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Friday, Eldredge & Clark, LLP
6/21/21

CITY OF JONESBORO, ARKANSAS

and

NESTLÉ PREPARED FOODS COMPANY

LEASE AGREEMENT

Dated as of _____ 1, 2021

LEASE AGREEMENT

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LEASE AGREEMENT

This LEASE AGREEMENT, dated as of _____ 1, 2021, by and between CITY OF JONESBORO, ARKANSAS, a municipality organized and existing under the laws of the State of Arkansas (the "Issuer"), and NESTLÉ PREPARED FOODS COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania (the "Company").

W I T N E S S E T H:

WHEREAS, the Issuer is authorized and empowered under the laws of the State of Arkansas, including particularly Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds and expend the proceeds thereof to finance the cost of acquiring, constructing and equipping facilities for securing or developing industry; and

WHEREAS, certain industrial facilities (described in Article I hereof and collectively referred to herein as the "Project") have been, and are being acquired, constructed and installed by or on behalf of the Company located within the boundaries of the Issuer; and

WHEREAS, at the request of the Company and in furtherance of the purposes of the Act, the Issuer proposes to issue its revenue bonds under the Act in the aggregate principal amount of not to exceed \$100,000,000 (identified in Article I hereof and referred to herein as the "Bonds"), for the purpose of financing the cost of acquiring, constructing and installing the Project, and to lease the Project to the Company upon the terms and conditions set forth herein; and

WHEREAS, the Company is entering into this Lease Agreement for the purpose of achieving ad valorem tax savings with respect to the Project, the accomplishment of which the Issuer has determined will furnish substantial employment and payrolls and will thereby promote the economic welfare of the inhabitants of the Issuer and adjacent areas in furtherance of the public purpose of the Act; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer has previously issued its Taxable Industrial Development Revenue Bonds (Nestlé USA Project), Series 2002, in the aggregate principal amount of not to exceed \$225,000,000 (the "Prior Bonds"), for the purpose of financing the cost of acquiring, constructing and equipping substantially all of the industrial facilities comprising the industrial plant operated by the Company (identified in Article I hereof and referred to herein as the "Plant"), which has been leased to the Company upon the terms and conditions set forth in a Lease Agreement dated as of July 1, 2002 (the "Prior Lease"), by and between the Issuer and the Company;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the words and terms elsewhere defined in this Lease Agreement or in the Indenture, the following words and terms as used in this Lease Agreement shall have the following meanings unless the context or use indicates another or different meaning:

"Act" -- Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated, as enacted and amended from time to time.

"Bonds" -- The City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Nestlé Prepared Foods Company Project), Series 2021, in the aggregate principal amount of not to exceed \$100,000,000, issued under and secured by the Indenture.

"Bond Fund" -- The fund by that name created and established in Section 501 of the Indenture.

"City Clerk" -- The person holding the office and performing the duties of City Clerk of the Issuer.

"Company" -- Nestlé Prepared Foods Company, a corporation organized and existing under the laws of the State of Pennsylvania, and its permitted successors and assigns hereunder.

"Company Representative" -- The person or persons at the time designated to act on behalf of the Company as evidenced by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Company by its President, any Vice President, or its Treasurer. Such certificate may designate an alternate or alternates.

"Completion Date" -- The date of completion of the acquisition, construction and installation of the Project, as that date shall be determined by the Company and certified as provided in Section 3.4 hereof.

"Construction Fund" -- The fund by that name created and established in Section 501 of the Indenture.

"Environmental Laws" -- Any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Plant, now or hereafter enacted or interpreted, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. Sections 9601 et seq., and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq.

"Event of Default" -- Any event of default specified in Section 8.1 hereof.

"Excess Bond Fund Moneys" -- As of any payment date under Section 5.3 hereof, moneys in the Bond Fund on such date in excess of the amount required for payment of the principal of the Bonds which have matured on a maturity date or on a redemption date prior to such payment date, and past due interest, in all cases where Bonds have not been presented for payment.

"Hazardous Substances" -- Any one or more of the following substances, materials and wastes:

(a) Those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances" or "solid waste" in CERCLA, RCRA and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq. and in the regulations promulgated pursuant to said laws;

(b) Those substances defined as "hazardous wastes" or "PCB" in the applicable statutes of the State of Arkansas, as amended from time to time, and in the regulations promulgated thereunder;

(c) Those substances listed in the United States Department of Transportation Table (49 CFT 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(d) Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, which are classified as hazardous, corrosive, ignitable, or toxic under federal, state or local laws or regulations; and

(e) Any material, waste or substance which is (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. 1321) or listed pursuant to Section 3078 of the Clean Water Act (33 U.S.C. 1317); (v) flammable explosives; or (vi) radioactive materials.

"Indenture" -- The Trust Indenture dated as of _____ 1, 2021, by and between Issuer and Trustee, securing the Bonds, and any amendments and supplements thereto.

"Issuer" -- City of Jonesboro, Arkansas, a political subdivision of the State of Arkansas, and its successors and assigns.

"Lease Agreement" -- This Lease Agreement and any amendments and supplements hereto.

"Lease Payments" -- All amounts required to be paid by the Company to the Issuer (and the Trustee as the assignee of the Issuer) pursuant to Section 5.3 of this Lease Agreement.

"Mayor" -- The person holding the office and performing the duties of the Mayor of the Issuer.

"Outstanding" -- When used with reference to the Bonds, as of any particular date, the aggregate of all Bonds authenticated and delivered under the Indenture, except:

(a) Bonds canceled at or prior to such date or delivered to or acquired by the Trustee prior to such date for cancellation;

(b) Bonds deemed to be paid in accordance with Article IX of the Indenture; and

(c) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture.

"Permitted Encumbrances" -- (i) This Lease Agreement and the Indenture; (ii) liens for taxes, assessments, and other governmental charges not then delinquent or being contested in good faith and by appropriate proceedings; (iii) any mechanic's, laborer's, materialmen's, worker's, repairmen's, employee's, supplier's, or vendor's lien (or other like lien) arising in the ordinary course of business or in connection with the construction of the Project and which are not yet due and payable or which are being contested in good faith and by appropriate proceedings; (iv) utility, access and other easements and rights of way, restrictions, reversions and exceptions that will not interfere with or impair the operations being conducted on the Project or that are granted pursuant to the terms hereof; (v) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not materially impair the value or utility of the Project; (vi) any leasehold mortgage; and (vii) any other defect, irregularity, encumbrance, easement, right of way or cloud on title which is waived or permitted in writing by the Company.

"Plant" -- The industrial plant operated by the Company, located at 1 Nestle Way, Jonesboro, Arkansas 72401. For Identification purposes only, the Plant site is described in Exhibit C hereto.

"Prior Bonds" -- The City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Nestlé USA Project), Series 2002, in the aggregate principal amount of not to exceed \$225,000,000.

"Prior Lease" -- The Lease Agreement dated as of July 1, 2002, by and between the Issuer and the Company (previously "Nestlé USA - Prepared Foods Division, Inc."), entered into in connection with the issuance of the Prior Bonds, filed and recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas in Record Book ____, at Page ____.

"Project" -- The buildings, structures and other improvements, and those items of machinery, equipment and other tangible personal property acquired, constructed and installed, in whole or in part, with the proceeds of the Bonds (including any changes in, additions to, substitutions for or deletions of facilities or portions thereof made under Section 3.3 hereof). As presently contemplated by the existing plans and specifications prepared by or on behalf of the Company, the Project is generally described in Exhibit A hereto. In no event shall the term "Project" include the land on which the above-mentioned buildings, structures or other improvements are constructed.

"Project Costs" -- All costs and expenses incurred with respect to the development, design, engineering, acquisition, installation, construction, assembly, inspection, testing, completion and start-up of the Project, including, without limitation:

(a) obligations of the Issuer or the Company incurred for labor and materials (including obligations payable to the Company) in connection with the acquisition, construction or installation of the Project, including reimbursement to the Company or its affiliates for all advances and payments (including interest) made prior to or after delivery of the Bonds;

(b) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of construction of the Project;

(c) all costs of engineering and architectural services, including the costs of the Issuer or the Company for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper construction of the Project;

(d) all expenses incurred in connection with the issuance of the Bonds, including, without limitation, compensation and expenses of the Trustee, compensation to any financial consultants or underwriters, legal fees and expenses, costs of printing, and recording and filing fees;

(e) all fees for recording this Lease Agreement and the Indenture or filing any financing statements;

(f) any sums required to reimburse the Issuer or the Company for advances (including interest) made by either of them or any of the Company's affiliates for any of the above items or for any other costs incurred and for work done by either of them or any of the Company's affiliates which are properly chargeable to the Project;

(g) all costs which the Issuer or the Company shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction, or installation of the Project; and

(h) interest on the Bonds prior to the Completion Date.

"Purchaser" -- Nestlé Capital Corporation, a Delaware corporation, and its successors and assigns. The Purchaser is the original purchaser of the Bonds.

"Trustee" -- The bank or trust company designated as Trustee in the Indenture, and its successor or successors as such Trustee under the provisions of the Indenture or by operation of law. The original Trustee is The Bank of New York Mellon Trust Company, National Association, Pittsburgh, Pennsylvania.

Section 1.2. Use of Words and Phrases. "Herein", "hereby", "hereunder", "hereof", "hereinabove", "hereinafter", and other equivalent words and phrases refer to this Lease Agreement and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders. The term "including" shall mean "including without limitation."

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations and Warranties of the Issuer. The Issuer makes the following representations and warranties as the basis for the undertakings herein contained:

(a) The Issuer is a municipality duly organized and existing under the laws of the State of Arkansas.

(b) The Issuer has the power to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder. By proper action the Issuer has been duly authorized to execute and deliver this Lease Agreement.

(c) The Issuer has not and will not except as otherwise required by mandatory provisions of law, assign, pledge or give a security interest in its interest in this Lease Agreement other than to secure the Bonds.

(d) The acquisition, construction, and installation of the Project will promote the securing and developing of industry and will thereby further the public purposes of the Act.

Section 2.2. Representations and Warranties of the Company. The Company makes the following representations and warranties as the basis for the undertakings herein contained:

(a) The Company is a corporation duly organized under the laws of the State of Pennsylvania and is in good standing under the laws of such state, is duly authorized to do business in the State of Arkansas and is in good standing under the laws of such state, has the power under its Certificate of Incorporation and Bylaws to enter into this Lease Agreement, and has duly authorized the execution and delivery of this Lease Agreement by proper corporate action.

(b) The Project is of the type authorized and permitted by the Act, and the Company intends to operate the Project to the expiration or earlier termination of this Lease Agreement for industrial purposes.

(c) Estimated Project Costs have been determined in accordance with sound engineering and accounting principles, and the Company estimates that all of the proceeds of the Bonds will be expended to pay such Project Costs.

(d) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the compliance with the terms and conditions of this Lease Agreement conflicts with or results in a breach of the terms, conditions or provisions of any agreement or instrument to which Company is now a party or by which Company is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien,

charge or encumbrance whatsoever (other than Permitted Encumbrances) upon any of the property or assets of Company.

(e) All representations and warranties of the Company contained in any certificate required to be given in connection with the issuance of the Bonds will be true and correct in all material respects as of the date of such certificate.

ARTICLE III

THE PROJECT

Section 3.1. Acquisition, Construction and Installation of the Project. The Company shall cause the Project to be acquired, constructed and installed with all reasonable dispatch in order to effectuate the purposes of the Act. The Company shall have the sole responsibility under this Lease Agreement for the acquiring, constructing and installing of the Project and may perform the same itself or through its agents, and may make or issue such contracts, orders, receipts and instructions, and in general do or cause to be done all such other things as it may in its sole discretion consider requisite or advisable for the acquiring, constructing and installing of the Project and for fulfilling its obligations under this Article III. The Company shall have full authority and the sole right under this Lease Agreement to supervise and control, directly or indirectly, all aspects of the acquiring, constructing and installing of the Project. Title to the Project shall be placed in the Issuer.

Section 3.2. Company Required to Pay in Event Proceeds of Bonds Insufficient. In the event the proceeds of the issuance and sale of the Bonds available for payment of Project Costs should not be sufficient to pay the Project Costs in full, the Company agrees to complete the Project and to pay that portion of the Project Costs in excess of the moneys available therefor from the proceeds of the Bonds. The Issuer does not make any warranty, either expressed or implied, that the proceeds of the issuance and sale of the Bonds available for payment of Project Costs will be sufficient to pay all of the Project Costs. The Company agrees that if after exhaustion of Bond proceeds the Company should pay any portion of the Project Costs pursuant to the provisions of this Section, the Company shall not be entitled to reimbursement therefor from the Issuer or from the Trustee or from the holders of any of the Bonds, nor shall the Company be entitled to any diminution of the amounts payable under Section 5.3 hereof.

Section 3.3. Revision of Scope, Plans and Specifications. The Company may revise the scope, plans and specifications for the Project at any time and from time to time in any respect, including, without limitation, any changes therein, additions thereto, substitutions therefor and deletions therefrom; provided, however, that no such revision shall materially impair the effective use of the Project contemplated by this Lease Agreement or shall render inaccurate any of the representations contained in Section 2.2 hereof.

Section 3.4. Certification of Completion Date. Promptly after the Completion Date, the Company shall submit to the Issuer and the Trustee a certificate, executed by a Company Representative, which shall specify the Completion Date and shall state that acquisition, construction and installation of the Project have been completed and the Project Costs have been paid or set aside for payment, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Company. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

Section 3.5. Termination of Construction or Operation. Anything in this Lease Agreement to the contrary notwithstanding, the Company shall have the right at any time to terminate the acquisition, construction, installation or operation of the Project or change the scope of the Project or any part thereof, if the Company shall have determined that the continued acquisition, construction and installation or operation of the Project is impracticable, uneconomical or undesirable for any reason. Promptly after such termination, the Company shall submit to the Issuer and the Trustee a certificate, executed by a Company Representative, which shall state that the Project Costs, to the extent of the acquisition, construction, installation and operation of the Project as of the date of such termination, have been paid, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Company. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being. After such termination, title to the Project shall promptly, and in no event later than ten (10) days following such termination, be transferred to the Company in the same manner as provided in Section 10.3 hereof.

ARTICLE IV

ISSUANCE OF THE BONDS

Section 4.1. Issuance of the Bonds. The Issuer shall issue the Bonds under and in accordance with the Indenture. The Company hereby approves the issuance of the Bonds and all terms and conditions thereof.

Section 4.2. Disposition of Bond Proceeds. The proceeds from the issuance and sale of the Bonds shall be disbursed to the Company from time to time for payment of Project Costs or reimbursement of Project Costs paid or to be paid by the Company or its affiliates incidental to the acquisition, construction and installation of the Project, in accordance with and pursuant to requisitions as provided in Section 602 of the Indenture.

ARTICLE V

RENTAL PROVISIONS

Section 5.1. Lease of Project. The Issuer hereby demises and leases to the Company, subject to Permitted Encumbrances, and the Company hereby leases from the Issuer, subject to Permitted Encumbrances, for and during the term of this Lease Agreement, the following (the "Project"):

- (a) Improvements Only: The buildings, structures and other improvements described in Exhibit A hereto as the same are now or hereafter erected and installed by or on behalf of the Issuer and paid for, in whole or in part, with the proceeds of the Bonds, located in the areas of the Plant site highlighted on the map thereof attached hereto as Exhibit B, excluding the land on which such buildings, structures or other improvements are constructed.

- (b) Personal Property: All machinery, equipment and other tangible personal property acquired by or on behalf of the Issuer and paid for, in whole or in part, with the proceeds of the Bonds and placed in the Plant or elsewhere, including, without limitation, all replacements and substitutions which become the property of the Issuer pursuant to the provisions of this Lease Agreement. All such machinery, equipment and other tangible personal property shall be identified in a ledger which shall be maintained by the Company in the Plant; provided, however, the failure to so identify such property in such ledger shall not prevent any item of machinery, equipment or other tangible personal property from becoming part of the Project and leased under this Lease Agreement if, pursuant to the provisions hereof, it should be part thereof.

TO HAVE AND TO HOLD the Project unto the Company for the term of this Lease Agreement as hereafter set forth.

Section 5.2. Term. The term of this Lease Agreement shall commence on _____ 1, 2021, and shall continue until _____ 1, 2051, and as long thereafter as any of the Bonds remain outstanding under the Indenture, unless sooner terminated or extended as provided herein.

Section 5.3. Lease Payments and Payment of Other Amounts Payable. (a) On or before any date that principal of or interest on the Bonds is due as set forth in the Indenture and the date of final payment of the principal of and interest on the Bonds or any date fixed for the redemption of any or all of the Bonds pursuant to the Indenture, the Company covenants and agrees to pay or to cause to be paid in lawful money of the United States of America to the Trustee, as Lease Payments,

a sum equal to the amount payable on such payment date as principal (whether at maturity, upon redemption or otherwise) of and interest on the Bonds as provided in the Indenture. Except as may be otherwise provided in any home office payment agreement entered into pursuant to the provisions of Section 214 of the Indenture, each payment made pursuant to this Section shall be made in immediately available funds at the principal corporate trust office of the Trustee during normal banking hours.

In the event that the payment of the principal of and accrued interest on the Bonds is accelerated under Section 1002 of the Indenture, the Company covenants and agrees to pay, or cause to be paid, to the Trustee as provided above a sum equal to all the principal of and interest on the Bonds then outstanding.

Each payment pursuant to this Section shall at all times be sufficient to pay the amount of principal (whether at maturity, upon redemption or otherwise) of and interest payable on the Bonds on the date that such payment is due; provided that Excess Bond Fund Moneys held by the Trustee in the Bond Fund on such date shall be credited against the payment due on such date. Subject to the provisions of the next succeeding sentence, if at any time the amount held by Trustee in the Bond Fund should be sufficient (and remain sufficient) to pay at the times required the principal of and interest on the Bonds then remaining unpaid, the Company shall not be obligated to make any further payments under the provisions of this Section. Notwithstanding the provisions of the preceding sentence, if on any date Excess Bond Fund Moneys held by Trustee in the Bond Fund are insufficient to make the then required payments of principal (whether at maturity, upon redemption or otherwise) of and interest on the Bonds on such date, the Company shall forthwith pay such deficiency as a payment hereunder.

(b) The Company agrees to pay the fees, charges and reasonable and necessary expenses, including reasonable attorneys' fees, of the Trustee and any paying agent.

(c) The Company agrees to pay or cause to be paid, promptly upon receipt of an invoice therefor (with reasonable supporting documentation) from the Issuer, as additional rent, the reasonable and necessary expenses incurred by the Issuer with respect to this Lease Agreement, the Indenture, and any transaction or event contemplated by this Lease Agreement or the Indenture, which are not otherwise required to be paid by the Company under the terms of this Lease Agreement.

(d) In the event the Company should fail to make, or cause to be made, any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid.

Section 5.4. No Defense or Set-off -- Unconditional Obligation. The obligations of the Company to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of set-off, recoupment or counterclaim it might otherwise have against the Issuer

or the Trustee, and the Company shall pay absolutely net during the term of this Lease Agreement the payments to be made as prescribed in Section 5.3 and all other payments required hereunder free of any deductions and without abatement, diminution or set-off; and until such time as the principal of and interest on the Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Company: (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof; (ii) will perform and observe all of its other agreements contained in this Lease Agreement; and (iii) except as provided in Article VIII hereof or Section 3.5 hereof, will not terminate this Lease Agreement for any cause, including, without limiting the generality of the foregoing, failure to complete the Project, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or the State of Arkansas or any political subdivision of such state, or any failure of the Issuer or the Trustee to perform or observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement or the Indenture. Notwithstanding anything herein to the contrary, any home office payment agreement entered into pursuant to the provisions of Section 214 of the Indenture may provide for set-off any obligation of the Company to the owner of any Bond who is a party to such agreement against the obligations of the Company to make the payments required in Section 5.3 hereof with respect to such Bond.

Section 5.5. Quiet Enjoyment. The Issuer covenants that the Company, upon paying the rentals and performing all covenants, obligations and agreements on the part of Company to be performed under this Lease Agreement, shall and may peaceably and quietly have, hold and enjoy the Project for the term of this Lease Agreement and shall be entitled to all revenues generated therefrom subject to all of the provisions of this Lease Agreement pertaining thereto.

Section 5.6. Prior Lease. So long as the Prior Lease is in force and effect, this Lease Agreement shall be inoperative to any portion of the premises covered by and subject to the Prior Lease without having any effect on the amount of Lease Payments payable hereunder pursuant to Section 5.3 hereof; provided, however, upon the expiration or earlier termination of the Prior Lease, any such property that is covered by the terms of this Lease Agreement shall be automatically subject to each and every term and condition of this Lease Agreement and such addition shall not affect the amount of Lease Payments payable hereunder.

ARTICLE VI

SPECIAL COVENANTS AND AGREEMENTS

Section 6.1. Maintenance of Corporate Existence. The Company agrees that it will do all things necessary to preserve and keep in full force and effect and in good standing its existence, material rights and material franchises under the laws of the state of its organization and will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it, except the Company may, without violating the foregoing, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or transfer (other than by way of an assignment as security for obligations of the Company) all or substantially all of its assets to another entity (thereafter dissolving or not dissolving as it may elect), if either (a) such consolidation, merger, or transfer is approved in writing by the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds), or (b) the entity surviving such merger or resulting from such consolidation, or the entity to which all or substantially all of the assets of the Company are transferred, as the case may be: (i) shall qualify to do business in the State of Arkansas under the laws thereof, and (ii) shall assume in writing all of the obligations of the Company hereunder. Upon and after such consolidation, merger or transfer meeting the foregoing conditions, the Company shall be relieved from liability for its obligations hereunder.

Section 6.2. Release and Indemnification Covenants. (a) The Company shall and hereby agrees to indemnify and save the Issuer and the Trustee harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Project or the Plant during the term of this Lease Agreement from (i) any condition of the Project or the Plant, (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Lease Agreement, (iii) any act or negligence of the Company or any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company. The Company shall indemnify and save the Issuer and the Trustee harmless from any such claim arising as aforesaid from (i), (ii), (iii) or (iv) above, or in connection with any action or proceeding brought thereon, and upon notice from the Issuer or the Trustee, the Company shall defend them or any of them in any such action or proceeding. Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be entitled to indemnification for any claim arising out of its own gross negligence or willful misconduct.

(b) Notwithstanding the fact that it is the intention of the parties that the Issuer shall not incur pecuniary liability by reason of the terms of this Lease Agreement, or the undertakings required of the Issuer hereunder by reason of the issuance of the Bonds, the execution of the Indenture, the performance of any act required of the Issuer by this Lease Agreement, or the performance of any act requested of the Issuer by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless,

if the Issuer should incur any such pecuniary liability, then in such event the Company shall indemnify and hold the Issuer harmless against all claims by or on behalf of any person, firm or corporation or other legal entity arising out of the same, and all reasonable costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon written notice from the Issuer, the Company shall defend the Issuer in any such action or proceeding, except to the extent such claim, cost or expense arises from the gross negligence or willful misconduct of the Issuer.

(c) The provisions of this Section 6.2 shall survive the retirement or defeasance of the Bonds, the expiration of this Lease Agreement and the Indenture, and the removal and resignation of the Trustee for any reason.

Section 6.3. Qualification of Company in Arkansas. The Company agrees that throughout the term of this Lease Agreement it will be qualified to do business in the State of Arkansas.

Section 6.4. Permits or Licenses. In the event that it may be necessary for the proper performance of this Lease Agreement on the part of the Company or the Issuer that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Company or the Issuer, the Company and the Issuer each shall, upon the request of either, execute such application or applications.

Section 6.5. Access to Plant. The Issuer shall have the right, upon reasonable advance notice to the Company, to have reasonable access to the Plant and the books and records of the Company with respect to the Project during normal business hours for the purpose of ascertaining the Company's compliance with the terms and conditions hereof. In making such inspections, the Issuer will observe the Company's prevailing security and safety arrangements. Nothing contained in this Section 6.5 or in any other provision of this Lease Agreement shall be construed to entitle the Issuer to any information or inspection involving the confidential know-how or other proprietary information of the Company, and prior to any such inspection the Company may require the Issuer to enter into a confidentiality agreement in form and substance satisfactory to the Company and as permitted by the Arkansas Freedom of Information Act with respect to any information involving the confidential know-how or other proprietary information of the Company.

Section 6.6. Maintenance and Insuring of Project. (a) The Company shall at all times maintain, preserve and keep the Project, and every material element and unit thereof, in good repair, working order and condition (subject to scheduled and unscheduled outages), and from time to time make all necessary repairs and renewals thereto, all as the Company, in its sole discretion, may deem to be desirable for its uses and purposes. The Company may discontinue the operation of the Project, or any element or unit thereof, if, in the sole discretion of the Company, it is no longer advisable to operate the same, or if the Company intends to sell and dispose of the same. After the Completion Date, the Company may at its own expense remodel the Project or make such substitutions, modifications and improvements to the Project from time to time as it, in its sole discretion, may

deem to be desirable for its uses and purposes, which remodeling, substitutions, modifications and improvements shall be included under the terms of this Lease Agreement as part of the Project.

(b) The Company shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery, equipment or other tangible personal property which is part of the Project hereunder. In any instance where the Company in its sound discretion determines that any such items of leased machinery, equipment or other tangible personal property have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Company may remove such items from the Project and (on behalf of the Issuer) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer therefor, provided that the Company may substitute (either by direct payment of the costs thereof or by advancing to the Issuer the funds necessary therefor) and install anywhere on or in the Project other machinery, equipment or other tangible personal property having equal or greater utility (but not necessarily having the same function) in the operation of the Project as a modern industrial facility (provided such removal and substitution shall not impair the operating unity of the remaining property), all of which substituted property shall be free of all liens and encumbrances (other than Permitted Encumbrances) but shall become a part of the Project hereunder. The removal from the Project of any portion of the leased machinery, equipment or other tangible personal property shall not entitle the Company to any abatement or diminution of the rents payable under Section 5.3 hereof.

(c) The Company shall keep the Project insured against fire and other risks as are customarily insured against by the Company in its other businesses of like size and type, by reputable insurance companies or, at the Company's election, partially or wholly by means of an adequate self-insurance program or in conjunction with other companies through an insurance fund, trust or other agreement. Each policy of insurance shall name the Issuer and the Company as insureds as their respective interests may appear. All proceeds of such insurance shall be for the account of the Company or its designee.

Section 6.7. Recordation and Filing. The Company covenants that it will cause the Indenture and this Lease Agreement, such security agreements, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept, to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the holders and owners of the Bonds and the rights of Trustee under such instruments, and to perfect the security interest created by the Indenture.

Section 6.8. Hazardous Substances; Compliance with Environmental Laws. (a) Except in material compliance with all Environmental Laws, the Company shall not acquire, use, generate, manufacture, produce, store, release, discharge, dispose of, or arrange for the disposal of on, under or about the Project or transport to or from the Project any Hazardous Substance or allow any other person or entity to do so.

(b) The Company shall keep and maintain the Project in material compliance with, and shall not cause or permit the Project to be in material violation of, any Environmental Law.

(c) The Company shall give prompt written notice to the Issuer of:

(i) Any proceeding by any government authority with respect to the presence, use or disposal of any Hazardous Substance on the Project or the migration thereof from or to other property;

(ii) All claims made in writing by any third party against the Company or the Project relating to loss or injury from any Hazardous Substance;

(iii) The Company's discovery of any occurrence or condition on the Project or adjoining real property or in the vicinity of the Project that could reasonably be expected to cause the Project or part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Project under any Environmental Law or to be subject to response or cleanup costs.

Section 6.9. Taxes and Other Impositions. (a) The Company shall pay, promptly as the same become due and payable, every lawful tax or other governmental imposition of every kind and nature, foreseen or unforeseen, for the payment of which the Company is or shall become liable by reason of its estate or interest in the Project or any portion thereof, by reason of any right or interest of the Company in or under this Lease Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other tangible personal property installed or brought by the Company therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the receipts, income or profits of the Issuer from the Project and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project); provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as they become due; and provided further, that the Company may contest in good faith any such taxes, assessments and other charges and, in such event, may permit the taxes, assessments or other charges so contested to remain unpaid during any period, including appeals, when the Company is in good faith contesting the same, so long as (a) reserves have been established in an amount reasonably sufficient to pay any such taxes, assessments or other charges, accrued interest thereon and potential penalties or other costs relating thereto, or other reasonably adequate provision for the payment thereof shall have been made, (b) enforcement of the contested tax, assessment or other charge is effectively stayed for the entire duration of such contest, and (c) any tax, assessment or other charge determined to be due, together with any interest or penalties thereon, is promptly paid after resolution of such contest.

(b) The parties hereto recite knowledge of the decisions of the Supreme Court of the State of Arkansas in Wayland v. Snapp, 232 Ark. 57, 334 S.W. 2d 633 (1960) and Pulaski County v. Jacuzzi Bros. Div., 332 Ark. 91, 964 S.W.2d 788 (1998), concerning the exemption of properties owned by municipalities and used for securing and developing industry under and pursuant to the provisions of the Act. The Issuer has represented to the Company and the Issuer and the Company acknowledge that under their and other interpretations of present law, no part of the Project will be subject to ad valorem taxation by the State of Arkansas or by any political or taxing subdivision thereof, and these factors, among others, materially induced the Company to enter into this Lease Agreement. However, the Company will pay all impositions, if any, in connection with the Project which may be lawfully levied or assessed upon the Project when the same shall become due; provided, however, that the Company may contest any such impositions and need not pay during the pendency of such contest except the Company shall in all events, pay to prevent the Project becoming subject to loss or forfeiture. The Issuer hereby agrees that it will cooperate with the Company in resisting any such impositions if and to whatever extent the Company may request.

Section 6.10. Condemnation. (a) If all or any part of the Project is taken or condemned as the result of the exercise of the power of eminent domain, this Lease Agreement shall not terminate and the rentals hereunder shall not abate. The net amount awarded as damages or paid as a result of such taking (being the gross award less attorney's fees and other expenses and costs incurred in the condemnation proceedings) shall be paid to the Company.

(b) The Company shall have the right, proceeding in the name of the Issuer, to handle defense or prosecution of any condemnation proceeding and to negotiate any settlement or compensation for a taking pertaining to or affecting the Project. The Issuer agrees that it will cooperate with the Company in such manner as it requests with the end in view of obtaining the maximum possible amount justifiable as damages for the taking, and will not settle any condemnation proceeding without the prior written consent of the Company.

(c) Notwithstanding the fact that all or any part of the Project shall be taken by right of eminent domain, the Company shall have the right to exercise any option granted to it by the provisions of Article X hereof.

Section 6.11. Damage or Destruction. If all or any part of the Project is damaged or destroyed by fire or other casualty, this Lease Agreement shall not terminate and the rentals hereunder shall not abate. In repairing any damage to the Project resulting from any casualty, the Company may make such repairs in such manner and to such extent as it deems appropriate for its purposes, and shall not be liable for the restoration of the Project to the condition existing prior to such casualty.

ARTICLE VII

ASSIGNMENT, LEASING AND SELLING

Section 7.1. Conditions. The Company's interest in this Lease Agreement may be assigned in whole or in part, and the Project may be subleased as a whole or in part (whether a specific element or unit or an undivided interest), by the Company, subject, however, to the condition that no assignment or sublease shall relieve the Company from liability for its obligations hereunder, other than (a) those obligations relating to the utilization of the Project which obligations, to the extent of the interest assigned, leased or sold, shall be deemed to be satisfied and discharged, and (b) as described in Section 6.1 hereof.

Section 7.2. Instrument Furnished to Trustee. The Company shall, within fifteen (15) days after the delivery thereof, furnish to the Issuer and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment, lease or sale.

Section 7.3. Limitation. This Lease Agreement shall not be assigned nor shall the Project be leased or sold, in whole or in part, except as provided in this Article VII or in Section 5.4 or 6.1 hereof.

Section 7.4. Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will assign to the Trustee the Issuer's rights under this Lease Agreement (except for the Issuer's rights under Sections 5.3(c), 6.2, 6.5 and 8.5 hereof and any rights of the Issuer to receive notices, certificates, or other communications hereunder), including the right to receive payments hereunder and the proceeds thereof, and hereby directs the Company to make said payments, or to cause said payments to be made, directly to the Trustee. The Company herewith consents to such assignment and will make payments, or cause payments to be made, directly to the Trustee without defense or set-off by reason of any dispute between the Company and the Issuer or the Trustee.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default. Each of the following events shall constitute and is referred to in this Lease Agreement as an "Event of Default":

(a) Failure by the Company to pay when due any payment required to be made under Section 5.3(a) hereof, which failure shall continue for a period of ten (10) days.

(b) Failure by the Company to observe and perform any material covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 8.1(a), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Trustee, provided that if the Company is proceeding with reasonable diligence to remedy the same, then such sixty-day period shall be extended to such date as may be reasonably necessary to remedy such default. The Company shall not be deemed in breach or default of this Lease Agreement during such initial sixty-day cure period, nor (as long as the Company is proceeding with reasonable diligence as set forth above) during such extended cure period.

(c) The dissolution or liquidation of the Company or the filing by the Company of a voluntary petition in bankruptcy, or failure by the Company promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry out its obligations under this Lease Agreement, or filing of any involuntary bankruptcy proceedings against the Company which is not timely contested by the Company, or a general assignment by the Company for the benefit of its creditors, or the entry by the Company into an agreement of composition with its creditors of such consequence as will impair its ability to carry out its obligations under this Lease Agreement, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization instituted under the provisions of any bankruptcy act, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Company", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Company resulting either from a merger or consolidation of the Company into or with another entity or a dissolution or liquidation of the Company following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 6.1 hereof.

Section 8.2. Force Majeure. The provisions of Section 8.1 hereof are subject to the following limitation: if by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or other acts of any kind of the Government of the United States or of the State of Arkansas, or any other sovereign entity or body politic, or any department, agency, political subdivision, court or official of any of them, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, volcanoes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances;

explosions, breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out any one or more of its agreements or obligations contained herein, other than its obligations under Sections 5.3(a), 6.1 and 6.2 hereof, the Company shall not be deemed in default by reason of not carrying out said agreement or agreements or performing said obligation or obligations during the continuance of such inability. The Company agrees, however, to use all reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the sole discretion of the Company unfavorable to the Company.

Section 8.3. Remedies on Default. Whenever any Event of Default hereunder shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Issuer with the prior consent of the Trustee, or the Trustee, may at its option, and shall, if acceleration occurs or is declared pursuant to Section 1002 of the Indenture, declare all unpaid amounts payable under this Lease Agreement, together with interest, then due thereon, to be immediately due and payable, whereupon the same shall become due and payable.

(b) The Issuer with the prior consent of the Trustee, or the Trustee, may take any action at law or in equity to collect the payments then due and thereafter to come due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the Indenture.

In case any proceeding taken by the Issuer or the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Trustee, then and in every case the Issuer, the Company and the Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer, the Company and the Trustee shall continue as though no such proceeding has been taken.

Section 8.4. No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Lease 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 given under this Lease Agreement or 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 Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to

entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required in this Article. Nothing in this Lease Agreement contained shall affect or impair the right of the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds) to institute in its own name any suit, action or proceeding in equity or at law for the enforcement of this Lease Agreement for any other remedy hereunder.

Section 8.5. Company to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Lease Agreement and the Issuer or the Trustee should employ attorneys or incur other expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company contained herein, the Company agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.6. Waiver of Breach. In the event that any agreement contained herein shall be breached by either the Company or the Issuer and such breach shall thereafter be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this Lease Agreement to the Trustee under the Indenture, the Issuer shall have no power to waive any default hereunder by the Company without the consent of the Trustee, and the Trustee may exercise any of the rights of the Issuer hereunder (other than the rights retained by the Issuer as set forth in Section 7.4).

ARTICLE IX

REDEMPTION OF BONDS

Section 9.1. Optional Redemption of Bonds. The Company shall have and is hereby granted the option to prepay installments payable hereunder for the purpose of redeeming prior to maturity the Bonds, in whole or in part, pursuant to Section 301 of the Indenture.

Section 9.2. Amounts Payable by Company. (a) In the case of a prepayment for the redemption of the Bonds in whole pursuant to Section 9.1 hereof, the amount to be prepaid by the Company hereunder (which shall fully discharge the obligation of the Company to make Lease Payments hereunder) will be a sum sufficient, together with other funds deposited with Trustee and available for such purpose, to pay (1) the principal of all Bonds then outstanding, plus interest accrued and to accrue to the date upon which the Bonds will be redeemed, pursuant to the Indenture, (2) all reasonable and necessary fees and expenses of the Trustee and any paying agent accrued and to accrue through final payment of the Bonds, and (3) all other liabilities of the Company accrued and to accrue under this Lease Agreement.

(b) In case of a prepayment for the redemption of the Bonds in part pursuant to Section 9.1 hereof, the amount to be prepaid by the Company hereunder will be a sum sufficient, together with other funds deposited with Trustee and available for such purpose, to pay (1) the principal of all Bonds then being redeemed, plus interest accrued and to accrue to the date upon which the Bonds will be redeemed, pursuant to the Indenture, (2) all reasonable and necessary fees and expenses of the Trustee and any paying agent accrued and to accrue in connection with said redemption, and (3) all other liabilities of the Company accrued and to accrue under this Lease Agreement in connection with said redemption.

(c) The Company agrees to and shall pay to the Trustee any amount required to be paid by it under this Section 9.2, and the Trustee shall be directed to use the moneys so paid to it to redeem the Bonds pursuant to the provisions of the Indenture. Any amount required to be paid under this Section 9.2, shall not be deemed to be paid until immediately available funds are received by the Trustee.

Section 9.3. Procedure for Exercise of Option. To exercise the option granted in this Article IX, the Company shall give written notice to the Issuer and the Trustee which shall specify therein the date upon which redemption of the Bonds will be made. Such date shall not be less than forty-five (45) days from the date the notice is given. Upon receipt of such notice, the Issuer shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable provisions of the Indenture to effect redemption of all or part, as the case may be, of the Bonds on the earliest practicable date thereafter on which such redemption may be made under the applicable provisions of the Indenture.

ARTICLE X

PURCHASE OF PREMISES

Section 10.1. Purchase of Project. In the event the Company pays or prepays Lease Payments and other amounts owing to the Issuer and the Trustee under this Lease Agreement and the Indenture in such a manner so as to permit this Lease Agreement to be released from the lien of the Indenture in accordance with the terms thereof, then, irrespective of any default hereunder, the Project shall be transferred by the Issuer to the Company, such payment or prepayment of the Lease Payments and other amounts owing to the Issuer and the Trustee to constitute the purchase price of the Project.

Section 10.2. Project to Vest in Company Upon Expiration. Upon expiration of the term of this Lease Agreement and the satisfaction of all obligations of the Company contained herein, title to the Project shall automatically and ipso facto vest in the Company. If requested, the Issuer shall execute, acknowledge where appropriate, and deliver such instrument or instruments as the Company may reasonably request to confirm the vesting of title to the Project in the Company.

Section 10.3. Method of Transfer. Transfer of title to the Project or any portion thereof shall be by special warranty deeds, bills of sale, and other appropriate conveyance instruments executed and acknowledged by the Issuer transferring good and merchantable title to the Company (or its designee) free and clear of all liens and encumbrances except those to which title was subject when leased hereunder, Permitted Encumbrances under this Lease Agreement, or resulting from any failure of the Company to perform any of its obligations under this Lease Agreement. At either party's option, closing shall occur through an escrow established with a title company mutually acceptable to the parties.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. Except as otherwise provided in this Lease Agreement, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when delivered by hand delivery or when the same has been mailed by registered or certified mail, postage prepaid, to the Issuer, the Company, or the Trustee. Copies of each notice, certificate or other communication given hereunder by or to the Company shall be mailed by registered or certified mail, postage prepaid, to the Trustee; provided, however, that the effectiveness of any such notice shall not be affected by the failure to send any such copies. Notices, certificates or other communications shall be sent to the following addresses:

Issuer: City of Jonesboro, Arkansas
300 S. Church St.
Jonesboro, Arkansas 72401
Attention: Mayor

Company: Nestlé Prepared Foods Company
30003 Bainbridge Road
Solon, Ohio 44139
Attention: Legal Department

With a copy to:

Nestlé Prepared Foods Company
1812 N Moore Street
Arlington, VA 22209
Attention: Tax Department - Elaine White

Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust

Any of the foregoing may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2. Severability. If any provision of this Lease Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 11.3. Execution of Counterparts. This Lease Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.4. Amounts Remaining in Bond Fund. It is agreed by the parties hereto that after payment in full of (i) the Bonds (or the provision for payment thereof having been made in accordance with the provisions of the Indenture), (ii) the fees, charges and expenses of the Trustee and paying agents (if any) in accordance with the Indenture, and (iii) all other amounts required to be paid under this Lease Agreement and the Indenture, any amounts remaining in the Bond Fund shall belong to and be paid by the Trustee to the Company.

Section 11.5. Amendments, Changes and Modifications. Except as otherwise provided in this Lease Agreement or the Indenture, subsequent to the initial issuance of Bonds and prior to payment in full of the Bonds (or the provision for payment thereof having been made in accordance with the provisions of the Indenture), this Lease Agreement may not be effectively amended, changed, modified, altered or terminated nor any provision waived, without the written consent of the Trustee.

Section 11.6. Governing Law. This Lease Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Arkansas.

Section 11.7. Company Representatives. A Company Representative shall act on behalf of the Company whenever the approval of the Company is required or the Company requests the Issuer to take some action, and the Issuer and the Trustee shall be authorized to act on any such approval or request and neither party hereto shall have any complaint against the other or against the Trustee as a result of any such action taken.

Section 11.8. No Personal Liability. No covenant or agreement contained in this Lease Agreement shall be deemed to be the covenant or agreement of any official, officer, agent, or employee of the Issuer in his individual capacity, and no such person shall be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.9. Parties in Interest. This Lease Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, and no other person, firm or corporation shall have any right, remedy or claim under or by reason of this Lease Agreement; provided, however, that any obligation of the Issuer created by or arising out of this Lease Agreement shall be payable solely out of the revenues derived from this Lease Agreement or the sale of the Bonds or income earned on invested funds as provided in the Indenture and shall not constitute, and no breach of this Lease Agreement by the Issuer shall impose, a pecuniary liability upon the Issuer or a charge upon the Issuer's general credit.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Lease Agreement to be executed in their respective names, and the Issuer has caused its seal to be hereunto affixed and attested by its duly authorized officer, all as of the date first above written.

CITY OF JONESBORO, ARKANSAS
As Lessor

By: _____
Mayor

ATTEST:

City Clerk

(SEAL)

NESTLÉ PREPARED FOODS COMPANY
As Lessee

By: _____

Title

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

On this ____ day of _____, 2021, before me, the undersigned Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Harold Copenhaver and April Leggett (being the person or persons authorized by said municipality to execute such instrument, stating their respective capacities in that behalf), to me personally well known (or satisfactorily proven to be such person), who stated that they were the Mayor and City Clerk of the City of Jonesboro, Arkansas, a municipality, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said municipality, and further stated and acknowledged that they had so signed, executed, and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 2021.

Notary Public

My Commission expires:

(SEAL)

EXHIBIT A

Description of Project

The Project to be financed with the proceeds of the Bonds generally consists of (a) various improvements to the Plant in the areas highlighted on the map of the Plant site attached hereto as Exhibit B, and (b) the acquisition and installation of various machinery, equipment and other tangible personal property. The address of the Plant is 1 Nestle Way, Jonesboro, Arkansas 72401.

EXHIBIT B

Map of Plant Site

EXHIBIT C

Description of Plant Site

The following described land situated in Craighead County, Arkansas, to-wit: