

SECOND SUPPLEMENTAL TRUST INDENTURE

This SECOND SUPPLEMENTAL TRUST INDENTURE dated as of the first day of February, 1978, by and between the CITY OF JONESBORO, ARKANSAS, a City of the first class, duly existing under the laws of the State of Arkansas (the "City"), as party of the first part, and MERCANTILE BANK, an institution organized under and existing by virtue of the laws of the State of Arkansas, with its principal office, domicile and post office address in Jonesboro, Arkansas (the "Trustee"), as party of the second part;

WITNESSETH:

WHEREAS, the City and the Trustee have heretofore executed and delivered a Trust Indenture dated as of July 1, 1974, recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas in Record Book, Vol. 176 at page 153 (the "original Trust Indenture"), securing Industrial Development Revenue Bonds of the City authorized in the total aggregate principal amount of One Million Dollars (\$1,000,000); and

WHEREAS, the City and the Trustee have heretofore executed and delivered a First Supplemental Trust Indenture dated as of July 1, 1975, recorded in the office of said Craighead County Recorder at Record Book Vol. 183 at Page 452; and

WHEREAS, the City has heretofore delivered Two Hundred Twenty-Five Thousand Dollars (\$225,000) in principal amount of bonds dated July 1, 1974 (the "Series A Bonds"), and Two Hundred Twenty-Five Thousand Dollars (\$225,000) in principal amount of bonds dated July 1, 1975 (the "Series B Bonds"), and, as authorized by the original Trust Indenture, the City proposes to sell and deliver an additional Five Hundred Thousand Dollars (\$500,000) in principal amount of bonds (the "Series C Bonds") pursuant to the provisions of Section 202 B. of the original Trust Indenture; and

and Two Hundred Twenty-Five Thousand Dollars (\$225,000) in principal amount, designated Series B, have been heretofore issued, and with the bonds of the total authorized issue, regardless of series, ranking on a parity of security and herein referred to as the "bonds." The bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of July 1, 1974, duly executed and delivered by the City to the Trustee, which Indenture is recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, and reference is hereby made to the Indenture and to all Indentures supplemental thereto (including a First Supplemental Trust Indenture dated as of July 1, 1975, and a Second Supplemental Trust Indenture dated as of February 1, 1978 setting forth the details of, and certain other matters necessary by virtue of the issuance of, the Series B Bonds and the Series C Bonds, respectively, each duly executed, delivered and recorded) (collectively the "Indenture"), for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City, the Trustee and the holders and registered owners of the bonds, and the terms upon which the bonds are issued and secured. The bonds are being issued for the purpose of financing the costs of acquiring, constructing and equipping an industrial Project described in the Indenture and paying expenses of issuing the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended ("Act No. 9"), and pursuant to Ordinance No. 1382 of the City, passed and approved on the 17th

day of December, 1973, as amended and supplemented by Ordinance No. 1455 of the City passed and approved on the 16th day of June, 1975 and Ordinance No. _____ of the City passed and approved on the 3rd day of January, 1978, which ordinances authorized the execution and delivery of the Indenture, as supplemented and amended. The bonds are not general obligations of the City, but are special obligations payable solely from lease rentals and revenues derived from the Project. A Lease Agreement has been executed between the City as Lessor and Flintrol, Inc. (formerly named Gilbert International, Inc.), an Arkansas corporation ("Flintrol"), as Lessee, dated as of July 1, 1974, as amended and supplemented by a First Supplemental Lease and Agreement, dated as of July 1, 1975 and a Second Supplemental Lease and Agreement, dated as of February 1, 1978 (collectively the "Lease Agreement"), which provides for basic rent sufficient to pay the principal of and interest on the bonds as the same become due. Provision has been made in the Lease Agreement for the basic rent to be paid directly to the Trustee and deposited in a special account of the City designated "Jonesboro, Arkansas Industrial Development Revenue Bond Fund - Flintrol Project" (the "Bond Fund"). Project revenues (including particularly rentals under the Lease Agreement) have been duly pledged by the Indenture to the payment of the principal of and interest on the bonds, and the bonds are secured by a lien on and security interest in the Project land, improvements thereon and the machinery and equipment specified in the Indenture, subject to the Lease Agreement and encumbrances permitted by the Indenture. The bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation.

The Series C Bonds, and only the Series C Bonds, are additionally secured by the Guaranty of the payment of principal of, and interest on, the Series C Bonds by the Arkansas

Industrial Development Commission (the "AIDC Guaranty") under the provisions of Act No. 173 of 1967, as amended, and Act No. 397 of 1969, as amended, of the General Assembly of the State of Arkansas. Reference is made to the AIDC Guaranty for the nature and extent of the guaranty so provided.

The holder of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the bonds issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Series C Bonds shall be subject to redemption prior to maturity as follows:

(1) On any interest payment date, in whole but not in part, from the proceeds of condemnation of all or substantially all of the Project or from the Lessee exercising an option to purchase pursuant to the provisions of Section 2002A of the Lease Agreement, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(2) On and after October 1, 1988, at the option of the City, from funds from any other source, in whole or in part, on any interest payment date, in inverse order of maturity (redemption within a maturity to be by lot in such manner as the Trustee shall determine) with there to be no partial re-

demption of any bond, at a redemption price equal to the principal amount of the bonds being redeemed plus accrued interest to the date of redemption.

Notice of the call for redemption shall be published one time in a newspaper published in the City of Little Rock, Arkansas, and having a general circulation throughout the State of Arkansas, which publication shall be not less than thirty (30) days before the date of redemption. In addition, notice of redemption shall be mailed by registered or certified mail to the registered owner of any bond registered as to principal addressed to such registered owner at his registered address and placed in the mails not less than thirty (30) days prior to the date fixed for redemption. In the event that all of the bonds are registered as to principal, notice in writing by registered or certified mail to the owner or owners thereof not less than thirty (30) days prior to the date fixed for redemption shall be sufficient, and published notice of the call for redemption need not be given. Each notice shall specify the numbers and the maturities of the bonds being called and the date on which they shall be presented for payment. After the date specified in such call, the bond or bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

This bond may be registered as to principal alone or as to principal and interest and may be discharged from such registration in the manner, with the effect and subject to the terms and conditions endorsed hereon and set forth in the indenture. Subject to the provisions for registration endorsed hereon and contained in the Indenture, nothing contained in this bond or in the Indenture shall affect or impair the nego-

tiability of this bond and as declared in Act No. 9, this bond shall be deemed to be a negotiable instrument under the laws of the State of Arkansas. This bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by the bonds, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the above referred to revenues pledged to the payment of the principal of and interest on the bonds as the same become due and payable will be sufficient in amount for that purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of Jonesboro, Arkansas, has caused this bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the facsimile signature of the Mayor and the manual signature of the City Clerk, and its corporate seal to be affixed, and has caused the interest coupons herein attached to be executed by the facsimile signature of its Mayor, all as of the first day of February, 1978.

CITY OF JONESBORO, ARKANSAS

ATTEST:

By: _____ (facsimile signature)
Mayor

City Clerk

(S E A L)

ARTICLE I

AMENDMENTS AND SUPPLEMENTS
TO ORIGINAL LEASE AGREEMENT

Section 101. The following amendments and supplements are made to the definitions in Section 101 of the Lease Agreement:

"Series C Bonds" - The third series of bonds being delivered under the provisions of the Indenture, as amended by the First and Second Supplemental Trust Indentures, in the principal amount of \$500,000.

"Indenture" - The Trust Indenture between the City and the Trustee, dated as of July 1, 1974, which is recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, together with all supplements thereto, including particularly the First Supplemental Trust Indenture dated as of July 1, 1975, setting forth the details of the Series B Bonds, and the Second Supplemental Trust Indenture, dated as of February 1, 1978, setting forth the details of the Series C Bonds. All references in the Indenture, the Lease Agreement, and in the authorizing ordinances to "Indenture" shall mean the definition as expressed herein.

"Lease Agreement" - The Lease and Agreement between the City as Lessor and Flintrol (formerly referred to as "Gilbert") as Lessee, dated as of July 1, 1974, recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, and any supplements thereto, including particularly this Second Supplemental Lease and Agreement dated as of February 1, 1978, recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, as well as the First Supplemental Lease and Agreement dated as of July 1, 1975. All references in the Lease Agreement, the Indenture (particularly the granting clauses) and in the authorizing ordinances to "Lease Agreement" shall mean the definition as expressed herein.

"leased premises" or "Project" - the lands, buildings, improvements and machinery and equipment covered by the Lease Agreement (specifically defined in Section 301 thereof) as amended and supplemented by the First Supplemental Lease and Agreement and this Second Supplemental Lease and Agreement, including, without limitation, all properties (real, personal and mixed), acquired with the proceeds of the Series C Bonds.

"AIDC" - The Arkansas Industrial Development Corporation, governing body of the Department of Industrial Development (of the State of Arkansas), or any successor agency. Payment of principal and interest on the Series C Bonds is being guaranteed by AIDC. Whenever referred to herein, it is intended by Lessor and Lessee that AIDC shall have and be entitled to all rights set forth in connection with that reference as though and to the same extent as though it were a signatory party hereto as Lessor and that it may be entitled to exercise those rights on its own behalf and in its own name.

Section 102. That Section 301 of the Lease Agreement is hereby amended and supplemented by including as part of the "leased premises" all properties (real, personal and mixed), acquired out of the proceeds of the Series C Bonds, including in particular the real property described in Exhibit A attached hereto.

Section 103. That the basic rent schedule set forth in Section 303 of the Lease Agreement is hereby amended and supplemented by adding thereto (in addition to all other amounts payable for the Series A Bonds and the Series B Bonds) the amounts necessary for debt service requirements on the Series C Bonds, as reflected by the following schedule:

SERIES C BONDS - BASIC RENT SCHEDULE

<u>Date Due</u>	<u>Amount</u>
September 20, 1978	\$20,304.17
March 20, 1979	15,228.13
September 20, 1979	30,228.13
March 20, 1980	14,778.13
September 20, 1980	29,778.13
March 20, 1981	14,328.13
September 20, 1981	29,328.13
March 20, 1982	13,878.13
September 20, 1982	28,878.13
March 20, 1983	13,428.13
September 20, 1983	28,428.13
March 20, 1984	12,978.13
September 20, 1984	32,978.13
March 20, 1985	12,378.13
September 20, 1985	32,378.13
March 20, 1986	11,778.13
September 20, 1986	31,778.13
March 20, 1987	11,178.13
September 20, 1987	31,178.13
March 20, 1988	10,578.13
September 20, 1988	35,578.13
March 20, 1989	9,828.13
September 20, 1989	34,828.13
March 20, 1990	9,078.13
September 20, 1990	34,078.13
March 20, 1991	8,328.13
September 20, 1991	33,328.13
March 20, 1992	7,578.13
September 20, 1992	37,578.13
March 20, 1993	6,678.13
September 20, 1993	36,678.13
March 20, 1994	5,759.38
September 20, 1994	40,759.38
March 20, 1995	4,687.50
September 1995	39,687.50
March 20, 1996	3,593.75
September 20, 1996	38,593.75
March 20, 1997	2,500.00
September 20, 1997	42,500.00
March 20, 1998	1,250.00
September 20, 1998	41,250.00

Section 104. The expiration of the initial term of the Lease Agreement is extended from midnight July 1, 1994 to midnight October 1, 1998. The option to purchase granted to Lessee in Section 2002B of the Lease Agreement shall not be exercisable until October 1, 1988 the date on which the Series C Bonds are subject to optional redemption, but notice of the exercise of the option may be given at any time prior to October 1, 1988.

ARTICLE II

Section 201. The AIDC has guaranteed the payment of the principal and interest of the Series C Bonds. In consideration of the guaranty the AIDC is afforded all rights and remedies available to the City as Lessor under the Lease and Agreement, as amended and supplemented, including, without limiting the generality of the foregoing the following:

(a) The AIDC shall have the right of indemnity set forth in Section 1001 of the Lease Agreement.

(b) The AIDC shall have the right of inspection set forth in Section 1301 of the Lease Agreement.

(c) The privilege of assignment or subletting accorded to the Lessee by Section 1601 of the Lease Agreement shall be exercisable only with the written consent of the AIDC.

(d) All notices given pursuant to Section 2101 of the Lease Agreement to either the City or the Trustee shall also be given to the AIDC addressed as follows:

Arkansas Industrial Development Commission
State Capitol
Little Rock, Arkansas 72201
Attention: Director

(e) The consent of the AIDC shall also be required for any amendment to the Lease Agreement as provided in Section 2307 of the Lease Agreement.

(f) The financial reports required to be given to the Trustee pursuant to section 2308 of the Lease Agreement shall also be provided to the AIDC and the original Underwriter of the Series C Bonds at the same time and in the same manner as they are provided to the Trustee.

(g) The reports of removal, substitution, sales or other dispositions of Lessor's machinery required to be made by Lessee pursuant to Section 2502 of the Lease Agreement shall also be provided at the same time and in the same manner to the AIDC.

ARTICLE III

MISCELLANEOUS

Section 301. The provisions of the Lease Agreement, as amended and supplemented by the First Supplemental Lease and Agreement and this Second Supplemental Lease and Agreement, shall continue in full force and effect.

Section 302. This Second Supplemental Lease and Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. A copy hereof shall be recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, and a copy shall be filed and remain on file with the Trustee.

IN WITNESS WHEREOF the parties hereto have caused this Second Supplemental Lease and Agreement to be executed by their duly authorized officials and officers as of the day and year first above written.

CITY OF JONESBORO, ARKANSAS
LESSOR

ATTEST:

By _____
Mayor

City Clerk

(S E A L)

FLINTROL, INC.
LESSEE

ATTEST:

By _____

(title)

(title)

TRUSTEE'S CONSENT TO EXECUTION OF
SECOND SUPPLEMENTAL LEASE AND AGREEMENT

The execution and delivery of this Second Supplemental Lease and Agreement is hereby consented to and approved by the undersigned as Trustee under the Indenture by and between the undersigned and the City of Jonesboro, Arkansas, dated July 1, 1974, securing the Industrial Development Revenue Bonds identified in the Indenture.

MERCANTILE BANK
JONESBORO, ARKANSAS, TRUSTEE

ATTEST:

(title)

By _____

(title)

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

On this _____ day of January, 1978, before me, a Notary Public duly commissioned, qualified and acting within and for the State and County aforesaid, appeared in person the within named Neil J. Stallings and Shirley Powell, Mayor and City Clerk, respectively, of the City of Jonesboro, Arkansas, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name of the municipality, and further stated and acknowledged that they had signed, executed and delivered the 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 January, 1978.

Notary Public

My commission expires:

(S E A L)

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

On this ____ day of January, 1978, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named _____ and _____, _____ and _____, respectively, of Flintrol, Inc., an Arkansas corporation, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of the corporation, and further stated and acknowledged that they had so signed, executed and delivered the same for the uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of January, 1978.

Notary Public

My commission expires:

(S E A L)

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds, designated Series C, in and issued under the provisions of the within mentioned Indenture.

MERCANTILE BANK
Jonesboro, Arkansas
Trustee

By _____
(Authorized Signature)

(Form of Coupon)

\$ _____

No. _____

On the first day of (April) (October), 19__, the City of Jonesboro, Arkansas (unless the bond to which this coupon is attached shall have been previously called for redemption or shall have become payable as provided in the Indenture referred to in the bond) will pay, solely from the revenues pledged in the Indenture, to bearer at the principal office of Mercantile Bank, Jonesboro, Arkansas, upon presentation and surrender hereof, the sum of

_____ DOLLARS

in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, being six (6) months interest then due on its Industrial Development Revenue Bond - Flintrol Project, Series C, dated February 1, 1978, and numbered _____-C.

CITY OF JONESBORO, ARKANSAS

By _____
(facsimile signature)
Mayor

(The first coupon shall be for eight (8) months' interest.)

ARTICLE III

MISCELLANEOUS

Section 301. The provisions of the original Trust Indenture, as amended and supplemented by this Second Supplemental Trust Indenture, shall continue in full force and effect and shall be fully applicable to the Series C Bonds, including, without limitation, the execution, authentication and delivery thereof and security therefor. The Series C Bonds shall rank on a parity of security with the Series A Bonds and the Series B Bonds.

Section 302. This Second Supplemental Trust Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. A copy hereof shall be recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, and a copy shall be filed and remain on file with the Trustee.

IN WITNESS WHEREOF, the City of Jonesboro, Arkansas, has caused these presents to be signed in its name and behalf by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and to evidence its acceptance of the trusts hereby created, Mercantile Bank, Jonesboro, Arkansas, has caused these presents to be signed in its name and behalf by its _____ and its corporate seal to be hereunto affixed and attested by its _____, all as of the day and year first above written.

CITY OF JONESBORO, ARKANSAS

ATTEST:

By _____
Mayor

City Clerk

(S E A L)

MERCANTILE BANK
JONESBORO, ARKANSAS, TRUSTEE

ATTEST:

By _____

(Title)

(Title)

(S E A L)

ACKNOWLEDGMENT OF NOTICE OF AND CONSENT TO
SECOND SUPPLEMENTAL TRUST INDENTURE

Flintrol, Inc. (formerly named Gilbert International, Inc.) hereby accepts notice of the execution and delivery of the foregoing Second Supplemental Trust Indenture; acknowledges that the same is authorized by, and is in accordance with the provisions of, the Lease Agreement within the City of Jonesboro, Arkansas, is Lessor, and Flintrol, Inc., is Lessee, dated July 1, 1974, as amended and supplemented by the First Supplemental Lease and Agreement dated as of July 1, 1975, and the Second Supplemental Lease and Agreement, dated as of February 1, 1978, and consents to the execution and delivery of this Second Supplemental Trust Indenture.

FLINTROL, INC.

By _____

(title)

ATTEST:

(title)

(S E A L)

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

On this ____ day of January, 1978, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named Neil J. Stallings and Shirley Powell, Mayor and City Clerk, respectively, of the City of Jonesboro, Arkansas, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name of the municipality, and further stated and acknowledged that they had signed, executed and delivered the 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 January, 1978.

Notary Public

My commission expires:

(S E A L)

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

On this ____ day of January, 1978, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named _____ and _____, _____, _____ and _____, respectively, of Flintrol, Inc., an Arkansas corporation, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of the corporation, and further stated and acknowledged that they had so signed, executed and delivered the same for the uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of January, 1978.

Notary Public

My commission expires:

(S E A L)

PROVISIONS FOR REGISTRATION AND RECONVERSION

This bond may be registered as to principal alone on books of the City, kept by the Trustee under the within mentioned Indenture as bond registrar, upon presentation hereof to the bond registrar, which shall make mention of such registration in the registration blank below, and this bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the bond registrar, such transfer to be made on such books and endorsed hereon by the bond registrar. Such transfer may be to bearer, and thereafter transferability by delivery shall be restored, but this bond shall again be subject to successive registrations and transfers as before. The principal of this bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative. Interest accruing on this bond will be paid only on presentation and surrender of the attached interest coupons as they respectively become due, and notwithstanding the registration of this bond as to principal, the appurtenant interest coupons shall remain payable to bearer and shall continue to be transferable by delivery; provided, that if upon registration of this bond, or at any time thereafter while this bond is registered in the name of the owner, the unmatured coupons attached evidencing interest to be thereafter paid hereon shall be surrendered to said bond registrar, a statement to that effect will be endorsed hereon by the bond registrar and thereafter interest evidenced by such surrendered coupons may be paid by check or draft of the bond registrar at the times provided herein to the registered owner of this bond by mail to the address shown on the registration books. This bond when so converted into a bond registered as to both principal and interest may be re-

EXHIBIT A

TO

SECOND SUPPLEMENTAL TRUST INDENTURE

CITY OF JONESBORO, ARKANSAS \$500,000 INDUSTRIAL

DEVELOPMENT REVENUE BONDS - FLINTROL PROJECT,

SERIES C

Dated February 1, 1978

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

(here is to be inserted the legal description of
additional land being acquired from a portion of
the proceeds of the series C Bonds)

SECOND SUPPLEMENTAL LEASE AND AGREEMENT

This SECOND SUPPLEMENTAL LEASE AND AGREEMENT made as of the first day of February, 1978, by and between the CITY OF JONESBORO, ARKANSAS (the "City" or "Lessor") and FLINTROL, INC. (formerly named GILBERT INTERNATIONAL, INC.), a corporation organized under and existing by virtue of the laws of the State of Arkansas (the "Lessee"):

WITNESSETH:

WHEREAS, Lessor and Lessee entered into a Lease and Agreement dated July 1, 1974, and appearing of record in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, in Record Book Vol. 7, at Page 18, and amended and supplemented by the First Supplemental Lease and Agreement, dated July 1, 1975, and appearing of record in the office of said Recorder Record Book Vol. 193, at page 441 (collectively called herein the "Lease Agreement"); and

WHEREAS, it was recognized in Section 203 of the Lease Agreement that of the \$1,000,000 in principal amount of Industrial Development Revenue Bonds (identified in the Lease Agreement) authorized for the purpose of financing Project costs only \$225,000 in principal amount were initially issued (the "Series A Bonds") and an additional \$225,000 in principal amount were subsequently issued (the "Series B Bonds"), and that when additional bonds of the total authorized principal amount were sold and delivered, a further Supplemental Lease and Agreement would be executed and delivered by and between the Lessor and Lessee increasing the basic rent in the amount necessary to provide for debt service requirements on the bonds additionally issued and containing such other provisions as may be desirable; and

WHEREAS, it has now been determined to issue an additional \$500,000 in principal amount of bonds (the "Series C Bonds")

and this Second Supplemental Lease and Agreement is being executed and delivered pursuant to the provisions of Section 203 of the Lease Agreement;

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged by all parties hereto, and in consideration of the mutual benefits and covenants of the parties under the Lease Agreement and under this Second Supplemental Lease and Agreement, Lessor and Lessee agree as follows:

(form of bond)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF CRAIGHEAD
CITY OF JONESBORO
6% INDUSTRIAL DEVELOPMENT REVENUE BOND - FLINTROL PROJECT
SERIES C

No. C-

\$5,000

KNOW ALL MEN BY THESE PRESENTS:

That the City of Jonesboro, Craighead County, Arkansas, a municipality under the laws of the State of Arkansas (the "City"), for value received, promises to pay to bearer, or if this bond be registered to the registered owner hereof, on October 1, 19__, the principal sum of

FIVE THOUSAND DOLLARS

in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay in like coin or currency interest on said principal amount from the date hereof until paid at the rate of six per cent (6%) per annum, such interest to be payable semiannually on April 1 and October 1 of each year, commencing October 1, 1978. Principal and interest shall be payable at the principal office of Mercantile Bank, Jonesboro, Arkansas (the "Trustee" and the "Paying Agent"). Payment of interest when registered as to interest may be by check or draft to the registered owner as shown on the bond registration books of the City maintained by the Trustee.

This bond, designated "City of Jonesboro, Arkansas Industrial Development Revenue Bond - Flintrol Project, Series C," is one of a series of bonds (the "Series C Bonds") aggregating Five Hundred Thousand Dollars (\$500,000), with the Series C Bonds being part of a total authorized issue of One Million Dollars (\$1,000,000) of which Two Hundred Twenty-Five Thousand Dollars (\$225,000) in principal amount, designated Series A,

WHEREAS, the purpose of this Second Supplemental Trust Indenture is to set forth the details of the Series C Bonds and to amend and supplement certain provisions of the original Trust Indenture; and

WHEREAS, the execution and delivery of this Second Supplemental Trust Indenture and the issuance of the Series C Bonds have been in all respects duly and validly authorized by Ordinance No. _____ of the City, adopted and approved on the 3rd day of January, 1978; and

WHEREAS, concurrently with the delivery of this Second Supplemental Trust Indenture, the City has entered into a Second Supplemental Lease and Agreement with Flintrol, Inc. (formerly named Gilbert International, Inc.), an Arkansas corporation ("Flintrol"), increasing the basic rent in the amount necessary to provide for the prompt payment of the principal of and interest on the Series C Bonds and containing other provisions relevant to the Series C Bonds and to the properties being acquired and constructed out of the proceeds of the Series C Bonds and included in the Project (the "Second Supplemental Lease and Agreement"); and

WHEREAS, the City is authorized by Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended ("Act No. 9"), to enter into the Second Supplemental Lease and Agreement and this Second Supplemental Trust Indenture and to issue the Series C Bonds; and

WHEREAS, the Series C Bonds and interest coupons to be attached thereto and the Trustee's Certificate to be endorsed thereon are to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by the original Trust Indenture as amended and supplemented by this Second Supplemental Trust Indenture, to-wit:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS
INDENTURE WITNESSETH:

That the City, in consideration of the premises and of the sum of one Dollar (\$1.00) in lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and of the acceptance by the Trustee of the trusts set forth in the original Trust Indenture and in this Second Supplemental Trust Indenture, and for other good and valuable considerations, the receipt of which is hereby acknowledged by the parties hereto, does hereby, subject to the terms and provisions of the Lease Agreement, as amended and supplemented by the First Supplemental Lease and Agreement dated as of July 1, 1975, and the Second Supplemental Lease and Agreement dated as of February 1, 1978, grant, bargain, sell, convey, mortgage, assign and pledge unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the City set forth in the Indenture, all property of every kind and nature described in this Second Supplemental Trust Indenture and conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture and does hereby stipulate, covenant and agree with the Trustee and with the respective holders and registered owners, from time to time, of all of the bonds or coupons or any part thereof, and the Trustee does hereby stipulate, covenant and agree with the City for and on behalf of the respective holders and registered owners, from time to time, of all of the bonds or any part thereof as follows:

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

On this _____ day of _____, 1978, before me,
a Notary Public duly commissioned, qualified and acting, within
and for the State and County aforesaid, appeared in person the
within named _____ and _____,
_____ and _____,
respectively, of Mercantile Bank, Jonesboro, Arkansas, to me
personally known, who stated that they were duly authorized in
their respective capacities to execute the foregoing instrument
for and in the name and behalf of the Bank, and further stated
and acknowledged that they had so signed, executed and delivered
the 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 January, 1978.

Notary Public

My commission expires:

(S E A L)

ARTICLE I

AMENDMENTS AND SUPPLEMENTS
TO ORIGINAL TRUST INDENTURE

Section 101. Granting Clause 1 of the original Trust Indenture is amended by adding thereto the following:

"and the real estate and premises, with all buildings, additions and improvements now or hereafter located thereon, together with the tenements, hereditaments, appurtenances, rights, privileges, and immunities thereunto belonging or appertaining, as more particularly described in the attached Exhibit A which is made a part hereof."

Section 102. Granting Clause 3 of the original Trust Indenture is amended to read as follows:

"3.

The Lease Agreement, as amended and supplemented, including particularly the First and Second Supplemental Lease and Agreements, and all rights, but not obligations of the City thereunder and all revenues and income derived by the City from the mortgaged property, including, without limitation, all rentals received by the City from the leasing of the mortgaged property and in particular the rentals and profits received under and pursuant to the Lease Agreement, as amended and supplemented."

Section 103. The following amendments and supplements are made to the definitions in Section 101 of the original Trust Indenture:

"Series C Bonds" - The second series of bonds being delivered under the provisions of the Second Supplemental Trust Indenture in the principal amount of \$500,000.

"Indenture" - The Trust Indenture between the City and the Trustee, dated as of July 1, 1974, which is recorded in the office of the Circuit Clerk and Ex Officio Recorder of

Craighead County, Arkansas, together with all supplements thereto, including particularly the First Supplemental Trust Indenture dated as of July 1, 1975, setting forth the details of the Series B Bonds, and the Second Supplemental Trust Indenture dated as of February 1, 1978, setting forth the details of the Series C Bonds. All references in the Indenture, the Lease Agreement, and in the authorizing ordinances to "Indenture" shall mean the definition as expressed herein.

"Lease Agreement" - The Lease and Agreement between the City as Lessor and Gilbert as Lessee, dated as of July 1, 1974, recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas, and any supplements thereto, including particularly the First Supplemental Lease and Agreement dated as of July 1, 1975, and the Second Supplemental Lease and Agreement dated as of February 1, 1978, recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas. All references in the Lease Agreement, the Indenture (including in particular the granting clauses) and in the authorizing ordinances to "Lease Agreement" shall mean the definition as expressed herein.

"Lessee" or "Flintrol" - Flintrol, Inc., an Arkansas corporation, formerly named Gilbert International, Inc. Flintrol is the Lessee of the Project under the Lease Agreement and references thereto shall include any assignee pursuant to the provisions of the Lease Agreement. References heretofore appearing in the original Trust Indenture and the First Supplemental Trust Indenture to "Gilbert" shall be deemed to read "Flintrol" without further specific reference or amendment.

"AIDC" - The Arkansas Industrial Development Commission, governing body of the Department of Industrial Development and an agency of the State of Arkansas.

"AIDC Guaranty" - The Guaranty executed by AIDC pursuant to Act No. 173 of 1967, as amended, and Act No. 397 of 1969, as amended, guaranteeing payment of debt service on the Series C Bonds.

Section 104. Pursuant to the provisions of Section 202 B. of the Indenture, the details pertaining to the Series C Bonds are as follows:

The Series C Bonds shall be designated "City of Jonesboro, Arkansas Industrial Development Revenue Bonds - Flintrol Project, Series C" (the "Series C Bonds") and shall be in the principal amount of \$500,000. The Series C Bonds shall be dated February 1, 1978, and interest thereon shall be payable semi-annually on April 1 and October 1 of each year, commencing October 1, 1978. The Series C Bonds shall be numbered consecutively from 1-C to 100-C, inclusive, shall be in the denomination of \$5,000 each and the principal thereof shall mature, unless sooner redeemed in the manner in this Indenture set forth, on October 1 in each of the years set forth in and in the amount set opposite each year in the following schedule, which schedule also sets forth the bond numbers and the interest rate applicable to the Series C Bonds:

<u>Bond Nos.</u> <u>(All inclusive)</u>	<u>Rate of Interest</u> <u>(_____ %)</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>(October 1)</u>
1-C - 3-C	6	\$15,000	1979
4-C - 6-C	"	15,000	1980
7-C - 9-C	"	15,000	1981
10-C - 12-C	"	15,000	1982
13-C - 15-C	"	15,000	1983
16-C - 19-C	"	20,000	1984
20-C - 23-C	"	20,000	1985
24-C - 27-C	"	20,000	1986
28-C - 31-C	"	20,000	1987
32-C - 36-C	"	25,000	1988
37-C - 41-C	"	25,000	1989
42-C - 46-C	"	25,000	1990
47-C - 51-C	"	25,000	1991
52-C - 57-C	"	30,000	1992
58-C - 63-C	6-1/8	30,000	1993
64-C - 70-C	"	35,000	1994
71-C - 77-C	6-1/4	35,000	1995
78-C - 84-C	"	35,000	1996
85-C - 92-C	"	40,000	1997
93-C - 100-C	"	40,000	1998

Interest on the Series C Bonds shall be evidenced by interest coupons. The principal of the Series C Bonds and the interest thereon, except as otherwise provided in the case of registration, shall be payable to bearer upon presentation and surrender of the bonds and interest coupons at the principal office of the Trustee and Paying Agent. Payment of interest in the case of any bond registered as to interest may be by check or draft by the bond registrar at the times provided in the bond to the registered owners by mail to the registered owners' address shown on the registration book kept by the bond registrar. Payment of principal and interest shall be in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

The Series C Bonds issued under the Indenture and the coupons attached thereto shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 105. Pursuant to the provisions of Section 302 of the original Trust Indenture, the Series C Bonds shall be subject to redemption prior to maturity as specified in the Series C Bond form hereinabove set forth.

Section 106. The accrued interest and the proceeds of the sale of the Series C Bonds (after payment of the premium for the AIDC Guaranty and other fees, expenses or requirements as set forth in a letter of delivery instructions signed by the Mayor of the City and delivered to the Trustee upon which the Trustee may rely without further documentation) shall be deposited in the special account of the City in the Trustee designated "Industrial Development Revenue Bond Construction

Fund - Flintrol Project" (the "Construction Fund") established and being maintained pursuant to the provisions of Article VI of the Indenture and shall be governed by the provisions of the Indenture pertaining to the securing, investing and disbursing of moneys in the Construction Fund.

ARTICLE II

GUARANTY OF THE AIDC

Section 201. The payment of the principal of, and interest on, the Series C Bonds is guaranteed pursuant to the AIDC Guaranty. In consideration for the issuance of the AIDC Guaranty the City and the Trustee agree to the following additional requirements:

(a) Any right, remedy, or cause of action arising out of any matter in the Indenture may likewise be enforced by the AIDC as if it were either the City or the Trustee.

(b) No indenture supplemental or amendatory to the Indenture, the consent to the execution of which is required by Article XII, shall be made hereafter without the written approval of the AIDC.

(c) No amendment, change or modification of the Lease Agreement, the consent to the execution of which is required by Article XIII, shall be made hereafter without the written approval of the AIDC.

Section 202. Any notice required to be given by the City or the Trustee, whether to the other party or the bondholders, shall also be given to the AIDC, addressed as follows:

Arkansas Industrial Development Commission
State Capitol
Little Rock, Arkansas 72201
Attention: Director