

RESOLUTION NO. 2-82

RESOLUTION OF THE CITY COUNCIL APPROVING THE ISSUANCE OF BONDS BY THE MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION TO FINANCE A PROJECT FOR STANDCO INDUSTRIES, INC.

WHEREAS, by resolution the City Council (the "Governing Body") of the City Mesquite, Texas (the "Unit"), authorized and approved the creation of the Mesquite Industrial Development Corporation (the "Corporation") as a nonprofit industrial development corporation under the provisions of the Development Corporation Act of 1979, Article 5190.6, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"); and

WHEREAS, by resolution adopted on December 23, 1980, the Board of Directors of the Corporation adopted a resolution with respect to the issuance of bonds to finance facilities for Standco Industries, Inc., which resolution authorized the issuance of industrial development revenue bonds by the Corporation to finance the cost of facilities to accomplish the specific public purpose for which the Corporation was created; and

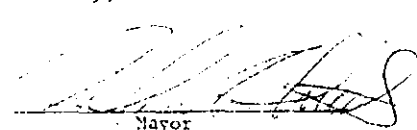
WHEREAS, in accordance with the provisions of the above-referenced resolution, the Corporation now desires to provide for the issuance and sale of its \$3,000,000 Industrial Development Revenue Bonds, Series 1982 (Standco Industries, Inc., Project) (the "Bonds"), by adopting a resolution substantially in the form attached hereto as Exhibit "A" (the "Resolution"); and

WHEREAS, the Act provides that the Governing Body must, by resolution adopted no more than sixty (60) days prior to the date of delivery of the Bonds, specifically approve the resolution of the Corporation providing for the issuance of the Bonds;

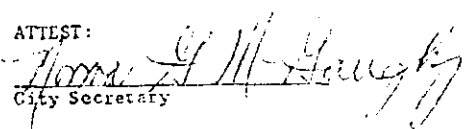
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, THAT:

The Resolution of the Corporation providing for the sale and issuance of the Bonds, substantially in the form attached hereto as Exhibit "A", is hereby approved.

PASSED AND APPROVED this 18th day of January, 1982.


Mayor

ATTEST:


City Secretary

(SEAL)

**RESOLUTION OF MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION
AUTHORIZING ISSUANCE OF BONDS AND APPROVING DOCUMENTS**

WHEREAS, the Development Corporation Act of 1979, Article 5190.6, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), authorizes and empowers the Mesquite Industrial Development Corporation (the "Corporation") to issue revenue bonds on behalf of the City of Mesquite, Texas (the "Unit"), to finance the cost of projects comprising land, buildings, equipment, facilities and improvements, found by the Board of Directors of the Corporation (the "Board") to be required or suitable for the promotion of manufacturing development and expansion and for the industrial development and expansion of industrial facilities and in furtherance of the public purposes of the Act; and

WHEREAS, on December 23, 1980, the Board adopted a resolution with respect to the issuance of bonds to finance facilities for Standco Industries, Inc., a Delaware corporation (the "User"), whereby the Corporation agreed to provide for the financing of the cost of the User's project (the "Project") which was initially described in said resolution and is more fully described in Exhibits A and B to the Loan Agreement between the Corporation and the User referenced below, in accordance with the provisions of the Act; and

WHEREAS, for purposes of financing the cost of the Project, the Corporation now desires (i) to authorize the issuance of its Industrial Development Revenue Bonds, Series 1982 (Standco Industries, Inc., Project) (the "Bonds"), in the maximum aggregate principal amount of \$3,000,000, pursuant to the terms and provisions of a trust indenture, (ii) to provide for the sale of the Bonds to the purchaser described herein, (iii) to provide for the payment of the principal of and premium, if any, and interest on the Bonds (except for any amount representing accrued interest on the Bonds) with revenues derived from the loan of proceeds of the sale of the Bonds to the User to finance the costs of the Project pursuant to the terms and provisions of a loan agreement and (iv) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, on January 18, 1982, the governing body of the Unit adopted a written resolution specifically approving this resolution of the Corporation providing for the issuance of the Bonds; and

WHEREAS, the Board has been presented with and has examined proposed forms of a trust indenture, a loan agreement, a collateral assignment and security agreement and a letter of representation, and the Board finds that the form and substance of such documents are satisfactory and the recitals and findings contained therein are true,

correct and complete and hereby adopts and incorporates by reference such recitals and findings as if set forth in full in this resolution, and finds that it is in the best interest of the public and the Corporation and assists in carrying out the public purpose of the Corporation and of the Act to authorize the execution and delivery of such documents; and

WHEREAS, the Board has also been presented with and has examined the proposed form of a deed of trust, security agreement, assignment of rents and financing statement from the User to Charles A. Burtch, as mortgage trustee, for the equal and ratable benefit of the Corporation and the "Opening Bank" (as hereinafter defined), and the Board finds the form and substance of such document is satisfactory;

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

1. The Corporation hereby authorizes and directs the issuance of the Bonds in the maximum aggregate principal amount of \$3,000,000, in accordance with a trust indenture substantially in the form of the Trust Indenture, dated as of January 1, 1982 (the "Indenture"), by and between the Corporation and Wells Fargo Bank, N.A., as trustee (the "Trustee"), which was presented to the Board, the form, terms and provisions of such Indenture and the Bonds being hereby authorized and approved, and the President and the Vice President of the Corporation are hereby severally authorized and directed to execute and deliver such Indenture and the Bonds on behalf of the Corporation, and the Secretary of the Corporation is hereby authorized to attest and affix the Corporation'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.

2. The loan of the proceeds of the sale of the Bonds (except for any amount representing accrued interest on the Bonds) by the Corporation to the User in order to provide financing of the costs of acquiring and constructing the Project shall be effected pursuant to the terms and provisions of a loan agreement substantially in the form of the Loan Agreement, dated as of January 1, 1982 (the "Loan Agreement"), by and between the Corporation and the User, which was presented to the Board, the form, terms and provisions of such Loan Agreement being hereby authorized and approved, and the President and the Vice President of the Corporation are hereby severally authorized and directed to execute and deliver such Loan Agreement on behalf of the Corporation, and the Secretary of the Corporation is hereby authorized to attest and affix the Corporation'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.

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3. As a condition to the actions authorized in Paragraphs 1 and 2 of this resolution, an irrevocable standby letter of credit in the amount of \$3,431,975 (the "Letter of Credit"), the form of which was presented to the Board, shall have been issued by Wells Fargo Bank, N.A. ("Wells Fargo").

4. As a further condition to the actions authorized in Paragraphs 1 and 2 of this resolution, the User shall have executed a deed of trust, security agreement, assignment of rents and financing statement substantially in the form of the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement, dated as of January 1, 1982 (the "Mortgage"), from the User to Charles A. Burch, as mortgage trustee, for the equal and ratable benefit of the Corporation and the Opening Bank (as defined in the Mortgage), which was presented to the Board, the form, terms and provisions thereof being hereby authorized and approved.

5. The assignment of the Corporation's rights under the Mortgage to the Trustee for the benefit of the holders of the Bonds shall be effected pursuant to the terms and provisions of a collateral assignment and security agreement substantially in the form of the Collateral Assignment and Security Agreement, dated as of January 1, 1982 (the "Assignment"), from the Corporation to the Trustee, which was presented to the Board, the form, terms and provisions of such Assignment being hereby authorized and approved, and the President and the Vice President of the Corporation are hereby severally authorized and directed to execute and deliver such Assignment on behalf of the Corporation, and the Secretary is hereby authorized to attest and affix the Corporation'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.

6. The sale and delivery of the Bonds by the Corporation to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Purchaser"), at the par value thereof plus accrued interest from the date of the Bonds until the date of delivery and payment for the Bonds (the "Closing Date"), is hereby authorized and approved.

7. The actions and obligations authorized in Paragraphs 1 through 6 of this resolution shall be subject to and conditioned upon the receipt by the Corporation, at the Closing Date, of (i) a letter of representation from the User, duly authorized and executed by the User, substantially in the form of the Letter of Representation, dated the Closing Date (the "Letter of Representation"), which was presented to the Board, the form, terms and provisions of such Letter of Representation being hereby authorized and approved and the President and the Vice President of the Corporation are hereby severally authorized to

signify the Corporation's acceptance and confirmation of such Letter of Representation by executing the same on behalf of the Corporation in multiple counterparts; (ii) a certificate from a representative of the Texas Industrial Commission (the "Commission"), acting on behalf of the Commission, evidencing final approval of the Loan Agreement; (iii) the purchase price for the Bonds; and (iv) such opinions, evidences, certificates, instruments or other documents as shall be requested by the Corporation's Counsel or by Bond Counsel, to evidence due performance or satisfaction by the User at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

8. The officers, employees and agents of the Corporation, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Corporation all certificates, financing statements, instruments and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this resolution and of the Bonds to be issued hereunder, as well as the terms and provisions of the Indenture, the Mortgage, the Assignment, the Letter of Representation and the Loan Agreement hereby authorized and approved, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper.

9. The officers of the Corporation (with the assistance of the User) shall prepare a final transcript of the proceedings relating to the authorization, issuance, sale and delivery of the Bonds, which transcript shall be submitted to the Commission within sixty (60) days after the Closing Date.

10. The Corporation hereby elects to have Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, apply to the Bonds, and the President and the Secretary of the Corporation are hereby severally authorized and directed to execute and deliver a statement to the Internal Revenue Service to the effect that the Corporation has so elected, and to deliver a copy of such statement to the Purchaser and the User.

11. Based upon representations made by the User to the Board, the Board hereby affirmatively finds that:

- (a) the Project will have the effect of creating and stabilizing employment within the Unit;

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(b) the Project is required or suitable for the promotion of manufacturing development and expansion and for the industrial development and expansion of industrial facilities and is in furtherance of the public purposes of the Act; and

(c) the Project will contribute to the economic growth or stability of the Unit by:

(i) increasing or stabilizing employment opportunity;

(ii) significantly increasing or stabilizing the property tax base; and

(iii) promoting commerce within the Unit and the State of Texas.

12. This resolution shall take effect and be in full force and effect upon and after its passage.

PASSED AND APPROVED this 18th day of January, 1982.
