

RESOLUTION AUTHORIZING THE ISSUANCE OF SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION VARIABLE RATE DEMAND REVENUE BONDS, (AIRBORN, INC. PROJECT), SERIES 2009; APPROVING THE FORM OF A TRUST INDENTURE, LOAN AGREEMENT AND A PLACEMENT AGREEMENT WITH RESPECT TO SUCH BONDS AND AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; APPROVING INFORMATION REGARDING THE SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION TO BE USED IN THE PRIVATE PLACEMENT MEMORANDUM TO BE DISTRIBUTED IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND APPROVING OTHER MATTERS RELATED TO THE FOREGOING

WHEREAS, San Gabriel Industrial Development Corporation (the "Issuer") is a non-stock, non-profit industrial development corporation organized and existing under the laws of the State of Texas, including particularly the Development Corporation Act of 1979, as amended, Article 5190.6, V.A.T.C.S. as amended and codified as Texas Local Government Code Chapters 501 through 507, inclusive (the "Act"); and

WHEREAS, AirBorn, Inc, a Texas corporation (the "AirBorn") has requested that the Issuer issue \$8,000,000 of its tax-exempt "Variable Rate Demand Revenue Bonds, (AirBorn, Inc. Project), Series 2009" (the "Bonds") for (i) the acquisition and construction of up to a 60,000 square foot manufacturing facility, including the acquisition of land, within the boundaries of the Governmental Unit and (ii) pay certain costs of issuance of the Bonds, as contemplated by the Agreement (as defined below) and as hereinafter provided; and

WHEREAS, a Loan Agreement, dated as of June 1, 2009 (the "Agreement") will be duly executed between the Issuer and AirBorn prior to the delivery of the bonds hereinafter authorized; and

WHEREAS, the bonds hereinafter authorized will be secured by a Trust Indenture, dated as of June 1, 2009 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee") and the Bonds will be further secured initially by an irrevocable direct pay letter of credit (the "Letter of Credit") issued by Comerica Bank, National Association or a related entity (the "Bank"); and

WHEREAS, as provided in the Agreement, AirBorn has requested that the Bonds be issued, sold and delivered as provided in this Resolution and the Indenture, and that, upon the issuance, sale and delivery of the Bonds, AirBorn will be unconditionally obligated to the Issuer and the Trustee to make or pay, or cause to be made or paid, to the Trustee the "Loan Repayments" or draws on the "Credit Facility" required by the Agreement, this Resolution and the Indenture, in amounts sufficient to pay and redeem, and to provide for the payment and redemption of, the principal of, redemption premium, if any, and interest on and purchase price of, the Bonds when due, all as hereinafter set

forth; and

WHEREAS, the Bonds, and the interest thereon, are and shall be payable from and secured by a first lien on and pledge of the payments designated as "Loan Repayments" or draws on the "Credit Facility" and other payments to be made by AirBorn pursuant to the Agreement in amounts sufficient to pay and redeem, and provide for the payment of the principal of, premium, if any, and interest on and purchase price of, the Bonds, when due, and the fees and expenses of the Issuer, the Trustee and any paying agent for the Bonds, all as required by this Resolution; and

WHEREAS, these preambles shall constitute an integral part of this Resolution; and

WHEREAS, the Issuer has determined and does hereby determine that the issuance of the Bonds in accordance with the terms of this Resolution is in the best interests of the Issuer.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION THAT:

Section 1. There is hereby authorized and directed the execution, issuance and sale by the Issuer of its Variable Rate Demand Revenue Bonds (AirBorn, Inc. Project), Series 2009 in an aggregate principal amount not to exceed \$8,000,000 (the "Bonds") as approved by the President or Secretary of the Board of Directors of the Issuer (the "Board") for the purpose of paying the costs of acquisition and construction of the Project and paying costs and expenses incidental to the issuance of the Bonds. The Bonds will bear interest at a rate or rates per annum, will mature on such date or dates not later than forty years from the date hereof, and in such amounts, all as approved by the President or Secretary of the Board (each, an "Authorized Issuer Representative") on or before the date of issuance of the Bonds. The interest on the Bonds will be payable on the dates and at such places as are specified in the Indenture. In no event will the interest rate on the Bonds exceed the maximum interest rate specified in the Indenture. The Bonds shall be dated and numbered as provided in the Indenture, shall be subject to redemption, and shall have the form, details and specifications set out in the Indenture. The Bonds shall initially be secured by the Letter of Credit. The President and the Vice President of the Board are hereby severally authorized to execute and deliver the Bonds on behalf of the Issuer, and the Secretary of the Board is hereby authorized to attest and affix the Issuer's seal thereto, with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

Section 2. For the purpose of securing the Bonds, of providing the details thereof and of prescribing the terms and conditions on which the Bonds are to be secured, executed, authenticated, accepted and held, the Indenture substantially in the form presented before this meeting is hereby approved and authorized to be executed and delivered on behalf of the Issuer by the President or Vice President of the Board and attested by the Secretary or any Assistant Secretary of the Board, with such changes therein as shall be approved by such officers, their execution thereof to constitute conclusive evidence of such approval.

Section 3. The Agreement in substantially the form presented before this meeting is hereby approved and the President or Vice President of the Board is hereby authorized and directed, for and on behalf of the Issuer to date, sign, and otherwise execute the Agreement, and the Secretary or any Assistant Secretary of the Board is hereby authorized and directed, for and on behalf of the Issuer, to sign, attest, and affix the seal of the Issuer to the Agreement, with such changes therein as shall be approved by such officers, their execution thereof to constitute conclusive evidence of such approval.

Section 4. The sale of the Bonds to Comerica Securities, Inc. (the "Placement Agent") at the price to be approved by the President or Vice President of the Board, but in no event less than 95% of the principal amount thereof plus accrued interest from the date thereof, if any, to the date of delivery is hereby authorized and approved, and the agreement of the Placement Agent to purchase the Bonds (the "Placement Agreement") substantially in the form presented before this meeting and any supplements thereto which may be necessary to accomplish issuance of Bonds is hereby authorized to be dated, executed and delivered on behalf of the Issuer by an Authorized Issuer Representative with such changes therein as shall be approved by either of such officers, the execution thereof to constitute conclusive evidence of such approval.

Section 5. In connection with the offering of the Bonds, the Board hereby authorizes the use of a private placement memorandum (the "Offering Memorandum") with respect to the Bonds and hereby authorizes the use of the information pertaining to the Issuer therein in substantially the form attached to this Resolution as Exhibit A, provided that, in adopting this Resolution, the Issuer does not accept responsibility for the Offering Memorandum except for the information specifically approved by this Section 5 for use therein

Section 6. U.S. Bank National Association is hereby designated as Trustee and as Paying Agent for the Bonds under the Indenture.

Section 7. The President or Vice President and the Secretary or any Assistant Secretary of the Board are hereby authorized and directed to execute (i) such certificates as shall be necessary to establish that interest on the Bonds will be excludable from the gross income of the holders of the Bonds for federal income tax purposes under Section 103(a), 141(e) and 144(a) of the Internal Revenue Code of 1986 (the "Code") and that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code; (ii) an Information Return for Private Activity Bond Issues (IRS Form 8038), as required under Section 149(e) of the Code, to be filed with the Internal Revenue Service; (iii) any letters of representation required by The Depository Trust Company in connection with the book-entry-only system; and (iv) any certificates necessary to comply with Municipal Securities Rulemaking Board Rule 15c2-12.

Section 8. The officers of the Issuer are each hereby severally authorized and directed to execute, attest, seal and deliver any and all additional certificates, documents or other papers and to do any and all things deemed necessary to effect the issuance and sale of the Bonds, the refunding of the Refunded Bonds, and the execution and delivery of the Agreement, the Indenture and the

Placement Agreement and to carry out the intent and purposes of this Resolution, including the preambles hereto.

The President, the Vice President, the Secretary or any Assistant Secretary of the Board is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the investigation, examination and approval by the Attorney General of the State of Texas of the proceedings authorizing the Bonds.

Each Authorized Issuer Representative is hereby severally authorized, appointed and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer for the purpose of selling the Bonds (and, subject to Section 4 of this Resolution, determining the price at which the Bonds shall be sold). Any Authorized Issuer Representative may severally sell the Bonds through negotiation and shall evidence the sale of the Bonds by executing the Placement Agreement. Subject to any restrictions contained in this Section 8 and the provisions of Section 1 hereof (with respect to the maximum principal amount of the Bonds that may be issued hereunder and with respect to the maximum interest rate and the latest date of final maturity of the Bonds), each Authorized Representative also is severally authorized to approve on behalf of the Board the following matters with respect to the Bonds: (A) the series designation and the dated date of the Bonds; (B) the initial interest rate mode for the Bonds; (C) the principal amount of the Bonds to mature in each year; (D) if any of the Bonds shall be subject to redemption prior to maturity (including mandatory sinking fund redemption), the dates, price and terms upon which and at which such Bonds shall be so subject to redemption; and (E) any other matters relating to the Bonds that require the approval of, or action by, the Issuer, to the extent permitted by law. The determinations of the Authorized Issuer Representative that are made in accordance with this Section 8 shall be as specified by either of them in a certificate.

Each Authorized Issuer Representative is further severally authorized, and Bond Counsel is hereby authorized and directed, to approve, subsequent to the date of the adoption of this Bond Resolution and prior to the initial delivery of the Bonds, any technical changes or corrections to this Bond Resolution or to any of the instruments authorized or approved by this Bond Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Bond Resolution; (ii) make such other changes to this Bond Resolution deemed reasonable and necessary by the President or Secretary of the Board, with the advice of Bond Counsel; (iii) obtain the approval of the Bonds by the Texas Attorney General's office; or (iv) to observe and perform the obligations of the Issuer under the Bonds, the Indenture, the Agreement, and the Placement Agreement.

The President and the Secretary of the Issuer are each hereby designated as an Authorized Issuer Representative for purposes of this Resolution, the Indenture, and the Agreement.

Section 10. All details of the Bonds required to be prescribed in this Resolution by the Acts not fully set forth herein are set forth in the Indenture, and the Indenture is hereby incorporated in this Resolution as if fully set forth herein.

Section 11. Based solely on representations made to the Board and to the Texas Economic Development and Tourism Office by AirBorn, it appears and the Board hereby finds that:

- (a) the Project (as further described in the Agreement) is for the creation or retention of primary jobs and is required or suitable for the development, retention, or expansion of manufacturing and industrial facilities, irrespective of whether in existence or required to be acquired or constructed after the making of these findings by the Board; and
- (b) the Project is in furtherance of the public purpose of the promotion and development of new and expanded industrial and manufacturing enterprises to promote and encourage employment and the public welfare.

Section 12. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

Section 13. The provisions of this Resolution are hereby declared to be separable, and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 14. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

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APPROVED AND ADOPTED this 16th day of June, 2009.

**SAN GABRIEL INDUSTRIAL DEVELOPMENT
CORPORATION**

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

(SEAL)

Exhibit A

THE ISSUER

The issuer is a nonprofit industrial development corporation, organized and existing pursuant to the Texas Development Corporation Act of 1979, as amended and codified as Texas Local Government Code Chapters 501 through 507, inclusive (Article 5190.6, Vernon's Texas Revised Civil Statutes) (the "Act"). The Issuer is a public instrumentality of Williamson County, Texas (the "Governmental Unit") and is authorized to act on behalf of the Governmental Unit for the public purpose of promoting and developing commercial, industrial and manufacturing enterprises to promote and encourage employment and public welfare. The issuer is further authorized and empowered pursuant to the Act to issue the Bonds, to loan the proceeds thereof to AirBorn, to secure the Bonds by a pledge of the amounts payable by AirBorn under the Loan Agreement and to enter into the Loan Agreement and the Indenture pursuant to which the Bonds are to be issued.

The Issuer is governed by a five-member Board of Directors consisting of individuals appointed by the governing body of the Governmental Unit. The directors serve without compensation. The Issuer is prohibited from owning or operating any project financed under the Act as a business other than as lessor, seller or lender. The Issuer has no taxing power.

The Bonds shall be deemed not to constitute a debt of the State of Texas, the Governmental Unit, or any other political corporation, subdivision, or agency of the State of Texas or a pledge of the faith and credit of any of them. No recourse shall be had for any claim based on the Loan Agreement, the Indenture, or the Bonds against any member, officer or employee, past, present or future, of the Issuer, or of any successor body thereto, either directly or through the Issuer, or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise. Neither the State of Texas, the Governmental Unit, nor any political corporation, subdivision, or agent of the State of Texas shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the State of Texas, the Governmental Unit, or any other political corporation, subdivision, or agency is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are special revenue obligations of the Issuer payable solely from the sources described herein and in the Indenture and the holder thereof shall never have the right to demand payment from moneys derived by taxation or any revenues of the Issuer except the funds pledged to the payment thereof.

The Issuer has not prepared or assisted in the preparation of this Offering Memorandum, except the statements under this section captioned "THE ISSUER," and the section captioned "LITIGATION - The Issuer," and, except as aforesaid, the Issuer is not responsible for any statements made in the Offering Memorandum. Except for the execution and delivery of documents required to effect the issuance of the Bonds, the Issuer has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Issuer disclaims responsibility for the disclosures set forth in the Offering Memorandum or otherwise made in connection with the offer, sale and distribution of the Bonds.