execution and delivery of the Lessee Documents, the consummation of the transactions contemplated hereby and the fulfillment of the terms and conditions hereof do not and will not violate any law, rule, regulation or order, conflict with or result in a breach of any of the terms or conditions of the articles of incorporation or bylaws of Lessee or of any corporate restriction or of any agreement or instrument to which Lessee is now a party and do not and will not constitute a default under any of the foregoing or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of Lessee contrary to the terms of any instrument or agreement.

(f) The authorization, execution, delivery and performance of this Agreement by Lessee do not require submission to, approval of, or other action by any governmental authority or agency, which action with respect to this Agreement has not been taken and which is final and nonappealable.

(g) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement, the Escrow Agreement or the Tax Regulatory Agreement or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement, the Escrow Agreement or the Tax Regulatory Agreement or any other transaction of Lessee which is similar hereto, or the exclusion of the Interest from gross income for federal tax purposes under the Code, or could reasonably be expected to have a material adverse effect on the financial condition, operations, business or prospects of Lessee.

(h) The property at which the Collateral is located is properly zoned for its current and anticipated use and the use of the Collateral will not violate any applicable zoning, land use, environmental or similar law or restriction. Lessee has all licenses and permits to use the Collateral. Lessee has obtained all permits, licenses and other authorizations which are required under federal, state and local laws relating to emissions, discharges, releases of pollutants, contaminants, hazardous or toxic materials, or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes ("Environmental Laws") at Lessee's facilities or in connection with the operation of its facilities. Except as previously disclosed to Bondholder in writing, Lessee and all activities of Lessee at its facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to Lessee with respect thereto. Except as previously disclosed to Bondholder in writing, Lessee is also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which

Lessee is aware. Except as previously disclosed to Bondholder in writing, Lessee is not aware of, nor has Lessee received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws.

(i) The Project is of the type authorized and permitted to be financed with the proceeds of the Bond pursuant to the Act.

(j) Lessee will lease the Project and intends to operate the Project, or cause the Project to be operated, as a “project,” within the meaning of the Act, until the date on which all of the Lease Payments have been fully paid or the applicable Prepayment Amount has been fully paid.

(k) Lessee will not take any action that would cause the Interest to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

(l) Lessee has heretofore furnished to Bondholder the audited financial statements of Lessee for its fiscal years ended December 31, 2002, December 31, 2003, December 31, 2004, December 31, 2005, December 31, 2006, December 31, 2007 and December 31, 2008 and the unaudited financial statements of Lessee for the months ended June 30, 2008 and June 30, 2009, and those statements fairly present the financial condition of Lessee on the dates thereof and the results of its operations and cash flows for the periods then ended and were prepared in accordance with GAAP. Since the date of the most recent financial statements, there has been no material adverse change in the business, properties or condition (financial or otherwise) of Lessee.

(m) All financial and other information provided to Bondholder by or on behalf of Lessee or Guarantor or in connection with Lessee’s request for the Lease contemplated hereby is true and correct in all material respects and neither Lessee nor Guarantor have omitted to provide Bondholder with any information which would be material to Bondholder’s decision to enter into this Agreement and, as to projections, valuations or pro forma financial statements, present a good faith opinion, as to such projections, valuations and pro forma condition and results.

(n) Lessee has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it. Lessee has filed all federal, state and local tax returns which are required to be filed, and Lessee has paid or caused to

be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due.

(o) Lessee has or will have, prior to conveyance to Lessor pursuant to this Agreement, and Lessor will have upon conveyance from Lessee pursuant to this Agreement, good and absolute title to all Collateral and all proceeds thereof, free and clear of all mortgages, security interests, liens and encumbrances except for the security interest created pursuant to this Agreement.

(p) Lessee has authorized Bondholder to file financing statements, and such financing statements when filed will be sufficient to perfect the security interest created pursuant to this Agreement. When such financing statements are filed in the offices noted therein, Bondholder, as holder of the Bond, will have a valid and perfected security interest in the Collateral, subject to no other security interest, assignment, lien or encumbrance. None of the Collateral is or will become a fixture on real estate. None of the Collateral constitutes a replacement of, substitution for or accessory to any property of Lessee subject to a lien of any kind. **[MJZ Properties, LTD. owns the real property where the Collateral will be located subject to no liens or encumbrances of any kind.]**

(q) Lessee will aid and assist Lessor in connection with preparing and submitting to the Secretary of the Treasury a Form 8038 (or other applicable information reporting statement) at the time and in the form required by the Code.

(r) Lessee will comply fully at all times with the Tax Regulatory Agreement, and Lessee will not take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Tax Regulatory Agreement.

(s) Expenses for work done by officers or employees of Lessee in connection with the Project will be included as a Project Cost, if at all, only to the extent (i) such persons were specifically employed for such particular purpose, (ii) the expenses do not exceed the actual cost thereof and (iii) such expenses are treated or capable of being treated (whether or not so treated) on the books of Lessee as a capital expenditure in conformity with GAAP.

(t) Any costs incurred with respect to that part of the Project paid from the Lease Proceeds shall be treated or capable of being treated on the books of Lessee as capital expenditures in conformity with GAAP.

(u) No part of the Lease Proceeds will be used to finance inventory or rolling stock or will be used for working capital or to finance any other cost not constituting a Project Cost.

(v) No person other than Lessee is in occupancy or possession of any portion of the real property where the Project is located.

(w) The Project is property of the character subject to the allowance for depreciation under Section 167 of the Code.

(x) None of Guarantor, Lessee or any individual or entity owning directly or indirectly any interest in Lessee, is an individual or entity whose property or interests are subject to being “blocked” under any of the Terrorism Laws or is otherwise in violation of any of the Terrorism Laws.

ARTICLE VI

TITLE TO COLLATERAL; SECURITY INTEREST

Section 6.01. *Title to Collateral.* Legal title to the Collateral and any and all repairs, replacements, substitutions and modifications to the Collateral shall be in Lessor. Lessee will at all times protect and defend, at its own cost and expense, Lessor’s title from and against all claims, liens and legal processes of creditors of Lessee, and keep the Collateral free and clear of all such claims, liens and processes other than the liens created hereby.

Section 6.02. *Security Interest in Collateral.* This Agreement is intended to constitute a security agreement within the meaning of the UCC. As security for Lessee’s payment to Bondholder, as assignee of Lessor, of Lease Payments and all other amounts payable to Bondholder hereunder and under the Bond, and, so long as a GE Entity is the holder of the Bond, as security for all obligations of Lessee to any GE Entity, including (without limitation) the Previous Lease Agreement, Lessee hereby grants to Bondholder (a) a security interest constituting a first lien on the Collateral and (b) a security interest in the Additional Collateral. As security for the Bond and all other amounts payable to Bondholder hereunder and under the Bond, and, so long as a GE Entity is the holder of the Bond, as security for all obligations of Lessee to any GE Entity, including (without limitation) the Previous Lease Agreement, Lessor hereby grants to Bondholder a security interest in the Collateral and the Additional Collateral. To the extent that the same entity (or an affiliate thereof) is the lender under this Agreement and under any other document or agreement with Lessee, the security interest in the Collateral and the Additional Collateral shall secure all of Lessee’s obligations under all such agreements, but shall not secure Lessee’s obligations under any such agreements under which a different entity is the lender. Lessee ratifies its previous authorization for Bondholder to pre-file UCC financing statements and any amendments thereto describing the Collateral and containing any other information required by the applicable UCC. Lessee authorizes Bondholder, and hereby grants Bondholder a power of attorney (which is coupled with an interest), to file financing statements and amendments thereto describing the Collateral and containing any other information required by the applicable UCC and all proper terminations of the filings of other secured parties with respect to the Collateral, in such form and substance as Bondholder, in its sole discretion, may determine. Lessee agrees to execute such additional documents, including demands for terminations, assignments, affidavits, notices and similar instruments, in form satisfactory to Bondholder, and take such other actions that Bondholder deems necessary or appropriate to establish and maintain the security interest created by this Section, and Lessee hereby designates and appoints Bondholder as its agent, and grants to Bondholder a power of attorney (which is coupled with an interest), to execute on behalf of Lessee such additional documents and to take

such other actions. Lessee hereby waives any right that Lessee may have to file with the applicable filing officer any financing statement, amendment, termination or other record pertaining to the Collateral and/or Bondholder's interest therein. If requested by Bondholder, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the property where the Collateral is located. If requested by Bondholder, Lessee shall conspicuously mark the Collateral with appropriate lettering, labels or tags, and maintain such markings, so as clearly to disclose Bondholder's security interest in the Collateral.

Section 6.03. *Change in Name or Corporate Structure of Lessee; Change in Location of Lessee's Chief Executive Office or Principal Executive Office.* Lessee's chief executive office and principal executive office are located at the address set forth above, and all of Lessee's records relating to its business and the Collateral are kept at such location. Lessee hereby agrees to provide written notice to Bondholder and Lessor of any change or proposed change in its name, corporate structure, chief executive office or principal executive office or change or proposed change in the location of the Collateral. Such notice shall be provided 30 days in advance of the date that such change or proposed change is planned to take effect.

Section 6.04. *Liens and Encumbrances to Title.* Neither Lessee nor Lessor shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, deed of trust, pledge, lien, charge, encumbrance or claim (together, "Liens") on or with respect to the Collateral other than as created by this Agreement or on or with respect to the real property where the Collateral will be located; *provided, however,* Lessee may create, incur, assume or suffer to exist a mortgage, deed of trust or similar lien on the real property where the Collateral will be located if Lessee provides Bondholder with a mortgagee's waiver or similar waiver in form and substance acceptable to Bondholder. Lessee shall promptly, at its own expense, take such action as may be necessary to discharge or remove any such Lien or to provide Bondholder with a mortgagee's waiver or similar waiver. Lessee shall reimburse Bondholder for any expenses incurred by Bondholder to discharge or remove any Lien or for obtaining such waiver.

Section 6.05. *Personal Property.* The parties hereby agree that the Collateral is, and during the period this Agreement is in force will remain, personal property and, when subjected to use by Lessee hereunder, will not be or become fixtures.

Section 6.06. *Assignment of Insurance.* As additional security for the payment and performance of Lessee's obligations hereunder, Lessee hereby assigns to Bondholder any and all moneys (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Lessee with respect to, any and all policies of insurance now or at any time hereafter covering the Collateral or any evidence thereof or any business records or valuable papers pertaining thereto, and Lessee hereby directs the issuer of any such policy to pay all such moneys directly to Bondholder. Lessee hereby assigns to Bondholder any and all moneys due or to become due with respect to any condemnation proceeding affecting the Collateral. At any time, whether before or after the occurrence of any Event of Default, Bondholder may (but need not), in Bondholder's name or in Lessee's name, execute and deliver proof of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy or party in any condemnation proceeding.

Section 6.07. Occupancy. (a) Lessee hereby irrevocably grants to Bondholder the right to occupy the property where the Collateral is located (the “Premises”) at any time after the occurrence and during the continuance of an Event of Default.

(b) Bondholder may occupy the Premises only to hold, sell, store, liquidate, realize upon or otherwise dispose of the Collateral and for other purposes that Bondholder may in good faith deem to be related or incidental purposes.

(c) The right of Bondholder to occupy the Premises shall cease and terminate upon the earlier of (i) payment in full and discharge of all obligations of Lessee and Lessor hereunder, and (ii) final sale or disposition of all of the Collateral and delivery of all such Collateral to purchasers.

(d) Bondholder shall not be obligated to pay or account for any rent or other compensation for the occupancy of the Premises. Lessee will pay, or reimburse Bondholder for, all taxes, fees, duties, levies, charges and expenses at any time incurred by or imposed upon Bondholder by reason of the execution, delivery, existence, recordation, performance or enforcement of this Section.

ARTICLE VII

AFFIRMATIVE COVENANTS OF LESSEE

So long as the Lease shall remain unpaid, Lessee will comply with the following requirements:

Section 7.01. Reporting Requirements. Lessee will deliver, or cause to be delivered, to Bondholder each of the following, which shall be in form and detail acceptable to Bondholder:

(a) as soon as available, and in any event within 150 days after the end of each fiscal year of Lessee, audited financial statements of Lessee with the unqualified opinion of independent certified public accountants selected by Lessee and acceptable to Bondholder, which annual financial statements shall include the balance sheet of Lessee as at the end of such fiscal year and the related statements of income, retained earnings and cash flows of Lessee for the fiscal year then ended, all in reasonable detail and prepared in accordance with GAAP, together with (i) a report signed by such accountants stating that in making the investigations necessary for said opinion they obtained no knowledge, except as specifically stated, of any Default or Event of Default hereunder and all relevant facts in reasonable detail to evidence, and the computations as to, whether or not Lessee is in compliance with the requirements set forth in Sections 7.09 through 7.11 hereof; and (ii) a certificate of the chief financial officer of Lessee in the form of Exhibit G hereto stating that such financial statements have been prepared in accordance with GAAP and whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder and, if so, stating in reasonable detail the facts with respect thereto;

(b) as soon as available and in any event within 90 days after the end of each fiscal quarter of Lessee, an unaudited/internal balance sheet and statements of income and retained earnings of Lessee as at the end of and for such quarter and for the year to date period then ended, in reasonable detail and stating in comparative form the figures for the corresponding date and periods in the previous year, all prepared in accordance with GAAP and certified by the chief financial officer of Lessee, subject to year-end audit adjustments; and accompanied by a certificate of that officer in the form of Exhibit G hereto stating (i) that such financial statements have been prepared in accordance with GAAP, (ii) whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder not theretofore reported and remedied and, if so, stating in reasonable detail the facts with respect thereto, and (iii) all relevant facts in reasonable detail to evidence, and the computations as to, whether or not Lessee is in compliance with the requirements set forth in Sections 7.09 through 7.11 hereof;

(c) immediately after the commencement thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting Lessee of the type described in Article V hereof or which seek a monetary recovery against Lessee in excess of \$100,000;

(d) as promptly as practicable (but in any event not later than five Business Days) after an officer of Lessee obtains knowledge of the occurrence of any event that constitutes a Default or an Event of Default hereunder, notice of such occurrence, together with a detailed statement by a responsible officer of Lessee of the steps being taken by Lessee to cure the effect of such Default or Event of Default;

(e) promptly upon knowledge thereof, notice of any loss or destruction of or damage to any of the Collateral or of any material adverse change in any of the Collateral;

(f) promptly upon their distribution, copies of all financial statements, reports and proxy statements that Lessee shall have sent to its stockholders;

(g) promptly after the amending thereof, copies of any and all amendments to its certificate of incorporation, articles of incorporation or bylaws;

(h) promptly upon knowledge thereof, notice of the violation by Lessee of any law, rule or regulation, the noncompliance with which could reasonably be expected to cause a material adverse effect on its financial condition, operations, business or prospects;

(i) promptly upon receipt thereof, a copy of any notice of audit from the Internal Revenue Service;

(j) within 30 days of request by Bondholder, evidence satisfactory to Bondholder that Lessee has complied with the capital expenditure limitations of Code section 144(a)(4); and

(k) promptly upon knowledge thereof, notice of any material adverse change in the financial or operating condition of Lessee or Guarantor.

Section 7.02. Books and Records; Inspection and Examination. Lessee will keep accurate books of record and account for itself pertaining to the Collateral and pertaining to Lessee's business and financial condition and such other matters as Bondholder may from time to time request in which true and complete entries will be made in accordance with GAAP and, upon request of Bondholder, will permit any officer, employee, attorney or accountant for Bondholder to audit, review, make extracts from, or copy any and all corporate and financial books, records and properties of Lessee at all times during ordinary business hours, and to discuss the affairs of Lessee with any of its directors, officers, employees or agents. Lessee will permit Bondholder, or its employees, accountants, attorneys or agents, to examine and copy any or all of its records and to examine and inspect the Collateral at any time during Lessee's business hours.

Section 7.03. Compliance With Laws; Environmental Indemnity. Lessee will (a) comply with the requirements of applicable laws and regulations, the noncompliance with which could reasonably be expected to cause a material adverse effect on its financial condition, operations, business or prospects, (b) comply with all applicable Environmental Laws and regulations and obtain any permits, licenses or similar approvals required by any such laws or regulations and (c) use and keep the Collateral, and will require that others use and keep the Collateral, only for lawful purposes, without violation of any federal, state or local law, statute or ordinance. Lessee shall secure all permits and licenses, if any, necessary for the installation and operation of the Collateral. Lessee shall comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Collateral) with all laws of the jurisdictions in which its operations involving any portion of the Collateral may extend and of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the portions of the Project or its interest or rights under this Agreement. Lessee will indemnify, defend and hold Bondholder harmless from and against any claims, loss or damage to which Bondholder may be subjected as a result of any past, present or future existence, use, handling, storage, transportation or disposal of any hazardous waste or substance or toxic substance by Lessee or on property owned, leased or controlled by Lessee. This indemnification shall survive the termination of this Agreement and payment of the indebtedness hereunder and under the Bond.

Section 7.04. Payment of Taxes and Other Claims. Lessee will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including, without limitation, the Collateral) or upon or against the creation, perfection or continuance of the security interest created pursuant to this Agreement, prior to the date on which penalties attach thereto, (b) all federal, state and local taxes required to be withheld by it, and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of Lessee; provided, that Lessee shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is diligently being contested in good faith by appropriate proceedings. Lessee will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or

levied against or with respect to the Collateral, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Collateral.

Section 7.05. *Maintenance of Collateral.* Lessee shall, at its own expense, maintain, preserve and keep the Collateral in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Collateral in such condition, and in compliance with state and federal laws, ordinary wear and tear excepted. Lessee shall maintain the Collateral in a condition suitable for certification by the manufacturer thereof (if certification is available) and in conformance with all manufacturer's recommended maintenance requirements. In the event that any parts or accessories forming part of any portion or portions of the Collateral become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, Lessee, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Collateral and, as such, shall be subject to the terms of this Agreement. Neither Bondholder nor Lessor shall have any responsibility in any of these matters, or for the making of improvements or additions to the Collateral.

Section 7.06. *Insurance.* (a) Lessee shall, at its own expense, procure and maintain continuously in effect: (i) public liability insurance for personal injuries, death or damage to or loss of property arising out of or in any way relating to the Collateral sufficient to protect Bondholder from liability in all events, with a coverage limit of not less than \$1,000,000 per occurrence unless a different coverage minimum with respect to particular collateral is required by Bondholder, and (ii) insurance against such hazards as Bondholder may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Collateral with new collateral having substantially similar specifications or the applicable Prepayment Amount.

(b) If required by State law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Collateral, and upon request, shall furnish to Bondholder certificates evidencing such coverage.

(c) All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Bondholder; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 30 days before the cancellation or revision becomes effective. No insurance shall be subject to any co-insurance clause. Each insurance policy required by this Article shall name Bondholder as an additional insured party and loss payee without regard to any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Bondholder. Prior to the delivery of Collateral, Lessee shall deposit with Bondholder evidence satisfactory to Bondholder of such insurance and, prior

to the expiration thereof, shall provide Bondholder evidence of all renewals or replacements thereof.

(d) As among Bondholder, Lessee and Lessor, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any of the Collateral and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to reimburse Bondholder and Lessor for and will indemnify, defend and hold Bondholder and Lessor harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Bondholder or Lessor that in any way relate to or arise out of this Agreement, the transactions contemplated hereby and the Project and the Collateral, including but not limited to, (i) the selection, manufacture, purchase, acceptance or rejection of the Collateral or the ownership of the Collateral, (ii) the delivery, lease, possession, maintenance, use, condition, return or operation of the Collateral, (iii) the condition of the Collateral sold or otherwise disposed of after possession by Lessee, (iv) any patent or copyright infringement, (v) the conduct of Lessee, its officers, employees and agents, (vi) a breach of Lessee of any of its covenants or obligations hereunder and (vii) any claim, loss, cost or expense involving alleged damage to the environment relating to the Collateral, including, but not limited to investigation, removal, cleanup and remedial costs. All amounts payable by Lessee pursuant to the immediately preceding sentence shall be paid immediately upon demand of Lessor or Bondholder, as the case may be. This provision shall survive the termination of this Agreement.

Section 7.07. *Preservation of Corporate Existence.* Lessee will preserve and maintain its corporate existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business; and shall conduct its business in an orderly, efficient and regular manner.

Section 7.08. *Performance by Bondholder.* If Lessee at any time fails to perform or observe any of the covenants or agreements contained in any Lessee Document, and if such failure shall continue for a period of 10 calendar days after Bondholder gives Lessee written notice thereof (or in the case of the agreements contained in Sections 7.05 and 7.06 hereof, immediately upon the occurrence of such failure, without notice or lapse of time), Bondholder may, but need not, perform or observe such covenant on behalf and in the name, place and stead of Lessee (or, at Bondholder's option, in Bondholder's name) and may, but need not, take any and all other actions which Bondholder may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and Lessee shall thereupon pay to Bondholder on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Bondholder in connection with or as a result of the performance or observance of such agreements or the taking of such action by Bondholder, together with interest thereon from the date expended or incurred

at the lesser of 18% per annum or the highest rate permitted by law. To facilitate the performance or observance by Bondholder of such covenants of Lessee, Lessee hereby irrevocably appoints Bondholder, or the delegate of Bondholder, acting alone, as the attorney in fact of Lessee with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of Lessee any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Lessee under this Agreement.

Section 7.09. *Ratio of Debt to Tangible Net Worth.* Lessee's ratio of Debt (as defined below) to Tangible Net Worth (as defined in Section 7.11 hereof) shall not exceed 1.65 to 1.00 at fiscal year-end December 31, 2009 and each fiscal year-end thereafter. "Debt" means Lessee's total liabilities, as determined in accordance with GAAP, less the principal balance of the subordinated notes to Creditor.

Section 7.10. *Cash Flow Coverage Ratio.* Lessee will maintain for each fiscal year its Cash Flow Coverage Ratio (as defined below) at not less than 1.30 to 1.00. "Cash Flow Coverage Ratio" means the ratio of (a) the sum of Lessee's net income, interest expense, depreciation and amortization, each as determined in accordance with GAAP, to (b) the difference between (i) the sum of Lessee's current portion of long-term debt and capitalized leases, interest expense, distribution and/or dividends to stockholders and advances to affiliates, each as determined in accordance with GAAP, and (ii) the principal and interest expense on obligations subordinated to the obligations owed to Bondholder hereunder.

Section 7.11. *Tangible Net Worth.* Lessee will maintain at all times its Tangible Net Worth (as defined below) at not less than \$3,100,000. "Tangible Net Worth" means the difference between (a) the sum of (i) Lessee's equity, as determined in accordance with GAAP, and (ii) the outstanding balance of the subordinated notes due to Creditor, and (b) the net book value of Lessee's intangible assets, as determined in accordance with GAAP.

ARTICLE VIII

NEGATIVE COVENANTS OF LESSEE

So long as the Lease and the Bond shall remain unpaid, Lessee agrees that:

Section 8.01. *Sale of Assets.* Lessee will not sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets or of any of the Collateral or the Project or any interest therein (whether in one transaction or in a series of transactions).

Section 8.02. *Consolidation and Merger.* Lessee will not consolidate with or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person.

Section 8.03. Accounting. Lessee will not adopt, permit or consent to any material change in accounting principles other than as required by GAAP. Lessee will not adopt, permit or consent to any change in its fiscal year.

Section 8.04. Modifications and Substitutions. (a) Lessee will not make any material alterations, modifications or additions to the Collateral which cannot be removed without materially damaging the functional capabilities or economic value of the Collateral. Upon return of the Collateral to Bondholder and at the request of Bondholder, Lessee, at its sole cost and expense, will remove all alterations, modifications and additions and repair the Collateral as necessary to return the Collateral to the condition in which it was furnished, ordinary wear and tear and permitted modifications excepted.

(b) Notwithstanding the provisions of subparagraph (a) of this Section, Lessee may, with the prior written consent of Bondholder, substitute for parts, elements, portions or all of the Collateral, other parts, elements, portions, equipment or facilities; *provided, however*, that any substitutions made pursuant to Lessee's obligations to make repairs referenced under any provision of this Agreement shall not require such prior written consent. Lessee shall provide such documents or assurances as Bondholder may reasonably request to maintain or confirm the security interest assigned to Bondholder in the Collateral as so modified or substituted.

ARTICLE IX

DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

Lessee shall provide a complete written report to Bondholder immediately upon any loss, theft, damage or destruction of any Collateral and of any accident involving any Collateral. With respect to any Damaged Collateral, Lessee shall as soon as practicable after such event either: (a) replace the same at Lessee's sole cost and expense with collateral having substantially similar specifications and of equal or greater value to the Damaged Collateral immediately prior to the time of the loss occurrence, such replacement collateral to be subject to Bondholder's approval, whereupon such replacement collateral shall be substituted in this Agreement and the other related documents by appropriate endorsement or amendment; or (b) pay the Damaged Collateral Amount. Lessee shall notify Bondholder of which course of action it will take within 15 calendar days after the loss occurrence. If, within 45 calendar days of the loss occurrence, (a) Lessee fails to notify Bondholder; (b) Lessee and Bondholder fail to execute an amendment to this Agreement to delete the Damaged Collateral and add the replacement collateral or (c) Lessee fails to pay the Damaged Collateral Amount, then Bondholder may, at its sole discretion, declare the Damaged Collateral Amount to be immediately due and payable, and Lessee is required to pay the same. The Net Proceeds of insurance with respect to the Damaged Collateral shall be made available by Bondholder to be applied to discharge Lessee's obligation under this Article. The payment of the Damaged Collateral Amount and the termination of Bondholder's interest in the Damaged Collateral is subject to the terms of Section 2.07 hereof. For purposes of this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including reasonable attorneys' fees) incurred in the collection of such claim or award.

ARTICLE X

ASSIGNMENT, SUBLEASING AND SELLING

Section 10.01. *Assignment by Bondholder.* This Agreement, and the obligations of Lessee to make payments hereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees (who shall be purchaser of the Bond or an interest therein) by Bondholder at any time subsequent to its execution, without the necessity of obtaining the consent of Lessor or Lessee; *provided, however*, that no such assignment or reassignment shall be effective unless and until (a) Lessor and Lessee shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee, which notice Lessor shall maintain as evidence of the ownership and registration of the Bond, and (b) in the event that such assignment or reassignment is made to a bank or trust company as trustee for holders of certificates representing interests in this Agreement and the Bond, such bank or trust company agrees to maintain, or cause to be maintained, a book-entry system by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of Lessor or Lessee, to furnish such information to Lessor or Lessee. Upon receipt of notice of assignment, Lessee will reflect in a book-entry the assignee designated in such notice of assignment, and shall agree to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessor and Lessee may from time to time have against Bondholder or the assignee. Lessor and Lessee agree to execute all documents, including replacement bonds, notices of assignment and chattel mortgages, which may be reasonably requested by Bondholder or its assignee to protect their interest in the Collateral and in this Agreement.

Section 10.02. *No Sale or Assignment by Lessee.* This Agreement and the interest of Lessee in the Collateral may not be sold, assumed, assigned or encumbered by Lessee.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. *Events of Default.* The following constitute “Events of Default” under this Agreement:

- (a) failure by Lessee to pay to Bondholder, as assignee of Lessor, when due any Lease Payment or to pay any other payment required to be paid hereunder and the continuation of such failure for a period of 10 days;
- (b) failure by Lessee to maintain insurance on the Collateral in accordance with Section 7.06 hereof;
- (c) failure by Lessee to comply with the provisions of Sections 7.09, 7.10, 7.11, 8.01, or 8.02 hereof;

(d) failure by Lessee or Lessor to observe and perform any other covenant, condition or agreement contained in any Lessee Document or in any other document or agreement executed in connection herewith on its part to be observed or performed for a period of 30 days after written notice is given to Lessee or Lessor, as the case may be, specifying such failure and directing that it be remedied; *provided, however*, that, if the failure stated in such notice cannot be corrected within such 30-day period, Bondholder will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee or Lessor, as the case may be, within the applicable period and diligently pursued until the default is corrected;

(e) initiation by Lessor of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of Lessor;

(f) Lessee or Guarantor shall be or become insolvent, or admit in writing its or his inability to pay its or his debts as they mature, or make an assignment for the benefit of creditors; or Lessee or Guarantor shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or him or for all or any substantial part of its or his property; or such receiver, trustee or similar officer shall be appointed without the application or consent of Lessee or Guarantor, as the case may be; or Lessee or Guarantor shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it or him under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Lessee or Guarantor; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of Lessee or Guarantor;

(g) determination by Bondholder that any representation or warranty made by Lessee, Lessor or Guarantor in any Lessee Document, in the Guaranty Agreement or in any other document executed in connection herewith was untrue in any material respect when made;

(h) an Event of Taxability shall occur;

(i) an amendment or termination relating to a filed financing statement describing any of the Collateral is improperly filed;

(j) Guarantor shall repudiate, purport to revoke or fail to perform Guarantor's obligations under the Guaranty Agreement or the death of Guarantor;

(k) the occurrence of a default or an event of default under any instrument, agreement or other document evidencing or relating to any indebtedness or other monetary obligation of Lessee;

(l) the occurrence of a default or an event of default under that certain Master Lease dated December 6, 2007, as amended (the "Lease"), between MJZ Properties, LTD. and Lessee, or the Lease is otherwise terminated or cancelled;

(m) so long as a GE Entity is the holder of the Bond, the occurrence of a default or an event of default under the Previous Lease Agreement or any other instrument, agreement or other document between or among (i) a GE Entity and (ii) Lessee or any affiliate of Lessee; or

(n) failure of Guarantor, Manuel Zuniga and Lessee's employees to maintain majority ownership of the stock of Lessee during the period that the Lease is outstanding (Lessee hereby acknowledges that Bondholder has made its decision to enter into the transactions contemplated hereby based upon the management expertise of the current stockholders and their ownership of the stock of Lessee).

Section 11.02. Remedies on Default. Whenever an Event of Default described in Section 11.01(f) hereof shall have occurred, the Prepayment Amount automatically shall be due and payable, whereupon the Prepayment Amount automatically shall become and be forthwith due and payable without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by Lessee. Whenever any Event of Default shall have occurred, Bondholder shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial steps insofar as the same are available to secured parties under Article 9 of the UCC in effect in the State from time to time and which are otherwise accorded to Bondholder by applicable law:

(a) by notice to Lessor and Lessee, declare the Prepayment Amount to be forthwith due and payable, whereupon the Prepayment Amount shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by Lessee;

(b) take possession of the Collateral and the Additional Collateral wherever situated, without any court order or other process of law and without liability for entering the premises, and lease, sublease or make other disposition of the Collateral and the Additional Collateral for use over a term in a commercially reasonable manner, all for the account of Bondholder, provided that Lessee shall remain directly liable for the deficiency, if any, between the rent or other amounts paid by a lessee or sublessee of the Collateral and the Additional Collateral pursuant to such lease or sublease during the same period of time, after deducting all costs and expenses, including reasonable attorneys' fees and expenses, incurred with respect to the recovery, repair and storage of the Collateral and the Additional Collateral during such period of time;

(c) take possession of the Collateral and the Additional Collateral wherever situated, without any court order or other process of law and without liability for entering the premises, and sell the Collateral and the Additional Collateral in a commercially reasonable manner. All proceeds from such sale shall be applied in the following manner:

FIRST, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Collateral and the Additional Collateral, including reasonable attorneys' fees and expenses;

SECOND, to pay (i) Bondholder the amount of all unpaid Lease Payments or other obligations (whether direct or indirect owed by Lessee to Bondholder), if any, which are then due and owing, together with interest and late charges thereon, (ii) Bondholder the then applicable Prepayment Amount (taking into account the payment of past-due Lease Payments as aforesaid), plus a pro rata allocation of interest, at the rate utilized to calculate the Lease Payments, from the next preceding due date of a Lease Payment until the date of payment by the buyer, and (iii) any other amounts due hereunder, including indemnity payments, taxes, charges, reimbursement of any advances and other amounts payable to Bondholder or Lessor hereunder; and

THIRD, to pay the remainder of the sale proceeds, purchase moneys or other amounts paid by a buyer of the Collateral and the Additional Collateral to Lessee;

(d) proceed by appropriate court action to enforce specific performance by Lessor or Lessee of the applicable covenants of this Agreement or to recover for the breach thereof, including the payment of all amounts due from Lessee. Lessee shall pay or repay to Bondholder or Lessor all costs of such action or court action, including, without limitation, reasonable attorneys' fees; and

(e) take whatever action at law or in equity that may appear necessary or desirable to enforce its rights with respect to the Collateral and the Additional Collateral. Lessee shall pay or repay to Bondholder or Lessor all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

Notwithstanding any other remedy exercised hereunder, Lessee shall remain obligated to pay to Bondholder any unpaid portion of the Prepayment Amount.

Section 11.03. Return of Collateral. Upon an Event of Default, Lessee shall within 10 calendar days after notice from Bondholder, at its own cost and expense: (a) perform any testing and repairs required to place the Collateral in the condition required by Article VII; (b) if deinstallation, disassembly or crating is required, cause the Collateral to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Bondholder; and (c) deliver the Collateral to a location specified by Bondholder, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Collateral in the manner designated, Bondholder may enter upon Lessee's premises where the Collateral is kept and take possession of the Collateral and charge to Lessee the costs of such taking. Lessee hereby expressly waives any damages occasioned by such taking.

Section 11.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to Bondholder or Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be

deemed expedient. In order to entitle Bondholder or Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article. All remedies herein conferred upon or reserved to Bondholder or Lessor shall survive the termination of this Agreement.

Section 11.05. *Late Charge.* Any Lease Payment not paid by Lessee on the due date thereof shall, to the extent permissible by law, bear a late charge equal to the lesser of five cents (\$.05) per dollar of the delinquent amount or the lawful maximum, and Lessee shall be obligated to pay the same immediately upon receipt of Bondholder's written invoice therefor.

ARTICLE XII

MISCELLANEOUS

Section 12.01. *Costs and Expenses of Bondholder.* Lessee shall pay to Bondholder, in addition to the Lease Payments payable by Lessee hereunder, such amounts as shall be required by Bondholder in payment of any reasonable costs and expenses incurred by Bondholder in connection with the execution, performance or enforcement of this Agreement, including but not limited to payment of all reasonable fees, costs and expenses and all administrative costs of Bondholder in connection with the Collateral, expenses (including, without limitation, attorneys' fees and disbursements), fees of auditors or attorneys, insurance premiums not otherwise paid hereunder and all other direct and necessary administrative costs of Bondholder or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Agreement. Such costs and expenses shall be billed to Lessee by Bondholder from time to time, together with a statement certifying that the amount so billed has been paid by Bondholder for one or more of the items above described, or that such amount is then payable by Bondholder for such items. Amounts so billed shall be due and payable by Lessee within 30 days after receipt of the bill by Lessee.

Section 12.02. *Disclaimer of Warranties.* LENDER AND ISSUER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE COLLATERAL, OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO. In no event shall Bondholder or Lessor be liable for any loss or damage in connection with or arising out of this Agreement, the Collateral or the existence, furnishing, functioning or Lessee's use of any item or products or services provided for in this Agreement.

Section 12.03. *Notices.* All notices, certificates, requests, demands and other communications provided for under any Lessee Document shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, (c) sent by overnight courier of national reputation, or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given at its address as set forth above and, if telecopied, transmitted to that party at its telecopier number set forth above or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests,

demands and other communications shall be deemed to have been given on (a) the date received if personally delivered, (b) when deposited in the mail if delivered by mail, (c) the date sent if sent by overnight courier, or (d) the date of transmission if delivered by telecopy. If notice to Lessee of any intended disposition of the Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least 10 calendar days prior to the date of intended disposition or other action.

Section 12.04. *Further Assurance and Corrective Instruments.* Lessor and Lessee hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as Bondholder reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of any Lessee Document and any rights of Bondholder thereunder.

Section 12.05. *Binding Effect; Time of the Essence.* This Agreement shall inure to the benefit of and shall be binding upon Bondholder, Lessor, Lessee and their respective successors and assigns. Time is of the essence.

Section 12.06. *Severability.* In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.07. *Amendments.* To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Lessee and Bondholder agree to amend Exhibit A to this Agreement to more specifically identify the Collateral at such time as such identification is possible. Such amendment shall be effected by written instrument signed by Lessee and Bondholder. Lessor's consent to the amendment referred to in this paragraph shall not be required. Such amendment may take the form of a Payment Request Form in the form attached to the Escrow Agreement as Exhibit A executed by Lessee and Bondholder.

Section 12.08. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart, provided that only the original marked "Original: 1 of 4" on the execution page thereof shall constitute chattel paper under the UCC. A purchase of this chattel paper from Lessor would violate the rights of Bondholder.

Section 12.09. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 12.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 12.11. Entire Agreement. The Lessee Documents and the exhibits thereto constitute the entire agreement among Bondholder, Lessor, Lessee and Escrow Agent. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or in such documents regarding this Agreement or the Project financed hereby.

Section 12.12. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Agreement, in no event shall this Agreement require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

Section 12.13. Bound Transcripts. Within 45 days of the day of closing, Lessee shall cause to be prepared and furnished, at Lessee's expense, to Bondholder and its counsel, bound transcripts containing the Lessee Documents and all other documents related thereto.

Section 12.14. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall Bondholder, its assignees, if any, or Lessor be liable for any special, consequential, incidental, punitive or penal damages, including, but not limited to, loss of profit or revenue, loss of use of the Collateral, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute property, service materials or software, facilities, services or replacement power or downtime costs.

Section 12.15. Waiver of Jury Trial. BONDHOLDER, LESSOR AND LESSEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG BONDHOLDER, LESSOR AND LESSEE RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG BONDHOLDER, LESSOR AND LESSEE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their respective corporate names by their duly authorized officers, all as of the date first written above.

Bondholder:

GE GOVERNMENT FINANCE, INC.

By: _____
Title: Vice President

Lessor:

THE COUNTY OF LANCASTER, NEBRASKA

By: _____
Title: Chair

Lessee:
INC.

PLASTIC COMPANIES ENTERPRISES,

By: _____
Title: _____

ORIGINAL: __ OF 4

[EXECUTION PAGE OF LEASE AGREEMENT]

Exhibit A to Lease Agreement

SCHEDULE OF EQUIPMENT AND LOAN PAYMENTS

Description of Equipment

Molding Machines		Qty	Price	Total Price
80 Ton Molding Machine	Krauss Maffei – KM80/380 EX (electric)	1	\$ 145,000	\$145,000
120 Ton Molding Machine	Krauss Maffei – KM 120/750 EX (high speed electric w/ robot)	1	206,000	206,000
180 Ton Molding Machine	KM 180/750 EX Molding Machine (electric)	2	198,000	<u>396,000</u>
				\$747,000
Material Handling Controller	Motan Metronet SP-15-1006-0-01	1	60,000	60,000
Overhead Crane	Nebraska Hoist & Crane 3 Ton, Under running Single Girder Dual Motor, Floor Controlled Crane	2	33,500	67,000
Weigh Scale Blenders	Motan GC100-4-MSG GRAVInet BLENDER	4	14,500	58,000
Box Changers	HFA-PLL-CNT-05-X	2	14,800	29,600
Rapid Grinders	Solo 614 Granulator	4	11,000	44,000
Wittman Robots	W723 Robot (22lbs Payload)	1	48,000	48,000
Comfort Tip (Spare)	16 Cavity Tooling	1	250,000	250,000
Auto Bagger	Rennco 301SF w/ part feed	1	170,000	170,000
Central Vacuum Unit	Arco Wand Model 14-S7.5 HP	1	7,500	7,500
Silos	12' dia. X 30' FDA interior epoxy coated skirted silo	1	38,000	<u>38,000</u>
				\$860,000
Geist Manufacturing	Pemsrter Series 2000 press and various options	1	48,000	48,000
	Label (Laser) Printer	1	35,000	<u>35,000</u>

				<u>\$83,000</u>
Geist Plastics	Laser Printer	1	25,000	25,000
PCE	IQMS Realtime/warehouse software module	1	60,000	60,000
	Can Mold machine model 300/700 injection blow molding machine	1	275,000	<u>275,000</u>
Total				<u>\$1,974,100</u>

Schedule of Lease Payments

[to be provided]

*After payment of Lease Payment due opposite Prepayment Amount.

**FORM OF OPINION OF COUNSEL TO LESSEE,
GUARANTOR AND CREDITOR**

September __, 2009

Plastic Companies Enterprises, Inc.
1821 Yolande Avenue
Lincoln, NE 68521

The County of Lancaster, Nebraska
County – City Building
Room 110
555 South 10th Street
Lincoln, NE 68508

GE Government Finance, Inc.
Three Capital Drive
Eden Prairie, MN 55344

\$1,700,000
The County of Lancaster, Nebraska
Industrial Development Revenue Bond
(Plastic Companies Enterprises, Inc. Project),
Series 2009

Ladies and Gentlemen:

We have acted as counsel to Plastic Companies Enterprises, Inc. (“Lessee”), Sam Featherston (“Guarantor”) and Manuel Zuniga (“Creditor”) with respect to the issuance and delivery of the Bond described above (the “Bond”) and with respect to the Lease Agreement dated as of September 1, 2009 (the “Lease Agreement”) among GE Government Finance, Inc. (“Bondholder”), The County of Lancaster, Nebraska (“Lessor”) and Lessee and the other Lessee Documents (as defined in the Lease Agreement), the Personal Guaranty and Negative Pledge Agreement dated as of September 1, 2009 (the “Guaranty”) by Guarantor for the benefit of Bondholder, the Debt Subordination Agreement dated as of September 1, 2009 (the “Debt Subordination Agreement”) by Creditor and Lessee for the benefit of Bondholder and various related matters and, in this capacity, have reviewed a duplicate original or certified copy of each of the Lessee Documents, the Guaranty and the Debt Subordination Agreement. Based upon the examination of these and such other documents as we deem relevant, it is our opinion that:

1. Lessee has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Texas with full power and authority to own its properties and conduct its business. Lessee is in good standing and is authorized to transact business in the State of Nebraska.

2. Lessee has full power and authority to execute and deliver the Lessee Documents and to carry out the terms thereof. The Lessee Documents have been duly and validly authorized, executed and delivered, are in full force and effect and are the legal, valid and binding contracts of Lessee enforceable in accordance with their respective terms (including against claims of usury), except to the extent limited by state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application relating to or affecting the enforcement of creditors' rights.

3. No consent, authorization, approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Lessee of the Lessee Documents, except for such action which has been duly obtained or taken and is in full force and effect.

4. The consummation of the transactions contemplated by the Lessee Documents and the carrying out of the terms thereof will not result in violation of any provisions of the articles of incorporation or bylaws of Lessee or result in the violation of any provision of, or in a default under, any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule or regulation to which Lessee is a party or by which it or its property is bound.

5. There are no legal or governmental actions, suits, proceedings, inquiries or investigations pending, threatened or contemplated, or any basis therefor, to which Lessee is or may become a party or of which any property of Lessee is or may become subject, other than ordinary routine litigation incident to the kind of business conducted by Lessee which, if determined adversely to Lessee, would not, individually or in the aggregate, have a material adverse effect on the financial position or results of operations of Lessee.

6. There are no legal or governmental proceedings pending, threatened or contemplated, or any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity of or security for the Bond, the Lessee Documents or the transactions contemplated thereby.

7. Lessee has taken all steps legally required as a condition precedent to the execution and delivery of the Lease Agreement and to permit the commencement of the acquisition, installation and operation of the Project (as defined in the Lease Agreement). Lessee has made all submissions to governmental authorities and has obtained, and there are currently in full force and effect, all consents, approvals, authorizations, accreditations, licenses, permits and orders of any governmental or regulatory authority that are required to be obtained by Lessee to enable the Project to be acquired and installed in accordance with the plans and specifications therefor.

8. The provisions of the Lease Agreement are effective to create a security interest in favor of Bondholder in all of Lessee's right, title and interest in and to the

Collateral (as defined in the Lease Agreement) and all proceeds thereof. Such security interest has been properly perfected and is subject to no liens or encumbrances.

9. The Guaranty has been duly and validly executed and delivered, is in full force and effect and is the legal, valid and binding contract of Guarantor enforceable in accordance with its terms (including against claims of usury), except to the extent limited by state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application relating to or affecting the enforcement of creditors' rights.

10. No consent, authorization, approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Guarantor of the Guaranty, except for such action which has been duly obtained or taken and is in full force and effect.

11. The consummation of the transactions contemplated by the Guaranty and the carrying out of the terms thereof will not result in the violation of any provision of, or in a default under, any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule or regulation to which Guarantor is a party or by which he or his property is bound.

12. There are no legal or governmental actions, suits, proceedings, inquiries or investigations pending, threatened or contemplated, or any basis therefor, to which Guarantor is or may become a party or of which any property of Guarantor is or may become subject, other than ordinary routine litigation incident to the kind of business conducted by Guarantor which, if determined adversely to Guarantor, would not, individually or in the aggregate, have a material adverse effect on the financial position or results of operations of Guarantor.

13. The Debt Subordination Agreement has been duly and validly executed and delivered, is in full force and effect and is the legal, valid and binding contract of Creditor enforceable in accordance with its terms (including against claims of usury), except to the extent limited by state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application relating to or affecting the enforcement of creditors' rights.

14. No consent, authorization, approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Creditor of the Debt Subordination Agreement, except for such action which has been duly obtained or taken and is in full force and effect.

15. The consummation of the transactions contemplated by the Debt Subordination Agreement and the carrying out of the terms thereof will not result in the violation of, or in a default under, any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule or regulation to which Creditor is a party or by which he or his property is bound.

16. There are no legal or governmental actions, suits, proceedings, inquiries or investigations pending, threatened or contemplated, or any basis therefor, to which Creditor is or may become a party or of which any property of Creditor is or may become subject, other than ordinary routine litigation incident to the kind of business conducted by Creditor which, if determined adversely to Creditor, would not, individually or in the aggregate, have a material adverse effect on the financial position or results of operations of Creditor.

This opinion may be relied upon by the addressees hereto and any permitted assignee of the Bond.

Very truly yours,

Exhibit C to Lease Agreement

FORM OF OPINION OF BOND COUNSEL

September __, 2009

The County of Lancaster, Nebraska
County – City Building
Room 110
555 South 10th Street
Lincoln, NE 68508

GE Government Finance, Inc.
Three Capital Drive
Eden Prairie, MN 55344

\$1,700,000
The County of Lancaster, Nebraska
Industrial Development Revenue Bond
(Plastic Companies Enterprises, Inc. Project),
Series 2009

[to be provided]

Exhibit D to Lease Agreement

[RESERVED.]

Exhibit E to Lease Agreement

FORM OF BOND

\$1,700,000
The County of Lancaster, Nebraska
Industrial Development Revenue Bond
(Plastic Companies Enterprises, Inc. Project),
Series 2009

No.: R-1 \$1,700,000

Table with 2 columns: Maturity Date, Interest Rate. Row 1: _____, 20____ %

THE COUNTY OF LANCASTER, NEBRASKA, a body public and corporate duly created and validly existing under the laws of the State of Nebraska (hereafter referred to as "Lessor"), for value received, hereby promises to pay GE Government Finance, Inc., Three Capital Drive, Eden Prairie, Minnesota 55344, or to registered assigns, but solely from the Lease Payments hereinafter described, the principal sum of

ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS

in any coin or currency of the United States of America which on the date of payment thereof is the legal tender for the payment of public and private debts, and to pay, solely from such Lease Payments, in like coin and currency, interest on the principal sum from the date hereof, such interest to be at the rates, and all such payments of interest, principal or interest and principal to be payable at the time and place, in the amounts and in accordance with the terms set forth in that certain Lease Agreement dated as of September 1, 2009 (the "Lease Agreement") among Lessor, GE Government Finance, Inc. and Plastic Companies Enterprises, Inc. ("Lessee"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Lease Agreement.

This Bond is payable as to principal and prepayment premium, if any, solely from Lease Payments to be made by Lessee and is secured by, among other things, a lien on the Collateral.

This Bond shall not represent or constitute a debt or pledge of the faith and credit of Lessor, and this Bond is payable solely from the revenues pledged therefor pursuant to the Lease Agreement, and no moneys of Lessor raised by taxation shall be obligated or pledged for the payment of Lease Payments or any other amounts due under this Bond.

This Bond is subject to prepayment upon the terms and conditions set forth in the Lease Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required to exist to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of Nebraska applicable thereto and that the issuance of this Bond is in full compliance with all Constitutional and statutory limitations, provisions and restrictions.

IN WITNESS WHEREOF, The County of Lancaster, Nebraska has issued this Bond and has caused the same to be signed by the signature of its authorized representative this __ day of _____, 2009.

THE COUNTY OF LANCASTER,
NEBRASKA

By: _____
Its: Chair

Attest:

County Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the
“Transferor”) hereby sells, assigns and transfers unto _____ (the
“Transferee”)

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ as attorney to register the transfer of the within Bond on the books kept for
registration of transfer thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a
member of a recognized signature guarantee program, i.e.. Securities Transfer Agents Medallion
Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange
Medallion Signature Program.

NOTICE: No transfer will be registered and no new Bond will be issue in the name of the
Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears
on the face of the within Bond in every particular, without alteration or enlargement or any
change whatever and the Social Security or Federal Employer Identification Number of the
Transferee is supplied.

Exhibit F to Lease Agreement

LIST OF ADDITIONAL COLLATERAL

EQUIPMENT	QUANTITY	VENDOR	
Trumpf TruPunch 5000/1300	1	Trumpf Inc.	
Trumpf SheetMaster	1	Trumpf Inc.	
Trumpf TruBend 5085 SX	2	Trumpf Inc.	
Washer, Spray, Three Stage	1	Midwest Finishing Systems	
Oven, Combination, Cure/Dry Off	1	Midwest Finishing Systems	
Conveyor, Enclosed Track, 400'	1	Midwest Finishing Systems	
Room, Environmental	1	Midwest Finishing Systems	
Horizon 400 Powder Booth System	1	Nordson Corp.	
PRC-300 Rate Controlled Furnace	1	Pollution Control Products Co.	
Package II, TruTops Punch Software	1	Trumpf Inc.	
Automation Components Software	1	Trumpf Inc.	
TruTops Bend Software	1	Trumpf Inc.	
PEMSERTER Series 2000 Automatic Fas	1	Colorado Electronic Hardware	
PEMSERTER Series 4 Automatic Pneumatic Press	1	Colorado Electronic Hardware	
Manual Feed Tooling	1	Colorado Electronic Hardware	
Misc. Tooling (see Purchase Order for details)	-	Trumpf Inc.	
Sullair 60 hp Air Compressor	1	Peerless Energy System	
ACB System	1	Trumpf Inc.	
ACB Electronic Feedback Module	1	Trumpf Inc.	
Tooling and Dies (see Purchase Order for details)	-	Wilson Tool	

Exhibit G to Lease Agreement

FORM OF CERTIFICATE OF CHIEF FINANCIAL OFFICER

I, the undersigned, hereby certify that I am the duly qualified and acting chief financial officer of Plastic Companies Enterprises, Inc. ("Lessee") and, with respect to Section [7.01(a)/7.01(b)] of the Lease Agreement dated as of September 1, 2009 (the "Agreement") by and among Lessee, GE Government Finance, Inc. ("Bondholder") and The County of Lancaster, Nebraska ("Lessor"), that:

1. The attached financial statements have been prepared in accordance with GAAP.
2. I have no knowledge of any Default or Event of Default under the Agreement.
3. Section 7.09 of the Agreement requires Lessee to maintain on an annual basis its ratio of Debt to Tangible Net Worth at not more than 1.65 to 1.00. The calculation of such ratio is set forth below:

4. Section 7.10 of the Agreement requires Lessee to maintain on an annual basis its Cash Flow Coverage Ratio at not less than 1.30 to 1.00. The calculation of such ratio is set forth below:

5. Section 7.11 of the Agreement requires Lessee to maintain at all times its Tangible Net Worth at not less than \$3,100,000. Lessee's Tangible Net Worth is \$_____.

Dated: _____, 20__.

Lessee:

PLASTIC COMPANIES ENTERPRISES, INC.

By: _____
Title: Chief Financial Officer
Date: _____

TAX REGULATORY AGREEMENT
AND ARBITRAGE CERTIFICATE

KUTAK ROCK LLP
DRAFT 09/10/09

Among

GE GOVERNMENT FINANCE, INC.,

and

THE COUNTY OF LANCASTER, NEBRASKA,

and

PLASTIC COMPANIES ENTERPRISES, INC.

Dated as of September 1, 2009

TAX REGULATORY AGREEMENT AND ARBITRAGE CERTIFICATE

THIS TAX REGULATORY AGREEMENT AND ARBITRAGE CERTIFICATE is dated as of September 1, 2009 (this “Tax Regulatory Agreement”) by and among THE COUNTY OF LANCASTER, NEBRASKA, and its successors and assigns (“Lessor”); GE GOVERNMENT FINANCE, INC., a Delaware corporation, and its successors and assigns (“GEGF”); and PLASTIC COMPANIES ENTERPRISES, INC., a Nebraska corporation, and its successors and assigns (“Lessee”);

WITNESSETH:

WHEREAS, Lessor has authorized the issuance of its \$1,700,000 Industrial Development Revenue Bond (Plastic Companies Enterprises, Inc. Project), Series 2009 (the “Bond”) pursuant to a Lease Agreement dated as of September 1, 2009 (the “Agreement”) by and among Lessor, GEGF and Lessee, to finance the acquisition and installation of certain equipment described in Exhibit A to the Agreement, which equipment will be located in certain manufacturing facilities located at 1717 Yolande Avenue, 1821 Yolande Avenue, 5120 NW 38th Street and 5110 NW 38th Street, Lincoln, Nebraska, to be owned and operated by Lessee (the “Project”); and

WHEREAS, Lessor has determined that the issuance of the Bond is needed to finance the Project; and

WHEREAS, this Tax Regulatory Agreement has been entered into by Lessor, Lessee and GEGF to ensure compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the Income Tax Regulations thereunder (the “Regulations”); and

WHEREAS, to ensure that interest on the Bond will be and remain excludable from gross income under the Code, the restrictions listed in this Tax Regulatory Agreement must be satisfied;

NOW THEREFORE, Lessor, Lessee and GEGF hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. *Definitions.* The following words and phrases shall have the following meanings. Any capitalized word or term used herein but not defined herein shall have the same meaning given in the Agreement.

“*Abusive Arbitrage Device*” means any action which has the effect of (i) enabling Lessor or Lessee to exploit the difference between taxable and tax-exempt interest rates to obtain a material financial advantage; and (ii) overburdening the tax-exempt bond market as defined in Section 1.148-10 of the Regulations.

“*Accounting Method*” means both the overall method used to account for the Gross Proceeds of the Bond (e.g., the cash method or a modified accrual method) and the method used to account for or allocate any particular item within that overall accounting method (e.g., accounting for Investments, Expenditures, allocations to and from different sources and particular items of the foregoing).

“*Average Economic Life*” means the average reasonably expected economic life of the Project as defined in Section 147(b) of the Code.

“*Average Maturity*” means the average maturity of the Bond as defined in Section 147(b) of the Code.

“*Bond Year*” means the period commencing January 1 of each calendar year and terminating on January 1 of the immediately succeeding calendar year during the term of the Bond, except that the first Bond Year shall commence on the Date of Issuance and end on December 31, 2009 (unless a different period is required by the Regulations or selected by Lessee pursuant to the Regulations).

“*Bond Yield*” means the Yield of the Bond calculated in accordance with Section 1.148-4 of the Regulations.

“*Capital Expenditure*” means any cost of a type that is for the acquisition, construction, reconstruction or improvement of land or property of a character subject to the allowance for depreciation. For example, costs incurred to acquire, construct, reconstruct or improve land, buildings and equipment generally are Capital Expenditures. Whether an expenditure is a capital expenditure is determined at the time the expenditure is paid with respect to the property. Future changes in law do not affect whether an expenditure is a capital expenditure.

“*Capital Project*” means all Capital Expenditures that carry out the governmental purpose of the Bond. For example, a Capital Project may include Capital Expenditures for one or more building improvements or equipment, plus related capitalized interest paid or accrued prior to the in-service date for the Capital Project.

“*Class of Investments*” means one of the following, each of which represents a different Class of Investments:

- (a) each category of yield restricted Purpose Investment and Program Investment, as defined in Section 1.148-1(b), that is subject to a different definition of materially higher Yield under Section 1.148-2(d)(2);
- (b) Yield restricted Nonpurpose Investments; and
- (c) all other Nonpurpose Investments.

“*Computation Date*” means an Installment Computation Date or the Final Computation Date.

“*Computation Date Credit*” means on the last day of each Bond Year during which there are Gross Proceeds subject to the rebate requirement of Article IV hereof, and on the Final Computation Date, the amount of \$1,000.

“*Consistently Applied*” means applied uniformly within a fiscal period and between fiscal periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

“*Costs of Issuance*” means all costs incurred in connection with the issuance of the Bond, other than fees paid to or on behalf of credit enhancers as fees for “qualified guarantees” as defined in Section 1.148-4(f) of the Regulations or to Lessor as a portion of its higher Yield permitted on the Bond under Section 1.148-2(d)(2) of the Regulations. Examples of Costs of Issuance include (but are not limited to):

- (a) underwriter’s spread (whether realized directly or derived through purchase of the Bond at a discount below the price at which a substantial number of the Bond are sold to the public);
- (b) counsel fees (including bond counsel, special tax counsel, underwriter’s counsel, Lessor’s counsel, Lessee’s counsel, trustee’s counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bond);
- (c) financial advisor fees incurred in connection with the issuance of the Bond;
- (d) rating agency fees (except for any such fee that is paid in connection with or as a part of the fee for credit enhancement of the Bond);
- (e) trustee fees incurred in connection with the issuance of the Bond;
- (f) accountant fees incurred in connection with the issuance of the Bond;
- (g) printing costs (for the Bond and of the preliminary and final Official Statements, if any);
- (h) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and
- (i) Lessor fees to cover administrative costs and expenses incurred in connection with the issuance of the Bond.

“*Current Outlay of Cash*” means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the Expenditure is made.

“*Date of Issuance*” means September [22], 2009.

“*Discharge*” means, with respect to the Bond, the date on which all amounts due with respect to the Bond are actually and unconditionally due, if cash is available at the place of payment, and no interest accrues with respect to such Bond after such date.

“*Economic Accrual Method*” (also known as the constant interest method or actuarial method) means the method of computing Yield that is based on the compounding of interest at the end of each compounding period.

“*Escrow Agreement*” means the Escrow Agreement dated as of September 1, 2009 by and among GEGF, Lessor, Lessee and West Gate Bank, as escrow agent.

“*Escrow Fund*” means the escrow fund created pursuant to the terms of the Escrow Agreement.

“*Expenditure*” means a book or record entry which allocates Proceeds of the Bond in connection with a Current Outlay of Cash.

“*Fair Market Value*” means the price at which a willing buyer would purchase an Investment from a willing seller in a bona fide, arm’s-length transaction. Fair Market Value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in this definition, an Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code), is rebuttably presumed to be acquired or disposed of for a price that is not equal to its Fair Market Value.

“*Final Computation Date*” means the date the Bond is Discharged.

“*Future Value*” means the Value of a Receipt or Payment at the end of any interval as determined by using the Economic Accrual Method and equals the Value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the Bond, using the same compounding interval and financial conventions used to compute the Yield on the Bond.

“*Gross Proceeds*” means any Proceeds or Replacement Proceeds of the Bond.

“*Installment Computation Date*” means the last day of the fifth Bond Year and each succeeding fifth Bond Year as stated in Section 4.1 hereof.

“*Investment*” means any Purpose Investment or Nonpurpose Investment, including any other tax-exempt bond.

“*Investment Proceeds*” means any amounts actually or constructively received from investing Proceeds of the Bond.

“Investment-Type Property” means any property, other than property described in Section 148(b)(2)(A), (B), (C) or (E) of the Code that is held principally as a passive vehicle for the production of income. Except as otherwise provided, a prepayment for property or services is Investment-Type Property if a principal purpose for prepaying is to receive an Investment return from the time the prepayment is made until the time payment otherwise would be made. A prepayment is not Investment-Type Property if —

(a) the prepayment is made for a substantial business purpose other than Investment return and Lessor has no commercially reasonable alternative to the prepayment, or

(b) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to Lessor but who are not beneficiaries of tax-exempt financing.

“Issue Price” means, except as otherwise provided, issue price as defined in Sections 1273 and 1274 of the Code. Generally, the Issue Price of bonds that are publicly offered is the first price at which a substantial amount of the bonds is sold to the public. Ten percent is a substantial amount. The public does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price does not change if part of the issue is later sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of bonds for which a bona fide public offering is made is determined as of the sale date based upon reasonable expectations regarding the initial public offering price. If a bond is issued for property, the applicable federal tax-exempt rate is used in lieu of the federal rate in determining the Issue Price under Section 1274 of the Code. The issue price of bonds may not exceed their Fair Market Value as of the sale date. With respect to the Bond, the Issue Price is \$[1,700,000].

“Manufacturing Facility” means a Capital Project that is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property) including facilities that are directly related and ancillary to a Manufacturing Facility if such directly related and ancillary facilities are located on the same site as the Manufacturing Facility and not more than 25% of the proceeds of an issue that finances the Manufacturing Facility and such directly related and ancillary facilities are used to provide such facilities.

“Net Sale Proceeds” means Sale Proceeds, less the portion of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) of the Code and as part of a minor portion under Section 148(e) of the Code.

“1954 Code” means the Internal Revenue Code of 1954, as amended, as in effect on the effective date of the Code.

“Nonpurpose Investment” means any security, obligation, annuity contract or Investment type property as defined in Section 148(b) of the Code, including “specified private activity bonds” as defined in Section 57(a)(5)(c) of the Code, but excluding all other obligations the

interest on which is excludable from federal gross income. The term “Nonpurpose Investment” does not include Lessee’s obligations to make payments to Lessor pursuant to the provisions of the Agreement.

“*Payments*” means, for purposes of computing the Rebate Amount, (a) amounts actually or constructively paid to acquire a Nonpurpose Investment (or treated as paid to a commingled fund); (b) for a Nonpurpose Investment that is allocated to an issue on a date after it is actually acquired (e.g., an Investment that becomes allocable to Transferred Proceeds or to Replacement Proceeds) or that becomes subject to the rebate requirement of the Code on a date after it is actually acquired (e.g., an Investment allocated to a reasonably required reserve or replacement fund for a construction issue at the end of the two-year spending period), the Value of that Investment on that date; (c) for a Nonpurpose Investment that was allocated to an issue at the end of the preceding computation period, the Value of that Investment at the beginning of the computation period; (d) on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of an issue that are subject to the rebate requirement of the Code, and on the final maturity date, a Computation Date Credit; and (e) Yield Reduction Payments on Nonpurpose Investments made pursuant to Section 1.148-5(c) of the Regulations. For purposes of computing the Yield on an Investment (including the Value of the Investment), Payment means amounts to be actually or constructively paid to acquire the Investment; provided, however, that payments made by a conduit Lessee, such as Lessee, are not treated as paid until the conduit Lessee ceases to receive the benefit of earnings on those amounts. Payments on investments, including Guaranteed Investment Contracts, are adjusted for Qualified Administrative Costs of acquiring a Nonpurpose Investment.

“*Pre-Issuance Accrued Interest*” means amounts representing interest that accrued on an obligation for a period not greater than one year before the Date of Issuance but only if those amounts are paid within one year after the Date of Issuance.

“*Principal User*” means a person who is a principal owner, principal lessee, a principal output purchaser or “other” principal user and any Related Person to a Principal User. A principal owner is a person who at any time holds more than a 10% ownership interest (by value) in a facility or, if no person holds more than a 10% ownership interest, then the person (or persons in the case of multiple equal owners) who holds the largest ownership interest in the facility. A person is treated as holding an ownership interest if such person is an owner for federal income tax purposes generally. A principal lessee is a person who at any time leases more than 10% of the facility (disregarding portions used by the lessee under a short-term lease). The portion of a facility leased to a lessee is generally determined by reference to its fair rental value. A short-term lease is one which has a term of one year or less, taking into account all options to renew and reasonably anticipated renewals. A principal output purchaser is any person who purchases output of a facility, unless the total output purchased by such person during each one-year period beginning with the date such facility is placed in service is 10% or less of such facility’s output during each such period. An “other” principal user is a person who enjoys a use of a facility (other than a short-term use) in a degree comparable to the enjoyment of a principal owner or a principal lessee, taking into account all the relevant facts and circumstances, such as the person’s participation in control over use of such facility or its remote or proximate geographic location.

“*Prior Issues*” means any issue of tax-exempt obligations (whether or not Lessor of each issue is the same) to which Section 103(b)(6) of the 1954 Code or Section 144(a) of the Code applies.

“*Proceeds*” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of an issue. Proceeds do not include, however, amounts actually or constructively received with respect to a Purpose Investment that are properly allocable to the immaterially higher Yield under Section 1.148-2(d) of the Regulations or Section 143(g) of the Code or to Qualified Administrative Costs recoverable under Section 1.148-5(e) of the Regulations.

“*Project*” has the meaning given to such term in the preambles hereto.

“*Purpose Investment*” means an Investment that is acquired to carry out the governmental purpose of an issue. The Bond constitutes a Purpose Investment.

“*Qualified Administrative Costs*” means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of Lessor such as employee salaries and office expenses and costs associated with computing the Rebate Amount are not Qualified Administrative Costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same Investment or a reasonably comparable Investment if acquired with a source of funds other than Gross Proceeds of tax-exempt bonds.

“*Qualified Hedging Transaction*” means a contract which meets the requirements of Section 1.148-4(h)(2) of the Regulations.

“*Rebate Amount*” means the excess of the Future Value of all Receipts on Nonpurpose Investments over the Future Value of all the Payments on Nonpurpose Investments. Future Value is computed as of the Computation Date. Rebate Amount additionally includes any penalties and interest on underpayments reduced for recoveries of overpayments.

“*Rebate Analyst*” shall mean the entity chosen by Lessee and Lessor in accordance with Section 4.6 hereof to determine the amount of required deposits to the Rebate Fund, if any.

“*Rebate Fund*” means the Rebate Fund established pursuant to this Tax Regulatory Agreement.

“*Receipts*” means, for purposes of computing the Rebate Amount, (a) amounts actually or constructively received from a Nonpurpose Investment (including amounts treated as received from a commingled fund), such as earnings and return of principal; (b) for a Nonpurpose Investment that ceases to be allocated to an issue before its disposition or redemption date (e.g., an Investment that becomes allocable to Transferred Proceeds of another issue or that ceases to be allocable to the issue pursuant to the Universal Cap under Section 1.148-6 of the Regulations) or that ceases to be subject to the rebate requirement of the Code on a date earlier than its

disposition or redemption date (e.g., an Investment allocated to a fund initially subject to the rebate requirement of the Code but that subsequently qualifies as a bona fide debt service fund), the Value of that Nonpurpose Investment on that date; and (c) for a Nonpurpose Investment that is held at the end of a computation period, the Value of that Investment at the end of that period. For purposes of computing Yield on an Investment, Receipts means amounts to be actually or constructively received from the Investment, such as earnings and return of principal (including the Value of an Investment). Receipts on Investments, including Guaranteed Investment Contracts, are adjusted (reduced) for Qualified Administrative Costs.

“*Recomputation Event*” means a transfer, waiver, modification or similar transaction of any right that is part of the terms of the Bond or a Qualified Hedging Transaction is entered into, or terminated, in connection with the Bond.

“*Regulation*” or “*Regulations*” means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury and applicable to the Bond, including Sections 1.148-0 through 1.148-11, Section 1.149 and Sections 1.150-1 and 1.150-2.

“*Related Person*” means any person if (i) the relationship to such person would result in a disallowance of loss under Section 267 or 707(b) of the Code or (ii) such person is a member of the same controlled group of corporations (as defined in Section 1.563(a) of the Code, except that “more than 50%” shall be substituted for “at least 80%” each place it appears therein).

“*Replacement Proceeds*” means amounts which have a sufficiently direct nexus to the Bond or to the governmental purpose of the Bond to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bond were not used or to be used for that governmental purpose, as more fully defined in Section 1.148-1(c) of the Regulations.

“*Sale Proceeds*” means any amounts actually or constructively received from the sale of the Bond, including amounts used to pay underwriters’ discount or compensation and accrued interest other than Pre-Issuance Accrued Interest.

“*Special Tax Counsel*” means Kutak Rock LLP or another law firm of nationally recognized bond counsel who is requested to deliver its approving opinion with respect to the issuance of and the exclusion from federal income taxation of interest on the Bond.

“*Tax Regulatory Agreement*” means this Tax Regulatory Agreement and Arbitrage Certificate.

“*Test-Period Beneficiary*” means any person who is an owner or a Principal User of facilities financed by an issue or issues of tax-exempt obligations issued under the 1954 Code or the Code during the three-year period beginning on the later of the date such facilities were placed in service or the date of issuance for such issue or issues of tax-exempt obligations. For purposes of determining whether a person is a Test-Period Beneficiary, all persons who are Related Persons shall be treated as one person.

“*Transferred Proceeds*” means Proceeds of a refunding issue which become transferred proceeds of a refunding issue and cease to be Proceeds of a prior issue when Proceeds of the refunding issue discharge any of the outstanding principal amount of the prior issue. The amount of Proceeds of the prior issue that become transferred proceeds of the refunding issue is an amount equal to the Proceeds of the prior issue on the date of that discharge multiplied by a fraction:

(a) the numerator of which is the principal amount of the prior issue discharged with Proceeds of the refunding issue on the date of that discharge; and

(b) the denominator of which is the total outstanding principal amount of the prior issue on the date immediately before the date of that discharge.

“*Universal Cap*” means the Value of all outstanding Bonds.

“*Value*” means Value as determined under Section 1.1484(e) of the Regulations for the Bond and Value determined under Section 1.148-5(d) of the Regulations for an Investment.

“*Yield*” means, for purposes of determining the Yield on the Bond, the Yield computed under the Economic Accrual Method using consistently applied compounding intervals of not more than one year. A short first compounding interval and a short last compounding interval may be used. Yield is expressed as an annual percentage rate that is calculated to at least four decimal places (e.g., 5.2525%). Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing Yield but must be consistently applied. The Yield on an issue that would be a Purpose Investment (absent Section 148(b)(3)(A) of the Code) is equal to the Yield on the conduit financing issue that financed that Purpose Investment. The Yield on a fixed yield issue is the discount rate that, when used in computing the present Value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue, produces an amount equal to the present Value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date. In the case of obligations purchased or sold at a substantial discount or premium, the Regulations prescribe certain special Yield calculation rules. For purposes of determining the Yield on an Investment, the Yield computed under the Economic Accrual Method, using the same compounding interval and financial conventions used to compute the Yield on the Bond.

The Yield on an Investment allocated to the Bond is the discount rate that, when used in computing the present Value as of the date the Investment is first allocated to the issue of all unconditionally payable receipts from the Investment, produces an amount equal to the present Value of all unconditionally payable payments for the Investment. The Yield on an Investment shall not be adjusted by any hedging transaction entered into in connection with such Investment unless Lessor, GEGF and Lessee have received an opinion of Special Tax Counsel that such an adjustment is permitted by the Regulations. Yield shall be calculated separately for each Class of Investments.

“*Yield Reduction Payment*” means a payment to the United States with respect to an Investment which is treated as a Payment for that Investment that reduces the Yield on that Investment in accordance with Section 1.148-5(c) of the Regulations. Yield Reduction Payments include Rebate Amounts paid to the United States.

Section 1.2. ***Reliance on Lessee’s Information.*** Special Tax Counsel, GEGF and Lessor shall be permitted to rely upon the contents of any certification, document or instructions provided pursuant to this Tax Regulatory Agreement and shall not be responsible or liable in any way for the accuracy of their contents or the failure of Lessee to deliver any required information.

ARTICLE II

CERTAIN REPRESENTATIONS BY BORROWER

Section 2.1. ***Description of the Project and Description of the Facilities.*** (a) Lessee hereby represents and warrants for the benefit of Lessor and GEGF that the description of the Project set forth in the preambles hereto and in the Agreement is true and accurate.

(b) Lessee represents and covenants for the benefit of Lessor and GEGF that the Project constitutes a Manufacturing Facility or facilities directly related and ancillary to such Manufacturing Facility.

(c) Lessee represents and covenants for the benefit of Lessor and GEGF that any portion of the Project which constitutes office space serves solely the manufacturing portion of the Project, is on the same site as the manufacturing portion of the Project and is financed with not more than 25% of the net Proceeds of the Bond.

Section 2.2. ***Capital Expenditures.*** Lessee represents and covenants for the benefit of Lessor and GEGF that:

(a) During the period beginning three years before the Date of Issuance and ending on the Date of Issuance, the aggregate amount of Capital Expenditures (including any expenditure that was or could have been treated as a Capital Expenditure under any rule or election under the Code) paid or incurred, excluding those to be paid or reimbursed with Proceeds of the Bond, with respect to (i) facilities located in the incorporated municipality (or unincorporated county) in which the Project is located and (ii) the Principal User of which was or is Lessee, any other Principal User of the Project or any Related Person thereto, was \$_____.

(b) During the period beginning on the Date of Issuance and ending on the date three years after the Date of Issuance, the aggregate amount of Capital Expenditures (including any expenditure that was or could have been treated as a Capital Expenditure under any rule or election under the Code) expected to be incurred, excluding those to be paid or reimbursed with Proceeds of the Bond, with respect to (i) facilities located in the incorporated municipality (or unincorporated county) in which the Project is located and (ii) the Principal User of which was

or is Lessee, any other Principal User of the Project or any Related Person thereto, is anticipated to be \$_____.

(c) (i) The amount of capitalized interest to be paid on all financings for the Project excluding that paid from Proceeds of the Bond is \$_____; and (ii) the amount of capitalized interest to be paid in connection with the Project paid from Proceeds of the Bond is \$0-.

(d) The sum of (i) the Capital Expenditures described in paragraph (a) above plus (ii) the *actual* Capital Expenditures to be incurred as described in paragraphs (b) and (c)(i) plus (iii) the aggregate outstanding amount of all \$1,000,000 or \$10,000,000 exempt small issues set forth in Section 2.3(a) below plus (iv) the greater of the Issue Price or the par amount of the Bond shall not exceed \$20,000,000. The sum of (i) the aggregate outstanding amount of all \$1,000,000 or \$10,000,000 exempt small issues set forth in Section 2.3(a) below plus (ii) the greater of the Issue Price or the par amount of the Bond shall not exceed \$10,000,000.

(e) The information contained in subsections (a), (b), (c) and (d) above, which has been provided to Lessor to enable Lessor to elect to qualify the Bond for the \$10,000,000 exemption afforded by Section 144(a)(4) of the Code, is true, accurate and complete. Lessor hereby elects to issue the Bond pursuant to the exemption afforded by Section 144(a)(4) of the Code.

(f) The Project will not be sold, leased or the use otherwise transferred to a person other than Lessee, any other Principal User of the Project or any Related Person thereto identified as of the Date of Issuance during the three-year period ending three years after the Date of Issuance, unless Lessee has received and delivered to GEGF and Lessor an approving opinion of Special Tax Counsel to the effect that such sale, lease or transfer will not adversely affect the tax-exempt status of the Bond.

Section 2.3. *Prior Issues and \$40 Million Limit.* Lessee represents and covenants for the benefit of Lessor and GEGF that:

(a) The aggregate amount of all Prior Issues outstanding as of the Date of Issuance, the proceeds of which were or will be used to any extent with respect to facilities located in the incorporated municipality (or unincorporated county) in which the Project is located and the Principal User of the Project is Lessee, any other Principal User of the Project or any Related Person thereto, is \$_____.

(b) The aggregate amount of all Prior Issues and all exempt facility bonds, qualified redevelopment bonds and industrial development bonds as defined in the 1954 Code or the Code outstanding as of the Date of Issuance, the proceeds of which were used by or were allocated to Lessee, any other Principal User of the Project or any Related Person thereto as a Test-Period Beneficiary is \$_____.

Section 2.4. *Federal Tax Return Information.* Lessee represents and covenants for the benefit of Lessor and GEGF that (a) the Project has a NAICS (North American Industry Classification Code System) Number of _____; (b) Lessee files its federal income tax returns

at the Internal Revenue Service Center in _____; and (c) the federal employer identification number of Lessee is _____.

Section 2.5. **Composite Issue.** Lessee represents and covenants for the benefit of Lessor and GEGF that:

(a) During the period beginning 15 days prior to the sale date of the Bond and ending 15 days thereafter none of Lessee, any other Principal User of the Project or any Related Person thereto sold, guaranteed, arranged, participated in, assisted with, borrowed the proceeds of, or leased facilities financed by obligations issued under Section 103 of the 1954 Code or Section 103 of the Code by any state or local governmental unit or any constituted authority empowered to issue obligations by or on behalf of any state or local governmental unit.

(b) During the period commencing on the Date of Issuance and ending 15 days thereafter, there will be no obligations sold under Section 103 of the 1954 Code or the Code that are guaranteed by Lessee, any other Principal User of the Project or any Related Person or which are issued with the assistance or participation of, or by arrangement with, Lessee, any other Principal User of the Project or any Related Person without the written opinion of Special Tax Counsel to the effect that the issuance of such obligations will not adversely affect their opinion as to the exclusion from gross income for federal income tax purposes of interest with respect to the Bond.

(c) Other than Lessee, any other Principal User of the Project or any Related Person, no person (or Related Person to such other person) has (i) guaranteed, arranged, participated in, assisted with the issuance of, or paid any portion of the Costs of Issuance of the Bond or (ii) provided any property or any franchise, trademark or trade name (within the meaning of Section 1253 of the Code) which is to be used in connection with the Project.

Section 2.6. **Prohibited Uses.** Lessee represents and covenants for the benefit of Lessor and GEGF that (a) no portion of the Proceeds of the Bond is being used to provide a facility, a purpose of which is retail food and beverage services, automobile sales or service, or the provision of recreation or entertainment; (b) no portion of the proceeds of the Bond is being used to provide any private or commercial golf course, country club, health club, massage parlor, tennis club, skating facility (including roller skating, skateboarding and ice skating), racquet sports facility (including any handball, squash or racquetball court), hot tub facility, suntan facility, racetrack, skybox or other luxury box, airplane, store the principal business of which is the sale of alcoholic beverages for consumption off premises, or facility used primarily for gambling; and (c) no portion of the Proceeds of the Bond is being used directly or indirectly to provide residential real property for single- or multifamily units.

Section 2.7. **No Composite Project.** Lessee represents and covenants for the benefit of Lessor and GEGF that the Project is a stand-alone Manufacturing Facility unconnected to any other facility and does not share any portion of substantial common facilities with any other building; an enclosed shopping mall or a strip of offices, stores or warehouses.

Section 2.8. **Acquisition of Existing Property.** Lessee represents and covenants for the benefit of Lessor and GEGF that no Proceeds of the Bond will be used to pay the cost of acquisition of real and personal property other than land (or any interest therein) the first use of which will not be pursuant to the acquisition with the Proceeds of the Bond. As shown on Exhibit A, no Proceeds of the Bond will be used to purchase such existing property.

Section 2.9. **Land Acquisition Limit and No Acquisition of Farmland.** Lessee represents and covenants for the benefit of Lessor and GEGF that:

- (a) No Proceeds of the Bond will be expended for land; and
- (b) No portion of the Proceeds of the Bond will be used directly or indirectly for the acquisition of land or any interest therein to be used for the purpose of farming.

Section 2.10. **Representations by Lessee for Purposes of IRS Form 8038.** Section 149(e) of the Code requires as a condition to qualification for tax exemption that Lessor provide to the Secretary of the Treasury certain information with respect to the Bond and the application of the proceeds derived therefrom. The following representations of Lessee will be relied upon by Lessor and Special Tax Counsel in satisfying this information reporting requirement. Accordingly, Lessee hereby represents, covenants and warrants to the best of its knowledge, for the benefit of Lessor, Special Tax Counsel and the registered owners of the Bond, the truth and accuracy of (c) through (t) below:

(a) Lessor's employer identification number	47-6006482
(b) Number of 8038 reports previously filed by the Lessor this calendar year	[-0-]
(c) Issue price of the Bond	\$[1,700,000]
(d) Proceeds used for Accrued Interest	\$-0-
(e) Costs of Issuance (including Underwriters' Discount)	\$ _____
(f) Reasonably required Reserve Fund Deposits	\$-0-
(g) Proceeds used for Credit Enhancement	\$-0-
(h) Proceeds used to refund prior issue	\$-0-
(i) Nonrefunding Proceeds	\$ _____
(j) Date of final maturity of the Bond	_____
(k) Stated redemption price at maturity of the entire issue of the Bond	\$[1,700,000]
(l) Weighted average maturity of the entire issue of the Bond	_____
(m) Yield on the entire issue of the Bond	_____%
(n) Type of Property financed by Nonrefunding Proceeds of Bond:	
Land	\$-0-
Buildings	\$-0-
Equipment with recovery period of more than five years	\$ _____
Equipment with recovery period of five years or less	\$ _____
Other (Rehabilitation)	\$-0-
Total	\$[1,700,000]

ARTICLE III

USE OF BOND PROCEEDS

Section 3.1. *Anticipated Use of Proceeds.* Lessee covenants, represents and warrants for the benefit of Lessor and GEGF that the Proceeds of the Bond will be used in the manner set forth in this Agreement and that the Proceeds of the Bond will be invested in accordance with the Escrow Agreement.

Section 3.2. *Certification as to Costs of the Project.* Lessee hereby certifies, with respect to the amounts shown in Exhibit A to this Tax Regulatory Agreement, that such amounts consist only of costs which are directly related to and necessary for the financing of the Project.

Section 3.3. *\$10 Million Election.* Lessor hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the proceeds of the Bond.

ARTICLE IV

ARBITRAGE

Section 4.1. *Arbitrage Representations and Elections.* In connection with the issuance of the Bond, Lessee hereby represents, certifies and warrants as follows:

(a) Lessee has entered into contracts with third parties for the acquisition, construction and equipping of the Project obligating an expenditure in excess of 5% of the Net Sale Proceeds of the Bond and Lessee will proceed with due diligence in completing the Project and in allocating the Net Sale Proceeds of the Bond to such Expenditures.

(b) Lessee will use a reasonable, Consistently Applied Accounting Method to account for Gross Proceeds, Investments and Expenditures for the Bond. Lessee shall additionally use a Consistently Applied Accounting Method for allocating Proceeds of the Bond to Expenditures, subject to the Current Outlay of Cash rule.

(c) Lessee shall not commingle Proceeds of the Bond with any other funds.

(d) In connection with the Bond, there has not been created or established and Lessee does not expect that there will be created or established, any sinking fund, pledged fund or similar fund, including without limitation any arrangement under which money, securities or obligations are pledged directly or indirectly to secure the Bond or any contract securing the Bond or any arrangement providing for compensating or minimum balances to be maintained by Lessee with any owner or credit enhancer of the Bond.

(e) The allocation of Net Proceeds of the Bond to the reimbursement portion of the costs of the Project will be made as of and completed on the Date of Issuance. The declaration of official intent required by Section 1.150-2 of the Regulations with respect to Net Proceeds of the Bond used to reimburse Lessee for certain Capital Expenditures made in connection with the Project is attached hereto as Exhibit C.

(f) Lessee and Lessor reasonably expect that 85% of the Net Sale Proceeds of the Bond will be used to complete the Project within three years of the Date of Issuance and not more than 50% of the Proceeds of the Bond will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more. Lessee reasonably expects that the Net Sale Proceeds of the Bond deposited into the Escrow Fund will be expended in accordance with Exhibit D hereto.

(g) All funds and accounts established pursuant to the Escrow Agreement will be invested in accordance with this Tax Regulatory Agreement and the Escrow Agreement in Qualified Investments (as defined in the Escrow Agreement).

(h) Lessee will not enter into any Abusive Arbitrage Devices.

(i) Lessee hereby makes, and Lessor hereby accepts, the following elections and other choices pursuant to the Regulations with respect to the Bond:

(i) Lessee elects the bond year stated in the definition of the Bond Year.

(ii) Lessee elects to avail itself of all unrestricted yield investments granted in the Regulations for temporary period, reasonably required reserve fund and minor portion investments.

(iii) Lessee elects to treat the last day of the fifth Bond Year (December 31, 2013) as the initial Installment Computation Date and the initial rebate payment date. Lessee elects to treat the last day of each subsequent fifth Bond Year as subsequent Installment Computation Dates and subsequent rebate payment dates. Lessee may change or adjust such dates as permitted by the Regulations.

(iv) With respect to the Universal Cap, Lessee as of the Date of Issuance does not expect that the operation of the Universal Cap will result in a reduction or reallocation of Gross Proceeds of the Bond and that Lessee (A) does not expect to pledge funds (other than those described in the Indenture) to the payment of the Bond; (B) expects to expend Sale Proceeds of the Bond within the expected temporary periods; and (C) does not expect to retire any of the Bond earlier than shown in the Yield computations for the Bond pursuant to this Article IV.

Section 4.2. **Arbitrage Compliance.** (a) Lessee and Lessor acknowledge that the continued exclusion of interest on the Bond from gross income of the recipients thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the rebate requirement described in Section 4.3 below. Lessee and Lessor hereby agree and covenant that they shall not permit at any time or times any of the Proceeds of the Bond or other funds of Lessee to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the Bond to be “arbitrage bonds” for purposes of Section 148 of the Code. Lessee further agrees and covenants that it shall do and perform all acts and things necessary in order to ensure that the requirements of Section 148 of the Code and the Regulations are met. To that end, Lessee shall retain, at its own expense, a Rebate Analyst to make such determinations and calculations as may be necessary in order to ensure that Lessee takes the actions described in Sections 4.2 through 4.6 hereof with respect to the Investment of Gross Proceeds on deposit in the funds and accounts established under the Indenture. If Lessee fails to retain such a Rebate Analyst, GEGF shall, upon being notified in writing of such failure, at Lessee’s expense, retain such a Rebate Analyst. Lessee shall make the required transfers and dispositions described in Sections 4.2, 4.3 and 4.4 hereof, and GEGF may rely upon information provided by Lessee.

(b) In general, no rebate calculations will be required with respect to Sale Proceeds or Investment Proceeds if (i) 100% of expected Gross Proceeds actually are spent within six months after the Date of Issuance; or (ii) at least 15% of expected Gross Proceeds actually are spent within six months after the Date of Issuance, at least 60% of expected Gross Proceeds actually are spent within 12 months after the Date of Issuance, and 100% of actual Gross Proceeds actually are spent within 18 months after the Date of Issuance. Under (ii) above, the requirement that 100% of actual Gross Proceeds be spent within 18 months after the Date of Issuance will be met if at least 95% of Gross Proceeds is spent within 18 months and the remainder is held as a reasonable retainage and such remainder is spent within 30 months after the Date of Issuance.

Section 4.3. **Calculation of Rebate Amount.** (a) Section 148(f) of the Code requires the payment to the United States of the Rebate Amount. Except as provided below, the Escrow Fund and all other funds or accounts treated as containing Gross Proceeds, are subject to this rebate requirement.

(b) In accordance with the requirements set out in the Code, Lessee may create, as needed, a Rebate Fund to be used as provided in this Section.

(i) On or before 60 days following each Computation Date an amount shall be deposited to the Rebate Fund from source or sources stated in such direction so that the balance of the Rebate Fund shall equal the aggregate Rebate Amount as of such determination date.

(ii) Amounts deposited in the Rebate Fund shall be invested at the direction of Lessee in accordance with the rebate requirements under Section 148 of the Code.

(iii) All money at any time deposited in the Rebate Fund shall be held by Lessee, to the extent required by this Tax Regulatory Agreement, for payment to the

United States of America of the Rebate Amount. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Tax Regulatory Agreement.

(iv) For purposes of crediting amounts to the Rebate Fund or withdrawing amounts from the Rebate Fund, Nonpurpose Investments shall be valued in the manner provided in this Article.

(c) In order to meet the rebate requirement of Section 148(f) of the Code, the Rebate Analyst described in Section 4.6 hereof and Lessee agrees and covenants to take the following actions:

(i) For each Investment of amounts held with respect to the Bond in the Escrow Fund, Lessee shall record the purchase date of such Investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, its Yield, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date. Lessee or the Rebate Analyst retained by Lessee shall determine the Fair Market Value for such Investments and the Yield thereon as may be required by the Regulations. The Yield for an Investment shall be calculated by using the method set forth in the Regulations.

(ii) For each Computation Date specified in paragraph (iii) below, the Rebate Analyst shall compute the Yield on the Bond as required by the Regulations based on the definition of issue price contained in Section 148(h) of the Code and the Regulations. The Yield on the Bond shall be calculated by Lessee at such time in order to comply with this Tax Regulatory Agreement and the Regulations based on the definitions of issue price contained in Section 148(h) of the Code using payments or prepayments of the principal of, premium, if any, and interest on the Bond required by the Regulations. For purposes of this Tax Regulatory Agreement the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Bond were sold is the Issue Price. Any reasonable amounts paid for credit enhancement have been and may generally be treated as interest on the Bond for purposes of Yield computation to the extent permitted by the Regulations.

(iii) Subject to the special rules set forth in paragraphs (iv) and (v) below, the Rebate Analyst shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above, for each Computation Date. In addition, where Nonpurpose Investments are retained by Lessee after retirement of the Bond, any unrealized gains or losses as of the date of retirement of the Bond must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Rebate Amount computed pursuant to this Section, (A) all earnings on any bona fide debt service fund shall not be taken into account for any Bond Year during which the gross earnings of such funds total less than \$100,000, (B) the Universal Cap applicable to the Bond pursuant to Section 1.148-6(b)(2) of the

Regulations shall be taken into account, (C) all of Lessee's elections and other choices set forth in Section 4.1 hereof shall be taken into account and (D) all spending exceptions to rebate met by Lessee shall be taken into account.

(v) For each Computation Date specified in paragraph (iii) above, the Rebate Analyst shall calculate for each Investment described in paragraphs (i) and (iii) above, an amount equal to the earnings which would have been received on such Investment at an interest rate equal to the Yield on the Bond as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) For each Computation Date, the Rebate Analyst shall determine the amount of earnings received on all Investments held in the Rebate Fund for the Computation Date. The method of calculation shall follow that set forth in the Regulations.

(vii) For each Computation Date, the Rebate Analyst shall calculate the Rebate Amount, by any appropriate method to be described in the Code and Regulations applicable or which becomes applicable to the Bond. The determination of the Rebate Amount shall account for the amount (to be rounded down to the nearest multiple of \$100) equal to the sum of all amounts determined in paragraph (iii), all amounts determined in paragraphs (v) and (vi), and less any amount which has previously been paid to the United States pursuant to Section 4.4 below. The Rebate Analyst shall notify GEGF of the Rebate Amount.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Fund, Lessee shall immediately deposit such amount into the Rebate Fund.

Section 4.4. ***Payment to United States.*** (a) Not later than 60 days after each Installment Computation Date (or such longer period as may be permitted by the Regulations), Lessee shall pay to the United States an amount that, when added to the Future Value as of such Computation Date of previous rebate payments made for the Bond, equals at least 90% of the Rebate Amount required to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the Final Computation Date Lessee shall pay to the United States an amount that, when added to the Future Value as of such Computation Date of previous rebate payments made for the Bond, equals at least 100% of the balance remaining in the Rebate Fund.

(b) Lessee shall mail each payment of an installment to the Internal Revenue Service Center, Ogden, Utah 84409-9941. Each payment shall be accompanied by Internal Revenue Form 8038-T, and, if necessary, a statement summarizing the determination of the Rebate Amount.

(c) If on any Computation Date, the aggregate amount earned on Nonpurpose Investments in which the Gross Proceeds of the Bond are invested is less than the amount that would have been earned if the Bond had been invested at a rate equal to the Yield on the Bond as determined in Section 4.3, such deficit may at the written request of Lessee be withdrawn from the Rebate Fund and paid to Lessee or as Lessee shall direct. Lessee may direct that any

overpayment of rebate may be recovered from any Rebate Amount previously paid to the United States pursuant to Section 1.148-3(i) of the Regulations.

(d) Lessee shall also pay any penalty or interest on underpayments of Rebate Amount not paid in a timely manner pursuant to this Tax Regulatory Agreement, the Code and the Regulations.

Section 4.5. **Recordkeeping.** In connection with the rebate requirement, Lessee shall maintain the following records:

(a) Lessee shall record all amounts paid to the United States pursuant to Section 4.4 hereof.

(b) Lessee shall retain records of the rebate calculations until six years after the retirement of the last maturity of the Bond.

Section 4.6. **Rebate Analyst.** (a) Lessee shall appoint a Rebate Analyst and any successor Rebate Analyst for the Bond reasonably acceptable to Lessor and GEGF, subject to the conditions set forth in this Section. The Rebate Analyst and each successor Rebate Analyst shall signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to GEGF, Lessor and Lessee under which such Rebate Analyst will agree to discharge its duties pursuant to this Tax Regulatory Agreement in a manner consistent with prudent industry practice.

(b) The Rebate Analyst may at any time resign and be discharged of the duties and obligations created by this Tax Regulatory Agreement by giving notice to GEGF, Lessor and Lessee. The Rebate Analyst may be removed at any time by an instrument signed by GEGF and filed with Lessor and Lessee. Lessee and Lessor shall, upon the resignation or removal of the Rebate Analyst, appoint a successor Rebate Analyst acceptable to GEGF.

(c) Each successor Rebate Analyst appointed pursuant to this Section shall be either a firm of independent accountants or Special Tax Counsel or another entity experienced in calculating rebate payments required by Section 148(f) of the Code. The charges and fees for such Rebate Analyst shall be paid by Lessee upon presentation of an invoice for services rendered in connection therewith.

ARTICLE V

COMPLIANCE WITH CODE

In order to ensure that interest on the Bond is excludable from the gross income of the recipients thereof for purposes of federal income taxation, Lessee hereby represents and covenants as follows:

(a) The Average Maturity of the Bond does not exceed 120% of the Average Economic Life of the Project within the meaning of Section 147(b) of the Code as set forth in Exhibit B hereto.

(b) The Bond is not and shall not become directly or indirectly “federally guaranteed.” Unless otherwise excepted under Section 149(b) of the Code, the Bond will be considered “federally guaranteed” if (i) the payment of principal and interest with respect to the Bond is guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), (ii) 5% or more of the Proceeds of the Bond is (A) to be used in making loans, the payment of principal or interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) or (B) to be invested (directly or indirectly) in federally insured deposits or accounts or (iii) the payment of principal or interest on the Bond is otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); provided, however, that the proceeds of the Bond may be invested in Qualified Investments (as such term is defined in the Escrow Agreement) at the direction of Lessee.

(c) Lessee will provide to Lessor all information necessary to enable Lessor to complete and file Internal Revenue Forms 8038 and 8038-T pursuant to Section 149(e) of the Code.

(d) As required by Section 147(f) of the Code, the Bond and the Project were the subject of a public hearing held on September 15, 2009, which was preceded by reasonable public notice.

(e) Lessee will comply with, and make all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or IRS with respect to obligations described in Sections 103 and 144 of the Code, such as the Bond.

(f) Lessee agrees to provide, on or before the date which is 18 months after the in-service date of the Project, final documentation confirming the respective allocation of Lessee’s equity contribution to expenditures on the Project and of the Proceeds of the Bond to expenditures on the Project.

(g) Lessee agrees to rebate all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code.

(h) The Sale Proceeds of the Bond and any Investment Proceeds will be expended for the purposes set forth in the Agreement and no amount of such Proceeds of the Bond in excess of 2% of the Sale Proceeds of the Bond will be expended to pay the costs of issuing the Bond within the meaning of Section 147(g) of the Code.

ARTICLE VI

TERM OF TAX REGULATORY AGREEMENT

This Tax Regulatory Agreement shall be effective from the Date of Issuance through the date that the Bond are paid in full, except that the requirements of Section 4.5 shall survive until six years after the retirement of the Bond.

ARTICLE VII

AMENDMENTS

Notwithstanding any other provision hereof, any provision of this Tax Regulatory Agreement may be deleted or modified at any time at the option of Lessee, with the consent of Lessor and GEGF, if Lessee has provided to GEGF and Lessor an opinion, in form and substance satisfactory to the GEGF and Lessor, of Special Tax Counsel that such deletion or modification will not adversely affect the exclusion of interest on the Bond from the gross income of the recipients thereof for purposes of federal income taxation.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. *Events of Default.* The failure of any party to this Tax Regulatory Agreement to perform any of its required duties under any provision hereof shall constitute an Event of Default under this Tax Regulatory Agreement and under the Agreement.

Section 8.2. *Remedies for an Event of Default.* Upon an occurrence of an Event of Default under Section 8.1 hereof, Lessor or GEGF may in their discretion, proceed to protect and enforce their rights and the rights of the registered owners of the Bond by pursuing any available remedy under the Agreement or by pursuing any other available remedy, including, but not limited to, a suit at law or in equity.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS.]

IN WITNESS WHEREOF, Lessor, Lessee and GEGF have caused this Tax Regulatory Agreement to be executed in their respective names and by their proper officers hereunto duly authorized, all as of the day and year first written above.

THE COUNTY OF LANCASTER, NEBRASKA

By: _____
Title: Chair

PLASTIC COMPANIES ENTERPRISES, INC.

By: _____
Title: _____

GE GOVERNMENT FINANCE, INC.

By: _____
Title: Vice President

[EXECUTION PAGE TO TAX REGULATORY AGREEMENT]

EXHIBIT A

SOURCES AND USES OF FUNDS

1. Amount received from the sale of the Bond (exclusive of accrued interest) is as follows:

Face amount of the Bond	\$[1,700,000]
Less: Underwriters' discount	\$-0-
Total amount received from the sale of the Bond	\$[1,700,000]

2. Proceeds of the Bond totaling \$[1,700,000], representing 100% of the Net Sale Proceeds of the Bond after deduction of the amounts described in 3 below will be deposited to the Escrow Fund.

3. Amounts representing Costs of Issuance of the Bond which are to be paid from Bond Proceeds total \$_____.

Estimated Use of Substantially all of the Proceeds of the Bond

(1) Issue Price of Bond	\$[1,700,000]
(2) Estimated Investment Earnings on Bond	\$_____
(3) Subtotal	_____
(4) Substantially All Factor	95%
(5) Total	\$_____
(6) Amount Paid for Qualified Project Costs* (including interest during construction).....	\$[1,700,000]

*Qualified Project Costs:

Land	\$-0-
Building	\$-0-
Rehabilitation of Building	\$-0-
Equipment	\$[1,700,000]

EXHIBIT B

**USEFUL LIFE OF THE PROPERTY FINANCED OR
REFINANCED BY THE BOND**

	<u>Cost</u>		<u>Useful Life</u>	
Land	\$-0-	X		=
Building	\$-0-	X		=
Improvement to Building	\$-0-	X		=
Equipment	[1,700,000]	X	_____	=
less: cost of land	-0-		_____	-0-
	[1,700,000]			

Average Useful life of Project for purposes of Section 147(b) of the Code = ____ x 1.20 = ____ years

Average life of Bond = ____ years

The information contained in this schedule, attached as an exhibit hereto, setting forth the respective cost, economic life, ADR midpoint life, if any, under Revenue Procedure 87-56, 1987-42 I.R.B. 4, and Revenue Procedure 83-35, 1983-2 C.B. 745, as supplemented and amended from time to time, and guideline life, if any, under Revenue Procedure 62-21, 1962-2 C.B. 118, as supplemented and amended from time to time, of each asset of the Project financed with the Proceeds of the Bond, is true, accurate and complete.

EXHIBIT C

DECLARATION OF OFFICIAL INTENT

EXHIBIT D

SCHEDULE OF EXPENDITURES

<i>DATE OF DRAW</i>	<i>AMOUNT OF PROCEEDS</i>