

INDUCEMENT AND INDEMNITY AGREEMENT

ANGELINA AND NECHES RIVER AUTHORITY
INDUSTRIAL DEVELOPMENT CORPORATION
P.O. Box 387
Lufkin, Texas 75902-0387

Gentlemen:

The below named Applicant (the "Applicant") has this day filed with your Corporation an Application of Financing Participation (the "Application") pursuant to the Development Corporation Act, Chapter 501, Texas Local Government Code, as amended, and in accordance with your Procedures in effect on the date hereof.

As an inducement to your Corporation and the Angelina and Neches River Authority to accept, review and favorably consider and approve the Application and to issue the obligations therein contemplated, and whether or not all or any part thereof are ever actually approved or issued by you, the Applicant hereby irrevocably agrees that it will (a) pay all project costs which are not or cannot be paid or reimbursed from the proceeds of obligations issued by you, and (b) at all times indemnify and hold harmless your Corporation and the members and officers of its Board of Directors and the Angelina and Neches River Authority, and the members and officers of its Board of Director against all losses, costs, damages, expenses, and liabilities of whatsoever nature or kind (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment) directly or indirectly resulting from, arising out of or related to the acceptance, consideration and approval or disapproval of such Application or the issuance, offering, sale or delivery of any such obligations, or the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Project.

It is understood and agreed that this Inducement and Indemnity Agreement shall be continuing and shall survive and continue to be effective after any approval or disapproval of the Application and the issuance or failure to issue any such obligations and the construction and operation of the Project. It is also understood that additional indemnity agreements may be required by you from the Applicant or others, such as guarantors, prior to the final approval of the Application.

This Inducement and Indemnity Agreement shall be effective upon execution by you where indicated below, and the same is dated this _____.

Sincerely,

Applicant

By: _____
Authorized Representative