

RESOLUTION NO. 23-85

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, WITH RESPECT TO THE ISSUANCE OF BONDS TO FINANCE THE MESQUITE ARENA.

WHEREAS, the City of Mesquite (the "City") with this Resolution intends to act both on its own behalf and on behalf of its industrial development corporation (the "Corporation"), organized and existing under the laws of the State of Texas, including particularly the Development Corporation Act of 1979, as amended (the "Act"); and

WHEREAS, Mesquite Arena Partners (the "User"), a partnership to be created under the laws of the State of Texas, has advised the City that it is considering providing for the acquisition and construction or assisting with the acquisition, construction and operation of a multi-use sports facility to serve the City of Mesquite, to be located on approximately 17 acres of land Southwest of the intersection of Hickory Tree and Military Parkway, just south of the existing Mesquite Rodeo arena, including necessary support facilities and equipment, including parking facilities (collectively, the "Facilities");

WHEREAS, the User has advised the City that a contributing factor which would further induce the User to proceed with providing for or assisting in the acquisition and construction of the Facilities would be a commitment and agreement by the City (or the Corporation) to issue one or more series of industrial development revenue bonds pursuant to the Act or pursuant to Article 1269-4.1, V.A.T.C.S. (collectively, the "Acts") (the "Bonds") to finance and pay for the Facilities; and

WHEREAS, the User has proposed to the City that the User will be further induced to proceed with providing for or assisting in the acquisition and construction of the Facilities if the City will make such commitment and agreement and adopt this Resolution; and

WHEREAS, the City finds, intends, and declares that this Resolution shall, in accordance with its provision, constitute the commitment and agreement of the City (or the Corporation) to issue one or more series of Bonds in such aggregate principal amount, presently estimated to be \$5,000,000, as is actually required to finance and pay for the acquisition and construction of the Facilities; and

WHEREAS, the City finds, considers, and declares that the issuance of the Bonds in such amount and for such purpose will be appropriate and consistent with the objectives of the Acts, and that the adoption of this Resolution is and constitutes, and is

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intended as (i) an inducement to the User to proceed with providing for or assisting in the acquisition and construction of the Facilities and (ii) the taking of affirmative official action by the City, acting by and through its City Council, towards the issuance of the Bonds, and that such action is, and is intended to be, similar to the adoption of a bond resolution, within the meaning of Section 1.103-8(a)(5) of the U.S. Department of the Treasury Regulations relating to Section 103(b) of the Internal Revenue Code of 1954, as amended, with respect to Industrial Development Bonds.

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

SECTION 1. The City is committed and agrees as follows:

(a) To adopt, or cause to be adopted by the Corporation, a bond resolution or bond resolutions, when requested by the User, authorizing the issuance of one or more series of bonds pursuant to one of the Acts and not to exceed the amount specified in the preamble hereof, and to issue the Bonds, subject to the requirements of the respective Act, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the City or the Corporation and the User, to finance and pay for the acquisition and construction of the Facilities, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the City or the Corporation for its administrative and overhead expenses and costs with respect to the Bonds and the Facilities, with the Bonds to be payable from payments by the User to the City and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustees' fees on, the bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the User, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the City or the Corporation and the User as are mutually acceptable in all respects to the City or the Corporation and the User, under which the User will be obligated to make payments to the City and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the City's or the Corporation's administrative, overhead, and other expenses and costs with respect to the Bonds and the Facilities.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by

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the User as may be required in accordance with the Acts and this Resolution to cause the issuance of the Bonds.


(d) By the acceptance of this Resolution and proceeding with the Facilities, the User thereby agrees that it will fully indemnify and hold the City and the Corporation harmless from any and all damages, losses, and expenses, including attorneys fees, arising at any time from or with respect to the Bonds and the Facilities.

SECTION 2. The adoption of this Resolution shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing for the acquisition and construction of the Facilities, and said proposal and acceptance shall constitute an agreement between the City and the User in accordance with the provisions of this Resolution.


SECTION 3. Immediately after the adoption of this Resolution the acquisition and construction of the Facilities may commence and continue to completion in accordance with methods and procedures determined by the User, or by the User and the City, pursuant to this Resolution and the agreement it constitutes.

SECTION 4. The actions of the City hereunder shall be deemed to include and incorporate action taken on its behalf by the Mesquite Industrial Development Corporation.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on this the 20th day of May, A.D., 1985.


Mrs. Brunhilde Nystrom
Mayor

ATTEST:


Lynn Prugel
City Secretary