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RESOLUTION NO. 43-85

A RESOLUTION APPROVING A COMMERCIAL PROJECT AND AN AGREEMENT BY MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION TO ISSUE BONDS FOR RODEO PARTNERS, THE BOND RESOLUTION PROVIDING FOR THE ISSUANCE OF SUCH BONDS, AND A GUARANTEE AGREEMENT AMONG THE CORPORATION AND DON GAY, NEAL GAY, DAVID OATES, CHARLES E. SCHUERENBERG AND JIM THOMPSON

WHEREAS, the Mesquite Industrial Development Corporation (the "Corporation") proposes to issue bonds (the "Bond") under the Development Corporation Act of 1979, as amended (the "Act") to finance a commercial project for Rodeo Partners, located in the City of Mesquite, Texas (the "City"); and

WHEREAS, a description of such commercial project is contained in Exhibit A of the hereinafter referred to Agreement, and shall be referred to herein as the "Project"; and

WHEREAS, the Act requires that any commercial project financed under the Act must be within an area designated by a city as an "Eligible Blighted Area"; and

WHEREAS, the Act and Section 103(k) of the Internal Revenue Code of 1954, as amended, requires that the City approve the Bond (described below to be issued by Mesquite Industrial Development Corporation on behalf of the City) and the Project, the cost of which will be financed with the proceeds of the Bond; and

WHEREAS, a public hearing was held with respect to the aforementioned subject matter and notice of such public hearing was posted (as required by Article 6252-17, V.A.T.C.S.) and published in a newspaper of general circulation in the City of Mesquite, Texas, more than 14 days prior to such public hearing; and

WHEREAS, the public had the opportunity to make comments on the Bond and the Project at said public hearing; and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted.

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

Section 1. That the City has reviewed the Project and finds that the Project is consistent with and conforms to the redevelopment objectives of the City of Mesquite as they were set

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forth in the resolution designating Eligible Blighted Areas, adopted by the City Council of the City on September 16, 1985, and filed with the Texas Economic Development Commission on September 30, 1985, and that said Project meets the statutory requirements of the Act and is in compliance with the rules of the Texas Economic Development Commission promulgated under the Act.

Section 2. That the City has determined that the Project lies within an Eligible Blighted Area, designated in the resolution described in Section 1 above; and that such Eligible Blighted Area which was so designated is described in Exhibit A attached hereto.

Section 3. That the "Loan Agreement between Mesquite Industrial Development Corporation and Rodeo Partners (the "Agreement"), in substantially the form and substance as attached to this Resolution and made a part hereof for all purposes, is hereby approved, and the Bond in the principal amount of \$4,443,397, may be issued pursuant thereto for the purpose of paying the cost of acquiring and constructing or causing to be acquired and constructed the Project as defined and described therein.

Section 4. That the "Resolution Authorizing the Issuance of Mesquite Industrial Development Corporation Revenue Bond, Series 1985 and the Execution of a Trust Indenture (Rodeo Partners Project)", in substantially the form and substance attached to this Resolution and made a part hereof for all purposes, is hereby specifically approved, and the Bond may be issued as provided for therein.

Section 5. That the "Guarantee Agreement between Mesquite Industrial Development Corporation and Don Gay, Neal Gay, David Oates, Charles Schuereberg and Jim Thompson", in substantially the form and substance as attached to this Resolution and made a part hereof for all purposes, is hereby approved.

Section 6. That for the purposes of Section 103(k) of the Internal Revenue Code of 1954, as amended, the City hereby approves the issuance by the Corporation of its Revenue Bond (Rodeo Partners Project) Series 1985, in the principal amount of \$4,443,397.

Section 7. That the Project as more particularly described in the Agreement which is to be financed with the proceeds of the Bond, is hereby approved for the purposes of the Act the rules of the Texas Economic Development Commission and Section 103(k) of the Internal Revenue Code of 1954, as amended.


Section 8. That this Resolution is hereby adopted and passed as an emergency measure, to be effective immediately upon enactment, such emergency being that the proceeds from the sale of

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the Bond are required as soon as possible for the preservation of the public peace, property, health and safety.

Section 9. The City hereby assigns to the Corporation its allocable portion of the state private activity bond volume with respect to the reservation request to be filed for the Bond by the Corporation.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on this 18th day of November, A.D., 1985.


Mrs. Brunhilde Nyström
Mayor

ATTEST:


Lynn Prugel
City Secretary

APPROVED AS TO FORM:

Elland Archer
City Attorney

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RESOLUTION
AUTHORIZING THE ISSUANCE OF THE MESQUITE
INDUSTRIAL DEVELOPMENT CORPORATION REVENUE BOND
SERIES 1985
AND THE EXECUTION OF
A TRUST INDENTURE
(RODEO PARTNERS PROJECT)

KRA: FIRST DRAFT: 11/1/85
SECOND DRAFT: 11/12/85

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RESOLUTION AUTHORIZING THE ISSUANCE OF MESQUITE
INDUSTRIAL DEVELOPMENT CORPORATION REVENUE BONDS,
SERIES 1985, AND THE EXECUTION OF A TRUST INDENTURE
(RODEO PARTNERS PROJECT)

THE STATE OF TEXAS
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION

WHEREAS, Mesquite Industrial Development Corporation (the "Issuer") is a nonstock, nonprofit 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.) (the "Act"); and

WHEREAS, the Issuer is a duly constituted public instrumentality of City of Mesquite (the "Governmental Unit"), a political subdivision of the State of Texas, within the meanings of the regulations of the United States Treasury Department (the "Regulations") and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"), and the Issuer is functioning and acting solely on behalf of the Governmental Unit; and

WHEREAS, a "Loan Agreement between Mesquite Industrial Development Corporation and Rodeo Partners", dated as of November 1, 1985 (the "Agreement"), has been duly executed between the Issuer and Rodeo Partners (the "User"); and

WHEREAS, the User is a general partnership organized and existing under the laws of the State of Texas, is fully qualified to transact business in the State of Texas, and is composed of Neal Gay, Don Gay, David Oates, Charles E. Schuerenberg and Jim Thompson, individuals domiciled in Dallas County, Texas being hereinafter collectively referred to as the "Guarantors"; and

WHEREAS, the Issuer and the Guarantors have entered into a Guarantee Agreement dated as of November 1, 1985 (the "Guarantee") pursuant to which the Guarantors have guaranteed, jointly and severally, the User's obligations under the Agreement, including particularly the obligation of the User to make Installment Loan Payments; and

WHEREAS, the Agreement, is hereby adopted by reference for all purposes, with the same effect as if they had been set forth in entirety in this bond resolution (this "Initial Bond Resolution"); and

WHEREAS, the Agreement was executed to provide for the acquisition, construction, equipping, and furnishing of a

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project (as defined by the Act) and to provide a loan to the User for such purpose; and

WHEREAS, this preamble and the trust indenture (the "Trust Indenture") hereinafter set forth in this Initial Bond Resolution shall constitute an integral part of this Initial Bond Resolution; and

WHEREAS, the corporate trustee under the Trust Indenture (the "Trustee") will have the duties and obligations hereinafter provided; and

WHEREAS, the bond authorized to be issued by this Initial Bond Resolution (the "Bond") is to be issued and delivered pursuant to applicable laws, including the Act; and

WHEREAS, the User and the Trustee have entered into a Deed of Trust and Security Agreement dated as of November 1, 1985 (the "Deed of Trust"), providing further security for the payment of the Installment Loan Payments for the benefit of the owners of the Bond; and

WHEREAS, the User will have duly approved and agreed to be bound by this Initial Bond Resolution (including the Trust Indenture) prior to the delivery of the Bond; and

WHEREAS, as provided in the Agreement, by such approval of this Initial Bond Resolution (including the Trust Indenture) the User will have agreed and acknowledged that the Bond, when issued, sold, and delivered as provided in this Initial Bond Resolution, will be issued in accordance and compliance with the Agreement, and that, upon the issuance, sale, and delivery of the Bond, and the execution and delivery of the Trust Indenture, the User will be unconditionally obligated to the Issuer and the Trustee to make or pay, or cause to be made or paid, without set-off, recoupment, or counterclaim, to the Trustee the "Installment Loan Payments" required by the Agreement and by this Initial Bond Resolution (including the Trust Indenture) in amounts sufficient to pay the principal of, redemption premium, if any, and interest on the Bond, when due, agreed liquidated damages, if any, all fees and expenses of the Trustee and Registrar and the paying agents for the Bond, and all other amounts required to be paid by the Agreement, this Initial Bond Resolution, and the Trust Indenture, all as hereinafter set forth; and

WHEREAS, for purposes of this Initial Bond Resolution, the definitions of terms in the Agreement, the Guarantee, the Deed of Trust, and the Trust Indenture are hereby adopted, and the terms given herein shall have the same

meanings as such terms are given in said Agreement, the Guarantee, Deed of Trust, and Trust Indenture unless a different meaning is given herein.

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

Section 1. DESIGNATION, AMOUNT, AND PURPOSE OF THE BOND. The Issuer's bond designated and to be known as MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION REVENUE BOND, SERIES 1985 (RODEO PARTNERS PROJECT) (the "Bond" or the "Bonds") is hereby authorized to be issued in the aggregate principal amount of \$4,443,397 on behalf of CITY OF MESQUITE TO PAY PART OF THE COST OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND FURNISHING, OR CAUSING TO BE ACQUIRED, CONSTRUCTED, EQUIPPED, AND FURNISHED A PROJECT (THE "PROJECT") IN THE CITY OF MESQUITE, FOR RODEO PARTNERS (THE "USER") FOR THE SPECIFIC PURPOSE OF THE PROMOTION AND ENCOURAGEMENT OF EMPLOYMENT AND THE PUBLIC WELFARE.

Section 2. DATE, DENOMINATION, NUMBERS, AND MATURITIES OF THE BOND. The Bond initially authorized hereby shall be dated November 1, 1985, shall be issued and delivered in the form of one fully registered bond, without coupons, payable in installments to the registered owner thereof, or its registered assigns, all in the manner hereinafter provided, with the Bond to be numbered R-1, in the denomination and principal amount of \$4,443,397, initially payable to MBank Dallas, National Association, Dallas, Texas, with the principal of said Bond to be payable in the amounts as set forth in the FORM OF BOND in Section 5.

Section 3. INTEREST ON THE BOND. The Bond initially authorized hereby shall bear interest on the unpaid balance of the principal amount thereof from the date of delivery to the initial purchaser thereof (which date shall be indicated by the Trustee in the Delivery Certificate appearing on the Bond) to the scheduled due date, or date of prepayment or redemption prior to the scheduled due date, of the principal installments of the Bond, at the rate and payable on the dates and in the manner provided in the FORM OF BOND set forth in Section 5.

Section 4. GENERAL CHARACTERISTICS. (a) In General. The Bond initially authorized hereby shall be issued, shall be payable, may or shall be prepaid or redeemed prior to the scheduled principal installment payment dates, may be transferred and assigned, shall have the characteristics, and shall be signed and executed (and the Bond shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in Section 5. After the Bond has been authorized to be issued by the Board of Directors of the

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Issuer, and prior to the delivery of the Bond, the Trustee shall authenticate the Bond by executing the Trustee's Certificate of Authentication appearing on the Bond as provided in Section 5. In addition, on the date of delivery of the Bond to the initial purchaser thereof, the Trustee shall fill in the date of delivery of the Bond in the Delivery Certificate appearing on the Bond as provided in Section 5.

(b) Registration Books. The Issuer shall keep or cause to be kept at the principal corporate trust office of the Trustee books for the registration and transfer of Bond (the "Bond Registration Books") and the Issuer hereby appoints the Trustee as its registrar and transfer agent (the "Registrar") to keep such books and make such registrations and transfers under such reasonable regulations as the Issuer or the Registrar may prescribe; and the Registrar will register or transfer as herein provided, any Bonds upon presentation thereof at such office. The User, the Guarantors, and each Bondholder shall have the right to inspect such Bond Registration Books during the normal business hours of the Trustee.

Registration of the Bonds may be transferred only on the Bond Registration Books upon surrender thereof by the registered owner in person or by his duly authorized attorney, by proper written instrument of transfer, in the form and with guaranty of signatures satisfactory to the Registrar, duly executed by such owner or attorney. Upon such surrender for transfer of registration, the Registrar shall make notation of such transfer on the Bond in the Assignment section appearing thereon and in the Bond Registration Books. Such transfers of registration shall be made without charge to the owner of such Bond, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Bondholder requesting such transfer of registration, as a condition precedent to the exercise of such privilege.

The Trustee shall not be required to make transfers of any Bond within twenty (20) days prior to an interest payment date or redemption date or subsequent to the date of mailing of notice of redemption of such Bond or a portion thereof, anything in such Bond to the contrary notwithstanding.

(c) Payment to Registered Owner. The person in whose name any Bond shall be registered on the Bond Registration Books may be deemed and treated as the absolute owner thereof for all purposes of this Initial Bond Resolution and the Trust Indenture whether or not such Bond shall be overdue, and the Issuer, the Trustee, the User and the

Guarantors, shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, agreed liquidated damages, if any, and interest on any such Bond shall be made only to such registered owner thereof; but such registration may be changed as provided herein. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) Notation of Prepayment. The Issuer hereby appoints the Trustee as the Paying Agent for the Bond. Upon the prepayment or partial redemption of any Bond, the Trustee, as Registrar and Paying Agent, shall note in the Prepayment Record appearing on such Bond the amount of such prepayment or redemption, the date said payment was made and the remaining unpaid principal balance of said Bond and shall then have said entry signed by an authorized official of the Trustee. The Trustee shall also record such information in the Bond Registration Books, and the Trustee shall also record in the Bond Registration Books all payments of principal installments on the Bond when made on their respective due dates.

(e) Temporary Bond. Until a Bond in definitive form is ready for delivery, the Issuer may execute, and upon its request, the Trustee shall authenticate and deliver in lieu of any thereof, and subject to the same provisions, limitations, and conditions, a lithographed, or typewritten Bond in temporary form, substantially of the tenor of the Bond as provided in the FORM OF BOND set forth in Section 5 and with appropriate omissions, variations, and insertions. Such Bond in temporary form may be for the principal amount as the Issuer may determine. Until exchanged for a Bond in definitive form, such Bond in temporary form shall be entitled to the lien and benefit of this Initial Bond Resolution and the Trust Indenture. The Issuer shall, without unreasonable delay, prepare, execute, and deliver to the Trustee, and thereupon, upon the presentation and surrender of the Bond in temporary form, the Trustee shall authenticate and deliver, in exchange therefor, a Bond in definitive form in authorized denominations of the same maturity and interest rate for the same aggregate principal amount as the Bond in temporary form surrendered. Such exchange shall be made by the Issuer at its own expense and without making any charge therefor. When and as interest is paid upon the Bond in temporary form the fact of such payment shall be noted thereon.

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FORM OF BOND

NO. R-1

\$4,443,397

UNITED STATES OF AMERICA
STATE OF TEXAS
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION
REVENUE BOND
SERIES 1985
(RODEO PARTNERS PROJECT)

MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION (the "Issuer"), being a nonstock, nonprofit 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.) (the "Act"), and acting on behalf of City of Mesquite, hereby promises to pay to MBank Dallas, National Association, Dallas, Texas, or its registered assigns, the aggregate principal amount of

FOUR MILLION FOUR HUNDRED FORTY THREE THOUSAND THREE HUNDRED AND NINETY SEVEN DOLLARS

in installments, as follows:

<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>
June 30, 1987	\$111,084.92	June 30, 1992	\$ 111,084.92
December 31, 1987	111,084.92	December 31, 1992	111,084.92
June 30, 1988	111,084.92	June 30, 1993	111,084.92
December 31, 1988	111,084.92	December 31, 1993	111,084.92
June 30, 1989	111,084.92	June 30, 1994	111,084.92
December 31, 1989	111,084.92	December 31, 1994	111,084.92
June 30, 1990	111,084.92	June 30, 1995	111,084.92
December 31, 1990	111,084.92	December 31, 1995	2,554,953.36
June 30, 1991	111,084.92		
December 31, 1991	111,084.92		

and to pay interest thereon, from the date of delivery hereof (which date appears in the Delivery Certificate endorsed on this Bond), on the balance of said principal amount from time to time remaining unpaid, at the Adjusted Rate (hereinafter defined) and at a rate of 15% per annum on overdue principal and, to the extent legally permissible, on overdue interest. The interest shall be calculated on the basis of a 360 day year, number of actual days elapsed. In addition, the interest rate of this Bond shall be adjusted if at any time, or from time to time, there shall be a

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change in the maximum rate of corporate income tax (the "Bank Tax Rate") imposed by Section 11 of the Internal Revenue Code of 1954, as amended, effective as of the date of such change, by multiplying the then current interest rate of this Bond by a fraction, the denominator of which is one minus the Bank Tax Rate as of the date of delivery hereof, and the numerator of which is one minus the Bank Tax Rate after any such change. Notwithstanding the foregoing, the rate of interest borne by this Bond shall never exceed a rate which would cause the net effective interest rate (as defined and calculated in accordance with Article 717k-2, V.A.T.C.S., as it exists on the date of issuance of this Bond), for this Bond as of any date to exceed fifteen per cent (15%) (the "Maximum Rate Limitation"). The amount of interest which would have accrued from day to day and come due on any date on which principal or interest is due hereunder but which did not accrue or come due because of the Maximum Rate Limitation set forth above, shall accrue from day to day and come due to the extent allowable under such Maximum Rate Limitation on each subsequent date on which principal or interest is due hereunder, so long as this Bond is outstanding, until such amount has been paid. The interest on this Bond shall be payable on June 30, 1986, and on the last day of each December and June thereafter while this Bond is outstanding; provided that such principal and interest are payable solely from the sources and in the manner hereinafter described, and solely as authorized and provided in the Act. The term "Adjusted Rate" shall mean the per annum rate of interest equal to eighty-five percent (85%) of the "Base Rate" of MBank Dallas, National Association, Dallas, Texas (the "Bank"); provided however the Adjusted Rate shall not at any time be less than seven and one-half (7-1/2%). The term "Base Rate" shall mean the per annum rate of interest publicly announced by the Bank from time to time in Dallas, Texas as its base rate. The Adjusted Rate shall automatically change, without the necessity of any notice, as of the date of any change in the Base Rate.

THE HOLDER hereof, by the purchase of this Bond, hereby agrees with the Issuer that any subsequent sale or other transfer of this Bond shall be subject to the following conditions: (i) the sale or transfer will be only to a Sophisticated Financial Institution, (hereinafter defined) and (ii) such sale or transfer will be conditioned upon the receipt by the Issuer of an Investment Letter containing the same representations and covenants as the Investment Letter delivered by the Holder hereof upon the original purchase of this Bond. A Sophisticated Financial Institution is defined as (i) any national or state chartered banking institution who may legally purchase the Bond, (iii) any corporation organized as a trust company who may legally purchase the

Bond and (iv) any corporation organized as an insurance company who may legally purchase the Bond.

THE PRINCIPAL of and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges. Payments of principal and interest shall be made to the registered owner by check or draft mailed by MBank Dallas, National Association (the "Trustee", "Paying Agent", and "Registrar" for this Bond) or its successor appointed under the Trust Indenture (hereinafter defined), to the registered owner at its address as it appears on the Bond Registration Books kept by the Trustee; provided that in the alternative such payment may be made by any other method requested by the registered owner, subject to the approval of the Trustee. The final payment of principal on this Bond shall be paid only upon surrender of this Bond to the Trustee for cancellation. Any prepayment or redemption of any principal installments of this Bond shall be made only upon presentation of this Bond to the Trustee, who shall make notation of such prepayment or redemption in the Prepayment Record endorsed hereon.

ON ANY DATE after December 1, 1988, the unpaid principal installments of this Bond are subject to mandatory prepayment or redemption, in whole, by the Trustee, at the option of the owner of this Bond, with funds furnished by the User. Any such prepayment or redemption shall be at a prepayment or redemption price equal to the principal amount of this Bond outstanding plus accrued interest to the prepayment or redemption date, without premium, and shall occur on any date selected by the Bondholder but in no event within 90 days from the date the User and the Trustee are notified by registered mail of the exercise of such prepayment or redemption option.

THIS BOND is dated as of November 1, 1985 and was authorized and issued in the aggregate principal amount of \$4,443,397 pursuant to a resolution adopted by the Board of Directors of the Issuer (the "Initial Bond Resolution") on behalf of CITY OF MESQUITE TO PAY PART OF THE COST OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND FURNISHING, OR CAUSING TO BE ACQUIRED, CONSTRUCTED, EQUIPPED, AND FURNISHED A PROJECT (THE "PROJECT") IN MESQUITE, TEXAS, FOR RODEO PARTNERS (THE "USER") FOR THE SPECIFIC PURPOSE OF THE PROMOTION AND ENCOURAGEMENT OF EMPLOYMENT AND THE PUBLIC WELFARE.

ON ANY DATE, the unpaid principal installments of this Bond are subject to mandatory prepayment or redemption, as a whole and shall be prepaid or redeemed prior to their scheduled due dates, by the Trustee, with funds which shall be furnished by the User, on the earliest practicable date,

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and in all events within sixty days (the "Redemption Date"), following the occurrence of a Final Determination of Taxability as defined and provided for in the Agreement (hereinafter defined). The prepayment or redemption price in such event shall be equal to the unpaid principal amount of this Bond so prepaid or redeemed, plus accrued interest to the date of prepayment or redemption, plus an additional amount payable to each owner or former owner of this Bond as to which a Determination of Taxability has occurred equal to the "Tax Adjustment Amount" (as hereinafter defined and calculated below), with such additional amount being the agreed liquidated damages (for loss of a bargain and not as a penalty) and which shall be a direct obligation of the User. For purposes hereof the "Tax Adjustment Amount" shall mean an amount equal to the difference, if any, between (i) the amount of interest actually paid to such owner or former owner of this Bond since the date of the Taxable Event (as defined and provided for in the Agreement) on the principal amount of this Bond to be redeemed on the Redemption Date and on the principal amounts of this Bond which was paid or redeemed after the date of the Taxable Event but prior to the Redemption Date and (ii) the amount of interest which would have been payable to such owner or former owner on such principal amounts since the date of the Taxable Event at a rate equal to the Base Rate plus one and one half percent (1.5%). Such prepayment or redemption price shall constitute the entire amount due with respect to this Bond as a result of the occurrence of a Final Determination of Taxability.

ON ANY DATE, the unpaid principal installments of this Bond are subject to prepayment or redemption, and may be prepaid or redeemed prior to their scheduled due dates by the Trustee, in inverse chronological order of their scheduled due dates (in the denominations of \$1,000 or any integral multiple thereof or in amounts not less than all of an unpaid principal installment), at a prepayment or redemption price equal to the principal amount thereof to be prepaid or redeemed plus accrued interest thereon to the date of prepayment or redemption, and without premium, with and to the extent of any surplus funds remaining in the Construction Fund (created by the Initial Bond Resolution) after the completion of the Project, or to the extent of any funds remaining within 180 days from the date of delivery of the Bonds, as provided and required by Section 16 or 7(g) of the Initial Bond Resolution, respectively.

THE AGREEMENT provides that any provision for any payment contained in the Agreement or this Bond shall be held to be subject to reduction to the amount allowed under the applicable usury laws of the State of Texas and the United States of America as now or hereafter construed by

the courts having jurisdiction, and it is agreed by the Issuer and the owner of this Bond that in no event shall usury be paid or collected with respect to this Bond.

AT LEAST 30 DAYS PRIOR to the date fixed for any prepayment or redemption of the unpaid principal installments of this Bond, the Trustee shall cause a written notice of such redemption to be mailed to the registered owner of this Bond addressed to such owner at the address appearing on the Bond Registration Books. By the date fixed for any such prepayment or redemption, due provision shall be made by the User with the Trustee and the Paying Agent for the payment of the principal amount of this Bond which is to be prepaid or redeemed, plus accrued interest thereon to the date fixed for prepayment or redemption, plus any required prepayment or redemption premium, and any other amounts due the owner of this Bond. If such written notice of prepayment or redemption is given and if due provision for payment of the redemption price is made, all as provided above, the unpaid principal installments of this Bond which are to be prepaid or redeemed thereby automatically shall be deemed to have been prepaid or redeemed prior to their scheduled due dates, and they shall not bear interest after the date fixed for prepayment or redemption, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent out of the funds provided for such payment. Upon presentation of this Bond to the Paying Agent, such unpaid principal installments which are to be prepaid or redeemed, shall be paid at the redemption price. Except as set forth above, the principal installments of this Bond are not subject to prepayment or redemption prior to their scheduled due dates.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date of payment.

IT IS HEREBY CERTIFIED AND COVENANTED that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special revenue obligation of the Issuer, and that the principal of and interest on this Bond

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are payable from and secured by a first lien on and pledge of the payments designated as "Installment Loan Payments" to be made or paid, or caused to be made or paid, to the Trustee, pursuant to the Initial Bond Resolution, the Trust Indenture and the "Loan Agreement between the Mesquite Industrial Development Corporation and Rodeo Partners", dated as of November 1, 1985 (the "Agreement"). The User, a Texas general partnership organized and existing under the laws of the State of Texas, and being composed of Neal Gay, Don Gay, David Oates, Charles E. Schuerenberg and Jim Thompson, is unconditionally obligated (subject to the provisions of Sections 6.01 and 6.02 of the Agreement relating to merger, consolidation, transfer of assets, and assignment) to make or pay, or cause to be made or paid, without set-off, recoupment, or counterclaim, to the Trustee each such Installment Loan Payment for deposit into the Debt Service Fund created for the benefit of the owners of the Bonds by the Initial Bond Resolution, in aggregate amounts sufficient to pay and redeem, and provide for the payment and redemption of, the principal of and interest on this Bond, and to pay all other amounts required by the Agreement, the Initial Bond Resolution, and the Trust Indenture when due, subject to and as required by the provisions of the Agreement, the Initial Bond Resolution, and the Trust Indenture.

IN ADDITION, Neal Gay, Don Gay, David Oates, Charles E. Schuerenberg and Jim Thompson, individuals domiciled in the State of Texas (collectively, the "Guarantors"), and the Issuer have entered into a Guarantee Agreement (which is attached to and made a part of the Agreement for all purposes) dated as of November 1, 1985 (the "Guarantee"), pursuant to which the Guarantors have guaranteed to the Issuer all of the Installment Loan Payments. Pursuant to the Trust Indenture (hereinafter defined) the Issuer has assigned to the Trustee all its right, title, and interest in and to the guarantee of the Installment Loan Payments.

THIS BOND is secured by a Trust Indenture dated as of November 1, 1985 (the "Trust Indenture"), whereunder MBank Dallas, National Association, or its successor, as Trustee, is custodian of the Debt Service Fund and is obligated to enforce the rights of the owner of this Bond and to perform other duties in the manner and under the conditions stated in the Trust Indenture. In case an "Event of Default", as defined in the Trust Indenture, shall occur, the unpaid principal installments of this Bond may be declared to be due and payable immediately upon the conditions and in the manner provided in the Trust Indenture. This Bond is additionally secured by a Deed of Trust and Security Agreement between the User and the trustee named therein (the "Deed of Trust") relating to certain property of the User pledged to

secure the payment of this Bond. In addition, it is recognized that the User and MBank Dallas, National Association (the "Purchaser") have entered into a Construction Disbursement Agreement dated as of November 1, 1985 (the "Construction Disbursement Agreement") which contains additional representations and covenants which have induced the Purchaser to purchase this Bond. Reference is hereby made to the Initial Bond Resolution, the Trust Indenture, the Guarantee, the Construction Disbursement Agreement, the Deed of Trust and the Agreement for additional provisions with respect to the nature and extent of the security, the rights, duties, and obligations of the User, the Issuer, the Trustee, and the owner of this Bond, the terms upon which this Bond is issued and secured, and the modification of any of the foregoing.

THE ISSUER has reserved the right, subject to the restrictions stated in the Initial Bond Resolution, to issue additional parity revenue bonds ("Additional Bonds") which, when issued and delivered, shall be payable from the Debt Service Fund, and shall be payable from and secured by a first lien on and pledge of Installment Loan Payments pursuant to the Agreement and entitled to the benefits of and secured by the Trust Indenture, the Guarantee, and the Deed of Trust in the same manner and to the same extent as, and be on a parity with, this Bond and all then outstanding Additional Bonds.

THE ISSUER also has reserved the right to amend the Initial Bond Resolution and the Trust Indenture, as provided therein; and under some (but not all) circumstances amendments thereto must be approved by the owners of 51% in aggregate principal amount of this Bond then outstanding and any Additional Bonds then outstanding.

THE OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation or from any source whatsoever except the payments and amounts described in this Bond, the Initial Bond Resolution, the Trust Indenture, the Agreement, the Guarantee, and the Deed of Trust. Except for the lien on and the assignment and pledge of such property, payments, and amounts, no property of the Issuer is encumbered by any lien or security interest for the benefit of the owner of this Bond. Neither the State of Texas, the City of Mesquite, Texas, nor any other political corporation, subdivision, or agency of the State of Texas, nor the Board of Directors of the Issuer, either individually or collectively, shall be obligated to pay the principal of this Bond, any premium or payment with respect to this Bond, or the interest hereon; and neither the faith and credit, nor the taxing power, of the State of Texas, the City of Mesquite, Texas, nor any other political corporation,

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subdivision, or agency of the State of Texas, is pledged to the payment of the principal of this Bond, any premium or payment with respect to this Bond, or the interest hereon.

THIS BOND may be assigned and shall be transferred only on the Bond Registration Books of the Issuer kept by the Trustee, as Registrar, upon the terms and conditions set forth in the Initial Bond Resolution, the Trust Indenture and the Assignment provisions endorsed hereon. Such transfers shall be without expense to the owner hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the owner requesting such transfer as a condition precedent to the exercise of such privilege. The Trustee shall not be required to make transfers of this Bond within twenty (20) days prior to an interest payment date or prepayment or redemption date or subsequent to the date of mailing of notice of prepayment or redemption of any principal installments of this Bond, anything in this Bond to the contrary notwithstanding. The registered owner of this Bond may be deemed and treated by the Issuer, the Trustee, and the User and the Guarantors, as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer, the Trustee, and the User and the Guarantors, shall not be affected by any notice to the contrary.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the Trustee's Certificate of Authentication hereon shall have been signed by the Trustee and the Delivery Certificate hereon shall have been completed.

IN WITNESS WHEREOF, this Bond has been signed with the manual signatures of the President and the Secretary of the Board of Directors of the Issuer, and the official seal of the Issuer has been duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Directors President, Board of Directors
(ISSUER'S SEAL)

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FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is the Bond initially issued under the provisions of the within mentioned Agreement, Initial Bond Resolution, and Trust Indenture.

MBANK DALLAS, NATIONAL ASSOCIATION

By _____
Authorized Signatory

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the registered owner of this Bond last listed below sells, assigns, and transfers the within Bond to the Assignee last listed below, and hereby authorizes the transfer of this Bond on the Bond Registration Books of the Trustee. Such assignment shall not be effective until such Assignee presents this Bond to the Trustee for verification of such assignment and gives the Trustee its address to which payments shall be made and the Trustee makes notation of such Assignment below.

<u>DATE OF ASSIGNMENT</u>	<u>REGISTERED OWNER</u>	<u>ASSIGNEE</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

FORM OF DELIVERY CERTIFICATE

DELIVERY CERTIFICATE

THIS BOND was delivered to and paid for by the purchaser hereof on _____

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FORM OF PREPAYMENT RECORD

PREPAYMENT RECORD

<u>Date of Payment</u>	<u>Principal Prepayment or Redemption</u>	<u>Remaining Principal Balance</u>	<u>Name & Title of Authorized Signatory Making Entry</u>	<u>Signature of Authorized Signatory</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Section 6. PLEDGE. 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 Installment Loan Payments to be made or paid, or caused to be made or paid, to the Trustee by the User, pursuant and subject to the terms and provisions of this Initial Bond Resolution, the Trust Indenture, and the Agreement; and such Installment Loan Payments are further pledged irrevocably to the establishment and maintenance of the Debt Service Fund herein-after created.

Section 7. DEBT SERVICE FUND AND SPECIAL REBATE FUND.
(a) Establishment of Debt Service Fund and Special Rebate Fund. A separate and special trust fund to be designated and known as the "Debt Service Fund" shall be established by the Issuer with the Trustee for the benefit of the owners of the Bonds pursuant to the Agreement and the Trust Indenture, and maintained as provided in this Initial Bond Resolution and the Trust Indenture, as long as any of the Bonds, or interest thereon, is outstanding and unpaid.

(b) Accrued Interest. Immediately after the delivery of the Bond to the initial purchaser thereof, all accrued interest, if any, received from the proceeds from the sale and delivery of the Bond, shall be transferred by the Trustee into the Debt Service Fund.

(c) Installment Loan Payments. The User shall make or pay, or cause to be made or paid, to the Trustee, which shall deposit into the Debt Service Fund, Installment Loan Payments as follows:

- (1) On or before each interest payment date as provided in the FORM OF BOND set forth in Section

5, an amount which, together with any other amounts then on deposit therein and available for such purpose, will be sufficient to pay the interest coming due on the Bond on each interest payment date; and

- (2) On or before each principal payment date as provided in Section 2 and in the FORM OF BOND set forth in Section 5, an amount which, together with any other amounts then on deposit therein and available for such purpose, will be sufficient to pay the principal of the Bond scheduled to be paid on each principal payment date; and
- (3) On or before any optional or mandatory prepayment or redemption date as permitted or required in the FORM OF BOND set forth in Section 5, an amount which, together with any other amounts then on deposit and available for such purpose, will be sufficient to pay the prepayment or redemption price (including any agreed liquidated damages) specified therein; and
- (4) Promptly after the occurrence of a Final Determination of Taxability, the additional amount required to pay the agreed liquidated damages to the owner of the Bond for any installments of principal which were unpaid on the date of any Taxable Event, but which were paid or redeemed prior to the prepayment or redemption of all unpaid principal installments after a Final Determination of Taxability, all as provided in the FORM OF BOND set forth in Section 5; and
- (5) On any date on which the Bonds are declared to be immediately due and payable pursuant to the Trust Indenture, an amount which, together with any other amounts then on deposit and available for such purpose, will be sufficient to pay the principal of all Bonds then outstanding and the interest accrued thereon to such date; and
- (6) Promptly after receipt of each statement and request for payment, an amount equal to the charges of the Trustee for performing the duties of Trustee and Registrar, and the charges of the Paying Agent for the Bond, as designated in the FORM OF BOND set forth in Section 5, for paying or redeeming principal installments of the Bond, and paying the interest thereon.

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In the event the User should fail to make or pay, or cause to be made or paid, any of the required Installment Loan Payments set forth in this Section, each such required payment shall continue as an obligation of the User until fully paid, and the User agrees to pay the same to the Trustee, for the benefit of the owners of the Bonds, with interest thereon, to the extent legally permissible, at the rate of fifteen percent (15%) per annum, from the date any such payment was due until payment thereof.

(d) Redemption. The Bond initially authorized hereby shall be subject to redemption, and may or shall be redeemed, as specified in the FORM OF BOND set forth in Section 5.

(e) Payments from Debt Service Fund. Except as otherwise specifically provided in this Initial Bond Resolution or the Trust Indenture, the Debt Service Fund shall be used by the Trustee only to pay the principal of, and prepayment or redemption premium, if any, agreed liquidated damages, if any, and interest on the Bond, when due, and the charges of the Trustee, Registrar, and Paying Agent; and the Trustee shall make available to the Paying Agent, out of the Debt Service Fund, the amounts required to pay or redeem the principal of and interest on the Bond when due, and the Trustee shall make all other payments as required by this Initial Bond Resolution and the Trust Indenture.

(f) Immediately Available Funds. The User shall make all Installment Loan Payments in funds that will be immediately available and allow the Paying Agent to pay, in lawful money of the United States of America, the principal, interest, and other amounts with respect to the Bonds, when due.

(g) Establishment of Special Rebate Fund. A separate and special trust fund to be designated and known as the Special Rebate Fund shall be established by the Issuer with the Trustee for the benefit of the United States and the User, as their interest may appear pursuant to the Bond Resolution, Trust Indenture and the Agreement, and maintained as provided in this Initial Bond Resolution and the Trust Indenture, as long as any of the Bonds, or interest thereon, is outstanding and unpaid. There shall be established within the Special Rebate Fund two separate accounts to be designated and known as the Deposit Account and the Earnings Account, respectively.

(1) Payments into the Special Rebate Fund. The Trustee shall pay into the Earnings Account of the Special Rebate Fund, within twenty days after each successive anniversary of the date of issuance of each issue or series of Bonds, (A) out of amounts then

available in the Deposit Account of the Special Rebate Fund and then (B) out of payments received from the User to the extent provided in Section 4.08 of the Agreement, an amount equal to the aggregate net income (determined in accordance with federal income tax accounting principles) attributable to the amounts held in the Deposit Account (such income to be determined without regard to transaction costs incurred in acquiring, carrying, selling or redeeming investments held therein, and without regard to whether such income or its receipt might not otherwise be subject to federal income taxation).

Immediately following the payment into the Earnings Account, but in any event within twenty days after each successive anniversary date of each issue or series of Bonds, an amount equal to the excess of (A) the Tentative Rebate Amount determined by the User as of the related anniversary date over (B) the amount theretofore deposited into the Deposit, net of the Excess Deposits, as hereinafter defined (the "Excess Amount"), shall be transferred by the Trustee out of the Construction Fund into the Deposit Account of the Special Rebate Fund, provided that such transfer from the Construction Fund shall be made only to the extent the Excess Amount is attributable to earnings on investments of moneys held in the Construction Fund. In the event that the Excess Amount is determined by the User to be greater than the amount transferred from the Construction Fund, the Trustee shall, within such twenty days after each anniversary date, notify the User of the amount of the deficiency in the Deposit Account, and the User shall, within five days of the receipt of such notice, pay such deficiency to the Trustee for deposit in the Deposit Account pursuant to Section 4.08 of the Agreement.

To the extent that, upon any anniversary date of the issuance of each issue or series of Bonds, the net amount theretofore deposited into the Deposit Account and not theretofore withdrawn pursuant to this paragraph exceeds the Tentative Rebate Amount determined as of such anniversary date (the "Excess Deposit"), such Excess Deposit in the Deposit Account shall be retained therein unless the Trustee shall have received instructions from the User that such Excess Deposit is either (i) to be transferred to the Debt Service Fund or (ii) to be paid directly to the User.

The obligation to make payments to the Trustee for deposit into the Special Rebate Fund is a direct obligation of the User, and the Issuer shall have no

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obligation or duty with respect to the Special Rebate Fund. The Trustee shall deposit moneys into, or disburse moneys from, the Special Rebate Fund solely upon direction of the User, and the Trustee shall have no obligation or duty with respect to the Special Rebate Fund except to follow the instructions of the User.

(2) Disbursement of the Special Rebate Fund. The amounts in the Special Rebate Fund shall be used solely for the payment to the United States of amounts described under Section 103(c)(6)(D) of the Code, and the Regulations, all as may be applicable to the Bonds. Such payment shall be made upon direction from the User to the Trustee and in accordance with the requirements of Section 103(c)(6)(E) of the Code, and the Regulations, the first installment of such payment to be made within thirty days after the fifth anniversary of the date of issuance of each issue or series of Bonds, with each subsequent installment of such payment to be made within five years of the making of the next preceding installment, and with the last installment of such payment to be made within thirty days after the final retirement of the Bonds.

(3) Exception to the Application of this Subsection. Notwithstanding anything contained herein to the contrary, the provisions of this Section 7(g) shall not apply to the Trustee, the Issuer or the User if, (i) within 180 days from the date of delivery of the Bonds, all moneys in the Construction Fund are either (A) expended to finance the Project, or (B) expended to purchase and cancel, redeem or otherwise retire Bonds or (ii) the proceeds of the Bonds, including any investment earnings thereon, have been applied in a manner which, in the opinion of Bond Counsel, will not adversely affect the tax-exempt status of interest on the Bonds.

(h) Investment of Funds. Any money held as part of the Debt Service Fund or Special Rebate Fund shall be invested or reinvested by the Trustee, upon the written direction (or oral direction confirmed in writing) of the Approving Partner in any obligations, including certificates of deposit. The Trustee shall make no investments except as specifically directed by the Approving Partner. The User agrees that it will not direct the Trustee to make any Prohibited Payment as defined in the Agreement. The investments of the Debt Service Fund and the Special Rebate Fund shall be deemed to be a part of such Fund, and, for the purpose of determining the amount of money in such Fund, such investments shall be valued at their cost. The income

and profits, including realized discount on obligations purchased, received from such investments shall be deposited in or credited to the applicable fund, and any losses on investments thereon shall be charged against the applicable fund. If at any time it shall become necessary that some or all of the investments made with the moneys from the applicable fund be redeemed or sold to raise moneys necessary to comply with the provisions of this Initial Bond Resolution or the Trust Indenture, the Trustee shall, without further authorization, effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption or sale of any such investment as herein authorized; except that the Trustee shall be liable for (1) any loss resulting from its willful or negligent failure, within a reasonable time after receiving the written direction from the Approving Partner to make, redeem, or sell any investment in the manner provided for herein, and (2) except for any redemption or sale made pursuant to the next preceding sentence of this paragraph, for any loss resulting from the making, redeeming, or selling of any investment which was not authorized by written direction of the Approving Partner. If the Trustee is unable, after reasonable effort and within a reasonable time, to make, redeem, or sell any such investment, it shall so notify the Approving Partner and thereafter the Trustee shall be relieved of all responsibility with respect thereto. In the event of any such loss, the User shall make additional deposits to restore same if and to the extent required to enable the Trustee to make all payments required to be made from the applicable fund, and such additional deposits shall constitute additional amounts of Installment Loan Payments.

(i) Restriction on Amount in Debt Service Fund. Amounts on deposit in the Debt Service Fund will not exceed the amount necessary to pay the principal of and interest on the Bond during the succeeding twelve-month period. The Debt Service Fund will be completely depleted at least once during each twelve-month period except for an amount that does not exceed the Gross Earnings (hereinafter defined) on the Debt Service Fund during the twelve-month period preceding such date of depletion. The Gross Earnings on the Debt Service Fund for any Bond Year (hereinafter defined) shall be less than \$100,000. The term "Gross Earnings" means the aggregate amount earned on all investments acquired with or allocated to amounts on deposit in the Debt Service Fund including amounts earned on such amounts. The term "Bond Year" with respect to the Bonds means the one year period beginning on the day after the preceding Bond

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Year, and the first Bond Year begins on the Closing Date of and ends one year later.

Section 8. SECURITY FOR FUNDS. All uninvested money in all Funds established pursuant to this Initial Bond Resolution (including the Debt Service Fund and the Special Rebate Fund and the Construction Fund), shall be secured by the Trustee in such manner and to such extent as is required of national banks when acting in a fiduciary capacity.

Section 9. THE USER'S PAYMENTS. (a) Unconditional Obligation. The User has covenanted in the Agreement, and, by the approval of this Initial Bond Resolution, the User further has unconditionally obligated itself and agreed, regardless of and notwithstanding any provisions of the Agreement, other than Sections 6.01 and 6.02 thereof relating to merger, consolidation, transfer of assets, and assignment, and regardless of the provisions of any other agreement or contract to the contrary, to make or pay, or cause to be made or paid, without set-off, recoupment, or counterclaim, the Installment Loan Payments to the Trustee in the amounts required by Section 7(c) to be made into the Debt Service Fund, and to make such payments on or before the dates specified in this Initial Bond Resolution and the Trust Indenture; and said payments by the User shall be and constitute the Installment Loan Payments as contemplated and required by the Agreement. Each Bondholder is and shall be entitled to rely unconditionally on the agreements, covenants, and representations set forth in this Initial Bond Resolution and the Trust Indenture.

(b) Prepayments. It is further understood that the User may prepay all or any part of each Installment Loan Payment, and any such prepayment, and any earnings thereon, shall be applied by the Trustee to the payment of each Installment Loan Payment; provided that the prepayment or redemption at any time of any unpaid principal installments of the Bond prior to their due dates, with funds from any source (whether from Installment Loan Payments or otherwise), shall not relieve the User of its obligation to make or pay, or cause to be made or paid, each Installment Loan Payment as specified in Section 9(a), when due with respect to any remaining unpaid principal installments of the Bonds.

Section 10. ADDITIONAL PARITY BONDS. (a) Additional Bonds. The Issuer reserves the right, upon the request of the User and with the approval of 100% of the holders of the currently outstanding bonds, to issue additional parity revenue bonds ("Additional Bonds") in any amounts, for any lawful purpose or purposes, including the refunding of any outstanding Bond. Such Additional Bonds, along with the Bond authorized by this Initial Bond Resolution, shall be considered, constitute, and be "Bonds" as defined in, and

for all purposes of, the Agreement and the Trust Indenture. Furthermore, for all purposes of this Initial Bond Resolution, the term "Bonds" shall mean and include the Bond authorized hereby and any Additional Bonds, unless the context otherwise indicates. When issued and delivered such Additional Bonds, the redemption premium, if any, agreed liquidated damages, if any, and the interest thereon, shall be payable from the Debt Service Fund, and shall be payable from and secured by a first lien on and pledge of Installment Loan Payments pursuant to the Agreement, and secured by the Trust Indenture, the Deed of Trust and the Guarantee, in the same manner and to the same extent as, and be on a parity with, all then outstanding Bonds and Additional Bonds. Such Additional Bonds may be issued in one or more series or issues, in various principal amounts, maturing at different times, bearing interest at different rates, be payable in installments or otherwise be redeemable prior to maturity, with or without redemption premium, on whatever terms or prices, and may contain such other provisions as may be provided in any Bond Resolution authorizing the issuance of such Additional Bonds. It is provided, however, that no series or issue of Additional Bonds shall be issued unless:

(i) In the opinion of Bond Counsel (A) the issuance of such Additional Bonds will not adversely affect the exemption from federal income taxation of the interest on the then outstanding Bonds and Additional Bonds, or affect the validity of the then outstanding Bonds or Additional Bonds and (B) such Additional Bonds are secured in the same manner and to the same extent as and are on a parity with all then outstanding Bonds and Additional Bonds;

(ii) A certificate is executed by the President and Secretary of the Board of Directors of the Issuer to the effect that no default exists in connection with the Bonds or the Trust Indenture (or any amendment or supplement thereto) or with any of the covenants or requirements of this Initial Bond Resolution or the Bond Resolutions (or any amendments or supplements thereto) authorizing the issuance of all then outstanding Bonds and Additional Bonds, and that the Debt Service Fund contains the amount then required to be on deposit therein;

(iii) The Bond Resolution authorizing the issuance of such series or issue of Additional Bonds provides for additional Installment Loan Payments to be deposited into the Debt Service Fund in amounts sufficient to pay all principal of, redemption premium, if any, agreed liquidated damages, if any, and interest

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on such Additional Bonds, together with all Trustee, Registrar, and Paying Agent fees and expenses attributable to such Additional Bonds;

(iv) The Approving Partner approves in writing the Bond Resolution authorizing the issuance of such series or issue of Additional Bonds, as required by the Agreement;

(v) The principal and interest payment dates during any year in which principal and interest on such Additional Bonds are scheduled to be paid, are the same for the Additional Bonds and the Bonds; and

(vi) The Commission expressly gives its prior approval to the issuance of such Additional Bonds.

(b) Amendments to Trust Indenture Unnecessary. It shall not be necessary or required that the Trust Indenture be amended or supplemented to cause any series or issue of Additional Bonds to be secured by the Trust Indenture. All that shall be necessary or required to cause any such Additional Bonds to be secured by the Trust Indenture is for the Issuer to deliver to the Trustee a certified copy of the Bond Resolution authorizing their issuance prior to the delivery of such Additional Bonds.

Section 11. SPECIAL COVENANTS. The Issuer further covenants as follows:

(a) Installment Loan Payments Pledged to Bond Only. Other than for the payment of the Bond, as provided in this Initial Bond Resolution and the Trust Indenture, the Installment Loan Payments have not in any manner been pledged to the payment of any debt or obligation of the Issuer;

(b) Non-Encumbrance. While the Bond is outstanding, the Issuer will not (except with respect to the Bond and any Additional Bonds and except as provided in the Agreement, any Bond Resolution, or the Trust Indenture) in any manner whatsoever create, assume, or suffer to exist, directly or indirectly, any mortgage, lien, encumbrance, pledge, or charge against the Debt Service Fund, the Installment Loan Payments, the Construction Fund, or any property or moneys deposited with the Trustee;

(c) Performance by Issuer. The Issuer will carry out all of its covenants and obligations under this Initial Bond Resolution; and the Issuer may be required to carry out such covenants and obligations by all legal and equitable means, including, but without limitation, actions for specific

performance and the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board of Directors, and its officials and employees; and

(d) Certain Modifications Prohibited. The Issuer covenants and agrees that it will not execute or permit the execution of any contract or agreement, or terminate or amend the Agreement, in any manner that would relieve or abrogate the obligations of the User to make or pay, or cause to be made or paid, when due, all Installment Loan Payments, in the manner and to the extent required by the Agreement, this Initial Bond Resolution, and the Trust Indenture, or which would change or affect Sections 4.04, 4.05, 4.06, 6.01 and 6.02 of the Agreement without the written consent of all of the Bondholders and the Trustee.

Section 12. BOND IS SPECIAL OBLIGATION. The Bond is and shall be special revenue obligations of the Issuer payable solely from payments to be made under the Agreement, this Initial Bond Resolution, the Deed of Trust, the Guarantee, and the Trust Indenture; and the Bondholders shall never have the right to demand payment thereof or the interest thereon out of funds raised or to be raised by taxation, or from any source whatsoever other than the foregoing. The Bond is not and shall never be considered an obligation of the State of Texas, the Governmental Unit, or any other political subdivision or agency of the State of Texas, or of the Board of Directors of the Issuer, either individually or collectively.

Section 13. AMENDMENTS. (a) Amendment with Consent of Owners of 51% of Bonds. Subject to approval in writing by the Approving Partner of the User, the owners of 51% in aggregate principal amount of the then outstanding Bonds shall have the right from time to time to approve any amendment to any Bond Resolution, or to the Trust Indenture (provided that the Trustee must approve any amendment to the Trust Indenture), which may be deemed necessary or desirable by the Issuer; provided, however, that nothing herein contained shall permit or be construed to permit the amendment, without the consent of the owner of each of the then outstanding Bonds affected thereby, of the terms and conditions of any Bond Resolution, the Bonds, or the Trust Indenture, so as to:

- (1) change the Debt Service Fund requirements, interest payment dates, or the due date or dates, or the maturity or maturities of the outstanding Bonds;
- (2) reduce the rate of interest borne by any of the outstanding Bonds;

- (3) reduce the amount of the principal of, redemption premium, if any, liquidated damages, if any, or interest on the outstanding Bonds, or impose any conditions with respect to such payments;
- (4) modify the terms of payment of principal of, redemption premium, if any, liquidated damages, if any, or interest on the outstanding Bonds, or impose any conditions with respect to such payments;
- (5) affect the rights of the owners of less than all of the Bonds then outstanding;
- (6) decrease the minimum percentage of the principal amount of Bonds necessary for consent to any such amendment; or
- (7) alter the obligations of the User to pay Installment Loan Payments in the manner and to the extent provided in the Agreement, the Bond Resolution, and the Trust Indenture.

(b) Notice of Amendment. If at any time the Issuer shall desire to amend any Bond Resolution, or the Trust Indenture, under this Section, the Issuer shall file a copy of the proposed amendment at the principal office of the Trustee and shall cause notice of the proposed amendment to be given by registered or certified mail to the owner of each Bond as shown by the Bond Registration Books required by the terms hereof to be kept by the Trustee. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Trustee for inspection by all owners of Bonds.

(c) Consent to Amendment. Whenever at any time not less than 30 days, and within one year, from the date of the giving of said notice, the Issuer shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Effect of Amendment. Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, any such Bond Resolution, or the Trust Indenture, shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations under such amendatory resolution, or the

Trust Indenture, of all the Bondholders shall thereafter be determined and exercised subject in all respects to such amendments.

(e) Consent of Bondholders. Any consent given by a Bondholder pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the giving of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the giving of such notice by the Bondholder who gave such consent, or by a successor in title, by filing notice thereof with the Trustee and the Issuer, but such revocation shall not be effective if the owners of 51% in aggregate principal amount of the then outstanding Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Ownership of Bonds. For the purpose of this Section, the fact of being a Bondholder and the amount and numbers of such Bonds, and the date of being a Bondholder, may be conclusively presumed, or may be proved by the appropriate entries in the Bond Registration Books maintained by the Trustee as Registrar.

(g) Amendments Without Consent. Notwithstanding the provisions of (a) through (f) of this Section, and without notice to the Bondholders of the proposed amendment and without the consent of the Bondholders, but subject to approval of the Approving Partner and, in the case of any amendment to the Trust Indenture, with the approval of the Trustee, the Issuer may, at any time, amend any Bond Resolution, or the Trust Indenture, to cure any ambiguity or cure, correct, or supplement any defective or inconsistent provision contained therein, or make any other change that does not in any respect materially and adversely affect the interest of the Bondholders, provided that no such amendment shall be made contrary to the proviso to Section 13(a), and a duly certified or executed copy of each such amendment shall be filed with the Trustee.

Section 14. ESTABLISHMENT OF CONSTRUCTION FUND. (a) Deposit of Bond Proceeds into Construction Fund. Prior to or immediately after the sale and delivery of the Bond authorized hereby, the Issuer shall establish the Construction Fund with the Trustee, as defined in and required by the Agreement. The Issuer shall deposit all of the proceeds from the sale and delivery of the Bond authorized hereby into the Construction Fund. The Trustee shall draw on and use the Construction Fund as hereinafter provided. The amount so deposited into the Construction Fund shall

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constitute the Loan made to the User by the Issuer as contemplated and provided in the Agreement.

(b) Investment of Money in Construction Fund. Any money held as part of the Construction Fund, other than the amounts described in Section 15(a), shall be invested or reinvested by the Trustee upon the written direction (or oral direction confirmed in writing) of the Approving Partner in any obligations, including certificates of deposit. The Trustee shall make no investments except as specifically directed by the Approving Partner. The investments of the Construction Fund shall be deemed to be a part of the Construction Fund, and for the purpose of determining the amount of money in the Construction Fund, such investments shall be valued at their cost. The income and profits, including realized discount on obligations purchased, received from such investments shall be deposited in or credited to the Construction Fund, and any losses on investments shall be charged against the Construction Fund. Upon the written direction of the Approving Partner the Trustee shall redeem or sell all or any designated part of such investments employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any loss resulting from the redemption or sale of any such investment as herein authorized; except that (notwithstanding any provisions of the Agreement) the Trustee shall be liable for: (1) any loss resulting from its willful or negligent failure, within a reasonable time after receiving the written direction from the Approving Partner, to make, redeem, or sell any investment in the manner provided for herein, and (2) any loss resulting from the making, redeeming, or selling of any investment which was not authorized by written direction of the Approving Partner. If the Trustee is unable, after reasonable effort and within a reasonable time after receipt of the required written direction, to make, redeem, or sell any such investment, it shall so notify the Approving Partner, and thereupon the Trustee shall be relieved of all liability or responsibility with respect thereto.

(c) Expenditure of Money in the Construction Fund. All amounts held in the Construction Fund shall, as of the third anniversary date of the date of delivery of the Bond, be either (1) expended to finance the Project, (2) applied to purchase and cancel, redeem or otherwise retire Bonds or (3) applied in a manner which, in the opinion of Bond Counsel, will not adversely affect the tax-exempt status of interest on the Bonds.

(d) Deposit of Accrued Interest, Income, and Profits. Any accrued interest received from the sale of the Bond;

hand, upon the written direction of the Approving Partner and to the extent that such use is consistent with the requirements of Section 15(b)(v), all income and profits received from the investment of the Construction Fund, shall (as soon as practicable after any receipt thereof has been deposited in or credited to the Construction Fund) be transferred by the Trustee and deposited into the Debt Service Fund to be used to pay interest on the Bond during the period of construction of the Project.

Section 15. PAYMENTS FROM CONSTRUCTION FUND. (a) Issuer's Administrative Overhead Expenses and Other Costs. Immediately after the delivery of the Bond authorized hereby the Trustee shall pay directly to the Issuer the amount of \$_____ in accordance with the Agreement, being the amount required to reimburse the Issuer for its administrative and overhead expenses directly attributable and chargeable to the costs of issuance of the Bonds authorized hereby and the acquisition, construction, equipping, and furnishing of the Project. Also, immediately after the delivery of the Bonds authorized hereby, the Trustee shall pay directly out of the Construction Fund, promptly after receiving the bills or statements therefor, all of the actual expenses and costs of issuance of such Bonds, including, without limitation, financing charges, printing and engraving expenses, the fees and expenses of accountants, financial advisors, and attorneys, and the initial fees and expenses of the Trustee.

(b) Reimbursement for and Payment of Cost of Project. Subject and subordinate to making the payments required by the preceding paragraph, the Trustee shall make an initial payment, if requested by the User in the manner described below for payments from the Construction Fund, to reimburse the User for any Cost of the Project, paid by the User prior to such date of delivery. The Trustee shall make such initial payment, if requested, and shall make any subsequent payments from the Construction Fund to enable the User to pay, or to reimburse the User for paying, any Cost of the Project, from time to time upon satisfaction by the User of the requirements relating to disbursements from the Construction Fund contained in the Construction Disbursement Agreement dated as of November 1, 1985 between the User, the Trustee and MBank Dallas, National Association (the "Construction Disbursement Agreement"), and upon receipt by the Trustee of a request of the User signed by the Approving Partner. Such request shall be accompanied by a certificate stating with respect to each payment as follows:

(i) the expenditures, in summary form, for which payment is to be made or for which reimbursement is requested;

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(ii) that the amounts requested are to be, or have been paid, by the User for property or to contractors, subcontractors, materialmen, engineers, architects, or other persons who will perform or have performed necessary or appropriate services or will supply or have supplied necessary or appropriate materials for the acquisition, construction, equipping, and furnishing of the Project, as the case may be, and that, to the best of his knowledge, the fair value of such property, services, or materials is not exceeded by the amounts requested to be paid;

(iii) that no part of the several amounts requested to be paid to the User, as stated in such certificate, has been or is the basis for the payment of any money in any previous or then pending request;

(iv) that the payment of the amounts requested will not result in a breach of any of the covenants of the User contained in the Agreement, and particularly those covenants in Sections 4.05 and 4.06 thereof, which relate to the Code and the Regulations; and

(v) that the expenditure of such amounts to be paid, when added to all previous disbursements from the Construction Fund, will result in at least 90% of the total of such disbursements, other than disbursements for issuance expenses, being used to provide property of a character subject to the allowance for depreciation under the Code (which expenditures are amounts paid or incurred which are, for federal income tax purposes, chargeable to the Project's capital account or would be so chargeable either with a proper election by the User [for example, under Section 266 of the Code] or but for a proper election by the User to deduct such amounts). Notwithstanding the foregoing, the User shall not requisition from the Construction Fund an amount in excess of \$- 0 - to finance the cost of land or any interest therein.

(c) Transfers to Special Rebate Fund. Notwithstanding paragraph (b) above, the Trustee is hereby authorized upon the request of the User to transfer to the Special Rebate Fund the amount described in Section 7(g)(1) hereof.

(d) Reliance by Trustee. The Trustee shall rely fully on any such request and certificate delivered pursuant to this Section and shall not be required to make any investigation in connection therewith. If amounts paid by the Trustee with respect to any portion of the Project should exceed the cost thereof, the User shall promptly repay such overpayment into the Construction Fund.

Section 16. SURPLUS CONSTRUCTION FUNDS. (a) Disposition of Surplus Funds. The completion of the Project shall be conclusively evidenced, and the date of completion shall be established by a written certificate of completion to be signed by the Approving Partner and delivered to the Trustee immediately upon completion of the Project pursuant to and upon satisfaction of the conditions contained in the Construction Disbursement Agreement. If, upon the completion of the Project, there shall be any surplus funds remaining in the Construction Fund not required to provide for the payment of the Cost of the Project, or if any funds are on hand in the Construction Fund at the time of the release of the Trust Indenture under the terms thereof, then any such funds shall be used immediately to prepay or redeem principal installments of the Bond, in inverse chronological order, in the manner set forth in the FORM OF BOND in Section 5 for the prepayment or redemption of principal installments of the Bond with surplus Construction Fund moneys, to the extent of any such available funds; provided that prior to such use, the Issuer and the Trustee may seek an unqualified opinion of Bond Counsel to the effect that the use of moneys from the Construction Fund for such purpose will be lawful and will not impair the exemption of interest on the Bonds from federal income taxation; and provided, further, that the User shall deposit into the Construction Fund prior to such prepayment or redemption an amount sufficient to cause the total amount in the Construction Fund to be equal to (i) an integral multiple of \$1,000, or (ii) not less than all of the unpaid principal installment or installments to be prepaid or redeemed.

(b) Disposition of Construction Fund upon Acceleration and Redemption. If the Trustee shall declare the principal of the Bond and the interest accrued thereon immediately due and payable as the result of an Event of Default specified in the Trust Indenture, or if the Bond is optionally or mandatorily prepaid or redeemed prior to maturity as a whole in accordance with its terms, any amounts remaining in the Construction Fund shall be transferred to the Deposit Account of the Special Rebate Fund to the extent that the amount therein is less than the Tentative Rebate Amount computed by the User as of the date of such acceleration or redemption and the balance of such amount shall be transferred immediately by the Trustee to the Debt Service Fund for the purpose of paying principal of, redemption premium, if any, agreed liquidated damages, if any, and interest on the Bonds when due.

Section 17. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any of the outstanding Bonds authorized hereby are damaged, mutilated, lost, stolen, or destroyed, the Issuer shall

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execute, and the Trustee shall authenticate, a new bond of the same principal amount and maturity of the damaged, mutilated, lost, stolen, or destroyed Bond in exchange and substitution for such Bond or in lieu of and substitution for such Bond.

(b) Application for Substitute Bonds. Application for exchange and substitution of damaged, mutilated, lost, stolen, or destroyed Bond shall be made to the Trustee. In every case, the applicant for a substitute bond shall furnish to the Issuer and to the Trustee such security or indemnity as may be required by them to save each of them and the Paying Agent harmless. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the Issuer and to the Trustee evidence to their satisfaction of the loss, theft, or destruction, and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, agreed liquidated damages, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a substitute Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Substitute Bonds. Prior to the issuance of any substitute bond, the Issuer and the Trustee may charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every substitute bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of the Trust Indenture and this Initial Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Initial Bond Resolution.

(e) Corporation for Issuing Substitute Bonds. This Initial Bond Resolution shall constitute sufficient authority for the issuance of any such substitute bonds without necessity of further action by the Board of Directors of the Issuer or any other body or person, and the issuance of such substitute bonds is hereby authorized, notwithstanding any

other provisions of this Initial Bond Resolution, except to the extent otherwise required by law.

Section 18. NO ARBITRAGE. The Issuer and the User have covenanted to and with the purchasers of the Bonds that they will make no use of the direct, indirect or gross proceeds thereof at any time throughout the term thereof which would, through the application of Section 103(c) of the Code, cause the Bonds to be treated as obligations which are not described in Section 103(a) of the Code; and by this covenant the Issuer and the User are obligated to comply with the requirements of the aforesaid Section 103(c) of the Code and all applicable and pertinent Regulations relating to arbitrage bonds.

Section 19. FINDINGS. Based upon the representations made by the User in the Agreement, the Board of Directors hereby affirmatively finds that (i) the Project is suitable for the promotion of commercial, industrial or manufacturing development and expansion, (ii) the Project will have a direct, positive and favorable impact on employment in the Governmental Unit, and (iii) that the Project is in furtherance of the public purposes as set forth in the Act.

Section 20. SALE OF THE BOND. At the specific request of the User, the Bond is hereby authorized to be sold, and shall be delivered to MBank Dallas, National Association, for the price of par and any accrued interest, if any, to the date of payment and delivery.

Section 21. TRUST INDENTURE. For the purpose of additionally securing the payment of the Bond, the redemption premium, if any, the agreed liquidated damages, if any, and the interest thereon, and for the purpose of providing for and fixing in more detail the rights of the owners of the Bond and of the Issuer, the User, and the Trustee, and for the purpose of making more effective the first lien on and pledge of the payments to be made pursuant to the Agreement and this Initial Bond Resolution, a Trust Indenture in substantially the following form and substance shall be signed, sealed, and otherwise executed and delivered, for and on behalf of the Issuer, by the President and the Secretary of its Board of Directors, after which the Trust Indenture shall be executed by the Trustee and shall become effective upon the delivery of the Bond authorized hereby:

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LOAN AGREEMENT
BETWEEN
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION
AND
RODEO PARTNERS

The Mesquite Industrial Development Corporation has granted a security interest in and assigned to MBank Dallas, National Association, as Trustee under the Trust Indenture dated as of the date hereof, all of its interests in all "Installment Loan Payments" due pursuant to and under this Loan Agreement (and in the "Loan Payment Guarantee" under the "Guarantee Agreement" attached hereto and made a part hereof) to secure its Revenue Bond, Series 1985 (Rodeo Partners Project).

DEBTOR:

Rodeo Partners
Allied Bank Building
Suite 201
120 West Main and Galloway
Mesquite, Texas 75149

SECURED PARTY:

Mesquite Industrial
Development Corporation
Municipal Way at Galloway
P. O. Box 137
Mesquite, Texas 75149

ASSIGNEE:

MBank Dallas, National Association
108 S. Akard
P. O. Box 225415
Dallas, Texas 75265

KRA: FIRST DRAFT: 11/1/85
SECOND DRAFT: 11/12/85

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LOAN AGREEMENT

This Loan Agreement dated as of November 1, 1985, between Mesquite Industrial Development Corporation and Rodeo Partners.

WITNESSETH:

ARTICLE I

DEFINITIONS; GENERAL RECITALS, FINDINGS, AND REPRESENTATIONS

Section 1.01. DEFINITIONS. In addition to all other words and terms defined herein, and unless a different meaning or intent clearly appears from the context, the following words and terms shall have the following meanings, respectively, whenever they are used herein:

Act - The Development Corporation Act of 1979, as amended (Article 5190.6, V.A.T.C.S.).

Agreement - This Loan Agreement, together with Exhibit A attached to this Loan Agreement, and all amendments and supplements to this Loan Agreement.

Approving Partner - Any authorized partner of the User.

Article - Any subdivision of this Agreement designated with a roman numeral.

Board or Board of Directors - The lawfully qualified board of directors of the Issuer.

Bondholder - The owner of any Bond as shown on the Bond Registration Books kept by the Trustee.

Bond Counsel - An attorney or firm of attorneys experienced in matters relating to municipal bond law and the tax exemption of interest on bonds of states and their political subdivisions, selected by the Issuer and satisfactory to the Trustee and the User.

Bond Resolution - The Initial Bond Resolution and each resolution of the Board of Directors authorizing the issuance of Bonds (including the Trust Indenture prescribed and authorized to be executed in the Initial Bond Resolution) together with any supplemental resolutions or amendments to such resolutions or such Trust Indenture.

Bonds - Any and all revenue bonds of the Issuer issued and delivered to finance and pay for all or any part of the

Cost of the Project pursuant to the Act and this Agreement, including initial series or issues of revenue bonds and revenue bonds issued to finance and pay for all or any part of the Cost of completing the Project, and any revenue bonds issued for the purpose of refunding or replacing any Bonds.

Code - The Internal Revenue Code of 1954, as amended.

Commission - The Texas Economic Development Commission, and its successors and assigns.

Construction Disbursement Agreement - The Construction Disbursement Agreement dated as of November 1, 1985 between the User and the Initial Purchaser.

Construction Fund - The segregated account or accounts into which certain proceeds from the sale and delivery of each series of Bonds will be deposited as provided in each Bond Resolution (excepting any Bond Resolution authorizing revenue bonds to refund any Bonds).

Cost - With respect to the Project, the cost of acquisition, construction, reconstruction, improvement, and expansion of the Project as provided in the Act, including, without limitation, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest during construction, necessary reserve funds, cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding any such Project, administrative expense, and such other expense as may be necessary or incident to the acquisition, construction, reconstruction, improvement, and expansion thereof, the placing of the same in operation, and the financing of the Project.

Debt Service Fund - The segregated account or accounts in which Installment Loan Payments will be deposited as provided in each Bond Resolution.

Deed of Trust - The Deed of Trust and Security Agreement, dated as of November 1, 1985, from the User to the trustee named therein.

Guarantee - The Guarantee Agreement dated as of November 1, 1985 between the Guarantors and the Issuer.

Guarantors - Collectively, Neal Gay, Don Gay, David Oates, Charles E. Schuereberg and Jim Thompson, individuals

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domiciled in Dallas County, Texas and their estates, heirs, and legal representatives and their permitted successors and assigns.

Governmental Unit - City of Mesquite, a political subdivision of the State of Texas.

Inducement Date - May 20, 1985.

Initial Bond Resolution - The Bond Resolution adopted by the Board of Directors, authorizing the issuance and delivery of Mesquite Industrial Development Corporation Revenue Bond, Series 1985 (Rodeo Partners Project) in the aggregate principal amount of \$4,443,397.00.

Issuer - Mesquite Industrial Development Corporation.

Installment Loan Payments - Payments required to be made by the User to amortize each series or issue of Bonds, as provided for in the applicable Bond Resolution, including the principal of, redemption premium, if any, and interest on such Bonds when due (whether at stated maturity, upon redemption prior to stated maturity, or upon acceleration of stated maturity), any agreed liquidated damages owed by the User to the Bondholders, and all fees and expenses of the Trustee, Registrar, and any Paying Agent for such Bonds, together with any other payments required by such Bond Resolution or the Trust Indenture, other than the fees and expenses of the Issuer.

Loan - The loan of the proceeds of the sale of the Bonds as described in Section 3.01.

Paying Agent - The Trustee and any other paying agent for an issue or series of Bonds named in the Bond Resolution authorizing such Bonds.

Project - The land, buildings, equipment, facilities, and improvements described in Exhibit A to this Agreement.

Project Location - The City of Mesquite, Texas.

Prohibited Payment - The payment or agreement to pay, to a party other than the United States, an amount that is required to be paid to the United States by entering into a transaction that reduces the amount owed to the United States because such transaction results in a lower yield or a larger loss than would have resulted if the transaction had been at arms length and if the yield on the issue had not been relevant to either party; provided, however that the direct purchase of United States Treasury Obligations from the United States Treasury is not a Prohibited Payment.

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An investment pursuant to an investment contract is deemed to result in a Prohibited Payment unless an opinion of Bond Counsel is obtained to the effect that such investment will not result in a Prohibited Payment. The purchase or sale of a certificate of deposit issued by a commercial bank will not result in a Prohibited Payment if the price at which it is purchased or sold is the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificates of deposit. If there is no active secondary market in such certificates of deposit, the purchase or sale of a certificate of deposit will not result in a prohibited payment if the certificate of deposit has a yield (A) as high or higher than the yield on comparable obligations traded on an active secondary market, as certified by a dealer who maintains such a market, and (B) as high or higher than the yield available on comparable obligations offered by the United States Treasury. The certification described in the preceding sentence must be executed by a dealer who maintains an active secondary market in comparable certificates of deposit and must be based on actual trades adjusted to reflect the size and term of that certificate of deposit and the stability and reputation of the person issuing the certificate of deposit.

Registrar - The registrar for the Bonds named in the Bond Resolution.

Regulations - The regulations promulgated by the United States Treasury Department pursuant to the Code.

Section - Any subdivision of this Agreement designated by arabic numerals.

Special Rebate Fund - The segregated account or accounts into which the Tentative Rebate Amount will be deposited and from which payments to the United States will be made.

Tentative Rebate Amount - The aggregate of the amounts described in clause (i) of Section 103(c)(6)(D) of the Code, determined as of any date in accordance with the provisions of Section 1.103-15AT(d) of the Temporary Regulations (and in accordance with any regulations subsequently promulgated thereunder), in respect of each issue of Bonds issued pursuant to the Bond Resolution.

Trust Indenture - The trust indenture, including all supplements and amendments thereto, prescribed in and executed and delivered pursuant to the Initial Bond Resolution.

Trustee - The corporate trustee named under the Trust Indenture, and its successors or assigns.

User - Rodeo Partners, a general partnership organized and existing under the laws of the State of Texas and fully qualified to transact business in the State of Texas, composed of Neal Gay, Don Gay, David Oates, Charles E. Schuereberg and Jim Thompson and its herein permitted successors and assigns.

References in the singular number in this Agreement shall be considered to include the plural, if and when appropriate.

Section 1.02. GENERAL RECITALS, FINDINGS, AND REPRESENTATIONS. (a) The Issuer is a nonstock, nonprofit industrial development corporation organized and existing under the laws of the State of Texas, including particularly the Act.

(b) The Issuer is a duly constituted authority and public instrumentality of the Governmental Unit, a political subdivision of the State of Texas, within the meaning of the Regulations and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Code, and the Issuer is functioning and acting solely on behalf of the Governmental Unit.

(c) The User is fully qualified to transact business in the State of Texas, and is fully authorized by law and corporate proceedings to execute this Agreement.

(d) This Agreement is authorized and executed pursuant to applicable laws, including the Act.

(e) The User has requested the Issuer to finance the Cost of the Project.

(f) The Issuer has determined, in the public interest, that it will finance the Cost of the Project, and loan money to the User for such purpose in the manner provided in the Act and this Agreement.

(g) The governing body of the Governmental Unit has approved this Agreement by written resolution as required by the Act.

(h) The Issuer and the User have taken all action and have complied with all provisions of law with respect to the execution, delivery and performance of this Agreement and the due authorization of the consummation of the transactions contemplated hereby, and this Agreement has

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been duly executed and delivered by, and constitutes a valid and legally binding agreement of, the Issuer and the User, enforceable against the respective parties in accordance with its terms.

(i) The execution of this Agreement and the performance of the transactions contemplated hereby will not violate any law or regulation, or any Articles of Incorporation, Charter, Bylaws, or Partnership Agreement, or any judicial order, judgment, decree, or injunction, or contravene the provisions of or constitute a default under any agreement, indenture, bond resolution, or other instrument to which the Issuer or the User is a party.

(j) The User represents to the Board and the Commission that (1) the Project will contribute to the economic growth or stability of the Governmental Unit by (aa) increasing or stabilizing employment opportunities in the Governmental Unit, (bb) significantly increasing or stabilizing the property tax base of the Governmental Unit and (cc) promoting commerce within the Governmental Unit and the State of Texas; (2) it has no present intention of using or moving any portion of the Project outside the State of Texas or disposing of or abandoning the Project; and (3) it has no present intention of directing the Project to a use other than the purposes represented to the Governmental Unit and the Commission.

(k) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the existence of the Issuer or which would adversely affect the validity or enforceability of any portion of this Agreement, the Trust Indenture, the Guarantee, the Bond Resolution or any other agreement or instrument to which the Issuer is a party which is used or contemplated for use in consummation of the transactions contemplated hereunder or thereunder.

(l) The User further represents to the Board and the Commission that (1) the Project is located within or adjacent to a designated blighted area; (2) the City of Mesquite, Texas has approved the Project and has found that the Project will (aa) contribute significantly to the fulfillment of the redevelopment objectives of the city for the designated blighted area and (bb) is in furtherance of the public purposes of the Act; and (3) it will not, while the Bonds are outstanding, direct the Project to a use not authorized within the eligible blighted area, as defined by the Act, and the rules promulgated by the Commission pursuant to the Act.

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NOW THEREFORE, in consideration of the covenants and agreements herein made, and subject to the conditions herein set forth, the Issuer and the User contract and agree as follows:

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ARTICLE II

THE PROJECT

Section 2.01. APPROVALS AND PERMITS. The Issuer and the User agree to use their best efforts to obtain the necessary approval of this Agreement by the Commission as required by the Act, prior to the issuance of the Bonds, and to obtain all other permits necessary with respect to the acquisition, construction, equipping, and furnishing of the Project.

Section 2.02. ACQUISITION AND CONSTRUCTION. (a) The Project shall be acquired, constructed, equipped, and furnished with all reasonable dispatch, and the User will use its best efforts to cause such acquisition, construction, equipping, and furnishing to be completed as soon as practicable, delays incident to strikes, riots, acts of God, or the public enemy, or other causes beyond the reasonable control of the User only excepted; but if for any reason there should be delays in such acquisition, construction, equipping, and furnishing there shall be no diminution in or postponement of the Installment Loan Payments to be made by the User hereunder, and no resulting liability on the part of the Issuer.

(b) The User shall acquire, construct, equip, and furnish the Project or cause the Project to be acquired, constructed, equipped, and furnished and the Issuer shall have no responsibility or liability whatsoever with respect to the Project and the acquisition, construction, equipping, and furnishing thereof. It is agreed and understood that the User has entered into and executed and will enter into and execute all agreements and contracts necessary to assure and accomplish the actual acquisition, construction, equipping, and furnishing of the Project (and that the Issuer shall not execute any such agreements or contracts) and that the User will carry out, pay, supervise, and enforce all such agreements and contracts, and will provide for such insurance on and in connection with the acquisition, construction, equipping, and furnishing of the Project as it deems necessary or advisable or as is required by law and this Agreement. The User shall pay, from proceeds from the sale and delivery of the Bonds loaned to it pursuant to this Agreement, and from any available income or earnings derived therefrom, and from other funds of the User to the extent necessary, the entire Cost of the Project. The User shall promptly pay all taxes, including specifically all sales taxes and ad valorem taxes, in connection with the Project and the acquisition, construction, equipping, and furnishing thereof. The Issuer shall loan certain proceeds from the sale of the Bonds to the User to be used by the User to pay

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all or part of the Cost of the Project, in accordance with procedures to be established in any applicable Bond Resolution, including provisions for reimbursing the User for paying all or any part of such Cost under the aforesaid agreements and contracts for the acquisition, construction, equipping, and furnishing of the Project prior to the User's receipt of the Loan as hereinafter provided. It is specifically provided, however, that none of the proceeds from the sale of the Bonds will be used to reimburse the User for, or to pay (and the User hereby covenants and agrees not to request reimbursement of or payment for) any part of the Cost of the Project if such use or payment would result in a violation of any of the User's covenants contained in Section 4.06. Each Bond Resolution (excepting any Bond Resolution authorizing revenue bonds to refund any Bonds) shall contain appropriate provisions with respect to the Construction Fund, to be drawn on and administered as provided in such Bond Resolution.

ARTICLE III
FINANCING THE PROJECT;
TITLE AND OPERATION

Section 3.01. THE LOAN. The Issuer shall make the Loan to the User by depositing into the Construction Fund (or such other fund as specifically provided in the Bond Resolution) the proceeds from the sale of Bonds in such amount as is provided in each Bond Resolution. The amounts so deposited shall be advanced in the manner provided in the Bond Resolution; and the User shall repay the Loan by making the Installment Loan Payments as provided in this Agreement and the Bond Resolution.

Section 3.02. SECURITY FOR THE LOAN. The obligations of the User under this Agreement shall be direct general obligations of the User. As additional security for the payment of the Installment Loan Payments and as further consideration of the Loan made hereunder, there is attached hereto and made a part hereof, the Guarantee Agreement, whereunder the Guarantors have guaranteed all of the obligations hereunder. Prior to or simultaneously with the issuance of the Bonds, the Issuer will assign to the Trustee under the terms of the Trust Indenture all of the Issuer's right, title, and interest in and to the Installment Loan Payments. In addition, it is recognized and understood that the Deed of Trust has been given by the User as additional security for the payment of Installment Loan Payments for the benefit of the owners of the Bonds and that the Construction Disbursement Agreement has been entered into.

Section 3.03. REPAYMENT OF LOAN. (a) Notwithstanding any provision expressly or inferentially to the contrary contained herein, the User unconditionally agrees that it shall make Installment Loan Payments to the Trustee (pursuant to the aforesaid assignment by the Issuer) in lawful money of the United States of America, and in such amounts and at such times as shall be necessary to enable the Trustee to make full and prompt payment of the principal of, redemption premium, if any, and interest on all Bonds when due (whether at stated maturity, upon redemption prior to stated maturity, or upon acceleration of stated maturity), any agreed liquidated damages owed by the User to the Bondholders, and all fees and expenses of the Trustee, the Registrar, and any Paying Agent for such Bonds, and of all other amounts required to be paid by this Agreement, each Bond Resolution and the Trust Indenture. Upon the issuance and delivery of Bonds to the initial purchaser thereof, and the deposit of the proceeds derived therefrom into the accounts established in the Bond Resolution, the User shall

have received, and the Issuer shall have given, full and complete consideration for the User's obligation hereunder to make Installment Loan Payments. The obligations of the User to make the payments required by this Agreement shall be absolute and unconditional (except as provided in Sections 6.01 and 6.02), and shall not be subject to diminution by set-off, recoupment, counterclaim, abatement, or otherwise; and until such time as all Installment Loan Payments shall have been made or provision therefor shall have been made in accordance with each Bond Resolution and the Trust Indenture, the User: (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in this Agreement; (ii) will perform and observe all of its other agreements contained in this Agreement; and (iii) will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, failure of the Project to comply with the plans and specifications therefor, any acts or circumstances that may constitute failure of consideration, destruction of, or damage to the Project, frustration of commercial purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America, or the State of Texas, or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether expressed or implied, or any duty, liability, or obligation arising out of or in connection with this Agreement. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part contained herein; and in the event the Issuer shall fail to perform any such agreement on its part, the User may institute such action against the Issuer as the User may deem necessary to compel performance, provided that no such action shall violate the agreements on the part of the User contained in this Section or postpone or diminish the amounts required to be paid by the User pursuant to this Agreement.

(b) Notwithstanding the foregoing, it is the intention of the parties hereto to conform strictly to the applicable usury laws of the State of Texas and the United States of America, and any provision for any payment contained herein and in such Bonds shall be held to be subject to reduction to the amount allowed under said usury laws as now or hereafter construed by the courts having jurisdiction. This provision shall be held to operate to deny the owners of the Bonds the right, in any event, to collect usury.

(c) Notwithstanding anything contained herein to the contrary, the User hereby waives demand for payment, presentment, protest, notice of protest and non-payment or other notice of default, notice of acceleration and notice

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of intention to accelerate, in connection with this Agreement and the Installment Loan Payments.

Section 3.04. TITLE. The Issuer shall have no right, title, or interest in and to the Project. Except for making the Loan to the User from the source and in the manner provided in this Agreement, the Issuer shall not be responsible or liable in any manner for any claims, losses, damages, penalties, costs, taxes, or fines with respect to the acquisition, construction, equipping, furnishing, installation, operation, maintenance, or ownership of the Project.

Section 3.05. OPERATION. The User represents and covenants that it will operate and maintain the Project, or cause the Project to be operated and maintained, and will pay, or cause to be paid, all costs and expenses of operation and maintenance of the Project, including all applicable taxes. It is understood and agreed that the Issuer shall have no duties or responsibilities whatsoever with respect to the operation or maintenance of the Project, or the performance of the Project for its designed purposes.

Section 3.06. INDEMNITIES. The User releases the Commission, its directors, employees and agents, the Trustee, its directors, employees and agents, the Issuer, its officers, directors, employees, agents and attorneys and the Governmental Unit, its officers, agents, attorneys, employees and the members of its governing body (collectively the "Indemnified Parties") from, and the Indemnified Parties shall not be liable for, and the User agrees and shall protect, indemnify, defend, and hold the Indemnified Parties harmless from any and all liability, cost, expense, damage or loss of whatever nature (including, but not limited to, attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of, in connection with, or related to (i) the issuance, offering, sale, delivery or payment of the Bonds, the Bond Resolution, the Trust Indenture, the Construction Disbursement Agreement and this Agreement and the obligations imposed on the Issuer hereby and thereby; or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project; (ii) any written statements or representations made or given by the User or any of its officers or employees, to the Indemnified Parties or any underwriters or purchasers of any of the Bonds, with respect to the Issuer, the User, the Project, or the Bonds, including, but not limited to, statements or representations of facts, financial information, or corporate affairs; (iii) damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to

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the Project; and (iv) any loss or damage incurred by the Issuer as a result of violation by the User of the provisions of Sections 4.05 or 4.06. The provisions of the preceding sentence shall remain and be in full force and effect even if any such liability, cost, expense, damage or loss or claim therefor by any person, directly or indirectly results from, arises out of, or relates to or is asserted to have resulted from, arisen out of, or related to, in whole or in part, one or more negligent acts or omissions of the Commission, the Issuer or the Governmental Unit or its officers, directors, employees, agents, servants, or any other party acting for or on behalf of the Commission, the Issuer or the Governmental Unit in connection with the matters set forth in clauses (i) through (iv) of said sentence.

Section 3.07. ISSUER'S LIMITED LIABILITY. It is recognized that the Issuer's only source of funds with which to carry out its commitments with respect to the Project and this Agreement will be from the proceeds from the sale of the Bonds; and it is expressly agreed that the Issuer shall have no liability, obligation, or responsibility with respect to this Agreement or the Project except to the extent of funds available from such Bond proceeds. If, for any reason, the proceeds from the sale of the Bonds are not sufficient to pay all the Cost of the Project, the User shall complete the Project and pay all such Cost from its own funds, but it shall not be entitled to reimbursement therefor unless additional Bonds are issued for such purpose, or to any diminution in or postponement of any payments required to be made by the User hereunder.

ARTICLE IV

THE BONDS

Section 4.01. ISSUANCE OF BONDS. (a) In consideration of the covenants and agreements set forth in this Agreement, and to enable the Issuer to issue the Bonds to carry out the intents and purposes hereof, this Agreement is executed to assure the issuance of such Bonds, and to provide for the due and punctual payment by the User to the Trustee of the Installment Loan Payments. The User shall make the Installment Loan Payments, for the benefit of each series or issue of Bonds, to the Trustee for deposit into the Debt Service Fund as provided in each Bond Resolution.

(b) Simultaneously with the authorization of this Agreement by the Board of Directors, such Board has adopted the Initial Bond Resolution. The User hereby approves the Initial Bond Resolution, including the Trust Indenture authorized therein. Each Bond Resolution authorizing additional Bonds shall be subject to the written approval of the Approving Partner and the provisions of any such Bond Resolution shall not be binding or effective upon the User unless and until such approval is given. It is hereby agreed that the foregoing approval of the Initial Bond Resolution and the Trust Indenture, and any approval of any Bond Resolution authorizing the issuance of additional Bonds constitutes the acknowledgment and agreement of the User that such Bonds, when issued and delivered as provided in such Bond Resolution, will be issued in accordance with and in compliance with this Agreement, notwithstanding any other provisions of this Agreement or any other contract or agreement to the contrary. Any Bondholder is entitled to rely fully and unconditionally on any approvals. Notwithstanding any provisions of this Agreement or any other contract or agreement to the contrary, the User's approval of any Bond Resolution (including the Trust Indenture authorized by the Initial Bond Resolution), shall be the User's agreement that all covenants and provisions in such Bond Resolution and the Trust Indenture affecting the User shall, upon the delivery of such Bonds and the Trust Indenture, become unconditional, valid, and binding covenants and obligations of the User so long as said Bonds and the interest thereon are outstanding and unpaid. Particularly, the obligation of the User to make, promptly when due, all Installment Loan Payments specified in each Bond Resolution and the Trust Indenture shall be absolute and unconditional, and said obligation may be enforced as provided in each Bond Resolution and the Trust Indenture, regardless of any other provisions of this Agreement or any other contract or agreement to the contrary. Upon the request of the User, and only upon its request, the Issuer

may, when, in the opinion of the Issuer, it becomes necessary or advisable, authorize and use its best efforts to sell and deliver additional Bonds, in one or more series or issues, in aggregate principal amounts sufficient to pay the Cost of the Project.

Section 4.02. REFUNDING OF BONDS. After the issuance of any Bonds, the Issuer shall not refund any of the Bonds or change or modify the Bonds in any way, except as provided for in the Bond Resolution, without the prior written approval of the Approving Partner; nor shall the Issuer redeem any Bonds prior to their scheduled maturities, or change or modify any Bond Resolution, without the prior written approval of the Approving Partner, unless such redemption is required by a Bond Resolution.

Section 4.03. REDEMPTION OF BONDS. Provision shall be made in each Bond Resolution for the redemption of Bonds prior to maturity, under such terms and conditions as shall be set forth therein. The redemption of any outstanding Bonds prior to maturity at any time shall not relieve the User of its unconditional obligation to pay each remaining Installment Loan Payment as specified in any Bond Resolution or the Trust Indenture. The User also shall comply with and be bound by all provisions of this Agreement and of each Bond Resolution and the Trust Indenture with respect to the mandatory and optional redemption of Bonds.

Section 4.04. INSTALLMENT LOAN PAYMENTS. (a) Payment of all Installment Loan Payments shall be made and deposited as required by each Bond Resolution and the Trust Indenture including all such payments which may come due because of the acceleration of the maturity or maturities of any Bonds upon default, or otherwise, under the provisions of the Trust Indenture. If any available funds in excess of current requirements are held on deposit in the Debt Service Fund at the time payment of any Installment Loan Payment is due, such payment may be reduced by the amount of the funds so held on deposit. The User shall have the right to prepay all or a portion of any Installment Loan Payment at any time. Any such prepayment by the User shall not relieve it of liability for each remaining Installment Loan Payment as provided in this Agreement and each Bond Resolution and the Trust Indenture.

(b) Recognizing that the Installment Loan Payments will be the Issuer's sole source for the payment and performance of its obligations to the Trustee, any Paying Agent and the Bondholders under each Bond Resolution and the Trust Indenture, when any Bonds are delivered, the User shall be unconditionally obligated to make and pay, or cause to be made and paid, each Installment Loan Payment regardless of

whether or not the User actually acquires or completes the Project, or whether or not the User actually approves, purchases, receives, accepts, or uses the Project; and such payments shall not be subject to any abatement, set-off, recoupment, or counterclaim; and the Bondholders shall be entitled to rely on this agreement and representation, notwithstanding any provisions of this Agreement or any other contract or agreement to the contrary, and regardless of the validity of, or the performance of, the remainder of this Agreement or any other contract or agreement.

Section 4.05. NO ARBITRAGE. The Issuer and the User hereby covenant with each other and with the Bondholders that they will make no use of the direct or indirect proceeds of the Bonds at any time which will cause the Bonds to be arbitrage bonds within the meaning of Section 103(c) of the Code or the Regulations pertaining thereto; and by this covenant the Issuer and the User are obligated to comply with the requirements of the aforesaid Section 103(c) and the pertinent Regulations.

Section 4.06. TAX-EXEMPT STATUS OF INTEREST ON THE BONDS AND MANDATORY REDEMPTION. (a) The Issuer covenants that it shall, prior to the issuance of the Bonds, duly elect to have the provisions of Section 103(b)(6)(D) of the Code apply to such issue, and such election shall be made in accordance with the applicable Regulations. The User covenants that it shall furnish to the Issuer whatever information is necessary for the Issuer to make any such election and the User shall file with the Internal Revenue Service such supplemental statements and other information as are required by the applicable Regulations with respect to all capital expenditures made, paid, or incurred by or on behalf of the User or any person related to the User, within the meaning of Section 103(b)(6)(C) of the Code, in the Project Location, and in any other political jurisdiction contiguous thereto with respect to any facilities contiguous to or integrated with any facilities in the Project Location, within the meaning of Sections 1.103-10(b)(2)(ii)(e) and 1.103-10(d)(2)(i) of the Regulations (collectively the "Project Area").

(b) The User hereby covenants that (i) substantially all the proceeds (within the meaning of Section 103(b)(6) of the Code) from the sale of the Bonds will be used and expended for amounts paid or incurred after the Inducement Date for the acquisition, construction, reconstruction, or improvement of land or property of a character subject to the allowance for depreciation under the Code, (ii) less than 25% of the proceeds from the sale of the Bonds will be used (directly or indirectly) for any acquisition of land (or any interest therein) which is a Cost of the Project,

(iii) no portion of the proceeds of the Bonds will be used for the acquisition of any property (or any interest therein) unless the first use of such property is pursuant to such acquisition, and (iv) except as otherwise set forth in a certificate or statement furnished to the Issuer and its Bond Counsel prior to the issuance of Bonds, the acquisition, construction, reconstruction, or improvement of the Project did not begin before the Inducement Date, nor was any work performed or any costs paid or incurred by the User or any other entity in connection with such acquisition, construction, reconstruction, or improvement before the Inducement Date.

(c) The User represents (i) that all of the proceeds of the Bonds are to be used with respect to the Project, which will be located wholly within the Governmental Unit; (ii) that, except for any person related to the User within the meaning of Section 103(b)(6)(C) of the Code, the User will be the only principal user of the Project within the meaning of Section 103(b)(6) of the Code; and (iii) that, except for the Bonds, there will not be outstanding on the date of delivery of the Bonds any obligations of any state, territory, or possession of the United States, or any political subdivision of the foregoing or of the District of Columbia constituting "exempt small issues" within the meaning of Section 1.103-10 of the Regulations, the proceeds of which have been or are to be used primarily with respect to facilities located in the Project Location, or in any contiguous political jurisdiction with respect to any contiguous or integrated facilities, and which are to be used principally by the User (including any person related to the User within the meaning of Section 103(b)(6)(C) of the Code).

(d) The User further covenants and represents that it has not made, paid, or incurred, and will not make, pay, or incur any capital expenditures which would cause the interest on the Bonds to become subject to federal income taxes pursuant to the provisions of Section 103(b) of the Code. The User further covenants and represents that it will not permit any person or entity to use or lease 10% (in value or area) or more of the Project if the aggregate authorized face amount of the Bonds allocated to such person or entity under Section 103(b)(15) of the Code (when increased by the outstanding aggregate face amount of all tax-exempt "industrial development bonds" (within the meaning of Section 103(b)(2) of the Code) allocated to such person or entity under Section 103(b)(15) of the Code), would cause the interest on the Bonds to become subject to federal income taxes pursuant to the provisions of Section 103(b)(15) of the Code. The User further covenants that it has not taken any action or permitted any action to be

taken, and that it will not take any action or permit any action to be taken, which would result in a Taxable Event, as hereinafter defined, and that the User has not failed to take and will not fail to take any action required to prevent the occurrence of such Taxable Event.

(e) The User acknowledges that the capital expenditures referred to in the preceding paragraphs include all capital expenditures within the Project Area and all capital expenditures incurred elsewhere relating to the Project, which may, under any rule or election under the Code, be treated as a capital expenditure (whether or not such expenditure is so treated).

(f) The User further covenants that it shall furnish to the Issuer and its Bond Counsel, prior to the issuance of the Bonds, a certificate or statement of the aggregate amount of capital expenditures (other than those to be financed from the proceeds of the Bonds) made, paid, or incurred in the Project Area or made, paid, or incurred elsewhere with respect to the Project ("Included Capital Expenditures") during the period beginning three years before the date of delivery of such issue. The User covenants that it will furnish to the Trustee (i) a copy of supplemental statements required to be filed with the Internal Revenue Service by Section 1.103-10 of the Regulations listing by date and amount any Included Capital Expenditures (other than those mentioned in Section 103(b)(6)(F) of the Code) during the three-year period beginning as of the date of issuance of the Bonds, including all such Included Capital Expenditures not listed on the capital expenditure certificate filed with the Internal Revenue Service prior to the issuance of the Bonds, and (ii) within 30 days after it has made, paid, or incurred the maximum amount of capital expenditures permitted under Section 103(b)(6)(D) of the Code, a statement to that effect. Such supplemental statements shall be filed with the District Director of Internal Revenue or the Director of the regional service center of the Internal Revenue Service with whom the User's federal income tax return is required to be filed on the due date prescribed for filing such return (without regard to any extensions of time). Each such supplemental statement shall set forth a description of those capital expenditures which are capital expenditures under Section 103(b)(6)(D)(ii) of the Code and shall take into account facilities referred to in Section 103(b)(6)(E) of the Code in computing such capital expenditures. This covenant shall survive the termination of this Agreement.

(g) As used herein, a "Taxable Event" shall mean:

(i) the application of the proceeds of the Bonds in such manner that the Bonds become "arbitrage bonds" within the meaning of Section 103(c) of the Code, with the result that interest on the Bonds is or becomes includable in the gross income of any Bondholder; or

(ii) the application of the proceeds of the Bonds in such manner, or the occurrence or non-occurrence of any event, with the result that, under the Code and the Regulations, the interest on the Bonds is or becomes includable in the gross income of any Bondholder (other than a Bondholder who is a "substantial user" or a "related person" within the meaning of Section 103(b) of the Code); or

(iii) the violation by the User of a representation or covenant contained in this Agreement with the result that, under the Code and the Regulations, the interest on the Bonds is or becomes includable in the gross income of any Bondholder (other than a Bondholder who is a "substantial user" or a "related person" within the meaning of Section 103(b) of the Code).

(h) A "Determination" shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the User shall be advised by the Commissioner or any District Director of Internal Revenue that, based upon filings of the User or the Issuer or upon any review or audit of the User, or upon any ground whatsoever, a Taxable Event shall have occurred; or

(ii) on that date when the User shall receive notice from the Issuer, the Trustee, or any Bondholder that it or he has been advised: (A) that the Internal Revenue Service has assessed as includable in the gross income of any Bondholder any interest on his Bonds due to the occurrence of a Taxable Event; or (B) by the Commissioner or any District Director of Internal Revenue that the interest on any of the Bonds is includable in the gross income of any Bondholder due to the occurrence of a Taxable Event.

(i) A "Final Determination of Taxability" shall be deemed to have occurred on the first to occur of the following:

(i) on that day when the User files with the Trustee or the Internal Revenue Service any statement,

supplemental statement or other tax schedule, return or document which discloses that a Taxable Event shall have occurred; provided, however, that if and so long as the User is actively contesting in good faith and by appropriate proceedings, either directly or through a Bondholder, the existence of a Taxable Event, no such Final Determination of Taxability shall be deemed to have occurred; or

(ii) the entry of any final unappealable order, decree or ruling of any court of the United States or of the Commissioner of Internal Revenue relating to a Determination, or the failure to prosecute an appeal from any order, decree or ruling of any such court or the Commissioner and the expiration of time for an appeal or review of such order, decree or ruling.

(j) Should a Final Determination of Taxability occur, there shall be a prompt mandatory redemption prior to maturity of the entire outstanding and unpaid principal and accrued interest of the Bonds, and the payment by the User to the Bondholders of appropriate and sufficient agreed liquidated damages (for loss of a bargain and not as a penalty) all as shall be provided for in, and in accordance with the provisions of, each Bond Resolution. Such payment of liquidated damages shall be a direct obligation of the User to the Bondholders and shall be paid to the Trustee for the benefit of such Bondholders during the term of this Agreement and thereafter shall be paid by the User directly to such Bondholders.

Section 4.07. PAYMENTS TO ISSUER. From the proceeds of the sale and delivery of each series or issue of Bonds there shall be paid all of the Issuer's reasonable, actual out-of-pocket expenses and costs of issuance in connection with such series of Bonds, including, without limitation, all financing, legal, printing, and other expenses and costs of issuance incurred in issuing the Bonds. In addition, the Issuer shall receive out of such Bond proceeds an amount equal to the amount specified in each Bond Resolution to pay and reimburse the Issuer for its administrative and overhead expenses directly attributable and chargeable to the issuance of the Bonds and the acquisition, construction, equipping, and furnishing of the Project. Also the User agrees to pay directly to the Issuer annually while any of the Bonds is outstanding, upon receiving a bill or statement therefor, which shall be submitted by the Issuer promptly after the close of each fiscal year of the Issuer, an amount sufficient to pay and reimburse the Issuer for any of its actual costs reasonably and necessarily incurred in connection with the Bonds and the Project during the previous fiscal year.

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Section 4.08. PAYMENT TO SPECIAL REBATE FUND. The User hereby covenants and agrees to make the determinations and to pay any deficiency in the Special Rebate Fund, at the times and as described in Section 7(g) of the Initial Bond Resolution. In any event, if the User determines that the amount of cash held in the Special Rebate Fund shall be insufficient to permit the Trustee to make payment to the United States of any amount due under Section 103(c)(6)(D) of the Code, the User forthwith shall pay the amount of such insufficiency on such date to the Trustee in immediately available funds. The obligations of the User under this Section 4.08 are direct obligations of the User, and the Issuer shall have no obligation or duty with respect to the Special Rebate Fund.

ARTICLE V

COVENANT AND REMEDIES

Section 5.01. COVENANT. The User unconditionally agrees and covenants with the Issuer and the Trustee that it will pay, or cause to be paid, when due, each Installment Loan Payment required and prescribed to be paid by it pursuant to each Bond Resolution. The User further unconditionally agrees and covenants to pay all reasonable expenses and charges, legal or otherwise (including court costs and attorneys' fees), paid or incurred by the Issuer and the Trustee in realizing upon any of the said payments to be made by the User or in enforcing the provisions of this Agreement or any Bond Resolution or the Trust Indenture.

Section 5.02. TRUSTEE AND REMEDIES. (a) The User is advised and recognizes that the Issuer will assign all of its right, title, and interest in and to all the Installment Loan Payments required to be made pursuant to this Agreement, and the right to receive and collect same, to the Trustee. The Trustee, or the Bondholders to the extent provided in the Bond Resolution and the Trust Indenture, may enforce the obligations of the User under this Agreement, the Bond Resolution, and the Trust Indenture in the manner provided in the Trust Indenture, without the necessity of making the Issuer a party.

(b) In the event of a default in the payment of any Installment Loan Payment, or in the performance of any agreement or covenant contained herein or in any Bond, any Bond Resolution, or the Trust Indenture, such payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect Installment Loan Payments and to apply such revenues in accordance with this Agreement, the Bonds, each Bond Resolution, and the Trust Indenture.

Section 5.03. GENERAL PROVISIONS. (a) The terms of this Agreement may be enforced as to one or more breaches either separately or cumulatively.

(b) No remedy conferred upon or reserved to the Issuer, the Trustee, or the Bondholders in this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any such right or power or shall be

construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the event any provision contained in this Agreement should be breached by the User and thereafter duly waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach of this Agreement. No waiver by either party of any breach by the other party of any of the provisions of this Agreement shall be construed as a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

(c) Headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only and in no way shall they affect the interpretation of any of the provisions of this Agreement.

(d) This Agreement is made for the exclusive benefit of the Issuer, the Trustee, the Bondholders, the Commission and the User, and their respective successors and assigns herein permitted, and not for any other third party or parties; and nothing in this Agreement, expressed or implied, is intended to confer upon any party or parties other than the Issuer, the Trustee, the Bondholders, the Commission and the User, and their respective successors and assigns herein permitted, any rights or remedies under or by reason of this Agreement.

(e) The validity, interpretations, and performance of this Agreement shall be governed by the laws of the State of Texas.

Section 5.04. AMENDMENT OF AGREEMENT. No amendment, change, addition to, or waiver of any of the provisions of this Agreement shall be binding upon the parties hereto unless in writing signed by the Approving Partner and the President of the Board of Directors. In addition to amendments for any other purpose, it is specifically understood that this Agreement may be amended, if deemed necessary or advisable by the User and the Issuer, to change the definition and scope of the term "Project", as used herein, so as to permit the acquisition, construction, equipping, and furnishing of other or additional facilities, at the same or other locations, or improvements related to the Project, pursuant to this Agreement and in accordance with applicable laws, with the same effect as if they had been described originally in Exhibit A hereto. Notwithstanding any of the foregoing, it is covenanted and agreed, for the benefit of the Bondholders and the Trustee, that (without the concurrence of all of the Bondholders and the Trustee) the provisions of this Agreement shall not be amended, changed, added to, or waived in any way which would relieve

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or abrogate the obligations of the User to make or pay, or cause to be made, or paid, when due, all Installment Loan Payments with respect to any then outstanding Bonds in the manner and under the terms and conditions provided herein and in any Bond Resolution or the Trust Indenture, or which would materially change or affect Sections 4.04, 4.05, 4.06, 6.01, or 6.02.

ARTICLE VI

SPECIAL COVENANTS

Section 6.01. PARTNERSHIP EXISTENCE. (a) The User agrees that during the term of this Agreement it will maintain its partnership existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that the User may, with the prior written consent of 100% of the Bondholders without violating this agreement contained in this Section, consolidate with or merge into another entity, or permit one or more such entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee entity: (i) is authorized to transact business in the State of Texas and (ii) shall have, concurrently with such transaction (unless the entity is the User), irrevocably and unconditionally assumed, in an instrument delivered to the Issuer and the Trustee, the due and prompt performance of all of the obligations of the User under this Agreement. If any consolidation, merger, or sale or other transfer is made as provided in this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger, or sale or other transfer shall be made except in compliance with the provisions of this Section.

(b) The User covenants that it is and, throughout the term of this Agreement, unless relieved of liability pursuant to paragraph (a) above, that it (i) will continue to be a general partnership organized under the laws of the State of Texas, and (ii) will at all times be and remain duly qualified to transact business in the State of Texas.

Section 6.02. ASSIGNMENT. The User shall not assign its interest in this Agreement or any of its rights or obligations hereunder except as specifically provided in this Agreement. The User may assign its interest in this Agreement with the prior written consent of 100% of the Bondholders to another party provided that the User shall remain and be primarily responsible and liable for all of its obligation hereunder, including particularly the making of all payments required hereunder, when due. The User may, however, assign its interest in this Agreement to another party in connection with a merger or consolidation of the User, or in connection with the transfer of all or substan-

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tially all of its assets as permitted in Section 6.01, and upon delivery of such instrument of assumption to the Issuer and the Trustee and compliance with all of the requirements of Section 6.01, the assignor or transferor shall have no further obligation, except for any obligation for the payment of money theretofore accrued under this Agreement.

Section 6.03. FINANCIAL REPORTS. The User shall have an annual audit made by its regular independent certified public accountants, and shall furnish the Trustee either a copy of such certified audit within 120 days after the end of the fiscal year for which such audit was made, or, in lieu of such audit, a copy of its annual report to its partners, if such report contains financial statements of substantially similar detail and are similarly prepared and certified. Such financial statements and reports shall be furnished to the Trustee at the same time as they are furnished to the partners.

Section 6.04. TERM OF AGREEMENT. The term of this Agreement shall be from the date hereof until all payments required to be made by the User pursuant hereto shall have been made, provided, however, that the provisions of Sections 3.06, 4.05 and 4.06 shall survive the termination of this Agreement and shall continue in effect regardless of the termination of this Agreement.

Section 6.05. TERMINATION. This Agreement may be terminated by mutual agreement at any time prior to the delivery of and payment for any Bonds. However, if any Bonds have been issued and delivered, the term of this Agreement shall be as set forth in Section 6.04, and this Agreement may not and shall not be sooner terminated by either or both parties hereto.

Section 6.06. NOTICES. Any notice, request, or other communication under this Agreement shall be given in writing and shall be deemed to have been given by either party to the other party upon either of the following dates:

(a) One business day after the date of the mailing thereof, as shown by the post office receipt, if mailed to the other party hereto by registered or certified mail at the applicable address as follows:

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Mesquite Industrial
Development Corporation
Attention: President
Municipal Way at Galloway
P. O. Box 137
Mesquite, Texas 75149

Rodeo Partners
Attention: Mr. Charles E. Schuereberg
Allied Bank Buidling
120 West Main and Galloway
Mesquite, Texas 75149

or the latest address specified by such other party in writing; or

(b) The date of the receipt thereof by such other party if not so mailed by registered or certified mail.

Any notice, request, or other communication made or given under this Agreement the Bond Resolution or the Trust Indenture shall be given to the Trustee and the Commission by registered or certified mail at the applicable addresses as follows:

MBank Dallas, National Association
Attention: Corporate Trust Department
108 S. Akard
P. O. Box 225415
Dallas, Texas 75265

Texas Economic Development Commission
Attention: Executive Director
410 E. 5th Street
Austin, Texas 78701

or the latest address specified by said Trustee or the Commission in writing.

Section 6.07. SEVERABILITY. If any clause, provision, or Section of this Agreement should be held illegal or invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or Section shall not affect any of the remaining clauses, provisions, or Sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or Section had not been contained herein. In case any agreement or obligation contained in this Agreement should be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer and

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the User, as the case may be, to the full extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in multiple counterparts, each of which shall be considered an original for all purposes, as of the day and year first set out above.

MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION

By _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

RODEO PARTNERS

By _____
General Partner

By _____
General Partner

By _____
General Partner

By _____
General Partner

By _____
General Partner

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Exhibit A

Description of the Project

The acquisition, construction and operation of a multi-use sports facility to serve the City of Mesquite, Texas, to be located on approximately 17 acres of land southwest of the intersection of Hickory Tree and Military Parkway, including necessary support facilities and equipment and parking facilities.

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TRUST INDENTURE
BETWEEN
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION
AND
MBANK DALLAS, NATIONAL ASSOCIATION, TRUSTEE
(RODEO PARTNERS PROJECT)

Pursuant to and under this Trust Indenture the Mesquite Industrial Development Corporation has granted a security interest in and assigned to MBank Dallas, National Association, as Trustee, all of its interests in all "Installment Loan Payments" due pursuant to and under the "Loan Agreement between Mesquite Industrial Development Corporation and Rodeo Partners" to secure its Revenue Bond, Series 1985 (Rodeo Partners Project).

DEBTOR:

Rodeo Partners
Allied Bank Bldg
Suite 201
120 West Main and Galloway
Mesquite, Texas 75149

SECURED PARTY:

MBank Dallas, National Association
108 S. Akard
P. O. Box 225415
Dallas, Texas 75265

KRA: FIRST DRAFT: 11/1/85
SECOND DRAFT: 11/12/85

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TRUST INDENTURE

THE STATE OF TEXAS
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION

THIS TRUST INDENTURE, dated as of November 1, 1985, executed by and between Mesquite Industrial Development Corporation (the "Issuer"), a nonstock, nonprofit 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.) (the "Act"), and MBank Dallas, National Association, a national banking association duly organized and existing under the laws of United States of America and having its principal office in Dallas, Texas, as Trustee (the "Trustee"):

WITNESSETH THAT:

WHEREAS, a "Loan Agreement between Mesquite Industrial Development Corporation and Rodeo Partners, dated as of November 1, 1985 (the "Agreement") has been duly executed between the Issuer and Rodeo Partners (the "User"), with the User being a general partnership organized and existing under the laws of the State of Texas, being fully qualified to transact business in the State of Texas and being composed of Neal Gay, Don Gay, David Oates, Charles E. Schuerenberg and Jim Thompson being hereinafter collectively referred to as "The Guarantors"; and

WHEREAS, attached to and made a part of the Agreement is a "Guarantee Agreement" between the Issuer and the Guarantors whereunder the Guarantors have guaranteed, jointly and severally, all obligations of the User under the Agreement, and particularly the obligation of the User to make the installment Loan Payments required therein; and

WHEREAS, an executed copy of the Agreement, including the Guarantee Agreement, has been filed with the Trustee and for all purposes of this Trust Indenture the term "Agreement" shall mean and include the Guarantee Agreement; and

WHEREAS, pursuant to the Agreement the Board of Directors of the Issuer has duly adopted a "RESOLUTION AUTHORIZING THE ISSUANCE OF MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION REVENUE BOND, SERIES 1985 AND THE EXECUTION OF A TRUST INDENTURE (RODEO PARTNERS PROJECT)", which, together with any amendment thereto, is hereinafter called and designated the "Initial Bond Resolution"; and

**RETAKE
OF
PREVIOUS
DOCUMENT**

TRUST INDENTURE

THE STATE OF TEXAS
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION

THIS TRUST INDENTURE, dated as of November 1, 1985, executed by and between Mesquite Industrial Development Corporation (the "Issuer"), a nonstock, nonprofit 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.) (the "Act"), and MBank Dallas, National Association, a national banking association duly organized and existing under the laws of United States of America and having its principal office in Dallas, Texas, as Trustee (the "Trustee"):

WITNESSETH THAT:

WHEREAS, a "Loan Agreement between Mesquite Industrial Development Corporation and Rodeo Partners, dated as of November 1, 1985 (the "Agreement") has been duly executed between the Issuer and Rodeo Partners (the "User"), with the User being a general partnership organized and existing under the laws of the State of Texas, being fully qualified to transact business in the State of Texas and being composed of Neal Gay, Don Gay, David Oates, Charles E. Schuerenberg and Jim Thompson being hereinafter collectively referred to as "The Guarantors"; and

WHEREAS, attached to and made a part of the Agreement is a "Guarantee Agreement" between the Issuer and the Guarantors whereunder the Guarantors have guaranteed, jointly and severally, all obligations of the User under the Agreement, and particularly the obligation of the User to make the Installment Loan Payments required therein; and

WHEREAS, an executed copy of the Agreement, including the Guarantee Agreement, has been filed with the Trustee and for all purposes of this Trust Indenture the term "Agreement" shall mean and include the Guarantee Agreement; and

WHEREAS, pursuant to the Agreement the Board of Directors of the Issuer has duly adopted a "RESOLUTION AUTHORIZING THE ISSUANCE OF MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION REVENUE BOND, SERIES 1985 AND THE EXECUTION OF A TRUST INDENTURE (RODEO PARTNERS PROJECT)", which, together with any amendment thereto, is hereinafter called and designated the "Initial Bond Resolution"; and

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WHEREAS, the Initial Bond Resolution authorized the issuance of MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION REVENUE BOND, SERIES 1985 (RODEO PARTNERS PROJECT), in the aggregate principal amount of \$4,443,397.00, which together with any replacement bonds and any additional parity revenue bonds ("Additional Bonds") authorized to be issued by the Initial Bond Resolution, are hereinafter collectively called the "Bonds"; and

WHEREAS, a certified copy of the Initial Bond Resolution has been duly filed with the Trustee; and

WHEREAS, pursuant to the Initial Bond Resolution, a certified copy of each resolution authorizing the issuance of each series or issue of Additional Bonds shall be filed with the Trustee prior to the delivery thereof; and

WHEREAS, as used in this Trust Indenture the word "Bond Resolution" shall mean and include collectively the Initial Bond Resolution (including the Trust Indenture prescribed and authorized to be executed in the Initial Bond Resolution) and, when adopted and filed with the Trustee, each resolution authorizing the issuance of Additional Bonds together with any supplemental resolutions or amendments to such resolutions or the Trust Indenture; and

WHEREAS, pursuant to the Agreement and the Bond Resolution and subject to the terms and provisions thereof, the Bonds, the redemption premium, if any, agreed liquidated damages, if any, and the interest thereon, are and shall be payable from and secured by a first lien on and pledge of the payments designated "Installment Loan Payments" to be made or paid, or caused to be made or paid, by the User and the Guarantors (or its or their successors or assigns under certain circumstances) to the Trustee; and

WHEREAS, the User and the trustee named therein have entered into a Deed of Trust and Security Agreement dated as of November 1, 1985 (the "Deed of Trust"), providing further security for the payment of the Installment Loan Payments for the benefit of the owners of the Bonds; and

WHEREAS, for purposes of this Trust Indenture, the definitions of terms in the Agreement, the Deed of Trust, and the Bond Resolution are hereby adopted, and the terms used herein shall have the same meanings as such terms are given in said Agreement, Deed of Trust, and Bond Resolution unless a different meaning is given herein; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Indenture, and in evidence thereof has joined in the execution hereof; and

WHEREAS, this Preamble constitutes an integral part of this Trust Indenture.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That the Issuer in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of securing and providing for the payment of the principal of, redemption premium, if any, and interest on the Bonds at any time issued and outstanding, when due, any agreed liquidated damages, all fees and expenses of the Trustee and Registrar, and the Paying Agents for the Bonds, and all other payments required to be made by the User and/or the Guarantors under the Agreement and the Bond Resolution, has granted a security interest in, assigned, transferred, pledged, set over, and confirmed, and by these presents does grant a security interest in, assign, pledge, set over, and confirm unto the Trustee, and to its successor or successors in said trust, and to its or their assigns, all and singular all of its right, title, and interest in and to (i) the Installment Loan Payments as required and provided in the Agreement and the Bond Resolution, (ii) the Debt Service Fund, Special Rebate Fund and the Construction Fund created by the Initial Bond Resolution, and (iii) the "Loan Payment Guarantee", as defined, required and provided in the Guarantee Agreement, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes hereinafter expressed; and the Issuer and the Trustee have agreed, and they hereby agree and covenant with the respective owners from time to time of the Bonds as follows, to-wit:

Article 1. ACCEPTANCE OF TRUST. The Trustee hereby accepts the trusts, duties, obligations, and requirements imposed on it by the Bond Resolution and this Trust Indenture, and agrees to carry out and perform, punctually and effectively, such duties, obligations, and requirements for the benefit of the Issuer, the User, the Guarantors and the owners of the Bonds. It is further specifically agreed that (i) the Trustee will act as a Paying Agent for the Bonds at all times while it is Trustee, (ii) the Trustee will act as Registrar for the Bonds at all times while it is Trustee, (iii) the Trustee will authenticate each of the Bonds by executing the Trustee's Certificate of Authentication appearing on each of the Bonds, as provided in the Bond Resolution, and it will so authenticate the Bonds when requested by the Issuer, prior to the delivery of the Bonds, at such time and in such manner as directed by the Issuer, and (iv) the Trustee will remain the Trustee

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under the Deed of Trust so long as it is the Trustee hereunder.

Article 2. DEBT SERVICE FUND, SPECIAL REBATE FUND AND CONSTRUCTION FUND. The Debt Service Fund, the Special Rebate Fund and the Construction Fund created by the Initial Bond Resolution are hereby confirmed and established, respectively, in trust, with the Trustee, and the Trustee agrees to hold, administer, deposit, secure, invest, and use said funds in all respects as provided and required by the Agreement, the Bond Resolution, and this Trust Indenture.

Article 3. NOTICE TO THE USER. On each date upon which each Installment Loan Payment is required by each Bond Resolution to be deposited into the Debt Service Fund, the Trustee shall give telephone notice to the User (confirmed in writing, by hand delivery or first class mail, postage prepaid, at such address as the User shall from time to time designate and file in writing with the Trustee), of the amount, if any, of each Installment Loan Payment required by each Bond Resolution to be made by the User to the Trustee and deposited by the Trustee into the Debt Service Fund, on such date. Such written notice shall give a brief statement of the manner in which the amount due was calculated, including a showing of all credits on account of available moneys in the Debt Service Fund. The failure of the Trustee to give, or the User to receive, any notice shall not relieve the User or the Guarantors of its unconditional duty and obligation to make all deposits or payments of Installment Loan Payments to the Trustee as required by the Agreement and each Bond Resolution.

Article 4. ACCOUNTS AND RECORDS (a) Separate Records to be Kept. The Trustee shall keep proper books of records and accounts, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Installment Loan Payments, the Debt Service Fund, the Special Rebate Fund and the Construction Fund.

(b) Annual Report. Within 90 days after the close of each fiscal year of the Trustee, the Trustee will furnish to the Issuer, the User, the Guarantors and any owner of any outstanding Bonds who may so request, a copy of a report by the Trustee covering the preceding fiscal year, showing the following information:

(1) a detailed statement concerning the receipt and disposition of all Installment Loan Payments and the disposition of the amounts in the Construction Fund (until the Construction Fund shall have been fully disposed of).

(2) an asset statement or balance sheet of the Debt Service Fund and of the Construction Fund (until the Construction Fund shall have been fully disposed of).

(c) Right to Inspect. The Issuer, the User, the Guarantors, and the owners of any Bonds shall have the right, at all reasonable times and upon reasonable notice, to inspect all records, accounts, and data of the Trustee relating to the Debt Service Fund and the Construction Fund.

(d) Special Rebate Fund Records. The Trustee shall maintain a record of the periodic determinations by the User of the Tentative Rebate Amount for a period beginning on the first anniversary date of the issuance of the Bonds and ending on the date 6 years after the final retirement of the Bonds. Such record shall state each such anniversary date and summarize the manner in which the Tentative Rebate Amount, if any, was determined. In addition, at least thirty days prior to each anniversary date the Trustee shall give the User written notice requesting that the User make the determination, payments and notices required by the Initial Bond Resolution. Notwithstanding the foregoing, the provisions of this paragraph (d) shall not be applicable if the Construction Fund is depleted within 180 days from the date of issuance and delivery of the Bonds.

Article 5. ENFORCEMENT OF RIGHTS IN CASE OF DEFAULT.

(a) Appointment of the Trustee and Rights of the Holder. The Trustee is hereby irrevocably appointed the special agent and representative of the owners of the Bonds and vested with full power in their behalf to effect and enforce the Agreement, this Trust Indenture, and the Bond Resolution for their benefit as provided herein and in the Bond Resolution; but anything contained in this Trust Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of the Bonds then outstanding, in case of any subsisting Event of Default (hereinafter defined) or of any other event entitling the Trustee to proceed hereunder, shall have the right from time to time to direct and control the Trustee in connection with the enforcement of any of the provisions of the Agreement, this Trust Indenture, and the Bond Resolution, and any other proceedings taken by virtue of any provisions of the aforesaid instruments, including the right to have withdrawn and discontinued at any stage thereof any proceedings taken hereunder by the Trustee, provided that the Event of Default upon which such proceedings were based and all other Events of Default hereunder shall have been remedied and made good. Anything contained in this Trust Indenture to the contrary notwithstanding, each owner of any Bond shall have a right of action to enforce the payment of all amounts due with

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respect to any Bond owned by him when or after the same shall have become due, at the place, from the sources, and in the manner expressed in the Agreement, the Bond Resolution, or this Trust Indenture; provided that no right of action shall exist subsequent to the time of waiver of an Event of Default in the payment of any such amount so due and such Event of Default having been remedied and made good, as provided in Article 5(g).

(b) Control by Trustee. Except as otherwise provided in this Article, the rights of action with respect to this Trust Indenture shall be exercised by the Trustee and no owner of any Bond shall have any right to institute any suit, action or proceeding at law or equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof unless and until in addition to the fulfillment of all other conditions precedent specified in this Trust Indenture, the Trustee shall have received the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then outstanding and shall have been offered indemnity satisfaction to it against loss, liability and expenses and shall have refused, or for 30 days thereafter neglected, to institute such suit, action, or proceeding; and it is hereby declared that the making of such request and the furnishing of such indemnity are in each case conditions precedent to the execution and enforcement by any owner of any Bond of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any owner of any Bond of any action or cause of action for the appointment of a receiver or for any other remedy hereunder; but the Trustee may, in its discretion, or when duly requested in writing by the owners of at least 25% in aggregate principal amount of the Bonds then outstanding and upon being furnished indemnity satisfactory to the Trustee against expenses, charges, and liability shall, forthwith take such appropriate action by judicial proceedings or otherwise to enforce the covenants of the User, the Guarantors, and the Issuer as the Trustee may deem expedient in the interest of the owners of the Bonds.

(c) Events of Default. Any one or more of the following events shall constitute and hereinafter shall be called an "Event of Default":

(1) the failure by the Issuer to make due and punctual payment of principal of, redemption premium, if any, and interest on the Bonds, whether payment is required at maturity or by call for redemption or otherwise; provided, however, that if such failure shall arise other than by reason of a default by the User under the Bond Resolution and the Agreement, the continuation of such failure for two days.

(2) the failure of the User or the Guarantors to make or pay, or cause to be made or paid, any Installment Loan Payment, or any part thereof, when and to the extent due and required by the Agreement or the Bond Resolution.

(3) the dissolution or liquidation of the User or the Guarantors in any manner not specifically authorized by the Agreement, or the filing by the User or the Guarantors of a voluntary petition in bankruptcy or failure by the User or the Guarantors promptly to lift or suspend any execution, garnishment, or attachment of such consequence as will materially impair its ability to carry out its obligations under the Agreement or the Bond Resolution, or the commission by the User or the Guarantors of any act of bankruptcy, or failure of the User or the Guarantors generally to pay its debts as they become due, or entry of an order for relief of the User or the Guarantors in a bankruptcy case of the User or the Guarantors or assignment by the User or the Guarantors of a substantial portion of its assets for the benefit of its creditors, or the entry by the User or the Guarantors into an agreement of composition with its creditors, or the entry of an order or decree applicable to the User or the Guarantors in any proceeding for its reorganization or arrangement in any proceedings instituted under the provisions of any applicable federal or state bankruptcy statutes, including the federal Bankruptcy Code, as they now exist or are hereafter amended or enacted.

(4) the User or the Guarantors defaulting in observance or performance of any other of its covenants, conditions, or obligations in the Bonds, the Agreement, the Bond Resolution, the Sky Box Construction Loan Agreement (as defined below) or this Trust Indenture and the User or the Guarantors not remedying such default within 30 days after written notice to do so has been received by the User or the Guarantors from the Trustee or the owners of the Bonds; and the Trustee may serve such notice, in its discretion, or shall serve such notice at the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then outstanding.

(5) the failure by the User to observe or perform any covenant or condition specified in the Deed of Trust.

(6) the occurrence of an Event of Default pursuant to the terms of that certain Sky Box Construction Loan Agreement, dated as of November 1, 1985, between the

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User and MBank Dallas, National Association, which Sky Box Construction Loan Agreement governs the terms of an \$886,400 construction loan.

(d) Declaration of Principal and Interest Due. Upon the happening of an Event of Default, the Trustee may, in its discretion, or upon the written request of the owners of at least 25% in aggregate principal amount of the Bonds then outstanding, and upon being indemnified to the satisfaction of the Trustee, shall, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest, together with any applicable agreed liquidated damages, and any applicable redemption premium, and any other amounts then due, shall thereupon become and be immediately due and payable, anything in the Bonds, the Agreement, the Bond Resolution, or this Trust Indenture to the contrary notwithstanding.

(e) Enforcement by Trustee. Upon the happening of an Event of Default, the Trustee may, in its discretion, or upon the written request of the owners of at least 25% in aggregate principal amount of the Bonds then outstanding, and upon being indemnified to the satisfaction of the Trustee, shall, take such appropriate action by judicial proceedings or otherwise to cure the Event of Default and/or to require the User and/or the Guarantors, or the Issuer to carry out its or their covenants and obligations under and with respect to the Bonds, the Agreement, the Bond Resolution, or this Trust Indenture, including without limitation, the use and filing of actions for specific performance, and mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board of Directors, and its officers, employees, and/or agents, and to obtain judgments against the User and/or the Guarantors for any Installment Loan Payments due but unpaid into the Debt Service Fund, or for any other amounts due hereunder, under the Bond Resolution, or under the Agreement, including all amounts due with respect to the Bonds then outstanding if declared due and payable as provided herein.

(f) Remedies Non-Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Agreement, the Bonds or the Bond Resolution, or now and hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon the happening of an Event of Default continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be

... shall be taken to the end and to effect as may be deemed

(g) Waiver of Defaults. The Trustee may and upon the written request of the owners of a majority in aggregate principal amount of the Bonds then outstanding shall waive any event of default hereunder and its consequences except that in event of default in the payment of installment bond payments, or in the payment of any amounts with respect to the Bonds then due at the time shall become due and payable, may be waived only if the event of default therein shall have been remedied and made good. In case of any such waiver, the status, the title, the Guarantors, the Trustee, and the rights of the Bonds shall be restored to their former position and rights hereunder respectively, but such waiver shall not extend to any subsequent or other event of default or impair any right consequent thereon.

(h) Discretion of Trustee. In the event the Trustee shall receive conflicting or inconsistent requests and demands from two or more groups of owners of Bonds, each representing less than a majority of the aggregate principal amount of Bonds then outstanding, the Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Trust Indenture.

(i) Application of Moneys. All money collected by the Trustee pursuant to the exercise of the remedies and powers provided in this Article, together with all other sums which then may be held by the Trustee under any provision of this Trust Indenture or the Deed of Trust as security for the Bonds, shall be applied as follows:

FIRST: to the payment of the costs and expenses of the proceedings whereunder such money was collected, including compensation to the Trustee, its agents, attorneys, and all other necessary or proper expenses, liabilities, and advances incurred or made by the Trustee under this Trust Indenture, and to the payment of all taxes, assessments, and liens superior to the lien of this Trust Indenture.

SECOND: to the payment of matured interest on the Bonds, including, to the extent legally permissible, interest thereon at the rate of 15% per annum from due date to date of payment.

THIRD: to the payment of principal of, redemption premium, if any, and agreed liquidated damages, if any, on the Bonds which have been called for redemption as permitted or required by the Bond Resolution or have

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matured as provided thereby, and interest thereon, to the extent legally permissible, at the rate of 15% per annum from the date of redemption or maturity to date of payment.

FOURTH: to the payment of principal of the Bonds which have become due by virtue of the declaration of the Trustee pursuant to Article 5(d), and interest thereon, to the extent legally permissible, at the rate of 15% per annum from the date declared due to date of payment.

FIFTH: to the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

If in making distribution pursuant to the order above stated, the amount available for distribution in a particular classification shall be insufficient to pay in full all of the items in such classification, the amount available for distribution to items in such classification shall be prorated among such items in the proportion that the amount each item bears to the total of all such items. Notwithstanding anything contained in this Trust Indenture to the contrary, if the Trustee shall declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable as the result of an Event of Default, or if the Bonds are to be redeemed as a whole pursuant to mandatory redemption provisions provided in the Bond Resolution, or if the User shall exercise any option to redeem the Bonds as a whole in accordance with their terms, any amounts remaining in the Construction Fund shall be deposited in the Debt Service Fund and applied by the Trustee as provided in this subsection (i).

(j) Judicial Proceedings. In any judicial proceeding in which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the owners of the Bonds, the Trustee, if permitted by the court having jurisdiction over such proceeding, may, in its discretion, or upon the written request of the owners of at least 25% in aggregate principal amount of the Bonds then outstanding, and upon being indemnified to the satisfaction of the Trustee, shall, intervene on behalf of the owners of the Bonds to assert the rights of such owners.

(k) Enforcement of Remedies Without Possession of Bonds. All rights of action or other rights under this Trust Indenture or otherwise may be brought by the Trustee in its own name as Trustee of an express trust and may be

enforced by the Trustee without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto.

(l) Direction by Majority in Principal Amount of Bondholders. It is expressly provided, however, that the owners of a majority in aggregate principal amount of the Bonds then outstanding, or a committee representing, pursuant to a written appointment filed with the Trustee, the owners of a majority in aggregate principal amount of the Bonds then outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the Trustee's rights and remedies under the Agreement or the rights of the owners of the Bonds or the Trustee's rights and remedies under the Bond Resolution and this Trust Indenture, and may exercise any right or perform any action hereunder, with the same effect as the Trustee under this Trust Indenture, provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Trust Indenture, and provided that the Trustee shall be indemnified to its satisfaction.

(m) Notice By Trustee. The Trustee shall not be required to take notice nor be deemed to have notice of any default specified in this Trust Indenture, except for those Events of Default specified in Article 5(c)(1) and 5(c)(2), unless specifically notified in writing of such default by the owners of at least 25% in aggregate principal amount of the Bonds then outstanding.

(n) Concurrence of Bondholders. In determining whether the owners of a requisite aggregate principal amount of Bonds outstanding have concurred in any request, demand, authorization, direction, notice, consent, or waiver under this Trust Indenture or the Bond Resolution, Bonds owned by or for the account of the User or any person controlled by, controlling, or under common control of the User and/or the Guarantors, shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided however, that for the purpose of determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Bonds of which the Trustee has actual knowledge of such ownership shall be so disregarded.

(o) Default of Payments. In the event of a default in the payment of any Installment Loan Payment, or in the performance of any agreement or covenant contained in the Bonds, the Agreement, the Bond Resolution, or this Trust Indenture, such payment and performance may be enforced by

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the Trustee by mandamus, specific performance, or by the appointment of a receiver (in equity with power to charge and collect Installment Loan Payments) in accordance with the Agreement, the Bond Resolution and this Trust Indenture.

(p) Notice to User of Past Due Payments. Pursuant to the Agreement, Installment Loan Payments are to be paid by the User and/or the Guarantors directly to the Trustee. In the event that any such payments are not timely made, the Trustee shall immediately notify the User and the Guarantors by wire at the address provided in the Agreement or by telephonic notice with confirmation of such notice by wire, that payment has not been made. Such notice shall be deemed given at the time the wire is received or telephonic notice is given, whichever is earlier. Failure of the Trustee to give, or the User or the Guarantors to receive, such notice shall not relieve the User or the Guarantors of any covenant or obligation under the Agreement, the Bond Resolution or this Trust Indenture and shall not constitute a waiver of any Event of Default under this Trust Indenture.

Article 6. CONCERNING THE TRUSTEE. The Trustee accepts the trust imposed upon it by this Trust Indenture, but only upon and subject to the following express terms and conditions:

(a) Not Accountable for Bond Proceeds. In no event shall the Trustee be liable except for its negligence or willful misconduct in relation to its duties under this Trust Indenture and the Bond Resolution. The Trustee shall not be responsible for any recitals herein, in the Bonds, the Bond Resolution, the Agreement, or for the sufficiency of the security for the Bonds. The Trustee shall have no responsibility hereunder except to the extent of the duties placed upon the Trustee to hold, administer, deposit, secure, invest, and use the Debt Service Fund and the Construction Fund as expressly required by the Bond Resolution, to the extent funds for such purposes are received by the Trustee, and to perform the other express covenants and agreements made by the Trustee under the provisions of this Trust Indenture and the Bond Resolution. There shall be no implied duties or responsibilities imposed upon the Trustee. The Trustee acknowledges that under the Bond Resolution, the User shall not requisition an amount in excess of \$ - 0 - for the cost of the Project relating to the acquisition of land.

(b) Reliance by Trustee. The Trustee may rely and shall be protected in acting or refraining from acting in accordance with the provisions of this Trust Indenture and the Bond Resolution upon any notice, requisition, request, consent, certificate, order, affidavit, letter, telegram, or

other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall not be bound to recognize any person as an owner of Bonds or to take any action at his request, unless the Bond or Bonds owned by such owner of Bonds shall be registered in the name of such owner on the Bond Registration Books kept by the Trustee. Any action taken by the Trustee pursuant to this Trust Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent, is the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(c) Compensation of Trustee from Debt Service Fund. There shall be paid from the Debt Service Fund the Trustee's compensation, and its expenses, advances, and counsel fees, and its liabilities incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder (except liabilities incurred as a result of the negligence or willful misconduct of the Trustee, or as provided in the Bond Resolution), and the cost and expenses, including counsel fees, of defending against liabilities.

(d) Limited Responsibilities. The responsibilities of the Trustee elsewhere set forth herein shall be further limited as follows:

FIRST: the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with a direction of the owners of Bonds pursuant to any provision of this Trust Indenture relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Indenture.

SECOND: no provision of this Trust Indenture shall require the Trustee (1) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, nor (2) to take any action, whether or not directed to take such action by the owners of Bonds, pursuant to this Trust Indenture, which in the judgment of the Trustee would conflict with any rule of law, or with the terms of this Trust Indenture, or would be unjustly prejudicial

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to the owners of Bonds not taking part in such direction. When acting pursuant to the direction of any owners of Bonds pursuant to this Trust Indenture, the Trustee may take other action deemed proper by the Trustee which is not inconsistent with such direction; provided, however, that the terms of this subparagraph SECOND shall not impose any additional duties or responsibilities upon the Trustee and shall not be construed to limit the effect of subparagraph FIRST of this paragraph (d).

(e) Advice. The Trustee may act upon the professional opinion or advice of any legal counsel, engineer, accountant, or other expert, reasonably believed by the Trustee to be qualified in relation to the subject matter, whether retained by the Trustee or the Issuer or otherwise, and the Trustee shall not be responsible for anything suffered or done or not done by it in good faith in accordance with any such opinion or advice.

(f) Trustee May Own Bonds. Except as prohibited by law, the Trustee may become the owner of any of the Bonds secured by this Trust Indenture with the same rights which it would have if it were not the Trustee; and nothing herein contained shall be construed to prohibit the Trustee, either as principal or agent, from engaging in or being interested in any financial or other transaction with the Issuer or the User or from acting as depository, trustee, or agent for any committee or body of owners of the Bonds or of other obligations of the Issuer as freely as if it were not the Trustee.

(g) Fees. The Issuer has agreed with the User in the Agreement and the Bond Resolution provides that, as part of the Installment Loan Payments the User shall pay to the Trustee its charges for performing the duties of Trustee, Registrar, and Paying Agent for the Bonds. All payments due the Trustee for such charges, fees, or expenses shall be paid by the User and no such charges, fees, or expenses shall be charged against or be payable by the Issuer, except the initial fees and expenses of the Trustee which are paid as part of the costs of issuance of the Bonds.

(h) Certificate and Opinion as to Conditions Precedent. Upon any request or application by the User to the Trustee to take any action under the Agreement, Bond Resolution or this Trust Indenture, the User shall furnish to the Trustee.

(1) an officers' certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Trust Indenture relating to the proposed action have been complied with; and

(2) an opinion of counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

(i) Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in the Agreement, Bond Rescission or this Trust Indenture shall include:

(1) a statement that the person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Article 7. SUCCESSOR TRUSTEE. (a) Resignation of Trustee. The Trustee at the time acting hereunder may at any time resign and be discharged from all trusts created by this Trust Indenture by giving not less than 30 days written notice to the Issuer, the User, the Guarantors and to all owners of Bonds as shown on the Bond Registration Books, and such resignation shall take effect upon the appointment of a successor Trustee by the owners of Bonds or by the Issuer as hereinafter provided.

(b) Removal of Trustee. The Trustee may be discharged and removed at any time by an instrument or concurrent instruments in writing, delivered to the Trustee and to the Issuer, and signed by the owners of a majority in aggregate principal amount of the then outstanding Bonds.

(c) Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of the

shall, on request, be executed, acknowledged, and delivered by the Issuer.

(e) Merger or Consolidation of Trustee. Any corporation or association into which the Trustee, or any successor to it in the trusts created by this Trust Indenture, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Trustee or any successor to it shall be a party, shall be the successor Trustee under this Trust Indenture without the necessity of the execution or filing of any paper or any other act on the part of any of the parties hereto anything herein to the contrary notwithstanding.

Article 8. RELEASE OF INDENTURE AND SATISFACTION OF INDEBTEDNESS. If, when the Bonds shall have become due and payable in accordance with their terms or otherwise as provided in this Trust Indenture or shall have been duly called for redemption, and the whole amount of the principal, redemption premium, if any, and the interest so due and payable upon all of the Bonds, and the agreed liquidated damages, if any, with respect to the Bonds then due, shall be paid, or sufficient money shall be held by the Trustee for such purpose, and provision shall also be made for paying all other sums payable hereunder and/or under the Agreement and/or the Bond Resolution by the User, then and in that case all right, title, and interest of the Trustee in these presents and the estate and rights hereby granted shall thereupon cease, determine, and become void, and the Trustee in such case shall release this Trust Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer, the User and the Guarantors, and shall turn over any surplus funds held by it to whomsoever may then be entitled pursuant to the Bond Resolution, the Agreement, or by law to receive the same; and thereupon this Trust Indenture shall terminate and be of no effect; provided, that until the Bonds are finally paid, the Trustee shall continue to act as Paying Agent and Registrar for the Bonds, and provided further that the Trustee will continue to maintain records of the Special Rebate Fund in accordance with Article 4(d) hereof.

Article 9. AMENDMENTS. This Trust Indenture may be amended only as provided in the Bond Resolution; provided, however, that Additional Bonds may be issued pursuant to the Bond Resolution as provided therein, and may be secured by this Trust Indenture without the necessity of amending or supplementing this Trust Indenture.

Article 10. MISCELLANEOUS PROVISIONS. (a) Acknowledgments and Ownership of Bonds. Any request, direction,

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consent, or other instrument required by this Trust Indenture to be signed or executed by owners of Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such owners of Bonds in person or by an agent appointed in writing. Proof of the execution of any instrument, or of the writing appointing such agent, and of the ownership of the Bonds, if made in the following manner, shall be sufficient for any purpose of this Trust Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument:

(i) the fact, date, and due authorization of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(ii) the fact of the owning of the Bonds by any owner thereof, the amount and numbers of such Bonds, and the date of his owning same may be proved by the appropriate entries in the Bond Registration Books maintained by the Trustee as Registrar. The Trustee may conclusively assume that such ownership continued until ownership of the Bonds is transferred on the Bond Registration Books by the Trustee.

(b) Trustee May Require Proof of Ownership. Nothing contained in this Article shall be construed as limiting the Trustee to the proof hereinabove specified, it being intended that the Trustee may accept any other or additional evidence of the matters herein stated which it may deem sufficient.

(c) Consent of Bondholders. Unless otherwise provided in the Bond Resolution, any request or consent of any owner of Bonds shall bind every future owner of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent. In the event of the dissolution of the Issuer, all of the covenants, stipulations, promises, and agreements in this Trust Indenture contained by, on behalf of, or for the benefit of the Issuer, shall bind or inure to the benefit of the successor or successors of the Issuer from time to time and any officer, board, or commission to whom or to which any power or duty affecting such covenants, stipulations, promises, and agreements shall be transferred by or in accordance with law.

(d) Survival of Valid Bonds. If any Bond shall not be presented for payment when the principal thereof becomes

due, either at maturity or at the date fixed for redemption thereof or otherwise, all liability of the Issuer and the User to the owner thereof and to the Trustee for the payment of such Bond shall forthwith cease, determine, and be completely discharged whenever funds sufficient to pay such Bond shall be paid to the Trustee by the User, and such funds shall be segregated by the Trustee and held in trust for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such funds for the satisfaction of any claim of whatever nature on his part relating to such Bond.

(e) Unclaimed Funds. Any money deposited with the Trustee in trust for the payment of the principal of, redemption premium, if any, agreed liquidated damages, if any, or interest on any Bond and remaining unclaimed for one year after such principal of, redemption premium, if any, agreed liquidated damages, if any, or interest on such Bond has become due and payable shall be paid to the User; provided, however, that before the Trustee shall be required to make any such repayment, the Trustee may at the expense of the User cause to be published at least once, in a financial newspaper, journal, or publication of general circulation in The City of New York, New York, or in the State of Texas, a notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the User. After the payment of such unclaimed moneys to the User, the owner of such Bond shall thereafter look only to the User for the payment thereof, and all liability of the Trustee with respect to such money shall thereupon cease.

(f) Rights of Parties. Except as herein otherwise expressly provided, nothing in this Trust Indenture expressed or implied is intended or shall be construed to confer upon any person, firm, or corporation other than the User, the Guarantors, the Issuer, the Trustee, and the owners of Bonds, any right, remedy, or claim, legal or equitable, under or by reason of this Trust Indenture or any covenant, condition, or stipulation contained herein.

(g) Severability. In case any one or more of the provisions of this Trust Indenture or of the Bonds, shall be held to be invalid or ineffective as to any person or circumstance, the remainder thereof and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

(h) Law. The validity, interpretation, and performance of this Trust Indenture shall be governed by the laws of the State of Texas.

Article 11. RECORDING. (a) Trustee to Record. The Issuer shall cause the Agreement and this Trust Indenture to be filed in such manner and in such places as are now required by law to establish initially the lien of this Trust Indenture, and the priority thereof. The User shall (1) cause each memorandum, financing statement, or continuation statement with respect to the Agreement and this Trust Indenture to be filed, registered, and recorded and to be refiled, reregistered, and rerecorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien of this Trust Indenture and to publish notice of and to protect the rights and security of the owners of the Bonds and the rights of the Trustee under the Agreement, the Bond Resolution, and this Trust Indenture and (2) perform or cause to be performed from time to time any other act as required by law, and execute and file or cause to be executed and filed any and all instruments of further assurance, that may be necessary for such publication and protection. The Issuer shall, when so requested by the User, execute all such instruments, memoranda, or statements necessary to maintain, protect, or preserve the interests assigned to the Trustee under this Trust Indenture.

(b) Non-Encumbrance. This Trust Indenture is, and always will be kept, a direct lien and security interest upon the Installment Loan Payments, the Debt Service Fund, and the Construction Fund, and the Issuer will not create or suffer to be created any lien prior to or on a parity with the lien of this Trust Indenture or any part thereof.

Article 12. NOTICE TO COMMISSION. If the User fails to timely make or pay any Installment Loan Payment, or upon receiving notice that a Final Determination of Taxability has occurred, or if the Trustee is notified by the Internal Revenue Service that the interest on the Bonds is, or may be, subject to federal income taxation, the Trustee promptly shall inform the Commission of such an occurrence, by sending written notice to the following address:

Texas Economic Development Commission
Attention: Executive Director
410 East Fifth Street
Box 12728, Capitol Station
Austin, Texas 78711

or the latest address specified by said Commission in writing.

IN WITNESS WHEREOF, the Issuer acting through its Board of Directors, has caused this Trust Indenture to be executed in multiple counterparts, each of which shall be considered an original for all purposes, in its name, and for and on its behalf, by the President of such Board and attested by the Secretary of such Board, and its corporate seal to be hereto affixed; and the Trustee, to evidence its acceptance of the trusts hereby created and vested in it, has caused this Trust Indenture to be executed in multiple counterparts, each of which shall be considered an original for all purposes, in its behalf attested and its corporate seal to be hereunto affixed, by duly authorized officers all as of the date first above written.

MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION

By _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

MBANK DALLAS, NATIONAL ASSOCIATION, TRUSTEE

By _____
Vice President

ATTEST:

Trust Officer

(SEAL)

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UNCONDITIONAL GUARANTEE AGREEMENT
BETWEEN
MESQUITE INDUSTRIAL DEVELOPMENT CORPORATION
AND
NEAL GAY, DON GAY, DAVID OATES,
CHARLES E. SCHUERENBERG AND JIM THOMPSON

DEBTOR:

Neal Gay
P.O. Box 176
Mesquite, Texas 75149

Don Gay
P.O. Box 176
Mesquite, Texas 75149

David Oates
P.O. Box 186
Mesquite, Texas 75149

Charles E. Schuerenberg
120 Main Street
Mesquite, Texas 75149

Jim Thompson
P.O. Box 2366
Mesquite, Texas 75149

SECURED PARTY:

Mesquite Industrial
Development Corporation
Municipal Way at Galloway
P.O. Box 137
Mesquite, Texas 75149

ASSIGNEE:

MBank Dallas,
National Association,
as Trustee
108 S. Akard
P.O. Box 225415
Dallas, Texas 75265

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UNCONDITIONAL GUARANTY AGREEMENT

This Unconditional Guarantee Agreement (the "Guaranty Agreement") is dated as of November 1, 1985, by and among Mesquite Industrial Development Corporation (the "Issuer", which term shall include, without limitation, MBank Dallas, N.A., as Trustee under the Trust Indenture, as the assignee of Issuer's rights hereunder, together with the successors and assigns of Trustee) and Neal Gay, Don Gay, David Oates, Charles E. Schuerenberg and Jim Thompson, individuals domiciled in Dallas County, Texas (the "Guarantors"), dated as of November 1, 1985 (the "Guarantee Agreement"), which is attached to and made a part of that certain Loan Agreement, dated as of November 1, 1985, between the Issuer and Rodeo Partners, a general partnership ("Borrower") (the "Loan Agreement"), which Loan Agreement is hereby referred to and adopted for all purposes (capitalized terms used in this Guarantee Agreement having the same meanings and definitions as set forth in the Loan Agreement, except as otherwise provided herein).

WITNESSETH:

WHEREAS, it is necessary for the Guarantors to execute and deliver this Guarantee Agreement in order to induce the Issuer to execute the Loan Agreement and to provide additional and sufficient security for the Bonds to be issued pursuant to the Loan Agreement so as to permit the sale of such Bonds and induce the purchasers thereof to purchase same;

WHEREAS, the execution and delivery of this Guarantee Agreement and the performance of the transaction contemplated hereby will not violate any law or regulation, or any judicial order, judgment, decree, or injunction, or contravene the provisions of or constitute a default under any agreement, indenture, or other instrument to which any of the Guarantors is a party; and

WHEREAS, Guarantors will directly benefit from Lender's making loans to Borrower;

NOW, THEREFORE, as an inducement to Issuer to enter into the Loan Agreement and to make loans to Borrower thereunder, and to extend such additional credit as Issuer may from time to time agree to extend, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

Article I

NATURE AND SCOPE OF GUARANTY

Section 1.01. Guaranty of Obligation. Guarantors hereby irrevocably and unconditionally, and jointly and severally, guarantee to Issuer (i) the due and punctual payment of the "Guaranteed Debt" (hereinafter defined), and (ii) the performance of all other obligations now or hereafter owed by Borrower to Issuer, including without limitation those under the Loan Agreement. Guarantors hereby irrevocably and

unconditionally covenant and agree that they are jointly and severally liable for the Guaranteed Debt as primary obligors.

Section 1.02. Definition of Guaranteed Debt. As used herein, the term "Guaranteed Debt" means:

(a) All Installment Loan Payments, attorneys' fees, commitment fees, liabilities for costs and expenses and other indebtedness, obligations and liabilities of Borrower to Issuer at any time created or arising in connection with the Loan Agreement or the Trust Indenture, or any amendments thereto or substitutions therefor, and any other amounts payable by the Issuer under the Trust Indenture or by the Borrower under the Loan Agreement, the Construction Disbursement Agreement, the Bond Resolution or the Deed of Trust; and

(b) All costs, expenses and fees, including but not limited to court costs and attorneys' fees, arising in connection with the collection of any or all amounts, indebtedness, obligations and liabilities of Borrower to Issuer described in Section 1.02(a).

The Guarantors, jointly and severally, unconditionally and irrevocably guarantee to the Issuer and to the Trustee for the benefit of the owners from time to time of the Bonds the full, complete, and prompt performance of all representations, covenants, obligations, duties, and agreements of the Borrower in the Loan Agreement, the Construction Disbursement Agreement, the Deed of Trust, the Bond Resolution and the Trust Indenture. To the extent that the Borrower fails for any reason whatsoever in the performance of any of such representations, covenants, obligations, duties, or agreements, the Guarantors promptly shall perform the same to the extent of such failure.

It is understood and agreed that the Issuer has assigned to the Trustee all of its interest in and to this Guarantee Agreement. The Trustee, or the Bondholders to the extent provided in the Bond Resolution and the Trust Indenture, may enforce the obligations of the Guarantors under this Guarantee Agreement in the manner provided in the Trust Indenture, without the necessity of making the Issuer a party.

Section 1.03. Indebtedness Not Reduced by Offset. The Guaranteed Debt and the liabilities and obligations of Guarantors to Issuer hereunder, shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower, or any other party, against Issuer or against payment of the Guaranteed Debt, whether such offset, claim or defense arises in connection with the Guaranteed Debt (or the transactions creating the Guaranteed Debt) or otherwise. Without limiting the foregoing or the Guarantors' liability hereunder, to the extent that Issuer advances funds or extends credit to Borrower, and does not receive payments or benefits thereon in the amounts and at the times required or provided by applicable agreements or laws, Guarantors are absolutely liable to make such payments to (and confer such benefits on) Issuer, on a timely basis.

Section 1.04. "Borrower" to Include New Partnerships. The term "Borrower" as used herein shall include any new partnership or joint venture technically formed as a result of the dissolution of Borrower, or the admission of new partners or venturers to, or withdrawal of partners or venturers from, Borrower.

Section 1.05. Payment by Guarantors. If all or any part of the Guaranteed Debt shall not be punctually paid when due, whether at maturity or earlier by acceleration or otherwise, Guarantors shall, immediately upon demand by Issuer, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate or acceleration or any other notice whatsoever, pay in lawful money of the United States of America, the amount due on the Guaranteed Debt to Trustee at Trustee's principal office in Dallas, Texas. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Debt, and may be made from time to time with respect to the same or different items of Guaranteed Debt. Such demand shall be deemed made, given and received in accordance with Section 5.02 hereof.

Section 1.06. No Duty to Pursue Others. It shall not be necessary for Issuer (and Guarantors hereby waive any rights which Guarantors may have to require Issuer), in order to enforce such payment by Guarantors, first to (i) institute suit or exhaust its remedies against Borrower or others liable on the Guaranteed Debt or any other person, (ii) enforce Issuer's rights against any security which shall ever have been given to secure the Guaranteed Debt, (iii) enforce Issuer's rights against any other guarantors of the Guaranteed Debt, (iv) join Borrower or any others liable on the Guaranteed Debt in any action seeking to enforce this Guaranty Agreement, (v) exhaust any remedies available to Issuer against any security which shall ever have been given to secure the Guaranteed Debt, or (vi) resort to any other means of obtaining payment of the Guaranteed Debt. Issuer shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Debt.

Section 1.07. Waiver of Notices, etc. Guarantors agree to the provisions of the Loan Agreement and the Construction Disbursement Agreement, and hereby waive notice of (i) any loans or advances made by Issuer to Borrower, (ii) acceptance of this Guaranty Agreement, (iii) any amendment or extension of the Loan Agreement or the Construction Disbursement Agreement or of any other instrument or document pertaining to all or any part of the Guaranteed Debt, (iv) the execution and delivery by Borrower and Issuer of any other loan or credit agreement or of Borrower's execution and delivery of any promissory notes or other documents in connection therewith, (v) the occurrence of any breach by Borrower or Event of Default (as defined in the Construction Disbursement Agreement), (vi) Issuer's transfer or disposition of the Guaranteed Debt, or any part thereof, (vii) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Debt, (viii) protest, proof of non-payment or default by Borrower, or (ix) any other action at any time taken or omitted by Issuer, and, generally, all demands and notices of every kind in connection with this Guaranty Agreement, the Trust Indenture, the Initial Bond Resolution, the Construction Disbursement Agreement, the Loan Agreement, any documents or agreements evidencing, securing or relating to any of the Guaranteed Debt and the obligations hereby guaranteed. The parties intend that none of the Guarantors shall be considered a "Debtor" as defined in Tex. Bus. & Com. Code Ann. §9.105 (Vernon's Supp. 1980).

Section 1.08. Nature of Guaranty. This Guaranty Agreement is an irrevocable, absolute, continuing guaranty of payment and not a guaranty of collection. This Guaranty Agreement may not be revoked by Guarantors and shall continue to be effective with respect to any Guaranteed Debt arising or created after any attempted revocation by Guarantors and after any Guarantor's death (in which event this Guaranty Agreement shall

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be binding upon such such Guarantor's estate and such Guarantor's legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Debt may be increased, reduced or paid in full shall not release, discharge or reduce the obligation of Guarantors with respect to indebtedness or obligations of Borrower to Issuer thereafter incurred. This Guaranty Agreement may be enforced by Issuer and any subsequent holder of the Guaranteed Debt and shall not be discharged by the assignment or negotiation of all or part of the Guaranteed Debt.

Section 1.09. Payment of Expenses. In the event that any of the Guarantors should breach or fail to timely perform any provisions of this Guaranty Agreement, Guarantors shall, immediately upon demand by Issuer, pay Issuer all costs and expenses (including court costs and reasonable attorneys' fees) incurred by Issuer in the enforcement hereof or the preservation of Issuer's rights hereunder. The covenant contained in this Section 1.09 shall survive the payment of the Guaranteed Debt.

Section 1.10. Effect of Bankruptcy. In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Issuer must rescind or restore any payment, or any part thereof, received by Issuer in satisfaction of the Guaranteed Debt, as set forth herein, any prior release or discharge from the terms of this Guaranty Agreement given to Guarantors by Issuer shall be without effect, and this Guaranty Agreement shall remain in full force and effect. It is the intention of Borrower and Guarantors that Guarantors' obligations hereunder shall not be discharged except by Guarantors' performance of such obligations and then only to the extent of such performance.

Section 1.11. Assignment. None of the Guarantors shall assign his or her interest in this Guaranty Agreement or any of his or her obligations hereunder without obtaining the prior written consent of the Issuer, the Trustee and all the Bondholders.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTORS' OBLIGATIONS

Guarantors hereby consent and agree to each of the following, and agree that Guarantors' obligations under this Guaranty Agreement shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waive any common law, equitable, statutory or other rights (including without limitation rights to notice) which Guarantors might otherwise have as a result of or in connection with any of the following:

Section 2.01. Modifications, etc. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Debt, or of any loan agreement, security agreement, collateral document or other document, instrument, contract or understanding between Borrower and Issuer, or any other parties, pertaining to the Guaranteed Debt;

Section 2.02. Adjustment, etc. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Issuer to Borrower or any of the Guarantors;

Section 2.03. Condition of Borrower or Guarantors. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower or any other party at any time liable for the payment of all or part of the Guaranteed Debt; or any dissolution of Borrower or any Guarantor, or any sale, lease or transfer of any or all of the assets of Borrower or any Guarantor, or any changes in the shareholders, partners or members of Borrower or any Guarantor; or any reorganization of Borrower or any Guarantor;

Section 2.04. Invalidity of Guaranteed Debt. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Debt, or any document or agreement executed in connection with the Guaranteed Debt, for any reason whatsoever, including without limitation the fact that (i) the Guaranteed Debt, or any part thereof, exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Debt or any part thereof is *ultra vires*, (iii) the officers or representatives executing the Loan Agreement or other documents or otherwise creating the Guaranteed Debt acted in excess of their authority, (iv) the Guaranteed Debt violates applicable usury laws, (v) Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Debt wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Debt (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Debt or executed in connection with the Guaranteed Debt, or given to secure the repayment of the Guaranteed Debt) is illegal, uncollectible or unenforceable, or (vii) the Loan Agreement or other documents or instruments pertaining to the Guaranteed Debt have been forged or otherwise are irregular or not genuine or authentic.

Section 2.05. Release of Obligors. Any full or partial release of the liability of Borrower on the Guaranteed Debt or any part thereof, or of any co-guarantors, or any other person or entity now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Debt or any part thereof, it being recognized, acknowledged and agreed by Guarantors that any of the Guarantors may be required to pay the Guaranteed Debt in full without assistance or support of any other party, and Guarantors have not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other parties will be liable to perform the Guaranteed Debt, or that Issuer will look to other parties to perform the Guaranteed Debt; notwithstanding the foregoing, Guarantors do not hereby waive or release (expressly or impliedly) any rights of subrogation, reimbursement or contribution which they may have, after payment in full of the Guaranteed Debt, against others liable on the Guaranteed Debt; Guarantors' rights of subrogation and reimbursement are, however, subordinate to the rights and claims of Issuer;

Section 2.06. Other Security. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Debt;

Section 2.07. Release of Collateral, etc. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Debt;

Section 2.08. Care and Diligence. The failure of Issuer or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security;

Section 2.09. Status of Liens. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Debt shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantors that Guarantors are not entering into this Guaranty Agreement in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the collateral for the Guaranteed Debt; notwithstanding the foregoing, Guarantors do not hereby waive or release (expressly or impliedly) any right to be subrogated to the rights of Issuer in any collateral or security for the Guaranteed Debt after payment in full of the Guaranteed Debt; Guarantors' rights of subrogation are, however, subordinate to the rights, claims, liens and security interests of Issuer;

Section 2.10. Offset. The Guaranteed Debt and the liabilities and obligations of Guarantors to Issuer hereunder shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Borrower against Issuer, or any other party, or against payment of the Guaranteed Debt, whether such right of offset, claim or defense arises in connection with the Guaranteed Debt (or the transactions creating the Guaranteed Debt) or otherwise;

Section 2.11. Merger. The reorganization, merger or consolidation of Borrower into or with any other corporation, partnership or entity;

Section 2.12. Preference. Any payment by Borrower to Issuer is held to constitute a preference under bankruptcy laws, or for any reason Issuer is required to refund such payment or pay such amount to Borrower or someone else; or

Section 2.13. Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Loan Agreement, the Guaranteed Debt, or the security and collateral therefor, whether or not such action or omission prejudices Guarantors or increases the likelihood that Guarantors will be required to pay the Guaranteed Debt pursuant to the terms hereof; it is the unambiguous and unequivocal intention of Guarantors that Guarantors shall be obligated to pay the Guaranteed Debt when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, except for the full and final payment and satisfaction of the Guaranteed Debt.

Article IIIREPRESENTATIONS AND WARRANTIES

To induce Issuer to enter into the Loan Agreement and extend credit to Borrower, Guarantors represent and warrant to Issuer that:

Section 3.01. Familiarity and Reliance. Guarantors are familiar with, and have independently reviewed books and records regarding, the financial condition of Borrower and are familiar with the value of any and all collateral intended to be created as security for the payment of the Guaranteed Debt; however, Guarantors are not relying on such financial condition or the collateral as an inducement to enter into this Guaranty Agreement;

Section 3.02. No Representation by Issuer. Neither Issuer nor any other party has made any representation, warranty or statement to Guarantors in order to induce the Guarantors to execute this Guaranty Agreement;

Section 3.03. Guarantors' Financial Condition. As of the date hereof, and after giving effect to this Guaranty Agreement and the contingent obligation evidenced hereby, each Guarantor is, and will be, solvent, and has and will have assets which, fairly valued, exceed his obligations, liabilities and debts, and has and will have property and assets in the State of Texas sufficient to satisfy and repay his obligations and liabilities;

Section 3.04. Financial Reports. Each Guarantor shall have unaudited financial statements in a form satisfactory to the holders of at least 67% of the aggregate principal amount of the Bonds outstanding and shall furnish the Trustee a copy of such unaudited financial statements within 90 days after the end of the fiscal year for which such financial statements were made. Each Guarantor shall also furnish to Trustee such other unaudited financial information concerning such Guarantor as the holders of at least 67% of the aggregate principal amount of the Bonds outstanding shall request from time to time.

Article IVSUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.01. Subordination of All Guarantor Claims. As used herein, the term "Guarantor Claims" shall mean all debts and liabilities of Borrower to any Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligations of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by such Guarantor. The Guarantor Claims shall include without limitation all rights and claims of any Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of such Guarantor's payment of all or a portion of the Guaranteed Debt. Until the Guaranteed Debt shall be paid and satisfied in full and Guarantors shall have

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performed all of their obligations hereunder, no Guarantor shall receive or collect, directly or indirectly, from Borrower or any other party any amount upon the Guarantor Claims.

Section 4.02. Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Borrower as debtor, Issuer shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantors hereby assign such dividends and payments to Issuer. Should Issuer receive, for application upon the Guaranteed Debt, any such dividend or payment which is otherwise payable to any Guarantor, and which, as between Borrower and such Guarantor, shall constitute a credit upon the Guarantor Claims, then upon payment to Issuer in full of the Guaranteed Debt, such Guarantor shall become subrogated to the rights of Issuer to the extent that such payments to Issuer on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Debt, and such subrogation shall be with respect to that proportion of the Guaranteed Debt which would have been unpaid if Issuer had not received dividends or payments upon the Guarantor Claims.

Section 4.03. Payments Held in Trust. In the event that, notwithstanding Sections 4.01 and 4.02 above, any Guarantor should receive any funds, payment, claim or distribution which is prohibited by such Sections, such Guarantor agrees to hold in trust for Issuer an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions, except to pay them promptly to Issuer, and Guarantors covenant promptly to pay the same to Issuer.

Section 4.04. Liens Subordinate. Guarantors agree that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Debt, regardless of whether such encumbrances in favor of Guarantors or Issuer presently exist or are hereafter created or attach. Without the prior written consent of Issuer, no Guarantor shall (i) exercise or enforce any creditor's right it may have against Borrower, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interest, collateral rights, judgments or other encumbrances on assets of Borrower held by such Guarantor.

Section 4.05. Notation of Records. All promissory notes, accounts receivable ledgers or other evidences of the Guarantor Claims accepted by or held by any Guarantor shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under the terms of this Guaranty Agreement.

Article VMISCELLANEOUS

Section 5.01. Waiver. No failure to exercise, and no delay in exercising, on the part of Issuer, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Issuer hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty Agreement, nor consent to departure therefrom, shall be effective without the prior written consent of the parties hereto and the holders of at least 67% of the aggregate principal amount of the Outstanding Bonds, and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 5.02. Notices. Any notices or other communications required or permitted to be given by this Guaranty Agreement must be (i) given in writing and personally delivered or mailed by prepaid certified or registered mail, return receipt requested, or (ii) made by telegraph delivered or transmitted, to the party to whom such notice or communication is directed, to the address of such party as follows:

Guarantors: Neal Gay
P.O. Box 176
Mesquite, Texas 75149

Don Gay
P.O. Box 176
Mesquite, Texas 75149

David Oates
P.O. Box 186
Mesquite, Texas 75149

Charles E. Schuereberg
120 Main Street
Mesquite, Texas 75149

Jim Thompson
P.O. Box 2366
Mesquite, Texas 75149

Issuer: Mesquite Industrial Development Corporation
Attention: President
Allied Bank Building
Suite 202
120 West Main and Galloway
Mesquite, Texas 75149

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With a copy to:

MBank Dallas, N.A., Trustee
Attention: Corporate Trust Department
Main at Ervay
P.O. Box 225415
Dallas, Texas 75265

Any such notice or other communication shall be deemed to have been given (whether actually received or not) on the day it is personally delivered as aforesaid or, if mailed, on the second business day following the day it is mailed as aforesaid, or, if transmitted by telex, on the day that such notice is transmitted as aforesaid. Any party may change its address for purposes of this Guaranty Agreement by giving notice of such change to the other party pursuant to this Section 5.02.

Section 5.03. Governing Law. This Guaranty Agreement has been prepared, and is intended to be performed in the State of Texas, and the substantive laws of such state shall govern the validity, construction, enforcement and interpretation of this Guaranty Agreement. For purposes of this Guaranty Agreement and the resolution of disputes hereunder, Guarantors hereby irrevocably submit and consent to, and waive any objection to, the non-exclusive jurisdiction of the courts of the State of Texas located in Dallas County, Texas and of the federal court located in the Northern Judicial District of Texas, Dallas Division.

Section 5.04. Invalid Provisions. If any provision of this Guaranty Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty Agreement, such provision shall be fully severable and this Guaranty Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty Agreement, and the remaining provisions of this Guaranty Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty Agreement, unless such continued effectiveness of this Guaranty Agreement, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 5.05. Entirety and Amendments. This Guaranty Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and this Guaranty Agreement may be amended only by an instrument in writing executed by an authorized officer of the party against whom such amendment is sought to be enforced.

Section 5.06. Parties Bound Assignment. This Guaranty Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that no Guarantor may, without the prior written consent of issuer, assign any of his rights, powers, duties or obligations hereunder.

Section 5.07. Term Of Agreement. The term of this Guaranty Agreement shall be from the date hereof until all payments and indemnities required to be made by the Guarantors pursuant hereto shall have been made.

Section 5.08. Termination Of Agreement. (a) This Guarantee Agreement may be terminated by any party, upon written notice to the other parties, at any time prior to the adoption of a Bond Resolution by the Issuer, and may be terminated by mutual agreement of all parties at any time prior to the delivery of and payment for any Bonds pursuant to the Loan Agreement.

Section 5.09. Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty Agreement.

Section 5.10. Multiple Counterparts. This Guaranty Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties hereto may execute this Guaranty Agreement by signing any such counterpart.

Section 5.11. Rights and Remedies. If any Guarantor becomes liable for any indebtedness owing by Borrower to Issuer, by endorsement or otherwise, other than under this Guaranty Agreement, such liability shall not be in any manner impaired or affected hereby and the rights of Issuer hereunder shall be cumulative of any and all other rights that Issuer may ever have against such Guarantor. The exercise by Issuer of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

EXECUTED as of the day and year first above written.

GUARANTORS

Neal Gay

Don Gay

David Oates

Charles E. Schuerenberg

Jim Thompson

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ISSUER

Mesquite Industrial Development
Corporation

By: _____
Secretary - Treasurer, Board of
Directors

By: _____
President, Board of Directors

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