

RESOLUTION APPROVING A BOND RESOLUTION BY
MESQUITE HEALTH FACILITIES DEVELOPMENT CORPORATION
PROVIDING FOR THE ISSUANCE OF BONDS FOR
CHRISTIAN CARE CENTERS, INC.

THE STATE OF TEXAS :
CITY OF MESQUITE :

WHEREAS, Mesquite Health Facilities Development Corporation (the "Issuer") was created under the auspices of the City of Mesquite, Texas; and

WHEREAS, a public hearing was held with respect to the issuance of bonds by the Issuer for the benefit of Christian Care Centers, Inc. (the "Obligor"); and

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

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

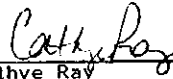
Section 1. The "Resolution of Mesquite Health Facilities Development Corporation concerning issuance of revenue bonds with respect to certain health facilities of Christian Care Centers, Inc. and authorizing the execution and delivery of all financing documents relating to the issuance, sale, and delivery of such bonds, including an Indenture of Trust, a Loan Agreement, a Contract of Purchase, an Escrow Agreement and other documents in connection therewith" in substantially the form and substance attached to this Resolution and made a part hereof for all purposes, is hereby specifically approved, and the Indenture of Trust, Loan Agreement, Contract of Purchase and Escrow Agreement described therein are hereby specifically approved, and the Series 1996 Bonds in the maximum principal amount of \$20,000,000 may be issued pursuant thereto for the purpose of financing and refinancing the costs of certain health facilities built and to be built by the Obligor, including the refunding of the Issuer's outstanding Prior Bonds, as described in said resolution, establishing a debt service reserve fund and paying a portion of the cost of issuance.

Section 2. The City of Mesquite hereby approves the issuance of the aforesaid Series 1996 Bonds in the maximum aggregate principal amount of \$20,000,000 for the Obligor, and further approves the Project as described in the Loan Agreement relating to the Series 1996 Bonds, and such approval shall be solely for the purposes of Section 147(f) of the Internal Revenue Code of 1986 and the City of Mesquite shall have no liabilities for the payment of the Series 1996 Bonds nor shall any of its assets be pledged to payment of the Series 1996 Bonds.

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DULY PASSED AND APPROVED by the City Council of the City of Mesquite,
Texas, on the 19th day of August, 1996.




Cathye Ray
Mayor

ATTEST:

APPROVED:



Ellen Williams
City Secretary



B. J. Smith
City Attorney

RESOLUTION OF MESQUITE HEALTH FACILITIES DEVELOPMENT CORPORATION
CONCERNING ISSUANCE OF REVENUE BONDS WITH RESPECT
TO CERTAIN HEALTH FACILITIES OF CHRISTIAN CARE CENTERS, INC.
AND AUTHORIZING THE EXECUTION AND DELIVERY OF ALL
FINANCING DOCUMENTS RELATING TO THE ISSUANCE, SALE,
AND DELIVERY OF SUCH BONDS, INCLUDING AN INDENTURE OF TRUST,
A LOAN AGREEMENT, A CONTRACT OF PURCHASE,
AN ESCROW AGREEMENT AND OTHER DOCUMENTS
IN CONNECTION THEREWITH

WHEREAS, the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code, as amended (the "Act"), empowers Mesquite Health Facilities Development Corporation (the "Issuer") to issue revenue bonds on behalf of the City of Mesquite, Texas (the "Unit") to finance or refinance the costs of acquisition or construction of "health facilities," as such term is defined by the Act; and

WHEREAS, the Issuer, at the request of Christian Care Centers, Inc., a Texas nonprofit corporation (the "Obligor"), has determined to issue its Health Care Revenue Bonds (Christian Care Centers, Inc. Project) Series 1996A (the "Series 1996A Bonds") in a maximum aggregate principal amount not to exceed \$16,000,000 for the purpose of financing and refinancing the costs of acquiring, constructing and improving certain health facilities built and to be built by the Obligor, including the refunding of the Issuer's outstanding Revenue Bonds, Series 1990A (Christian Care Centers, Inc. Project) (the "Series 1990A Bonds"), establishing a debt service reserve fund and paying a portion of the cost of issuance of the Series 1996A Bonds, and to issue its Health Care Revenue Bonds (Christian Care Centers, Inc. Project) Taxable Series 1996B (the "Series 1996B Bonds, which together with the Series 1996A Bonds are hereinafter collectively referred to as the "Series 1996 Bonds") in a maximum aggregate principal amount not to exceed \$4,000,000 for the purpose of refunding the Issuer's outstanding Revenue Bonds, Taxable Series 1992 (Christian Care Centers, Inc. Project) (the "Series 1992 Bonds, which together with the Series 1990A Bonds are hereinafter collectively referred to as the "Prior Bonds"), establishing a debt service reserve fund and paying a portion of the cost of issuance of the Series 1996 Bonds; and

WHEREAS, such health facilities have been and are hereby found by the Board of Directors of the Issuer to be required, necessary and convenient for health care, research and education within the State of Texas in order to assist in the maintenance of the public health; and

WHEREAS, the Issuer now desires (i) to provide for the payment of the principal of and premium, if any, and interest on the Series 1996 Bonds with revenues derived from the loan proceeds of the sale of the Series 1996 Bonds pursuant to the terms and provisions of the loan agreement; (ii) to provide for the sale of the Series 1996 Bonds; and (iii) to take and authorize certain other actions in connection with the foregoing; and

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WHEREAS, the Board of Directors of the Issuer (the "Board") has been presented with and has examined proposed forms of an indenture of trust, a loan agreement, a contract of purchase, a letter of representation, and an escrow agreement and the Board finds that the form and substance of such documents are satisfactory and the recitals and findings contained therein are true, correct and complete and hereby adopts and incorporates by reference such recitals and findings as if set forth in full in this resolution, and finds that it is in the best interest of the public and the Issuer and assists in carrying out the public purpose of the Issuer and of the Act to authorize the execution and delivery of such documents; and

WHEREAS, the Board understands that First Southwest Company and Ziegler Securities, a division of B.C. Ziegler and Company (collectively, the "Underwriter") intend to distribute a Preliminary Official Statement (as defined below) and an Official Statement (as defined below) in connection with the public offering and sale of the Bonds; and

WHEREAS, in connection with the preparation of the Preliminary Official Statement and the Official Statement, the Issuer has furnished the information to the Underwriter to be set forth in the Preliminary Official Statement and the Official Statement under the heading "The Issuer," and the Board now desires to authorize the use of such information in, and the distribution of, the Preliminary Official Statement and the Official Statement;

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

1. The Board hereby authorizes and directs the issuance of the Series 1996A Bonds in the maximum aggregate principal amount of \$16,000,000 and the Series 1996B Bonds in the maximum amount of \$4,000,000, all in accordance with an indenture of trust substantially in the form of the Indenture of Trust (the "Indenture"), by and between the Issuer and Texas Commerce Bank National Association, as trustee (the "Trustee"), a copy of which has been presented to the Board, the form, terms and provisions of such Indenture and the Bonds being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Indenture and the Series 1996 Bonds on behalf of the Issuer, and the Secretary and the Assistant Secretary of the Issuer are hereby severally authorized to attest and affix the Issuer's seal thereto, with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

2. The Board hereby authorizes the execution and delivery of a loan agreement, to provide for the loan of the proceeds of the sale of the Series 1996 Bonds by the Issuer to the Obligor, substantially in the form of the Loan Agreement (the "Loan Agreement"), by and between the Issuer and the Obligor, a copy of which has been presented to the Board, the form, terms and provisions of such Loan Agreement being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Loan Agreement on behalf of the Issuer, and the Secretary and the Assistant Secretary of the Issuer are hereby severally authorized to attest and affix the Issuer's seal thereto, with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by such execution thereto.

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WHEREAS, the Board of Directors of the Issuer (the "Board") has been presented with and has examined proposed forms of an indenture of trust, a loan agreement, a contract of purchase, a letter of representation, and an escrow agreement and the Board finds that the form and substance of such documents are satisfactory and the recitals and findings contained therein are true, correct and complete and hereby adopts and incorporates by reference such recitals and findings as if set forth in full in this resolution, and finds that it is in the best interest of the public and the Issuer and assists in carrying out the public purpose of the Issuer and of the Act to authorize the execution and delivery of such documents; and

WHEREAS, the Board understands that First Southwest Company and Ziegler Securities, a division of B.C. Ziegler and Company (collectively, the "Underwriter") intend to distribute a Preliminary Official Statement (as defined below) and an Official Statement (as defined below) in connection with the public offering and sale of the Bonds; and

WHEREAS, in connection with the preparation of the Preliminary Official Statement and the Official Statement, the Issuer has furnished the information to the Underwriter to be set forth in the Preliminary Official Statement and the Official Statement under the heading "The Issuer," and the Board now desires to authorize the use of such information in, and the distribution of, the Preliminary Official Statement and the Official Statement;

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

1. The Board hereby authorizes and directs the issuance of the Series 1996A Bonds in the maximum aggregate principal amount of \$16,000,000 and the Series 1996B Bonds in the maximum amount of \$4,000,000, all in accordance with an indenture of trust substantially in the form of the Indenture of Trust (the "Indenture"), by and between the Issuer and Texas Commerce Bank National Association, as trustee (the "Trustee"), a copy of which has been presented to the Board, the form, terms and provisions of such Indenture and the Bonds being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Indenture and the Series 1996 Bonds on behalf of the Issuer, and the Secretary and the Assistant Secretary of the Issuer are hereby severally authorized to attest and affix the Issuer's seal thereto, with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

2. The Board hereby authorizes the execution and delivery of a loan agreement, to provide for the loan of the proceeds of the sale of the Series 1996 Bonds by the Issuer to the Obligor, substantially in the form of the Loan Agreement (the "Loan Agreement"), by and between the Issuer and the Obligor, a copy of which has been presented to the Board, the form, terms and provisions of such Loan Agreement being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Loan Agreement on behalf of the Issuer, and the Secretary and the Assistant Secretary of the Issuer are hereby severally authorized to attest and affix the Issuer's seal thereto, with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by such execution thereto.

3. The Board hereby authorizes the execution and delivery of a contract of purchase, to provide for the sale of the Series 1996 Bonds, in the form of the Contract of Purchase, to be dated the date of its execution (the "Contract of Purchase"), between the Issuer and the Underwriter, a copy of which has been presented to the Board, the form, terms and provisions of such Contract of Purchase being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Contract of Purchase on behalf of the Issuer, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

4. The Board hereby authorizes the acceptance of a letter of representation, in the form of the Letter of Representation, to be dated the date of its execution (the "Letter of Representation"), from the Obligor to the Issuer and the Underwriter, a copy of which has been presented to the Board, the form, terms and provisions of such Letter of Representation being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and accept such Letter of Representation on behalf of the Issuer, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

5. The Board hereby authorizes the execution and delivery of an escrow agreement in the form of the Escrow Agreement (the "Escrow Agreement"), among the Obligor, the Issuer and the trustee for the Prior Bonds, as escrow agent, a copy of which has been presented to the Board, the form, terms and provisions of such Escrow Agreement being hereby authorized and approved, and the President and the Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Escrow Agreement on behalf of the Issuer, and the Secretary and the Assistant Secretary of the Issuer are hereby severally authorized to attest and affix the Issuer's seal thereto, with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

6. The actions and obligations authorized in Paragraphs 1 through 5 of this Resolution shall be subject to and conditioned upon the receipt by the Issuer, at the date of delivery of and payment for the Series 1996 Bonds, of the purchase price for the Series 1996 Bonds and such opinions, evidences, certificates, instruments or other documents as shall be requested by the Issuer's Counsel or by Bond Counsel, to evidence due performance or satisfaction by the Obligor and the Underwriter at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

7. The issuance of the Series 1996 Bonds, in accordance with the Indenture, is hereby authorized, and the Board hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct.

8. The Series 1996 Bonds shall be in the form prescribed in the Indenture.

9. The Board hereby authorizes the use of the information described in the last recital of this Resolution in the preliminary official statement (the "Preliminary Official Statement") and the official statement, to be dated the date of the Contract of Purchase (the "Official Statement"), and the

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distribution of the Preliminary Official Statement and the Official Statement, provided that, in adopting this Resolution the Issuer does not accept responsibility for the Preliminary Official Statement or the Official Statement except for the information described as having been provided by it in the last recital of this Resolution.

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

11. It shall be the duty of the President or the Vice President of the Board to deliver the Series 1996 Bonds to the Attorney General of Texas for examination and approval by the Attorney General. After the Series 1996 Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Series 1996 Bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Certificate of Registration prescribed in the Indenture to be attached to each of the Series 1996 Bonds to be initially delivered to the Underwriter, and the seal of said Comptroller shall be affixed thereto.

12. The officers of the Issuer hereby are authorized and directed to deliver to the Trustee written instructions for the delivery of the Series 1996 Bonds to the Underwriter upon payment of the purchase price.

13. The proper officers of the Issuer are hereby authorized, in the name and on the behalf of the Issuer, to execute and file such instruments and papers, and to take or cause to be taken all such other action, as they may deem necessary or advisable in order to comply with the requirements of the Securities or "Blue Sky" laws of any jurisdiction in connection with the offering and sale of the Series 1996 Bonds, and all action heretofore taken by the officers or other representatives of the Issuer in connection with such laws is hereby approved, ratified and confirmed.

14. The Board hereby authorizes and directs the Secretary or any other officer of the Board to cause to be delivered to the City Secretary of the City of Mesquite, Texas a Notice of Intention to Issue Bonds in substantially the form presented to the Board. Such notice shall be delivered to the City Secretary not later than the 15th day prior to the date the Series 1996 Bonds are expected to be issued.

15. The Issuer finds it to be necessary and appropriate, in order to achieve stability in debt service on its outstanding obligations issued for the benefit of the Obligor to refund the Prior Bonds and the officers of the Issuer are hereby authorized to take all steps necessary to redeem the Series 1990A Bonds on March 1, 2000 and to redeem the Series 1992 Bonds on November 1, 1996.

16. The proper officers of the Issuer are hereby authorized, in the name and on behalf of the Issuer, to execute and file such instruments and papers, and to take or cause to be taken all such other actions, as they may deem necessary or advisable in order to effect the refunding and redemption of the Prior Bonds.

17. The Board directs that Bond Counsel submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 1996 Bonds are issued, statements containing the information required by Section 149(e) of the Internal Revenue Code of 1986 and any officer of the Issuer is hereby authorized to sign such statements.

18. This Resolution shall take effect and be in full force and effect upon and after its passage.
